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Balancing institutional logics

– The struggle to keep identity in hybrid organizations

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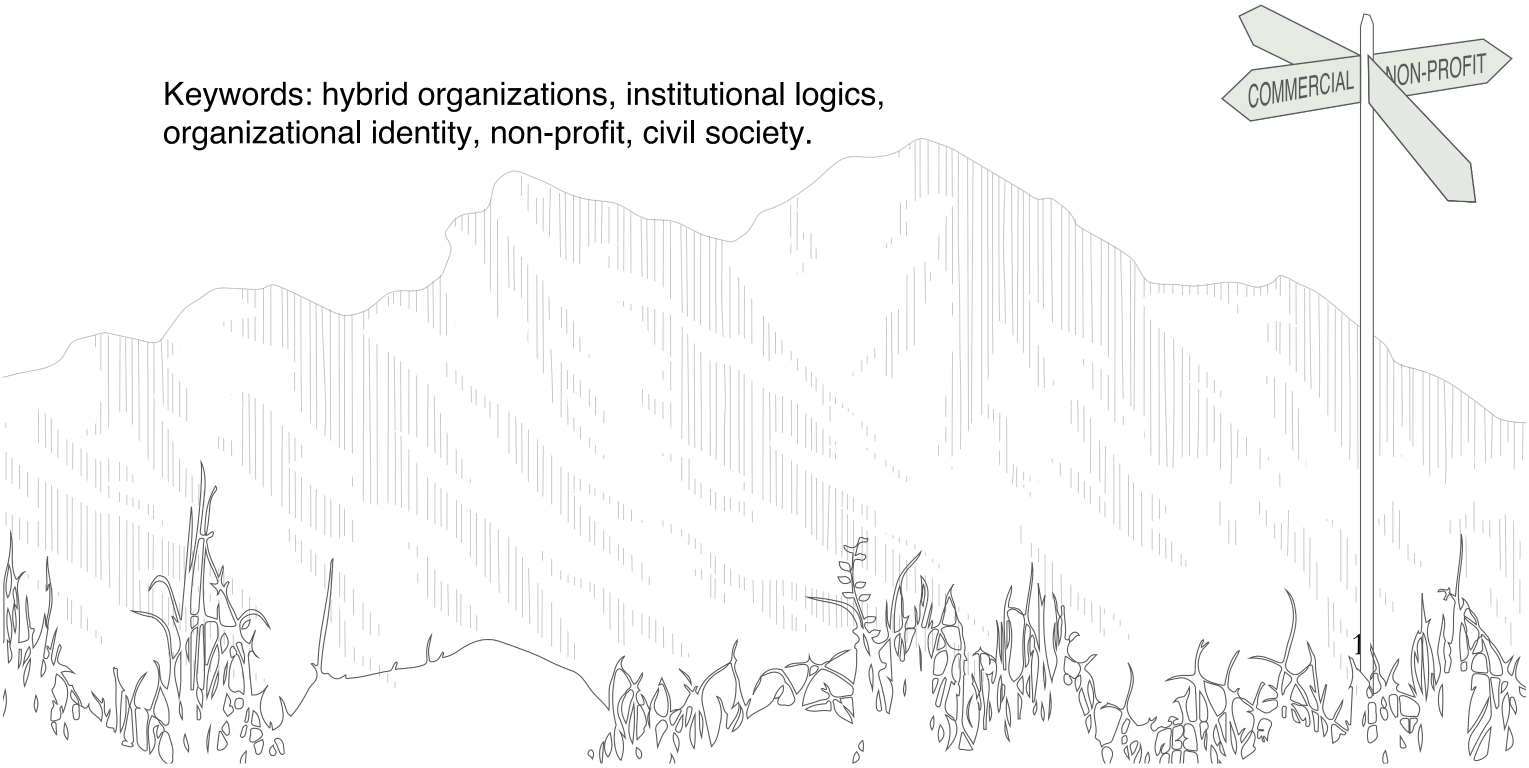

Abstract:

The civil society is currently undergoing a transformation. We see that actors have moved from production of voice towards production of service, also that governance has transformed from being volunteer-run towards managerialization. Thirdly, we see a need for a better-defined mission in order to gain support from the public sector, and finally, we are starting to talk about something called “half business, half charity”. The new conditions have caused actors to change their operations. One such change is the increase of commercialization. We have studied how commercial pressures affect associations in the Swedish civil society’s non-profit sector. Having one part in the non-profit sector while acting on the commercial market has created a multiple sector membership. These organizations are forced to handle different institutional logics as an everyday challenge.

In this thesis, we conducted a longitudinal case study with two of Sweden’s largest associations. Through performing 21 interviews with key representatives from the Management Teams and Board of Directors and gathering secondary information we ended up with five key events in each association. These events are representing tensions that arise when standing at a crossroad between a commercial and an ideological path.

In our study we found that internal anchoring and trend responsiveness seem crucial for strategic change, also to avoid that changes in the environment cause for mission drift. To transform with, rather than adapt to external pressures is necessary in order for the ideological purpose to stay relevant among other players in the society. Finally, if structural or geographical aspects cause for distance, the associations’ need to find other ways to create closeness towards their members.

"So many different things to so many different people that it must, of necessity, be partially at war with itself "

– Clark Kerr, 2001

Table of Contents

Key Terms:

Swedish Civil Society: Internationally we see the usage of "Non-profit sector" and "voluntary sector" as most prevailing. Those terms are mainly used in U.S. and Great Britain and have a short tradition in Sweden. Since the Swedish context is fairly different we rather refer to "ideell sector" but translation is a problem. During the 1980's-1990's, Civil Society (Civilsamhället) became a popular concept describing this sector (Wijkström and Lundström, 2002). Civil Society will further be used and explained in the thesis.

Non-profit organizations: Looking into the Civil Society sector, depending if you ask economists, sociologists or political scientists you will get a different answer. Different terms focuses on different attributes (voluntary organization, grass roots, social enterprise, NGOs etc.) even though the concept is fairly similar. In this thesis we talk about an institutionalized body, separated from the government, non-profit-distributing, independent and some kind of ideological purpose. We will use association/non-profit organizations from here onwards with regards to the Swedish sector.

Popular movements (Sw. Folkrörelser): Bear characteristics of promoting an ideology (independent and continuous), affiliation of certain members and structure of local associations. It usually has a nationwide scope and is democratic with no barriers for members to become active. Popular movements also capture a rising welfare state.

Associations (Sw. Föreningar): In our study, we describe an organized body of people that has a common interest, activity, or purpose. We talk about association as an organization that is practicing economic activity in order to foster member good (Hemström, 2000) and public good.

Acknowledgement

First of all, Stefan Einarsson. We have been pleased to have you as our supervisor. We would like to express our greatest gratitude for all your invaluable feedback during the process of producing this thesis. Thank you for answering the vast number of our e-mails, our text messages and a few calls. It has been a better journey having you by our side. Secondly, we want to thank Svenska Turistföreningen and Friskis&Svettis for your patience in relation to our interviews and for the transparency. Thank you for letting us search through your archives. Thirdly, Filip Wijkström, thank you for your spirit and effort put into this project. Finally, to all friends and family, thank you for your great support.

David Falk and Helene Sandwall
Stockholm, 17th of May 2015

1 Introduction

It is claimed that the shift towards commercialization in the Swedish civil society is a fact rather than a prediction. Due to this change, we see associations founded in idealism struggling to adapt to external pressures.

"As a commercial actor our existence has no meaning, that is not why we were established. We must find another niche on the market. […] Either we die or think of something new".

– Representative of management team, Swedish Tourist Association

Scholars have recognized that organizations are hybridizing (Billis, 2010), or beginning to straddle multiple fields. As a result, borders between the different fields are becoming less obvious and associations are operationally behaving more like companies. Now, associations' members and society in general are to asking "who is what" and "what is who". Meanwhile, associations are trying to maintain their civil society identity of carrying the voice of their members and at the same time dealing with actors that are purely commercial. Members, often representing the reason for the existence of the association, usually want the association to abide by its mission; thus, the management and Board of Directors need to ensure legitimacy from an outside perspective in order for the association to secure resources.

Since about 80 percent of the adult population in Sweden is a member of at least one association and that 48 percent were volunteering in at least one non-profit organization, this shift in civil society is most likely to have an effect on many individuals (Harding, 2012; Svedberg, von Essen and Jegermalm, 2010). As the number of full time employees amounted to 110,000 and the revenues for the civil society organizations was estimated to 212 billion (Harding, 2012; SCB, 2011) this is also something that most likely will affect the market.

In the middle of this change, when associations are drifting away from their reason of existence, associations need to find a way not to lose who they are. We wonder how this struggle of following or not following the commercial trends looks like and what the effects are inside the organization. As the representative from Swedish Tourist Association claims in the quote above, this is something that could affect their very existence. In order to understand this transformation we need to look deeper into associations.

1.1.1 A Civil Society in Transformation

Scholars like Putnam and Skocpol have analyzed a number of current threats for the civil society (Skocpol, 2003; Putnam, 2000). The most urgent, they indicate, is the decreasing meaning of the traditional membership. This is meant to imply that the functions of the non-profit sector, acting as a voice-, democracy- and offset function will decrease further in the future. The decreased membership could be a consequence of either the individuals or the organization. Wijkström and Lundström (2002) describe the civil society as an unexplored area of research. Looking at the actors in the market, the civil society has in the past years changed in different directions, which has created a new arena for the players in the non-profit sector. First of all, we can see a change in operations; more organizations within the civil society have moved from production of voice towards production of service (Lundström and Wijkström, 1997; Wijkström and Lundström, 2002; Wijkström and Einarsson, 2006; Johanson, Kassman and Scaramuzzino, 2011). Second, governance has transformed from being volunteer-run towards managerialization with employees being located in the management teams (Wijkström and Einarsson, 2006; Skocpol, 2003; Papakostas, 2012). Thirdly, public sector companies will not support associations simply because they exist; there is a need for a well-defined mission, enhancing the common good in a particular way; The associations in the civil society become tools for the public sector's intentions (Wijkström, Einarsson and Larsson, 2004; Johansson, 2003). Finally, as the figure 1 shows, we are starting to talk about something called "half business, half charity" (Wijkström, 2015), where the dominant logic is the commercial logic.

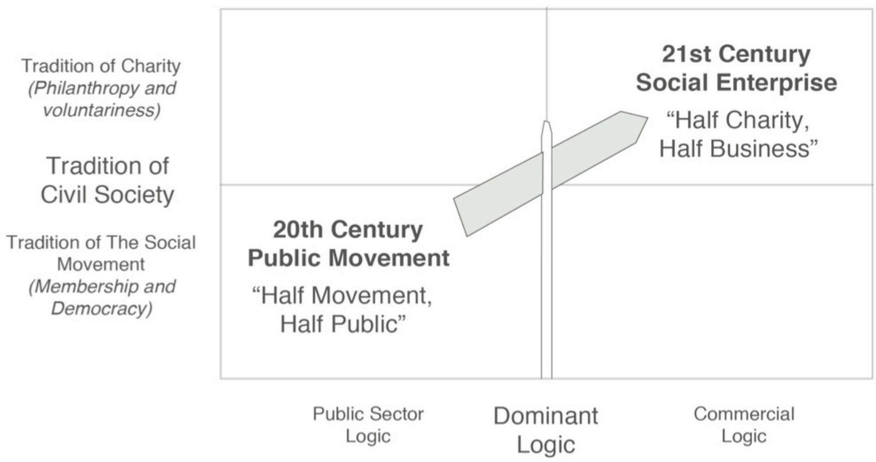

Figure 1. Moving from public movement to half business, half charity (Wijkström, 2015:86).

1.1.2 Multiple-sector Membership

Several associations are currently in the process of reconsidering the relationship to its members by e.g. increasing the wording of customer, entrepreneur, donors and volunteers (Papakostas, 2012; Brunsson, 1991). This illustrates the concept of organizations becoming members of multiple sectors. When associations are becoming more like market actors, we see a change in the behavior inside organizations, causing them to look more like companies. Non-profit organizations that walk but also talk like companies (Wijkström, 2012a).

Representatives are, later described through our case study, portraying their process as a paradox similar to a crossroad in which they do not know what direction they should go for. They can choose to become more like a company or stay close to their values. The complexity of balancing a mission with commercial imperatives is emphasized by scholars like Jäger and Beyes (2010), who indicate the need for further research within the area. Cornforth (2011) highlights the fact that we have so far studied the governance in non-profit organizations the wrong way. In order to capture how governance structures and practices change over time and in order to fairly assess board processes and governance complexity, we must investigate organizations longitudinally.

1.2 Purpose of the Study

In this study, we aim to further reflect on the organizational paradox related to multiple sector membership. The debate on non-profit organizations highlights the need for further empirical analysis of the Swedish Civil Society sector (e.g. Swedish political debate: DN, 2015). Also, this field of research is still in its early phase why additional contribution is necessary. To date, little effort has been focusing on combining theories from institutional logics and strategic management. By linking theories describing the outside forces that affect associations, and incorporating disciplines focusing on the internal factors, we aim to better understand how associations are able to manage such multiple circumstances from a strategic viewpoint. Since organizations that meet pluralistic logics are targets for a divergence of institutional systems, the inside is mirroring the contradictions from the larger systems themselves (Kraatz & Block, 2008). We want to pursue this study in order to reach further understanding on how organizations in civil society are handling today's challenge of facing both commercial and non-profit pressure. In addition, we want to see how associations manage to do so in a balanced manner in order to stay close to who they are rather than drifting away to become something else.

1.2.1 Scope and Research Question

We will study two of the largest associations in Sweden. Svenska Turistföreningen (Swedish Tourist Association, henceforth STF), which is one of the main chains of accommodation providers in Sweden, featuring almost 400 youth hostel, hotel and mountain stations. We will also study Friskis&Svettis, (henceforth F&S), which is an association with 156 facilities offering aerobics and fitness all over Sweden. Our study is carried out through the conduction of interviews with 21, both former and current, key representatives of both associations. In addition we considered 35 years of official documents.

In order to proceed in finding an appropriate research gap we want to find out the following:

Research question:

How do non-profit organizations balance the commercial pressures and preserve their identity in "Multiple Sector Membership"?

1.3 Thesis Disposition

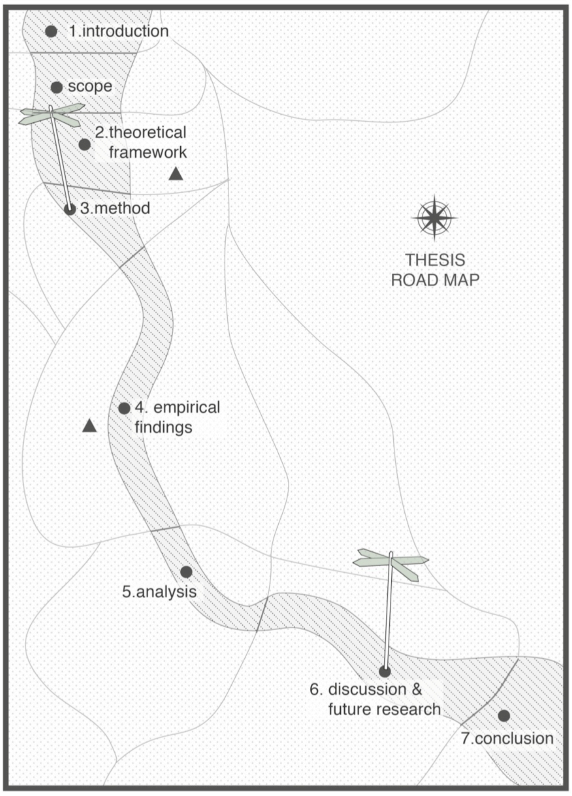

Figure 2. Thesis road map

In chapter 1 we want provide a general understanding of previous studies, discussing concepts and research of institutional theory and strategic management. In order to answer our research question we present an analytical framework further used in chapter 5. In chapter 3 we will discuss our rationale for our qualitative research method, as well as further describe our approach in order to answer our research question. In chapter 4 we will present our empirics from interviews and thematic analysis, divided in two different cases studied. The empirics are used when analyzing our cases further in chapter 5, presented in the structure of our framework, and we also present the answer to our research question with the help of a model summarizing our findings. In chapter 6 we discuss our findings and bring thoughts as contributions while we end with proposals on future research. Finally, in chapter 7 we summarize our study with regards to what was said in chapter 1.

2 Theoretical Framework

In the following section we will present the relevant theory of recent studies, discuss the theoretical gap, present our added theoretical framework and conclude in presenting the concepts we will bring to the analysis.

2.1 Previous Research

Looking at the research question studied, we take our stand in hybrid organizations. We will further investigate cases from the non-profit sector, a part of the Swedish Civil Society sphere. This area of research will be presented below.

2.1.1 Hybrid Organizations – Standing at the Crossroad

Cooney (2006) defines organizations' multiple sector membership (Hyde, 2000) as the hybrid situation between two organizational fields, which creates dilemmas when balancing external and internal demands.

Looking at previous research on the field of civil society within multiple-sector organizations, it is pretty clear that the interest in this topic is steadily increasing (Brandsen, 2010; Wijkström, 2012). During the last five years we have seen a change in width and amount of empirics (Billis, 2010) even though the process within theory has not kept the same pace (Brandsen and Karré, 2011). This development is in line with the past decades catalyzing in number of hybrid organizations due to a change toward vague borders between market, state, and civil society (Brandsen and Karré, 2011; Nee, 1992; Osborne, 2010).

The first stream of research is, in general terms, discussing and reflecting upon the differences between public, private and hybrid organizations. During the last years, the debate has come to focus on whether the term "hybrid organization" could mean something more detrimental than common types of organizational forms (Brandsen and Karré, 2011).

Hybrids combine institutional logics since they belong to more than one organizational field. As a consequence, hybrid organizations are widely described as the result of when logics meet in fields. Institutions, as will be further explained below, describe norms and boundaries of a field. It can then be argued "the organization confronting institutional pluralism plays in two or more games at the same time" (Kraatz and Block, 2008:2). This is told to create multiple institutional identities.

Kraatz and Block (2008:4) describe the complexity of hybrid organizations with: ”an organization that may have multiple institutionally-given identities, an organization that may be the structural embodiment or incarnation of multiple logics, an organization that may be legitimated by multiple mythologies and an organization wherein very different beliefs and values might be simultaneously taken for granted. In short, we see an organization that may genuinely be […] multiple things to multiple people". According to Kraatz and Block (2008), when organizations are dealing with multiple identities, there is a risk is that no single group will feel like the organization fully met their claims why there is also a risk of political tensions. Still, the authors also see this pluralism as a benefit where organizations that are institutionally adept are able to simultaneously face these demands from actors within the organizational field.

According to Jay (2013), hybridity includes multiple ways of acting and making sense of results and outcomes. "There is a combination of public and private organizing logics, through mission-driven businesses, social enterprises, cross-sectorial collaboration, and public-private partnerships of various kinds" (Jay, 2013:137).

2.1.2 Non-profit Sector in the Civil Society Sphere

As figure 3 shows, the civil society could be seen as everything that is neither business nor the public sector. When reading the different parts of the figure, the spheres represent an unorganized area, while the squares represent the part where actors are rather organized. Each of the spheres has a dominant pressure that shapes the norms on how to act within the sphere (Wijkström, 2012).

Within the sphere of civil society we see a span of large popular movements, locally based parenting cooperatives, churches, political organizations, hobby associations, studying societies, housing societies, trade unions and so forth (Harding, 2012). In most other countries, volunteers are to a greater context stepping in where the Swedish public sector generally has already been in place (Kings, 2012). The Swedish civil sector is in comparison to other countries unique (Salamon and Anheier, 1998; Kings, 2012).

Going further into the civil society sector we see that non-profit area constitute a share separated from the state and the business. Even if it is illustrated with clear boundaries, in figure 3, the borders between each sector are, as mentioned above, often argued being somewhat vague. Meaning, the differences between ideological and professional work is becoming more diffuse in many areas.

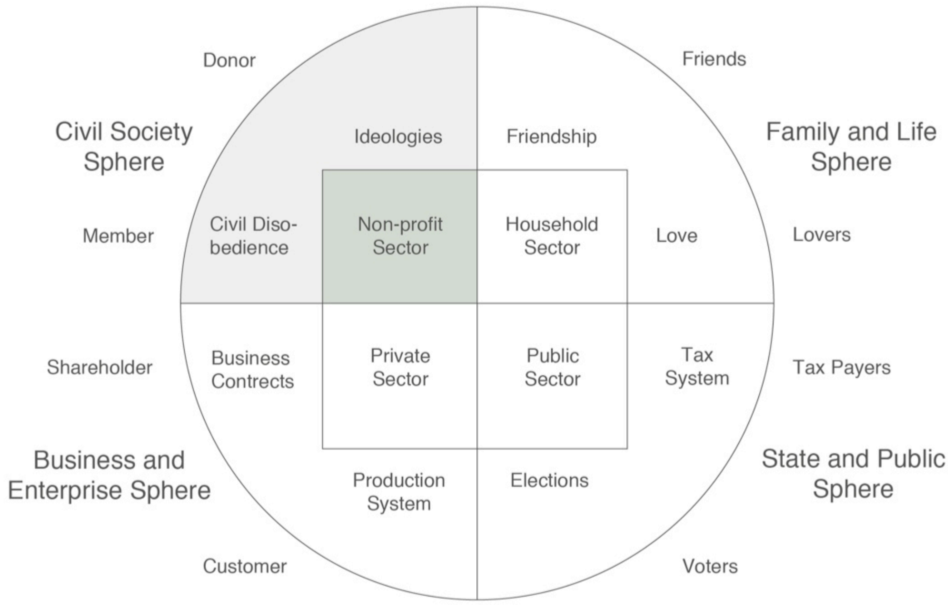

Figure 3. The four spheres and sectors of society

In relation to other sectors, there are a few aspects that are unique to non-profit associations in terms of management (Einarsson, 2012). First, regarding the control of the organization. There are plenty of possibilities such as donors, members, managers or beneficiaries, previous generation, this generation or future generation. Second, there is no uncontested goal, which means there is no way to measure governance. Thirdly, non-profit organizations have weak links to management system such as political elections or the market. For other organization these systems might have an internal disciplinary effect but this is not the case for non-profit organizations. Finally, non-profit organizations are said to have more information asymmetry, which leads to more principal-agent problems than other organizations (Einarsson, 2012). These aspects will be discussed further in the section of analysis.

2.2 The Theoretical Gap

In order for us to understand the struggle organizations have when acting on a commercial market while trying to stay to close to the non-profit purpose, we think it is necessary to link hybridization and institutional theory together. Institutional theory will be needed in order to understand how external pressures affect organizations. The environment inside the organization is, evidently, dependent on what happens outside the organization, why we want to bring these theories.

Even though there is a common consciousness on the existence on institutional pluralism, research currently lacks assessments of practical and theoretical meanings behind such a concept (Kraatz and Block, 2008). Few scholars have made the longitudinal case study needed and few have done it on the Swedish market. According to Greenwood et al. (2011) we know little about the way in which the combination of logics is received within organizations and according to Pache and Santos (2013:976) we need to understand that process more in detail in order to be able to "unpacking the internal functioning of hybrids and for understanding how they may survive and thrive in the midst of pluralistic environment". We want to further contribute with data on how such alignment occurs by incorporating theories of strategic management. We think that management needs to be engaged in handling the balance of conflicting logics. According to Greenwood et al. (2011) we need to find the conditions and process through which the competing logics occurred, not only the managerial response. We think that additional studies on hybrids rooted in non-profit organizations are needed. Using framework from Berg and Jonsson (1991) we see that there is also a need to update older models with new data but also broadening theories with regards to our scope. Berg and Jonsson's (1991) model stem from research on popular movements and Jay's (2013) on a case study on private-partnership. The following illustration (figure 4) is clarifying the intersection between our fields of research were we will further contribute.

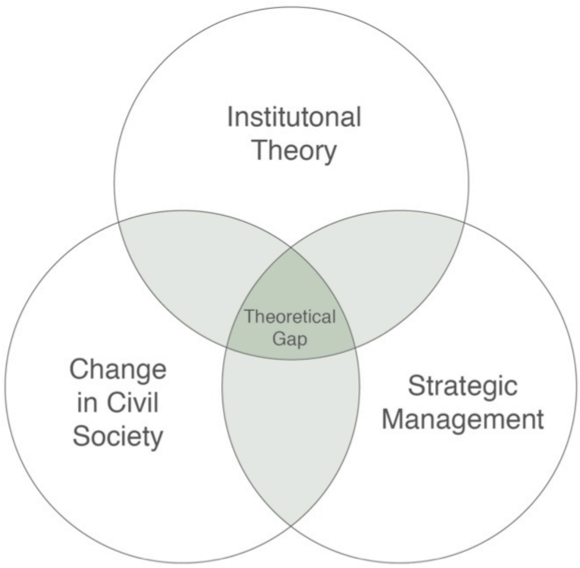

Figure 4. The theoretical gap

2.3 Aim and Scope of Theoretical Framework

The aim with our theoretical framework is to evaluate a selection of studies from 1961 to 2015, with the goal of presenting the current state of research regarding institutional theory, hybrid organizations, and tools to manage strategic development.

Changes have occurred in the civil society, which have lead to a new institutional environment. Increase in commercialization has created hybridity and the need to balance institutional logics with ideological values. The cases that will be studied here are membership-based rather than owner-based, which means that some of the theories used need to be slightly revised. There is an overall gap on where hybrid organizations should fit into the framework of the current theories within strategic management. Further, the lack of institutional theory in the existing frameworks indicates a need for a deeper exploration.

2.4 Institutional Theory

To further investigate how organizations are affected by multiple sector membership, we will start with exploring institutional logics, which create a framework on how an organization should act in order to become a legitimate player in the sector. We will also examine organizational fields that will summon all players with the same interest to one common arena in society.

2.4.1 Institutional Logics – What is it and How Does it Affect Organizations?

Definitions of institutional theory vary widely (Furusten, 2013). In fact, Ocasio and Thornton (1999) claim the phrase of institutional logics to be a buzzword, and Greenwood and Suddaby (2006) uses the term to specify the boundaries of an organizational field, rules of membership, roles and identities and appropriate and suitable organizational forms. They are taken for granted, resilient social prescriptions (Friedland and Alford, 1991; Thornton and Ocasio, 2008).

While prior research has focused on a "snapshot" perspective of change, Jay (2013) provides a longitudinal process where organizations combine outside pressure in order to generate solutions to certain issues. This outside pressure is what we refer to as institutional logics.

For organizations existing in the area of overlapping borders, such as hybrids, there will be conflicting logics. Lawrence, Suddaby and Leca (2011) argue that when facing pressures from several institutions, organizations respond locally, creatively, incrementally and more or less reflexively. The standard way for hybrid organizations to handle their conflicting logics is thus not evident. Johansson (2003:214) highlights the complexity of institutional logics through stating "Institutions are not that one-sided, which leads individuals, groups and organizations to attempt to exploit them to their own advantage". Purdy and Gray (2009) argue further that the availability of material resources influences which logics are advanced. In other words, there is a strategic aspect of, for example, constraining one logic and benefit another if it can help an organization with a specific goal. As mentioned in the previous research, hybrid organizations are struggling with balancing competing logics. We will in the following chapter describe the two logics that are highlighted in our study. These are the non-profit- and the commercial logic.

2.4.2 Characteristics of Non-profit and Commercial Logics

Organizations are not limited to a single logic. As Pache and Santos (2013) claim, several logics of various forms influence each organizations, examples include public-private partnership consisting of market, public and civil society characteristics, biotechnology companies having both science and market logics or medical schools consisting of both academic and health related logics. There are several versions of characteristics helping to define the complexity of these fields. Additionally, these logics are often less coherent and greater differences among them lead to greater challenges when trying to mesh them into a single organization (Besharov and Smith, 2013). As it regards our study, research indicates that organizations usually handle this by keeping different logics separated or trying to deal with them internally (Besharov and Smith, 2013). This internal struggle can occur between ideology and the demand to follow the market.

Related to the increase in demand for competence within certain positions in business administration, managerialization is also related to running processes in hierarchical structures suitable for market positioning (Furusten, 2013). The commercial market logic is structured around the importance of being efficient and making rational decisions in order to grant a high rate-of-return to its stakeholders (Pache and Santos, 2013). Some of the characteristics come naturally to mind, such as hierarchy and marketization; we also include managerialization as a characteristic of the logic. As opposing the (non-profit) logic, the commercial logic is defined around the main objective that is to earn profit in market-related form. It relates to selling a product or a service competing on a marketplace in order to obtain surplus (Brandsen and Karré, 2011).

Looking at our case organizations, profit is a mean where the aim is related to the overall purpose Pache and Santos (2013). Resource allocation is a matter for the members, and the members are deciding where the association should go and how it should progress (Jansson and Forssell, 1995). In this thesis we have combined information from Pache and Santos with Jansson and Forssell in order to conclude characteristics from the non-profit and commercial logics ending up with two institutionalized fields of characteristics related to each sector, as can be seen below (figure 5). While Jansson and Forssell (1995) are looking at the Swedish archetype, Pache and Santos (2013) take a more global and recent perspective.

	Commercial logic	Non-profit logic
Protagonist	Customer	Member
Main stakeholder	Owner	All members
Purpose	Generate Profit	Generate benefit to members
Yield	Expected return	Improvement for members
Governance	Hierarchical control, hierarchy	Decentralized, Democratic control
Surroundings	Market	–
Aim	Profit through selling goods and services	Public good/welfare
Organizational form	Company	Association

Figure 5. Characteristics of the commercial and non-profit logics

Many logics co-exist in the environment and across organizations while they are structured in fields, which we will discuss further in the following section.

2.4.3 Organizational Fields – The Gathering of Similar Actors

An institutional field is described as ”an array of organizations that are joined by a common interest, problem or service” (Bourdieu and Wacquant 1992:97). Purdy and Gray (2009) describe how organizational fields display considerable diversity in approach and form in the initial state of their life cycle, and once the cycle becomes established we see similarities in the organizations. Isomorphism, as described by DiMaggio and Powell (1983), affects organizational fields in a way that it creates homogenization, usually described as institutional isomorphism. One type of isomorphism is the normative pressure, which includes signals from the environment to make certain choices based on moral and professionalism. One important mechanism for normative isomorphism according to the authors is the recruitment of staff. A way of filtering occurs when new organizations are hiring individuals from firms within the same industry. High degree of professionalism, Johansson (2003) argues, has a homogenizing effect on associations.

At the same time, scholars have different definitions of the meaning of organizational fields. DiMaggio and Powell (1983:148) state; ”By organizational fields we mean those organizations that constitute a recognized area of institutional life: key suppliers, resources and product consumers, regulatory agencies, and other organizations producing similar services or products". This is also the definition used in this study.

When the organizational fields become homogenized, actors become embedded. An embedded actor, Greenwood and Suddaby (2006) states, is an actor that is not motivated to strategic change, and may not be aware of alternatives. The fields change when misalignment in the boundaries of the field creates a consciousness of options, or other logics (Purdy and Gray, 2009). By attracting professionals (or people and organizations in general) driven by different goals and incentives, the framework and structures of a field can change (DiMaggio and Powell, 1983). The environment and market in which an actor is present will also affect development and strategic choices, causing organizations to drift from their initial mission. Social learning, contextual factors and politics are some example of affecting elements.

2.4.4 Organizational Drift – Losing the Initial Mission

Scholars argue that commercial activities are not the only threat to associations' mission integrity, even though the phenomenon of mission drift is largely financially inclined (Jones, 2007). A problem for organizations that are combining aspects of earning money with doing good is that they may lose sight of their social mission and rather drift away while focusing on generating profit, which also reflect distinctive governance issues related to these dimensions of accountability (Ebrahim, Battilana and Mair, 2014). The result of sacrificing the ideology in order to reach financial stability often creates managerial tensions and stakeholders' perception of legitimacy according to Doherty, Haugh and Lyon (2014). However, scholars like Jenkins (1977) have also found examples of where mission drift is the fundament that enables radical change.

Managers often want to balance efficiency and rationality while maintaining their place stakeholders' mind as creating social value. The literature highlights two conflicts that emerge from the different demands stemming from the environment, one where stakeholders "agree on the goals an organization should pursue yet disagree on which means should be put in place to achieve these goals", the other is simply where stakeholders have "conflicting demands that involve disagreement about the goals an organization should pursue" (Pache and Santos, 2010: 464; 466). If hybrid organizations must create revenue, the target to achieve member good fails, and may therefore threaten the raison d'etre. In an example according to Jay (2013) hiring people from the finance sector led to a drift towards a particular logic and away from bias in identity. Professionals' influence is prominent in associations, and will affect both their goals and their unofficial goals (Perrow, 1961).

2.5 Strategic Management in Non-profit Organizations

When combining the theoretical contributions as of above, the civil society is envisioned as a complex and distinctive operation. Berg and Jonsson (1991) talk about the paradox that arises when legitimacy in the non-profit sector is confronted with the demand to follow current changes in the environment. They see it as a strategic dilemma since following the association's strategic profile may cause organizations to lose their ideological continuity. Still, following the ideological continuity increases the risk of losing its influence; "This dilemma can be seen as a conflict between internal and external power structures, for example the conflict between an organization's ideological values and the need to act in a strategic and tactical way" (Berg and Jonsson, 1991:33). This strategic dilemma is by Berg and Jonsson (1991) concluded according to; (1) need for ideological continuity, (2) strive for internal and external legitimacy, (3) struggle between the democratic ideals and management, where 1 – States the importance of not drifting away too far away from the organizational ideals in order to stay close to member sediment. 2 – What members see as the correct behavior is not always in line what external actors believe. 3 – Touches upon the requirement of transparency and decentralized organization in relation to the internal efficiency.

Fiss and Zajac (2006) state that strategic change is more than a shift in structure and process; it is a new definition of the mission and purpose or a complete shift in overall objectives. But, even if these dilemmas exist in all organizations it becomes even more interesting when dealing with non-profit organizations due to their democratic sediments. These organizations often claim that the reason to their existence is the idea representing the cohesiveness (Berg and Jonsson, 1991). However, organizations must still progress in order to be seen as a legitimate actor according to Berg and Jonsson (1991) but in this progress, organizations may surpass idealism. In relation to a more centralized hierarchy and stronger ambitions, the organization end up holding itself together rather than the idea being the foundation.

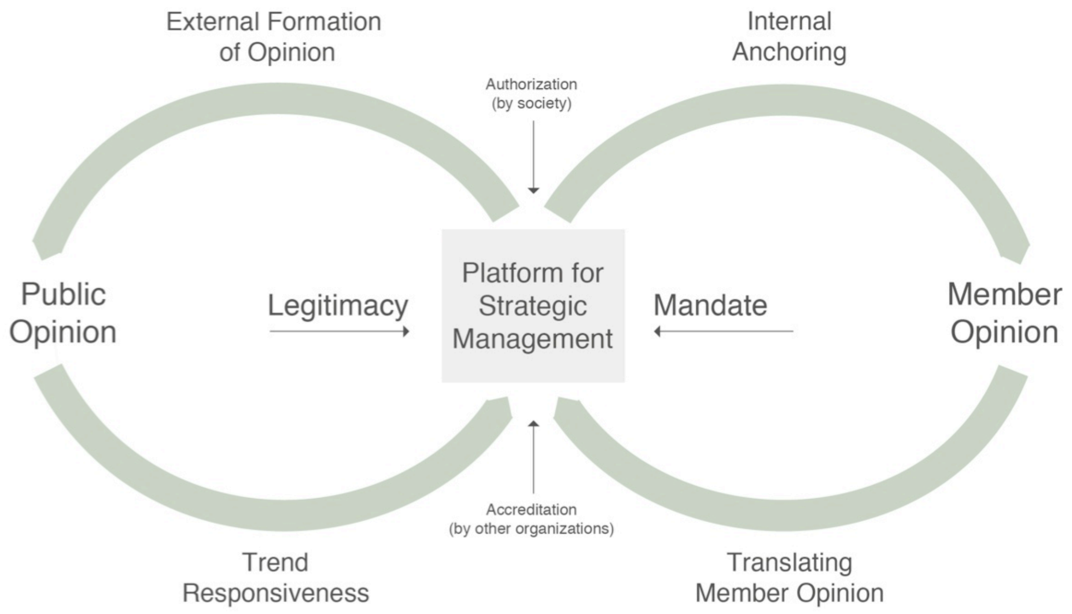

Figure 6. Strategic management in public, political and non-profit organizations (Berg and Jonsson, 1991: 189).

These processes are illustrated, in depth, in the model (Figure 6) where the internal legitimacy constitutes the processes of transforming member opinion and anchoring the strategic standpoints of the member opinion. Through these routes the association earns mandate. By forming an external opinion through the use of the strategic platform, and bringing some of the public opinions back to the members, it earns legitimacy from a societal perspective.

The attempt of being recognized as a legitimate actor is thereby according to previous theories to adapt to market mechanisms and institutional rules. For non-profit organizations the importance of legitimacy is to gain support and thereby being able to implement their ideas, for companies it is rather to appear as a credible market actor. What the management thinks is legitimate may cause conflict if this differs between the internal and the external elements of an organization. These management processes often regard the element of creating a platform from where you are able to act and be heard, carry out a strategic process from an external point of view from which you able to get legitimacy for the strategy itself together with the ideology, and lastly, to be able to carry an internal process so that members feel on board. Being able to handle the internal and external processes in correlation with a position from where you are allowed to act is what Berg and Jonsson (1991) define as a strategic necessity for political organizations.

2.5.1 Shared Value System – Stability and Guidance

Associations in the non-profit sector are organized around their ideological values and shared value systems, which represents the stability of the organization. Shared values are important to reproduce and recreate continuously, since they guide actions and behavior (Einarsson, 2012). Berg and Jonsson (1991) further enhance the importance to ensure a good fit between organizational ideology and the environmental surrounding; keeping the ideology relevant will thus enhance the fit.

There are a few key aspects that a shared value system consists of. According to Einarsson (2012:50) "solidarity with other members of the organization, the belief in the importance of the autonomy of the local units, a conviction of the advantages of collaboration as a continuous activity over a long period of time, and a set in the relationships in the federation that are characterized by trust and compromise".

A shared value system is the basis for creating trust in organizations. The trust leads to a shared understanding of identity between members and the different functions. When having the need to influence within an organization, trust should be considered a priority. In contrast to formal structures, trust influences behavior in an informal way (Rivera-Santos and Rufín, 2010). Trust, when defined as "a set of expectations shared by all those involved in an exchange" (Zucker, 1986:54), can be a powerful tool when steering strategic change.

Einarsson (2012) shows that the shared value system lies partly in the rules and procedures within the constitution, and partly in the praxis and lives of the individuals. Enjolras (2009) argues that non-profit organizations reinforce the norm of (generalized or balanced) reciprocity. Affecting the organization can in other words be done without to the need for formal power.

2.6 Analytical Framework

After presenting theories enabling an overall understanding of this sector and implications of hybridity we continue by concluding what theories we will focus on in the analysis. Firstly, we considered Jay's (2013) external perspective on how institutional logics put pressure on certain behavior and his internal perspective talking about the plurality of identities.

Secondly, we also want to bring theories of strategic management such as the strategic management in non-profit organizations focusing on the strategic platform provided by Berg and Jonsson (1991). In the theories by Berg and Jonsson (1991) they both consider the external environment outside associations and the internal perspective, as well as how the external is married with the internal. They include concepts on how changes in the environment become rooted in the association and how the member opinion transforms externally through the association. The strategic platform is according to Berg and Jonsson (1991) the hub enabling this phenomenon.

All these elements above constitute our backbone in order to see how external pressure affect identity in hybrid organizations, from an internal viewpoint, and how the association handles these tensions.

3 Methodology

This study aims to systematically analyze how hybrid organizations strike the balance between drifting away from its initial mission and thus respond to commercial logics. The following section describes what method we used and the reason behind the choice of design. This process was accomplished in order for us be able to answer the research question with data anchored in a real life context and also to prove quality of our findings.

3.1 Methodological Fit

The transformation of civil society and its implication on associations is the issue we further want to immerse ourselves into, with regards to the scope of this thesis. In order to analyze how ”multiple sector membership” affects organizational identity in hybrids and how the management handles this paradox, we suggest, as Edmondson and McManus (2007), a qualitative approach when exploring an open-ended research question. We are investigating what is happening inside the organization, thereby we want to ask open questions rather than collect quantitative data. This is in line with the nascent state of the current literature suggesting a qualitative method, combining interview with secondary data. In order to capture the development of associations over time we conducted a thematic analysis by using the method of coding to find evidence on how construct is performed, with the goal of finding patterns as suggested by Edmondson and McManus (2007). Our method enables us to give practical insight drawn from our findings rather than testing and supporting existing theories. With regards to previous theory we want our theoretical contributions to add knowledge to hybrid literature since this perspective currently lack the combination of strategic management and a connection to institutional theory.

3.2 Choice of Research Design

Early in the process, before going deeper into theory and empirics, we formed a broad, overall research question which read, “How do organizations strike the balance between commercial and non-profit logics”. In order to investigate the “organization” part, we need to assume that the way organizations are perceived by themselves varies of nature. Knowledge is said to be a construct. Different perspectives generate different understandings on how things (structure, organizations or identities) are defined and authorized (Åkerstøm, 2003). Through interpreting our environment we want to be able to understand the different ways individuals construct how things “are” (Corry, 2010; Scheffer-Lindgren, 2009). In order to further recognize the inside of the organization, we need to ask key individuals for their understandings, forming these constructions. We summarize this as an interpretive view and since we think understandings are not constant we need to interpret such phenomena over time.

In order to proceed with our matter the reasoning was of an abductive approach. A method often described as between inductive and deductive since inductive originate from empirical reality and deduction start from theory through forming a hypothesis (Bryman, 2012). Rather than a linear method that the deductive approach often prescribes, our strategy represented an iterative method where we went back and forth between theory and data. We investigated a real-life context, and used multiple sources of theory to understand, raise new questions, and then return to the real-life context continuously. But, even though some elements are of inductive nature, the difference is that the analysis is grounded in the worldview of us, the authors (Bryman, 2012).

Firstly, as Eisenhardt (1999) claims, a preferable strategy when the intention is to understand the current dynamics within a single setting is through performing a case study. Just as Farquhar (2012) describes, a case study is an empirical study that deal with contemporary experiences representing a deep and factual context, even when this link is not obvious. It is especially preferable when we want to ask questions that starts with why, how, who (Farquhar, 2012). Secondly, we considered the empirics from a longitudinal perspective, this was helpful since the tensions were assumed to surface within a periodic time frame (Farquhar, 2012), and according to Pettigrew (1990) a longitudinal way is preferable when studying change in organizations over time. This is also recommended in studies considering theories from strategic change since these processes evolve (Einarsson, 2012). Furthermore, a case study is suitable since we are trying to create new knowledge rather than test hypotheses from earlier studies (Pratt, 2009). According to his view, change always has multiple causes, which should be viewed as circular in comparison to linear.

During the collection of data we gathered information on key events that have been representing important crossroad or conflicts in the respective organization. Instead of presenting some key issues, together with our interviewees we discussed what events and why they have been important. We have then added secondary data to support the chosen events and finally confirmed in later interviews that we have got the right impressions. This way, we have been able to keep a semi-structured approach, knowing some parts beforehand, while still let an open mind-set decide on the outcome during the interviews.

3.3 Case Selection

When approaching the original hypothesis we considered some aspects preferable over others such as age, in order to provide us with enough data, size, since it often means power and often a greater exposure towards different environments, and if they had a position on a market usually subject to competition. The associations had to be somewhat similar in order for us to be able to make conclusions but we encouraged some difference in order to come up with generalizable results.

With the above-mentioned aspects in mind, the organizations selected were the Swedish Tourist Association, (STF), and Friskis&Svettis (F&S). STF describe themselves as one of the largest popular movements in Sweden, featuring hotels, youth hostels, mountain stations and alpine huts all around the country. STF's work is about facilitating the journey when someone's about to explore Sweden. Their revenue sources are mainly from franchise fees, member fees and accommodation. (STF Homepage: About Us; STF Idag). F&S is one of Sweden's largest sports movements, offering training (e.g. spinning, gyms, aerobics, core) directed to the broad audience. The instructors for the classes are volunteers educated by F&S. Every districts are responsible for their own finances, their own product catalogue whereas the members' fee and training fee are financing the operations. (F&S Homepage: Historia; Fakta Akut; Organisation)

We were thereby fortunate to analyze two different organization within the "Culture and Recreation" according to the ICNPO framework (Salamon and Anheier, 1996), organizations that both were managing facilities and also had expressed concerns over their existence as a non-profit organization acting on a commercial field.

Their difference of size, history and membership (figure 7) was something we saw as benefit as well as the fact that these two organizations are well-known by many due to their size and position on the market. The latter fact resulted in valuable input around dining tables and over coffee with families and friends that provided us with their own experience from either or both of these organizations.

With regards to the empowerment in F&S' districts, in comparison to STF, there is no centralized body governing the whole association (see Appendix 9.3) why RIKS (central office of F&S) is seen as a substitute being the only body that connects all the local facilities. RIKS is assumed to be comparable with the management team of STF due to its task of being "the association of the associations" as claimed by RIKS. Furthermore, two local association managers have been interviewed as a complement to RIKS, keeping the overall impression closely related to a management division as of STF (see Appendix 9.2).

The following similarities and differences were considered during the analysis:

	Swedish Tourist Association (STF)	Friskis&Svettis (F&S)	Similar (V=yes, X=No)
Group – Culture and Recreation	"Travel agency"	"Sports Ass. and sport activities"	✓
Facilities – Own/Franchise	Yes/Yes	Yes/Yes	✓
Company	Yes/No	Yes/No	✓
Founded	1885	1978	✗
Members	252,518 (2014)	537,000 (2014)	✗
Districts	65	118	✗
Membership required to participate in member activities	Voluntary	Mandatory	✗
Active members	1,097	16,700	✗

Figure 7. Similarities and differences between selected cases.

3.4 Primary Data

Since we wanted to investigate the associations longitudinally with a focus on certain events that put specific weight on the hybrid tensions, we had to ask the representatives of the organization if and how they perceived the conflict. We selected a semi-structured interview design in order to offer flexibility and room to pursue the topics of particular interest for the interviewee but still keeping content relevant and a structure that enhanced the analysis (Bryman, 2012). We wanted to guarantee a consistency throughout the process in order to see how, when and why we are able to see a change in conditions related to organizational identity. Thereby we structured our interviews according to the three topics of "Profile", "Organizational Identity", "Organizational identity over time" and "Members" (see Appendix 9.1). In general our main focus during the interviews was summarized into; How did the organization perceived its hybridity? What conflict did occur in the organization? How did they overcome their challenges?

3.4.1 Interview Sample

All data gathered in our empirics are obtained through interacting with representatives inside of the associations why the analysis will be mainly processed from an internal perspective.

After our choice of case study we wanted to focus on the organizational level and related theories, thereby excluding the individual member perspective. We wanted to talk with the management on both associations why we started out with the Secretary-General of both STF and F&S.

Following the interviews with Secretary-Generals we proceeded with current board, past board and past members of management in order to ensure getting a portray of the transformation over time. In order to get a full perspective we also interviewed one representative that is currently a member of the board at STF but previously was a chairman of the board in F&S for eight years. Through this we were able to present a point of intersection between these two organizations.

In order to guarantee the empirical relevance we conducted 21 interviews with individuals from a variety of positions (figure 8). We wanted to get a rich understanding on the daily operations as well as data over prior periods.

The following table presents the interviewees in the respective organization. Please see Appendix (9.1) for a short presentation of each of the individuals.

Swedish Tourist Association		**Friskis&Svettis**	
Name	**Title**	**Name**	**Title**
Magnus Ling, Sylvia Nylin, Erica Karlsson	Management team	Anders Berg	Acting Secretary-General
Erica Karlsson	Management team	Kia Orback Pettersson	Chairman
Sylvia Nylin	Management team	Ingrid Hammarberg	F&S RIKS (”Management team”)
Ingemund Hägg	Member/Former Board of Directors	Anna Iwarsson	Former Secretary-General

Magnus Ling	Secretary-General	Karin Wingstrand	Board of Directors
Bengt KÅ Johansson	Former Chairman	Tina Uppfeldt	F&S RIKS ("Management team")
Birgitta Bergman	Management team	Maria Lundgren	Local Association Manager
Torbjörn Widén	Former Secretary-General	Eva Berglind	Local Association Manager
Torgny Håstad	Former Chairman	Anna Klingspor	Former Board of Directors
Anna Klingspor	Board of Directors		
Peter Nygårds	Chairman		
Peter Fredman	Board of Directors		
Anders Hallin	Management team		

Figure 8. Interview sample

3.5 Secondary Data

However, we also wanted to see how the transformation of the civil society sector had affected STF and F&S on a more general level. Asking an individual how it was yesterday always involves a risk. Through the use of official statements in forms of Annual Report (Considering 'Message from the President', 'Message from the Chairman', 'Events of the Year') we were able to create a more holistic view of the development. This represented data related to how they communicated externally 1980 (1985)–2014. The choice of period is related to the origin of one of the associations and that the production of service rather than voice in the Civil Society is said to accelerate after the 1980's (Wijkström and Lundström, 2002).

3.5.1 Data Analysis

Through this choice of design we wanted to end up with a more refined theory after executing a representative experience providing us with rich data. In order to end up with synthesized and workable empirics from the interviews we conducted a thematic analysis (Bryman, 2012) through tagging and theming this secondary data. The analysis provided us with constructed subthemes and central themes from the secondary data consisting of approximately 1,000 pages. The aim was to develop appropriate themes and coding linked to our chosen logics. Constructing the themes as "means of identity construction" provided us with lenses when looking at how each organization presented themselves and how they communicated about their identity through time. Based on the Annual Reports we were able to categorize data from each organizations and tracking events as they occurred (Reay and Hinings, 2009). Regarding the interviews and secondary data we wanted to understand how organizations took initiatives when handling each of the chosen logics and how it was reflected in their statements (Reay and Hinings, 2009). The eight themes were related to characteristics of the non-profit and commercial logic (Means of Identity Construction; Protagonist, Main stakeholder, Purpose, Yield, Governance, Surroundings and Aim) to which we added "Hybridity" and "Identity" in order to capture all necessary information. We wanted to pay attention to specific information about the tensions. Later, we back-tracked these elements to the field-level data as characteristics of the logics (Pache and Santos, 2013).

3.6 Criteria for Evaluation

Through ensuring that the quality and amount of data represent the intended focus we have chosen different activities ensuring the trustworthiness, summarized into credibility, transferability, dependability and conformability (Polit and Hungler, 1999).

3.6.1 Credibility

As Bryman (2012) points out, establishing a credibility of findings shows that research is carried out according to good practice and also that the contribution was anchored in the social surroundings. Such techniques facilitating credibility are e.g. triangulation (Bryman, 2012). Through the use of triangulation we were able to investigate the tension between the different phenomena from other perspectives and getting the complete picture providing us with a more robust investigation, which will further strengthen our contribution (Farquhar, 2012). Regarding interview sample, we tried to both consider a selection that was representative through their formal positions but we also used the snowball sampling in order to capture additional relevant information. Through these actions we got in hand with representatives that had played an important role for the organization and board members or management that had been in charge of decisions catalyzing this hybrid tensions.

We tried to ask participants from e.g. various experiences, gender and ages since this will increase the possibility of shedding light on the researched phenomena from different aspects, hopefully this was covered by our method. In order to emphasize "truth value" (Lincoln and Guba, 1985) we discussed confidentiality with all interviewees informing that in case of quoting statement they will be sent well before the closing of the thesis.

Lastly, the secondary data with regards to STF is written for an external audience, published on their website while for F&S the secondary data must be requested from RIKS. This may have implications for how the text is formulated and what audience is being addressed.

3.6.2 Transferability

Since qualitative research often entails a study of specific context the importance of enhanced transferability is to ensure that conclusions can be put into another context. Even though the transferability is up to the reader we have tried to enable cues for such processing. In order to enable transferability we tried to select cases that were similar but still provided some divergence. In order to enable transferability Graneheim and Lundman (2004) stress the importance of giving clear description of culture and context. This perspective is hopefully warranted looking at our scope and limitations. Still, since we are focusing on two cases solely we cannot make any recommended future quantitative extensions based on our conclusions (Farquhar, 2012). As Farquhar (2012) claims, multiple case design implies a stronger argument for validity but it also offers less depth than a single case study. Due to the fact that we wanted to have comparative alternatives but still had time to go in-depth we ended up with these two cases.

3.6.3 Dependability

In favor of establishing the importance of research in terms trustworthiness, studies should be performed with an auditing approach according to Bryman (2012). This means that authors should, in order to create trustworthiness, store records during all phases of the research process (Bryman, 2012). Due to extensive data, as in our study, we see a risk of inconsistency during data gathering. In ensuring completed records in "an accessible manner" (Bryman, 2012) interviews were recorder after permission, and in order to ensure consistency we performed cross inter-coder reliability meaning that we divided the coding process and switched order so that each statement were considered twice (Bryman, 2012).

After each interview we compiled a short script summarizing the session in order to certify that we do not lose any thoughts and thereby minimize any potential errors.

Since all interviews were held in Swedish the translation may cause subjective interpretations meanwhile we tried to stay prudent.

3.6.4 Conformability

Just as Sandelowski (1993) claims, subjectivity exists as a permeating interpretation of reality, whereas our subjective interpretations are always to question. What is important then, is to show that we have acted in a way that was according to good practice (Bryman, 2012). Through frequent and transparent contact with our case organizations updating them regarding our current process with the thesis and a post-empirics meeting with one of our case organizations, we aimed at minimize such effect. Even though methods as semi-structured interviews provide the interviewees with subjective elements this approach was just in line with our inquiry. What we did was trying to avoid affecting or influencing our representatives prior or during the interviews in a subjective manner.

4 Empirical Findings

In this section we will present the story about both organizations using our primary and secondary data. The key events are focusing on important key conflicts over time and the story is presented using the lens of both non-profit and commercial identities. In order to tell the true story, interviewees are categorized according to the levels of board of directors and management team in order to maintain anonymity. Summaries of key events are presented in figure 9 and 10. Secondary data consist of information from their annual reports (AR).

4.1 STF – The Journey of Hybridity

"When STF was founded, tourism was for upper class and for scholars, vacation was not a part of society. During the seventies the welfare society was growing and people started to explore by bicycle or through hiking. STF created an infrastructure that would enable traveling and to stay overnight at an affordable price." – From an interview with a board member.

After a hiking trip in Norway during the late fall of 1885, a handful of students at the Uppsala University realized that Sweden needed an organization similar to the Norwegian Tourist Association. An organization that was able to help "develop and facilitate the opportunities for tourism".

During that period, STF established its first member magazine. In 1887 the first hiking trails were plotted, and soon after that, in 1888, the first mountain hut was built. Later in 1933, the organization established its very first youth hostel (sw. vandrarhem). The purpose of the hostel was to accommodate members while they explore Sweden. Later that year, an additional 25 youth hostels were added and the first edition of the magazine Turist was released.

Years passed and during the 1950's the organization discussed about extending its offerings to sea related activities focusing on guest harbors. According to a representative from the board, the goal was to develop an infrastructure and to advocate environmental protections related to STF's main tag line: "Know your country". Due to its mission, STF has always kept regular contact with the Swedish government. Although in general, the organization has always been more or less independent politically and economically. However, this relationship to the Swedish government somewhat changed in the 1970's as one of STF's prior areas of responsibility was reformed. A representative in the current management team comments, "During 1977, the main responsibility for the maintenance of the hiking trails was handed over to the government. Today, our responsibility is watching over the footbridges, weatherboards and huts. […] And, in 1980 we had someone who was inspecting our harbors. Today, the state and commercial actors are taking care of that role. I think the reason for that is money. STF is forced to dismantle since it cannot stand the competition".

In 1977, the tourist industry started to flourish. The amount of members in STF exceeded 250,000 despite the somewhat deteriorating market conditions (AR, 1979). The local associations were present in all Sweden's municipalities. Overall, the late 70's were pretty decent times for STF, but this came to change.

4.1.1 1981 – Reconfiguring the Structure and Increasing Focusing on the Market

"The commercialization of STF started in 1982. The organization was facing a tough time economics-wise, which demanded a competent Board of Directors, leadership and increase in transparency. We could not hide the economical language in time of serious crisis." - From an interview with a former representative of the management team.

During 1981, STF were reinforcing the association's local office. In that year they adopted new statutes that were supposed to change the democratic system (AR, 1981). Meanwhile, the Annual General Meeting established itself as a decision-making body for which local associations were about to elect their representatives. New directives were established, but the aim was to meet the association's non-profit goals and to satisfy the requirement of a commercial approach and economic governance. The discussion relating to this re-structuring used the member magazine Turist as a platform for communication (AR, 1981).

The organization was during the middle of this re-structuring claiming that "realism on a voluntary basis has been a guiding principle for STF through the years" according to the Secretary-General (who in the Annual Report is now entitled CEO).

The association soon started to portray itself as a centralized, top-down, organization, but with the Annual General Meeting illustrated on top. However, despite this structural change and the more hierarchical position, the CEO considered that the association should be named "a public movement" with regards to its wide anchorage in the member base (AR, 1982). In the Annual Report from 1982 it says, "STF is not a company but rather a union of voluntary members which supports the association's purpose and values […] although we must have a specific focus on profitability, we emphasize strongly that STF is a non-profit organization, politically and economically independent and with a strong presence in all parts of society."

The part of STF that focused on handling member activities focused on the number of new members and the year's member activities. The part of STF that focused on the publishing business, travel business and accommodation praised its new organizational form, scrutinized its result and valued its efficiency and discussed the problem with the capital requirements (AR 1983).

4.1.2 1990 – Founding a Company and Losing the Monopoly

In 1991, the economic conditions in the association were told to hamper bold investments. The association said it was unable to escape the effect from the outside world. Due to changes in tax provisions related to the EU membership, STF formed a limited company, Svenska Turistföreningen AB. The effect of this change resulted in the organization separating the remaining activities between the association and a company. Unfavorable market conditions such as a decrease in travel and an increase in competition from the low-price sector of accommodations resulted in weaker, but stable profit. In the annual report, management stated that the integration of STF AB was completed during 1992 and the formation of the company was claimed "strictly necessary" in order to be able to handle the sales.

Companies on the same market as STF started to compete with their youth hostels, a concept that so far related to STF's products only (AR, 1993). According to a member of the management team, the competition affecting STF started in 1993 due to this abandonment. "Competition arises when you lose your monopoly. We are forced to become more competitive, more professional and forced to focus more on the figures. When we own the facilities we have to make money in order to maintain the facilities".

As said during our interviews, talking about business was not something new for STF. According to a member of the management team, STF has never been an organization with enough economic resources to do what they want and need, because running facilities demands enormous economic resources.

4.1.3 1994 – From Member Platform to Revenue Stream

Before 1994, the member magazine Turist had approximately half a million readers per issue. During that year, it turned into something called a travel magazine. The reason was a possible increase in revenues from advertising. Previously the magazine included articles and stories related to member good, but due to the change of this platform the member good decreased. An issue was that Turist was no longer a paper aimed for members; it had lost its focus on bringing values in accordance with its overall purpose. A former board member tells, "Turist is another balancing act between commercial and non-profit operations. It is a great travel magazine, with articles and stories but it is not a magazine for members and it should not be propaganda for the board. STF is advertising in its own magazine. You should be able to publish more member related information since the magazine is highly important in order to keep the members. […] It is important to consider the opinions from the guests."

Through the years, STF had expressed concerns over adapting to the rapidly changing environment. In 1996, described as a "year of change", the Board of Directors instituted a marketing department in order to meet the increased competition (AR, 1996). In the end, the board was revising the complete organization in order to find room for improvements. In our interview, a former board member explained that during these days, STF "had to spend time with the economic issues but I have never experienced it as a drift away from our ideology".

In this struggle, STF's facilities were presented as a main focus in their Annual Report and the association changed how it portrayed itself figuratively. At first, the association was illustrated as a hierarchy, but in year 1996 with the Annual General Meeting on top of both the corporations STF AB and Vålådalen STF-AB. This was in line with increasing managerialization. "In the past, active people in the board or management of STF originated from a background that was focusing on the non-profit sector and outdoor life. It was very helpful when someone with a background in economics joined", said a former representative of the board during an interview.

Later, during 1998, the association claimed it had overcome its problems relating to the structure of the organization. The efforts were focused towards an increase in member good and relocating STF as an organization with an overall non-profit purpose. The overall vision was renamed "STF will be a leading actor offering simple, genuine nature and culture experiences" and for the first time, the members were in 1999 portrayed on top of the hierarchical structure of the organization.

4.1.4 2009 – Re-branding and the Establishment of an Updated Profile

During 2009, STF started to openly clarify the brand. The CEO (renamed Secretary-General) stated in their Annual Report; "A clear vision leads the way and makes it easier for those who will communicate. In non-profit organizations, members constitute the great resource in order to make this happen. It is easy to understand that clarity matter when nearly 300,000 will help to convey the message" (AR, 2007). STF's vision was named "STF will help people to discover Sweden" and it is communicated that the low-price accommodation is an old story for the association; the key was to start focusing on the exploration part of their mission.

The association started to classify all the youth hostels, in order to clarify the brand, so that all of the facilities had a clear standardized STF profile. This project was part of communicating what the organization was about, how STF was perceived and wanted to be perceived. “When the brand platform is used by its full potential, it becomes a beacon for the organization's priorities in handling everyday life”, according to their Annual Report (AR, 2007). STF were catalyzing an important process that aimed at decentralizing the association. After experiencing a complete fundamental change in management during spring and summer, new positions included e.g. an operations manager and a controller. STF were aiming at 500,000 members when forming the “Year 2018” goals. “With more members, STF will become an attractive franchisor […] It means that we can offer members more accommodation and a greater range of experiences and member good.” (AR, 2009). With more members comes power. Others will listen and STF are able to say more in the public debate. “It will be easier to achieve the association's non-profit aims and influence its development. With more members, the financial muscle increases and the association is able to take care of our properties and find new ways to help people discover Sweden”, according to 2009 Annual Report.

In 2009, STF began to update its product range offering hotels. The association's first hotel joined the franchise operations this year whereas in the Annual Report 2010 it was stated; “We continue to work to enhance the value of membership and the value of STF's franchisees”. Looking at the interviews in comparison, not everyone in the current management team agreed; “The franchise business is supposed to contribute with value for our members, I don’t like it when we call ourselves a franchisor; we are supposed to stand for the infrastructure and exploring”.

4.1.5 2010 – New Digital Democratic Platform and New Economic Goals

In mid 2010, it was time to decide upon the board's proposal regarding a new model for democracy in STF. The association was aiming at having Sweden's most modern and inclusive democracy for associations. The districts were no longer responsible for sending representatives to the Annual General Meeting. Instead, members were about to elect candidates and the nominating committee was the final decision-maker. One member of the management said; “STF’s history of membership is not about members forming the democracy process this process has rather been controlled by officials. The digital commitment has not increased member involvement, but it is demanded by the active members that STF should increase the commitment. About 2,000 member out of 270,000 used the new digital platform for voting”.

The discussion about the choice of path in regards to the 2018 goals was a year old. What was clear was once again stated that STF is a non-profit organization and should not make profit, still it had to generate a result in order to be able to re-invest in the association. “We cannot be everything” according to Secretary-General (AB, 2013). Following the statement from the Secretary-General, entitled both CEO and Secretary-General, it was time to critically look at the business side of the association; ”We have to make sure that we do not lose any members. There is an economic and egoistic goal behind; we need the money for our facilities”, said one member of the management team. In order to make necessary investments for facilities, STF made clear that priority one was to make money. “My dream is of course that we could have an enough surplus so that we could invest in non-profit initiatives,” said current Secretary-General in the Annual Report of 2013.

4.1.6 Today – What Have We Become?

“During the eighties, tourism developed into an industry where STF was the odd player in a commercialized world. With internet, members are able to find other options than STF, and the whole idea is not contingent anymore. New ways to rebuild the relationship and reach out to members is to be found. Furthermore, the non-profit sector moves in a slow speed, democratic decisions take time. What we need now is an established change in our operations”, said a current board member in our interview.

Today, the traditional way of being a member is different. “The commitment from members has changed, there is more focus today on individual value and professionalizing in organizations”, says a representative of the management team.

The discussion about being both commercial and non-profit is more present in terms of hybridity. “One of our key strengths is the integration we get by being a hybrid. However, we lose ourselves in the conflict between commercialization and ideology, and discussions about our ideological values become problematic”, according to a member of the management.

The franchise business is putting heavy pressure on STF. ”We rely on them and they become our only focus. The requirements from our members, such as facilities in the archipelago, are not even on the agenda. We have ninety percent of our operating focus on making our franchise partners happy”, says a member of the current management.

“We look like Scandic [hotels], we act like Scandic but we are not allowed to call ourselves Scandic. As soon as we do profit, our surplus is spent on repairing the roof on a mountain hut rather than improving the central hostels”, says a member of the management team.

STF is on one hand representing the interest of its members while at the same time dealing with “commercial” contracts with over 100 franchise businesses. “The balance between value for members and to be able to offer room for a competitive price is an internal struggle”, according to a current board member. This discussion is present from management level to the Board of Directors. A current member of the board continues, ”It is easier today to present a way to save costs than a proposal for a hiking trip which will generate value for members.”

Previously STF had several platforms for members to communicate, but today they are down to a few. The ways STF described their approach to internally communicate strategy or any other decision were as follows: the magazine Turist, face–to-face, local discussions, and larger meetings. According to a board member of STF, these internal tools are used for the ongoing strategic work. But, even though STF is trying to communicate, the response rate is not convincing. According to a representative from the current management ”It is hard to do things for our members when they do not want anything. Only five percent are involved in local activities”.

Despite STF's effort to communicate and its small base of active members, the distance between the management, the board and the members is criticized. Another member of the management said in our interview, ”Name one person in here that really talks with our members. No one in the office has direct contact; instead we have a few surveys. We pretend to communicate with Annual General Meeting, but only around 500 participated in the last one”. According to former member of the management team, this has consequences; "The members and the market have not been aware of how bad things have been internally".

During our interviews, several representatives made clear that the current positioning of the organization is vague. A member of the management says, "From being unique we stand without a specific niche and we need to find that again. What are we and what do we want to be?". When we asked a member of the board about the conditions outside the organization, she says, "The values of an organization are something that is inherited in the organization, it is not just something on the surface".

The different ideas on what STF is and should be are diverse among the interviewees in STF. According to a representative in the management team, "Everyone have their idea of what the soul is about […] We live in paradoxes, truth is reflected depending on which perspective you have. […] I was sad after the recent Annual General Meeting. Then we stated that we exist in order to serve our members. We should not exist in order to serve our members. Members come and go […] I felt that we have lost our purpose". During the interviews some claimed that the purpose today is old-fashioned, not interesting anymore. According to a board member, the result is: "You do not know who you are or what you want. We cannot be 'Explore Sweden' when it is for the most people all about exploring the world".

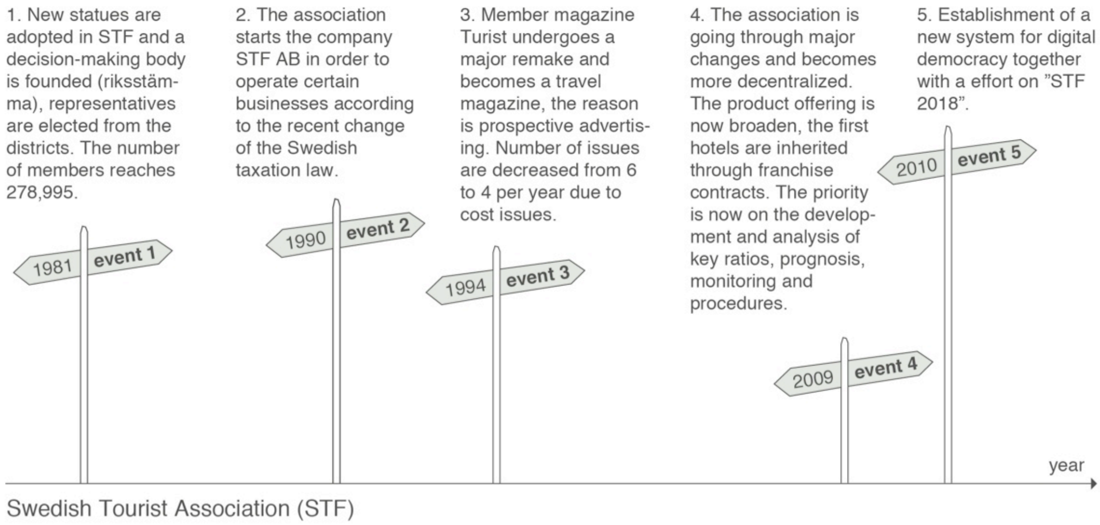

Figure 9. Key events in the history of the Swedish Tourist Association.

4.2 F&S – The Journey of Hybridity

The story of Friskis&Svettis (F&S) started with a commitment of connecting health care and health maintenance where "&" denotes the linkage between these two (F&S Homepage: Historia). The main purpose was to make people move from Friskis (health care) to Svettis (health management). In order to fulfill this vision, F&S offers services suitable for everyone (F&S Homepage: Historia).

During the early 1980's the organization started to create standards for apparel and education. Adopted by its volunteers and in accordance with this standardizing they developed a marketing plan. The same education that the Secretary-General highlighted back then is "world class" according to a former representative of RIKS. The education was consistently, through our interviews, claimed the reason why members turn into becoming a part of F&S. "In order to understand Friskis&Svettis, you need the internal education, you need to be washed in red and white" [the colors of F&S] according to a former board of director. The values were the foundation; F&S want everyone to exercise and they want more people to be at the gym and in motion. "We do not talk that much, we do something", she said.

4.2.1 1985 – The founding of RIKS

In the beginning, all F&S' local associations were run autonomously. However, in the year of 1985, everything that was F&S became gathered under one umbrella organization. RIKS was founded; a body that was supposed to work with managing the ideas from districts and members concerning what F&S "is" and "should be" (F&S Homepage: Organisation). According to a member of F&S RIKS, "We created RIKS in order to create one association, while we are still owned by the districts, they [the districts] are still their own decision-makers". According to him, the four main tasks of RIKS was to protect the brand, educate the F&S' instructors, develop the workout concept, and finally to lead opinion and speak for the organization as a complete body.

Since 1985, managerialization has been claimed to be growing organically and F&S has thereby been in an active search for competence. "The goal was to become more innovative and find new perspectives to the organization" according to a former representative of RIKS. Each district had an operating manager, and recruitment was being inspired by the business industry. This appeared quickly in the organization, especially in the language, words like "customers" and "Q2" appeared whereas F&S felt that it was a bad fit. "That type of economic language was not welcomed, it does not represent us in a proper way" according to a member of F&S RIKS.

4.2.2 1989 – Using Gym as the Business for Serving Member Good

After long discussions within the association, it was decided that gym should be offered to F&S' members. The association was founded with the intention of having aerobics, but was according to many members starting to do something else than they were supposed to. "It created debate right away, it was said that it was not possible to be a non-profit organization and run a gym business, and that F&S had taken the idea of opening a gym from the competitive commercialized market and should stick to aerobics", said a former member of RIKS. Many claimed that this event was the most infected question so far in the history of the organization. According to a local association manager, "Gym used to be a complement to the aerobics part of Friskis&Svettis. Over time it has rather been a door opener, a reason for people to join".

When gym operations started to embark in all districts within F&S, it was an association that stood for serving the public good; offering a fun way to work out. After a while, in accordance with the establishment of gyms, several voices in the society started to question whether F&S really was a non-profit organization. "We try to turn that logic around. A fun way to work out, does that really have to be commercial? A fun work out, why cannot that be non-profit?" said a former member of RIKS.

Hand-in-hand with the gym debate arose a new topic related to the facilities of F&S. Previously, with the aim of "the mission is to lead the development of our product: aerobics" (AR, 1994), F&S were enabled to operate in parks and school buildings. As opening of gyms was introduced, the association started to look for new facilities, where new activities could be offered.

4.2.3 1994 – Grounding the Idea of F&S

For F&S, the idea was to offer "fun and accessible workout of high quality for everyone". In our interviews it was claimed that this idea needed to be revised on a daily basis. If any member should hesitate on what F&S was about, the leaflet "This is F&S" was developed and published during this year.

F&S was now claimed a fairly harmonized group of both volunteers and members. "We did aerobics, it was very clear aligned with our idea. We used a more narrow expression and members were only the enthusiasts who really liked being 'Friskis'. This is when the core values were established", according a representative from F&S RIKS.

In 1994, a company was created in order to enable the production of a video for exercising; this was greeted with diverse reactions. A local association manager explained that the most important factor to keep in mind was to be very clear with "why". In order to return to the main ideas and to question the reason why Jympaprodukter AB was created. The importance was to explain the "why" related to the new action, but meanwhile not losing the "us" in this change, according to her.

In the Annual Report of 1993/1994, it was stated, "The world is changing as well as the members. The foundation is solid, but we have and need a lot of innovation within the organization". When F&S had such a high speed in growing, not every volunteer got a proper introduction. Once again, professional competence was requested. "People that came from the business-side joined F&S and tried to 'solve' everything. They started to explain how an organization should be run, with fancy systems […]. But it is not about helping or solving it is about teamwork", says a former representative of RIKS

It is further described in the Annual Report that "our idea is always being developed and discussed continuously and practically everywhere. Back home in the districts, in the regions, at RIKS, Svettisdagarna, in our publications and in our magazines. […] The sound idea is permanent, but curiosity and new thinking is always in full progress".

According to a former representative from F&S RIKS, members identified themselves with the core values of F&S, "They will realize that we are something else than an enterprise. It is not about being professional; it is rather to be competent or excellent. What we do, we do really well".

4.2.4 2001 – 2004 – Creation of the Black Book and Rocktåget

A couple of years later, in 2000, the organization realized that it had started to lack pride and identity. After years of rapid expansion, tensions emerged internally. "The volunteers had been blinded on what we were and what we do", said a former member of F&S RIKS. F&S was told that it was lagging behind, even out-of-date. The central office took some major actions in order initiate a strategic transformation. "When an identity of the association is confused as we were, many members commit only out of duty. I wanted the members to be involved because they wanted to. […] We did not talk about jazz pants, we talked about what values we want to be", said a previous member of F&S RIKS.

According to F&S, from a public perspective, they were claimed to have a rather undefined position. It was a non-profit association but still they acted in the center of the commercial market. Interviewees tell that the key was to handle every decision on its own. "Every major decision should be based on going back to core values and our purpose and role, that is how every question can be based on F&S specific and unique position", said a representative from F&S RIKS. Example on such decisions is the re-design of the apparel. "About ten years ago, F&S was compared to the basic underwear from Coop. When we heard that, we felt the need to add more attitude and excitement to our brand" according to a previous member of RIKS. In the after-math of that discussion, they began with a more innovative analysis regarding the choice of dress code that volunteers are wearing. “Decision like these are so much more than the actual outcome of shorts or jazz pants, it is an expression concerning our core values”, she said.

About eighty selected ambassadors within the organization received an email with a request to describe their version about where they want to find F&S in five years. From this starting point, an environmental analysis was made. Eight people were involved and two million SEK was invested. The purpose of this project was to visit all of the Swedish districts in order to bring the values from F&S to the new agenda (AR, 2001). “The focus was on the dialogue, processes, and discussion about values and what they actually meant in practice”, according to the former member of F&S RIKS, also being head of this project.

Later, in 2007, FRISK, a Swedish trade organization representing commercial gyms started to raise claims that F&S was behaving just like any other gym actor. Since F&S act like any other gym, they should be treated that way according to FRISK. It was claimed that F&S used its legislative form in order too keep prices lower. As a response to the discussion, F&S decided to hire lawyers to investigate their “companization”. “On the surface the differences are not really noticeable between a private gym and one of our gyms. But, we belong to the sports movement. There are lots of fitness organizations that are also similar to ours. The members of FRISK have chosen to run their gym in a commercial form. We have chosen to operate our gym as an association” (AR, 2007).

The outcome from this investigation was that F&S did not show enough parables to a commercial gym organization (AR, 2005). This was related to the fact that F&S, due to VAT regulations, had to establish companies in order to be able to get access to lease contract. During this period, F&S expressed concerns that they had been misunderstood, both by the Swedish Competition Authority and the Swedish Tax Agency. The Swedish Competition Authority and Tax agency discussed if F&S should be handled as a company or not, according to a member of the board.

4.2.5 2011 – Protecting the Brand and Identity

”We are affected by the environment and its pressures. We are now in the middle of a workout boom, social media and people talk face-to-face about fitness which makes us excited”, according to a representative from F&S RIKS in our interview.

Whereas a member of the Board of Directors claimed, ”The centralized power can not grow too strong. Non-profit organizations must not be seduced by the commercial logics. We cannot lose ourselves among the new trends. It is dangerous to try and be something we don’t have the personality to be”.

Pressure from new methods of practice and products often became an issue. “There is an increased pressure from society to proceed with other segments than fitness, such as the Personal Trainer […], courses in stress management, anti-smoking courses etcetera, once again, a strategic value statement is needed” said a former member of RIKS. According to her F&S was number one in working out but was unable to respond to all these trends, ”That is what makes us unique; we are experts in what we do”.

The trends were usually discussed internally and compared to the association’s overall guidelines and purpose. In the case of the Personal Trainer, when F&S created a pilot study they firstly named it “Workout together with an instructor”. They avoided the term Personal Trainer and transformed it into something that had been built within F&S. Through responding to some of the environmental trends and rather transformed them into their own version, the association was hoping to stay close to its values. After a while, ideas such as Personal Trainers are not seen as trends anymore but as something institutionalized. The, “Workout together with an instructor” was soon renamed Personal Trainer according to a local association manager.

“To protect our brand, our idea, our good reputation and our non-profit status will become increasingly important as we are challenged and developed” (AR, 2010). In order to be consistent in how F&S act and talk the association invented a phrase book. F&S wants the organization to Talk-the-Walk, meaning F&S do not sell workouts, but rather offer workouts. They do not say customers but members, and a workout session with an assistant was offered in the case of anyone interested in personal training. This type of guidance was being promoted when the “white book” was launched as a follow-up on the “black book”.

According to the former representative of F&S RIKS “the white book is our values, presented in a fun way that is open for interpretation. We do not want to say exactly how to do things but rather an indication, how would a choice be made with the root in our core values? It is all about guiding how we work, rather than stating right and wrong”.

The members of F&S were expecting a great deal of professionalism, according to a representative from F&S RIKS. That made it crucial to package the non-profit services in a commercial and professional way, e.g. Personal Trainers were not recruited externally, they were educated in the same internal education as all other volunteers, ”We offer the service but we do it our own way”, according to the representative.

4.2.6 Today – Protecting the Non-profit

Today F&S has 500,000 members (2015), meaning that 5,5% of the Swedish population is a part of the association. Compared to 1978, today's F&S is something different, "the organization is no longer a pure 'aerobics' organization" according to a former representative from RIKS. Even though the association is built on the same idea as before, the environment is transformed.

Since the 1980's, the common interpretation has been that F&S is more commercialized than F&S do perceive themselves. It is often asked, "Who earns the profit from Friskis? It [F&S] has just been a bit too good to be a non-profit organization", says a local association manager.

The way F&S link increase in members to targets is by looking at key ratios. One of the districts recently adopted ratios such as index of satisfied customers, satisfied volunteers and index over recently established districts (measured as square meter rather than number of facilities). "We are not talking revenue but how many members. We measure the number of members as key figures, our strategic measure is the number of members", according to a manager from a local association. This is related to their overall mission, namely getting more people in motion.

Just as the time when the gym was added to the product line, F&S is continuously being tested on their values and overall purpose. One example of such tests is explained by one of the local association managers, a case where energy bars and protein bars are acquired after an extensive dialogue. Even if these products are not necessarily related to the purpose. "The environment is getting closer […] we would be able to sell more if we were offering Red Bull in the reception. Still, we do not have products in order to gain new profit. That is not our purpose".

The districts today are neither comparable in number nor in size to the design of the early F&S. When increasing in size and offering a broadened product, some interviewees state the importance of not letting the districts drift away from their values. "Within Friskis, it is not possible to tell people what to do. The board is constantly strategic but it cannot move too far ahead, everyone has to be on board in order to implement change", according to a member of the Board of Directors. Still, by some, commercialization is not seen as a major issue; "It is possible to be a commercial actor in some areas, while keeping ideological core values. Being a professional organization F&S understand where we are from, our operations and our environment" according to a representative from the Board of Directors. Others in F&S do not agree, "When the associations are starting to play business there is a problem. It is not only about internal legitimacy, you need to know what is important for the members […] we have to be true to our values and our identity, it creates internal legitimacy", says a member of the board.

According to a board member, the inside of F&S is in line with what they communicate externally, "We also have an open eye towards environmental changes in our market, we are a dynamic organization and we change with society". A local association manager concludes, "There has always been an urge to develop oneself as an association and it helps us to increase the speed".

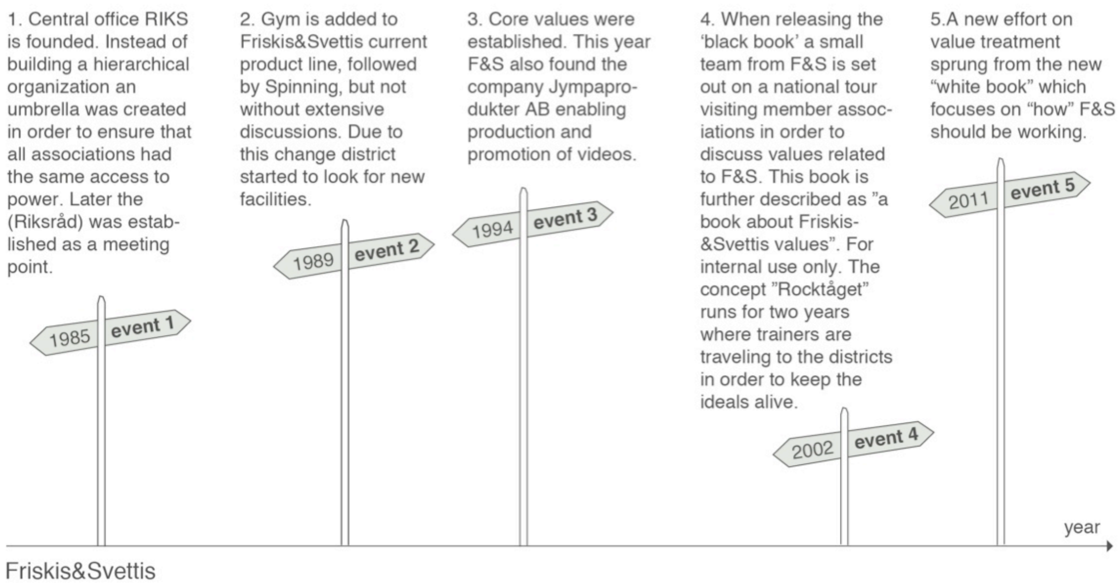

Figure 10. Key events in the history of Friskis&Svettis.

5 Analysis

In our analysis we further investigate how commercial pressure from ”multiple sector membership” impacts organizational identity in hybrid organizations. We have analyzed the empirical data with our analytical framework presented in Chapter 2. The foundation is found in Berg and Jonsson’s three-part model from 1991. With regards to the model from Berg and Jonsson we consider a revised model disregarding the capturing and interpreting of the member opinion. The reason is that neither of our organizations is primarily motivated by internal member opinions. Given the situation of the current civil society, this part of the model, with regards to our empirics, might be lagging. We have also disregarded the external formation of opinion since 1) The primary focal point for neither F&S nor STF is affecting external opinion and 2) this will not help us answer our research question. However, the parts of the framework we consider to be key issues related our research question are the strategic platform, internal anchoring and trend responsiveness. We will start with the strategic platform.

5.1 The Strategic Platform

In this part, the purpose is to gather the organization’s interest and reason of existence, and create a possibility to act and make an impact. Firstly, an organization claims a position through the authorization of the operations. Secondly, the organization needs external legitimacy or the accreditation of the organization for being legitimate in the market. Finally, internal legitimacy is provided by the members in forms of mandate to raise voice to member opinions.

With regards to our empirics we see that a consciously reflecting profile on what the organization represents is crucial as well as understanding its core purpose. In order to claim a spot on the market, the members of the organization need to know which spot they want. A unified ideology will thus help in internal decision-making, but also create legitimacy towards its own core values. As a consequence, internal and external strategic processes should be equally prioritized according to Berg and Jonsson (1991).

Looking at the empirics for F&S we are able to notice that there is a high degree of consensus about what they are in terms of identity. Even if there is constant discussion regarding how they become what they want, F&S find their answers in the consensus of identity: a common platform.

Internal developments such as making gyms a part of their own offering and rejecting Red Bull are examples of external pressures and trends that are constantly considered. This helps F&S develop their core while still being aligned with what they actually are, and also their purpose with regards to external legitimacy.

During our studies, we seldom saw situations in which F&S were seen as confused. As mentioned in the empirics, internal education and the process of being "washed in red and white" ensures that members become aligned with the shared values. Everyone joining as a volunteer in some way goes through the same process, and individuals can thus be framed by for example RIKS. Identity, values and core concepts become very clear, anchored and consistent early on when members are introduced to the association.

With regards to their difference in age (STF being over 100 years old), there is a great contrast. For F&S, there has always been a relevant purpose related to their core activities. From the interviews, representatives of F&S mentioned times when the association was associated with basic underwear. Despite a period of bad reputation, the core has mostly in been in order; development came through adding innovation to the already solid foundation. As can be seen in the data, F&S tried to recruit representatives from the business industry, but rather quickly found that it was not the right way to go. Also, a change in language and systems were not aligned with their ideology, their strategic platform, causing them to rethink. As they expressed themselves, it is about being competent and excellent, not business or professionalized.

In contrast, STF has a more distinct separation between the company part and the association, realized in our interviews and from analyzing their annual reports, e.g. "Company have been strictly necessary", and also "we were forced to become more professionalized and competitive" is often associated with STF. Talking with members in one way while talking with franchisors in another. However, compared to their extensive history, it was not until rather recently that the change in recruitment strategy occurred. Recruitment used to be solved from within, but during the nineties they became increasingly professionalized with decreased number of people with non-profit background as a result.

The foundation of F&S lies in the idea of offering different types of training to the members. The idea is central in how they deal with operations on a daily business. STF's idea to explore Sweden but claimed less relevant than before, since people in Sweden now want to explore the world. As mentioned by many representatives, when the idea and goal lags behind, STF need to find relevance again. As Berg and Jonsson (1991) explains; claim a position in the market or there is a risk of losing external legitimacy.

In conclusion: It seems to be a balance between developing enough to stay relevant, while never letting the association drift away from the core purpose. How associations handle this appears different in our study.

In the following section, we will discuss the internal process, anchoring the strategies with both members and elected representatives. The purpose of this internal process is to further develop values and beliefs from the organization, represented through its ideology, assuring that members are on board.

5.1.1 Internal Strategic Process – The Internal Anchoring of Identity

Internal anchoring of identity is crucial for the organization in order to stay in balance. The democratic decision process means that the top management and the board have a limited framework given by the organization. Stepping away from what the complete organization considers as right will cause internal legitimacy to decrease.

The development since the eighties has differed between the organizations. STF show a tendency toward being what Berg and Jonsson (1991) call hierarchic and institutionalized. Restructuring has been back and forth during the years. Much of the internal anchoring is done retroactively, explaining for the members why decisions have been made. One explanation for this could be that restructuring and not knowing exactly what they are makes anchoring difficult. STF have been portraying themselves as a public movement, company, commercial actor, union of voluntary members or "STF is a non-profit organization, politically and economically independent and with a strong presence in all parts of society non-profit organization". Internal anchoring is time consuming however it is accomplished through time. Inconsistency in the anchoring therefore creates confusion.

Internal anchoring can be focused on different aspects, such as anchoring the issues of interest within the organization or create enough freedom for the board to act. However, the key task is to enhance the ideological foundation of the organization.

The public good for STF is less relevant today. Due to the loss of responsibilities, such as harbors and hiking trails, ideological issues are replaced by operational business while the centralized administration has been growing.

F&S on the other hand, has gone towards idea-based development. The idea and purpose are the central factors. What is prominent from the empirics is that as of now, F&S stand their ground in the discussion about values and purpose alive, day-to-day. When they decided to change from "basic underwear" and become more innovative, questions like "what are we" and "is this right for us" have been the key focus. Adding a gym to their brand was said to be the most infected discussion so far but made them more commercialized while ideological values became an issue. It seems as they have learned from their conflicts from competing pressures and that they are now highly transparent in anchoring why and how new strategic decision are aligned with identity. The approach is more proactive.

Berg and Jonsson (1991) mention that successful managing demands continuous recur to the foundations and the core values of the organization keeping the discussion about purpose, strategies and actions alive all the time. The empirical data proves that F&S behavior is a reinterpretation of the core values, an anchoring on both core values and in new trends of society. Within F&S, the internal anchoring is supported with tangible assets that work as frameworks, such as the white and black book, the phrase book or the clothes used by all volunteers. It has been proven successful for F&S to use many tangible artifacts when anchoring ideas and strategies internally.

STF have been using many tangible assets in the past, but have seemed to lose the majority of them over time. It is easy looking back and concluding in hindsight that parts of the organization might have been more valuable than what was decided back then. The changed responsibilities such as the guest harbors, or the sections of Tourist that have changed over time might have been key assets in order to make identity something tangible.

In conclusion: Internal anchoring is mainly important in order to minimize the distance between management and members. The decision-makers cannot be too proactive in making decision that members are not aware of.

In the next part, we move to the external strategic process, where legitimacy is created through communicating ideological values from the strategic platform. Legitimacy is reached by acting within the institutional framework and by formulating ideas that are perceived as acceptable from society. Gaining support from society is correlated with increasing legitimacy.

5.1.2 External Strategic Process – Trend Responsiveness in the Current Environment

Organizations are commonly described as actors being affected by their surroundings. The world is changing and organizations develop with it. External legitimacy is gained from affecting the public opinion. As many other organizations, both STF and F&S are affected by what is happening in their organizational field.

According to our interviews, the commercialization in the society has been widely affecting the everyday operations of STF; the organization is currently struggling to re-find its native space in society. With an ever-changing environment, STF has been following but lost its own core purpose on the way. In recent years, STF expanded their offering into hotels. It seems to be a way to partly meet customer demands and partly a new source of income. F&S has been following environmental changes as well, but to a greater level anchored in the organizational value-system.

It became clear during interviews that F&S are expected to extend their operations further into other areas (such as anti-smoking, stress management). An organization should not ignore these pressures; it is the way to stay relevant; doing what the society wishes for. However, it could also be a shortcut into losing identity. Instead of losing themselves in external demands F&S have shown to be skillful in balancing pressures with their organizational fit. As said during interviews, "we do what we do best, and if we join we do it our way". An example of this would also be the Personal Trainers, they were adapted due to external pressures, but only after a discussion about how they would fit in the strategic platform, how the new service would be communicated and how the trainers should be modified in order to "be Friskis". The same behavior can be seen in the handling of FRISK. F&S are sure of their identity and what they are, trying to make sure that other actors in society understands this as well.

In conclusion: It is crucial to maintain self-confidence when exposure to external pressure becomes intensified. A successful way of handling external strategic processes seems, according to our studies, to be returning to the core values and purpose and combining it with being relevant. Following the trends but transform with them rather than adapt to them has shown successful as long as it is aligned with identity. We conclude this as the importance of walking the talk.

5.2 The Strategic Dilemma

Berg and Jonsson (1991) talk about a strategic dilemma that arises when legitimacy in the non-profit sectors is confronted with the demand to follow the market and the changes in environment. The dilemma is apparent in conflicts between internal and external power structures. An example of a common struggle is to balance ideological values with the need for strategic action.

Ideologically, there are large differences between the cases studied. When adding a historical perspective, they used to be more similar. F&S feel self-confident about their identity, what they are supposed to do, and what is simply not their task to handle. STF have reached a crossroad where the association is confused of their core purpose, is it still the right path to choose? The struggle between logics affects many people we have interviewed. Almost all the representatives we talked with in STF have different views on what the association has become, what they should prioritize and where they belong in society.

As far as we have noticed, we are unable to conclude if there is a dilemma between democracy and management in our cases; there are around five percent of members that are interested in participating in internal meetings and activities. We would, however, like to highlight the importance of a physical place to talk. F&S are geographically closer to its members and meet them usually several times a week and could thus talk with members more often. Without reflecting too much about it, democracy is a very integrated part in the association of F&S. Members that visit the gym or aerobics classes can make their voice heard on a regular level in a very informal way. We like to argue that in this way, internal democracy has been preserved which also has also made it easier to understand new adoptions and not to lose identity over the years.

5.3 Concluding and Adding to the Model

In order to capture a more dynamic and intangible aspect, we would like to add the shared value system and institutional theory. Before further discussing our contribution we will start with the shared value system.

5.3.1 The Shared Value System

The strategic platform represents the ideology, collecting the interest of the organization, while anchoring enables internal legitimacy and the possibility for the organization to act on behalf of the members. A shared value system however lies partly in the rules and frameworks from the anchoring and platform, while the other part lies in the praxis and lives of individuals. The key is to recreate and constantly produce the shared value system. This in turn is what generates trust.

In contrast to the above-mentioned strategic platform from Berg and Jonsson (1991), the shared value system is not seen as static. Ideology does not occur as something tangible, it is not possible to materialize. If associations do not create conditions for talk, discuss, reproduce, and act on ideological values, they will be questioned. The strategic platform in itself is static. F&S keep their shared value system relevant and dynamic, which makes them never stop developing their concepts i.e. strategic platform. Moreover, the shared value system creates legitimacy both internally and externally. From our data, the shared value system has proven to be a valuable key for strategic change.

In order for the shared value system to be powerful, there is a need for coherence between ideology and society. When changing institutionalized views on frameworks, influencing the shared value systems should be a top priority. When introducing gyms, F&S had to start from the beginning in trying to influence the shared value system. Now, when it is such an integrated part of their operations, the institutionalized view of being only aerobics have changed.

F&S constantly makes sure to improve their internal development. Furthermore they seem to do this with a determined proactive approach, evaluating thoroughly before adding a new role to their platform. F&S has a large degree of recruiting internally and finding candidates with a background somewhere in the organization. This might be harder for STF since the board and managers have less regular contact with members, both in terms of routines but also in terms of the product offering. When restructuring has been prioritized and with a high level of turnover among the staff, it has also been difficult to capture representatives with a proper STF background.

It should be added that the structural conditions within STF and F&S also seem to affect the outcome. Over the years, STF have changed their internal structure, their values and their purpose several times. However, the development becomes linear. According to our study STF have shown strong tendencies of drifting towards commercialization. F&S' internal development can be seen as a circular process. They never seem to leave the core. They adapt to new changes while anchoring to the purpose of their existence. The adapting and anchoring continue over time in this circular shape.

The geographic differences between the cases investigated also seem to have played a part in the influence over the shared value system. Again, the members of F&S meet in the gym several times week, while in STF it is probably more common to visit a mountain hut a couple of times per year when traveling. In F&S members have a reason for returning that is more urgent; exercise. Visiting the huts in the north becomes much more abstract in comparison. The constant exposure within F&S has in that way contributed to a natural anchoring of identity.

As mentioned, a shared value system, partly lies in structure partly in people. Enthusiasts motivate F&S. Between 2001-2004 they had an identity crisis but decided to change to become more relevant. Instead of listening to external pressure, they started to change project solely from the inside. Ambassadors were gathered, values were deeply rooted in every individual, "Rocktåget" were sent out on a national tour and tangible artifacts were created. These changes lie in the people. Members and representatives were requested to make a search for the "soul of the association", making sure they wanted to be a part of F&S, not out of guilt but out of belief. This gives according to previous theory a shared value system in the association. The strategic platform or the anchoring of the decisions made would not have been enough. For example, jazz pants and Red Bull are being discussed and even though the issues might seem minor, the discussions around them create value and the feeling of being a part of something.

F&S' phrase book has helped in knowing what they are; it is another tool that decreases the confusion. Trust could be even more enhanced with the help of artifacts.

In conclusion: Being an idea-based association, it is important that everyone is aligned with core values and the purpose of the existence. Shared values should be reproduced constantly; making sure that ideology is dynamic and relevant in society. It is also important to stay close to the core, if aspects such as structure or geographic distance are obstacles, other ways of creating closeness need to be implemented.

5.4 Connecting Theory to the Struggle of Multiple Sector Membership

In the non-profit sector, it is not always clear whom the decision-maker is with the power to control the association. Furthermore there is no uncontested goal, and no way of measuring if the governance is currently good or bad. In conclusion this would give an association a rather high degree of freedom of choice. It could be difficult to prove "right from wrong" in the same way as can be done in other sectors of society. Developing this thought further it could be argued that hybrid organizations have greater freedom in choosing a path. We will explain this reasoning further.

Connecting to institutional logics, hybrid organizations are exposed to competing logics. Our selected cases have both ideological/non-profit and commercial logics that put pressure on action. The balancing of these logics is crucial. Hybrid organizations belong to both the non-profit and the commercialized organizational field. They gain resources by being a part of the commercial field, and they gain legitimacy and purpose ("common good") in their non-profit field. They have integrated both these organizational fields, and are thus exposed to logics from more than one institution. Being a struggle to balance, it could also be argued that the multiple sector membership create a certain degree of flexibility when to belong to what field. Some actions might be legitimate in one field but not in the other. Logics can be handled separately; legitimacy can be anchored in the one field that is currently preferred, commercial or ideological.

However, it might not be that easy. Once too far out in the commercial field, the associations start to drift from their original mission. As explained by the term isomorphism, it is tempting to copy successful actors in an organizational field. For a hybrid, isomorphism could create vast confusion. Forgetting their original purpose, a hybrid could be tempted by the additional resources to be gained in the commercial field and drift. This could be the case when internal anchoring is forgotten in strategic decision. It could also be the case when managerialization is the current trend in the commercial field. Acting too fast without internal anchoring leads to professionalized representatives and the lack of non-profit backgrounds.

Internal conflicts arise: what are we and where are we going? Without active discussions of the core purpose and initial values, identity will be lost in the development.

5.4.1 How Do Non-profit Organizations Balance the Commercial Pressures and Preserve Their Identity in "Multiple Sector Membership"?

We will answer our research question by assembling the theoretical framework from chapter 2 and the analysis from chapter 5 thereby ending up with a model summarizing our contributions.

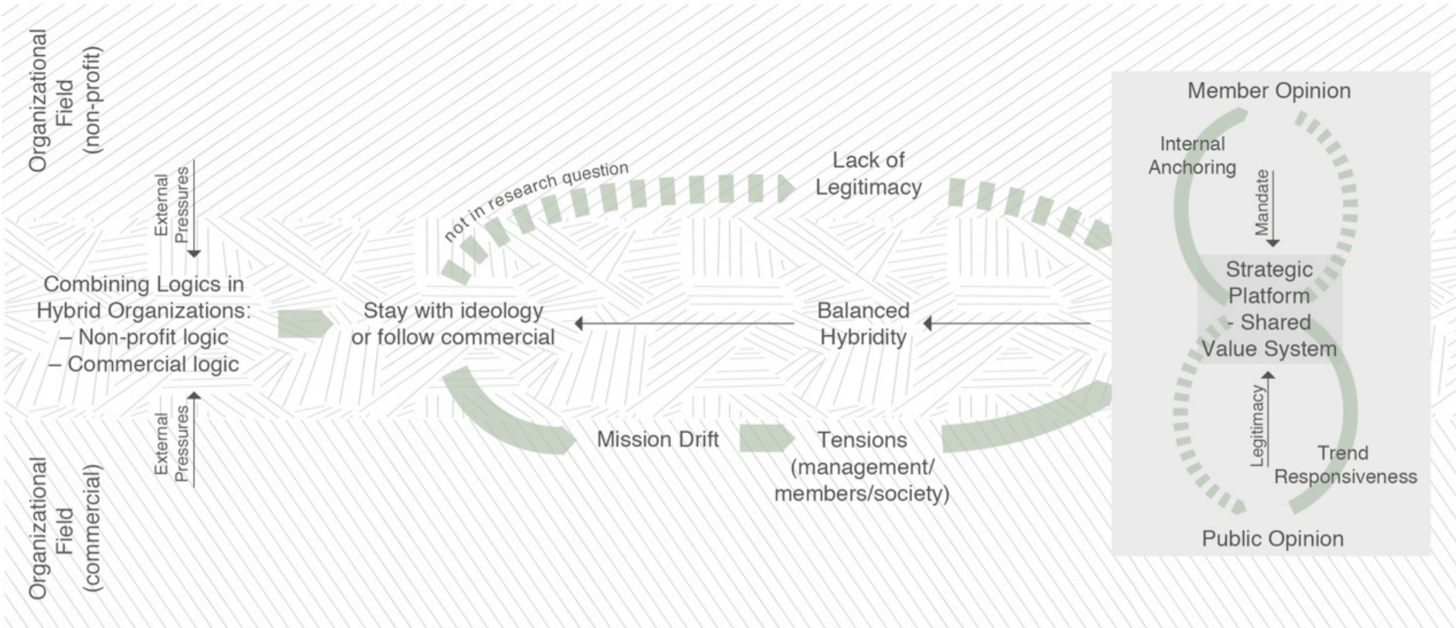

Figure 11. Balancing multiple sector membership – an overview.

With a change in the civil society sphere, organizations need to stay relevant in order not to lose legitimacy (or members). When a change occurs in society that is already aligned with the ideology and shared value system, the association will adapt without radical development. However, when a change occurs that is not aligned, it creates internal discussions. Development and how to stay relevant is generated from these discussions, which we see as crucial.

Hybrids exist at the boundaries between two fields, and per definition belong to both. As a consequence, they have a need of balancing logics, coming from this multiple sector membership. We have studied two cases of hybrids balancing the non-profit with the logic of commercialization. We have seen that over time, hybrids easily drift from their non-profit mission. Balancing conflicts mean that, at times, one logic will have a higher impact than the other. When an association drifts away (mission drift) from their original purpose it is crucial to give attention to the tensions that occur, still, conflicts and tensions are necessary. We see the strategic platform and nonetheless the shared value systems as the way back from mission drift. The discussion created by a conflict is, once again, the key to come find the own identity, whereas the target is not the consensus but rather the discussion before reaching consensus.

Keeping discussion about values and purpose alive, will also keep the identity alive. To align a change with shared values, internal anchoring and gaining external legitimacy is fundamental. Once the change is aligned with the shared value system, the association has adopted the change by making it something of their own, aligning it with identity. The process of aligning and anchoring will also assure that the associations' identity has relevance in society.

We would like to add that we could see this phenomenon in multiple conflicts, in multiple levels of the association, on a daily basis. Our model described above is dynamic. Furthermore, we have looked at the commercial side, which is the bottom part of our model. Since the upper side is not apart of our scope this part is disregarded. However, if connecting to Berg and Jonsson's reasoning, drifting towards non-profit should mean a lack of legitimacy, since the external legitimacy is gained from capturing the changes in society. This part of the model needs further research.

6 Discussion and Future Research

Before presenting the conclusion we want to further discuss our research question in accordance with the analysis and bring issues previously encountered. In our discussion we seize the opportunity to go further to get an overview of this topic.

We see that balancing the multiple sector membership is not an easy task. Looking at our findings in the analysis, belonging to more than one organizational field (and belonging institutional logics) may create confusion. During our study we have been wondering if hybrids are misunderstood. Our studied associations have multiple expectations from stakeholders in both the commercial and non-profit sector. During strategic decision-making, it appears easy that one sector become prioritized which might have a negative impact on legitimacy in the sector less prioritized.

We have also though about a possible uniqueness in the legitimacy of hybrids, if stakeholders are aware that they might not always be prioritized and instead accept the discretion that hybrids have. And in contrast, we have been wondering if hybrids are accepting the fact that there might be a constant misunderstanding with regards to what they are.

In our study, there seems to be a certain degree of ignorance from our associations towards constantly explaining what they are. As long as they are safe with their own identity, legitimacy is somewhat sheltered. Other actors in the organizational field also try to label our studied associations. As F&S mentioned, they have had some troubles with showing too profitable results in the past. When an association is very successful other actors in the field starts to ask them "Who is making money on your company?" it is almost as if a business model in an association should be a bit defected to keep legitimacy of a non-profit purpose.

For competitors, F&S is a commercial actor, even though they actually are an association. The same holds true for STF as other actors see them as a competition and commercial actor even though the majority of representatives in STF see themselves as being an idea-based association with a higher purpose. There is always a need to explain to someone, if it is FRISK, the Swedish tax agency or members; misunderstanding seems unavoidable in a multiple sector membership.

What seems prominent is that it is difficult to jump back and forth between different fields. It will have a negative impact on legitimacy. It does not always seem to be about choosing a path; the commercial and non-profit logic can be integrated. In our cases we concluded that the balancing of both logics were a key success factor for a hybrid organization. Never leaving one side out in strategic decisions seems more successful than jumping back and forth. Identity lies somewhere between the fields of commercial and non-profit. To integrate both sides rather than separate them has been shown to be crucial.

We think it has been proven useful to link institutional theory to the strategic management in hybrid organizations. Competing logics affect hybrid organizations on many levels. We think that our studied cases of hybrids rooted in non-profit organizations can help add knowledge on how the different challenges of balancing logics affect associations.

Finally, an interesting thought is that perspectives may vary within both associations. When conducting our interviews we saw tendencies that actions can be seen as both a success and failure. If the initial view is that STF is acting as a company, the outcome is seen as different when the view is instead that of an association. While some part of the organization is frustrated by bad company results, another part might be pleased with the same results, measured in value for the common good. In hybrids, there will always be differing views on what to prioritize depending on if the goal is for members or profit-driven.

6.1 Theoretical Contributions

We aim to contribute with our study summarized in figure 11, which add data to the current research about multiple sector membership. We have tried in a comprehensive way how institutional theory affects the strategic management in hybrid organizations. We hope that our study can highlight the complexity, but also explain some successful ways of balancing conflicting logics. We also hope that our revised version of the theory from Berg and Jonsson (1991) can be useful and we encourage further studies within the same research area.

6.2 Practical Contributions

We would like to highlight the fact that different associations will have different outcomes when combining and balancing logics. We are able to see that talking about the paradox is helpful but most important are the discussions. We think different initiatives highlighting the identity of the organization are of great importance but most vital are the discussions leading to the different initiatives. Thereby, non-profit associations leaning towards a commercial market can be helped by physical products, e.g. phrase book, “This is F&S”, Tourist, but most importantly is the initiative of creating a platform leading to the development of such products.

As can be seen in our study, there are both geographic as well as structural aspects that will affect the possibility of anchoring ideas, and likewise affect the opportunities for trend responsiveness. With this being said, in order to keep a balanced identity, hybrids need to find ways of overcoming these structural challenges. Depending on characteristics of the association the challenges will differ and each organization needs to find its own way of anchoring ideas and stay relevant in the civil society sphere.

6.3 Limitation to Contributions

We have studied member-based organization, which add complications when discussing in general terms. According to data from our interviews, all members are not part of the association because they identify themselves with the organization. In contrast, a large part of members today are there to "enjoy" the service offered only according to surveys from both associations. This means some members care less about the identity of the organizations, they are members due to economic incentives, it is more suitable to purchase offerings by STF or F&S than any of their competitors. This fact makes our contribution rather represent a scenario of the "ideal association", in which members actually care about the way their association is developed.

We have looked at our research question with the perspective of how top management should act in a strategic way. With this being said, there are plenty of other levels in the organization in need of further studies, since the hybrid perspective could appear differently in other parts of the hierarchical structure. There might be aspects that we are unaware of only focusing on the top level which might limit our findings and thus our contributions.

6.4 Going Beyond the Research Question

When concluding our study, there are a few aspects that have raised our interest in terms of continuing with further research. We have not been able to investigate these topics ourselves, but we would like to present them as suggestions for other academics that might find them relevant.

In our study, we have investigated the management. We have only been interviewing representatives inside of the organization. In order to truly analyze the impact of hybrid organization on other actors, it would be of high value to add qualitative research from external stakeholders. For example, competitors, clients, community partners or other actors in society are affected by the achievements from the association. If adding that additional perspective, external legitimacy can be further investigated, which would add to the understanding of strategic management and the struggle of choosing a path.

Finally, we reminisce about the development of the hybrids. Several integrated aspects can explain the development in the civil society. What have been the incentive and driving force? Have the organizations changed and the behavior of its members with it? Or has the behavior in members forced the organization to change? Connecting to this reasoning, we once again find ourselves frustratingly stuck in the same returning question: Is the organization there for its members or are the members there for the organization?

7 Conclusion

Due to a transformation of the civil society, many associations are leaning towards the commercial field. This hybridity, or multi sector membership, is by scholars compared to playing two games at the same time. In our study we focused on the balancing of the two competing pressures, non-profit and commercial logics. In order for hybrid associations to maintain a balanced identity, connecting trend responsiveness with ideology seems to be of high importance. Different institutional pressures are constantly affecting hybrid organizations and influence the possibilities for strategic management. Both the commercial and non-profit field will have an impact on actions and expectation on how the association should behave. Through our findings, we hope to advance the previous studies on hybrid organizations.

Active discussion on shared values and what the association should be and should not be, will according to our study help to decrease confusions that arises within the organization. Each organization should find its own ways of anchoring ideas in ideological values. It has shown successful to ensure that members meet other members, and that members also meet management, in a continuous cycle. If geographic and structural aspects are obstacles for physical meetings and discussions, artifacts and tangible properties can be a help to keep a balanced identity. The multiple sector membership include differing expectations which means one side is likely to be less prioritized from time to time. In consequence, there is a risk of creating confusion, since the association does not mean the same thing for everyone. Even though there is a balanced identity internally, the association can still end up being misunderstood by its outside environment. Choosing path is thus not about the actual choice of where to go, but the walk and talk along the way.

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9 Appendix

9.1 Questionnaire and list of interviewees

Profile

Q: Please tell us more about *your* background before joining [F&S/STF].

A:

Q: Where do *you* think [F&S/STF] is heading?

A:

Q: What are *your* visions with [F&S/STF]?

A:

Q: Is *your* vision separate from today's association?

A:

Organization

Q: If so, where in [F&S/STF] are we able to find conflicts? Where within [F&S/STF] are we able to find dilemmas?

A:

Q: How do you separate on internal/external legitimacy?

A:

Q: When you are communicating internally/externally, do you talk like an association or like a company?

A:

Q: Please tell us more about the recruitment process, for management and board of directors? What candidates are you looking for in [F&S/STF]?

A:

Q: What does management look like, what sector are they from and is that affecting the association?

A:

Key Events

Q: Please tell us about what you see as important events in [F&S/STF] during the last 15 years? Why are these important?

A:

Q: Is there any parts in the association focusing on the commercial or the non-profit part of the association?

A:

Member activities

Q: According to you, what is the purpose with [F&S/STF] membership? What is the purpose with your members?

A:

Q: What are your expectations on your members?

A:

Q: What constitutes a member? What is the membership about?

A:

Q: Is there a change in member activity on e.g. Annual Meetings?

A:

Further details on representatives

Describing name, title during the period when thesis was constructed, date of interview and if interview was held in person or by phone.

Swedish Tourist Association (STF)

Magnus Ling, Erica Karlsson, Sylvia Nylin – Management Team, 2015-01-19 (In person: Stockholm)

Magnus Ling – Secretary-General, 2015-03-04 (In person: Stockholm)

Erica Karlsson – Project and Business Development, 2015-02-24 (In person: Stockholm)

Sylvia Nylin – Head of Sales and Communication, 2015-02-24 (In person: Stockholm)

Ingemund Hägg – Former Board of Director, 2015-03-03 (In person: Stockholm)

Bengt KÅ Johansson – Former Chairman, 2015-03-06 (In person: Stockholm)

Birgitta Bergman – Human Relations Manager, 2015-03-12 (In person: Stockholm)

Torbjörn Widén – Former Secretary General, 2015-03-20 (In person: Uppsala)

Torgny Håstad – Former Chairman, 2015-03-30 (In person: Uppsala)

Anna Klingspor – Board of Directors, 2015-04-08 (In person: Stockholm)

Peter Nygårds – Chairman, 2015-04-14 (In person: Stockholm)

Peter Fredman – Board of Directors, 2015-04-13 (By phone)

Anders Hallin – Vice Secretary-General/Head of Franchise, 2015-04-17 (By phone)

Friskis&Svettis (F&S)

Anders Berg – Acting Secretary-General, 2015-03-16 (In person: Stockholm)

Kia Orback Pettersson – Chairman, 2015-04-08 (In person: Stockholm)

Ingrid Hammarberg – Responsible for Brand, Relations and Market, 2015-03-26 (In person: Stockholm)

Anna Iwarsson – Former Secretary General, 2015-04-08 (In person: Stockholm)

Karin Wingstrand – Board of Directors, 2015-04-07 (By phone)

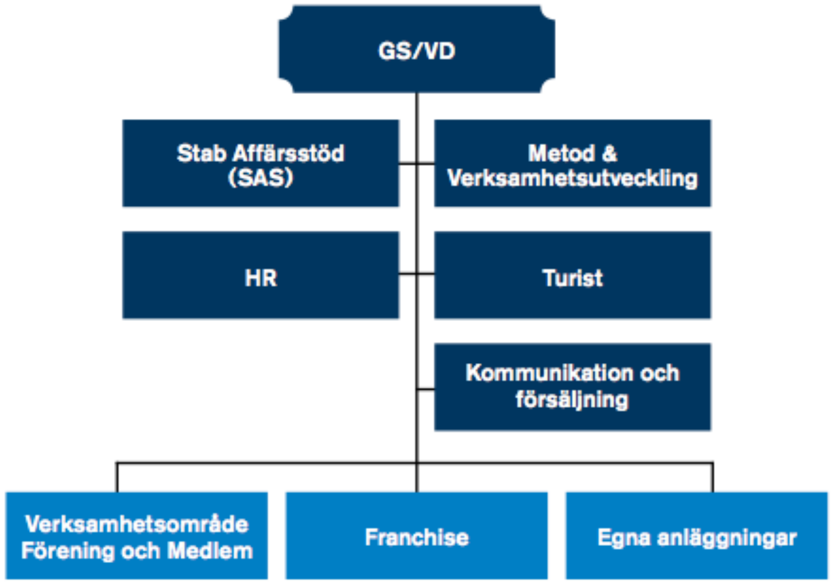
Tina Uppfeldt – Responsible for development of training, 2015-04-08 (By phone)

Maria Lundgren – Acting Head of Stockholm, Local Association, 2015-04-17 (In person: Stockholm)

Eva Berglind – Head of Tyresö, Local Association, 2015-04-17 (By phone)

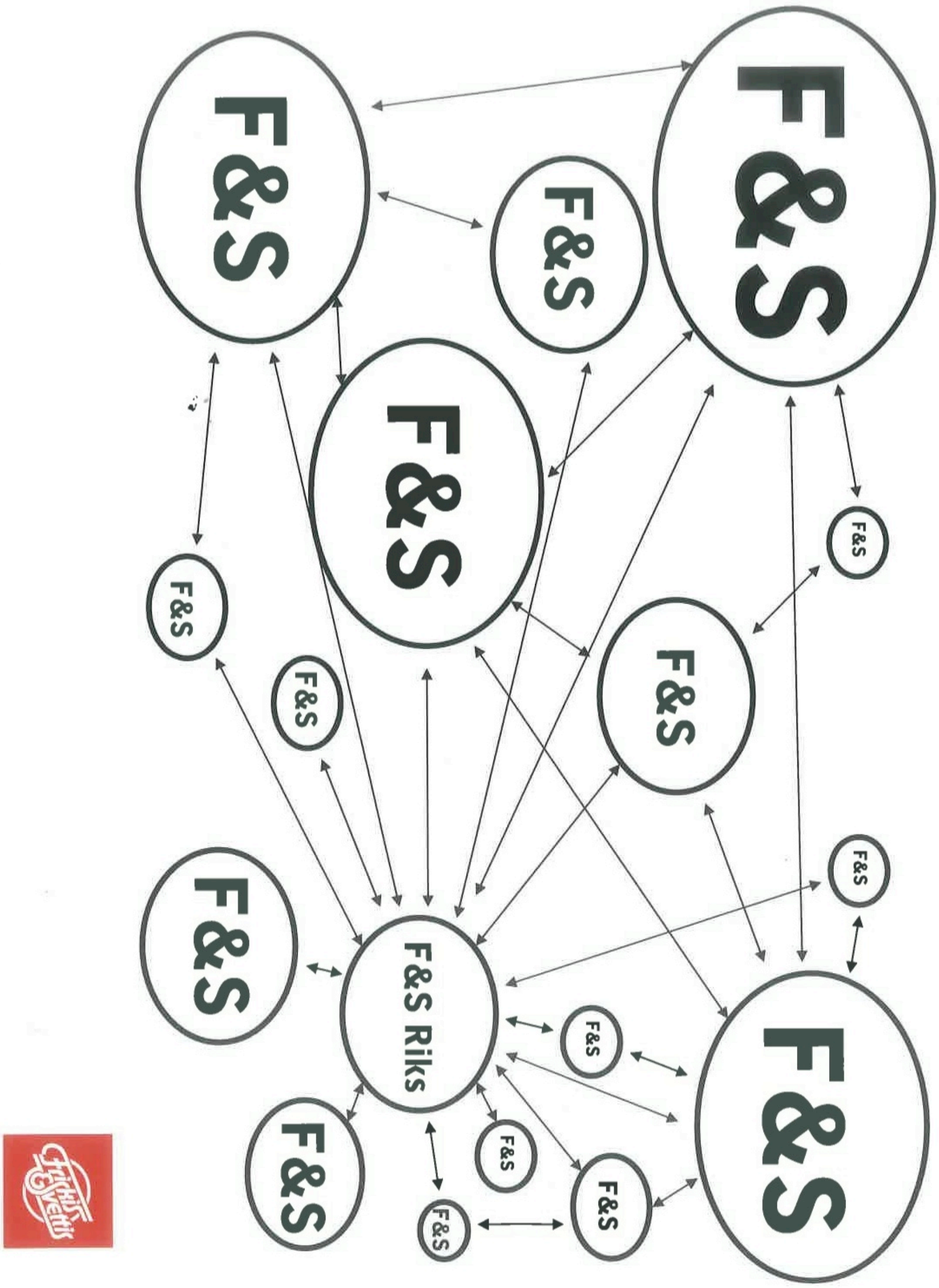
9.2 Structure of the Organization of STF

Illustrations of organizational structure according to 2014 years' annual report.



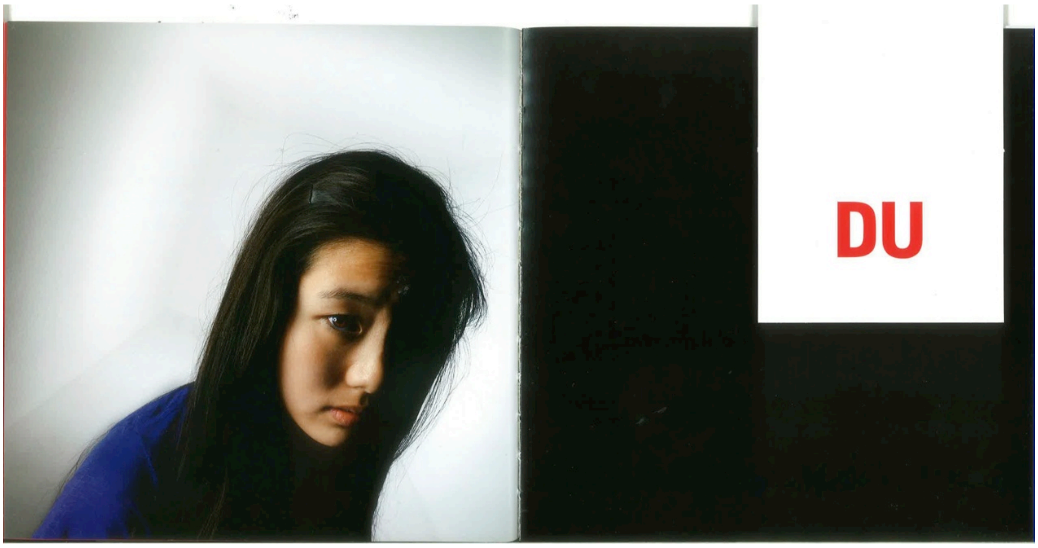
Appendix 1. An illustration on how STF look today according their illustration.

9.3 Structure of the Organization of F&S and Extracts From the White Book

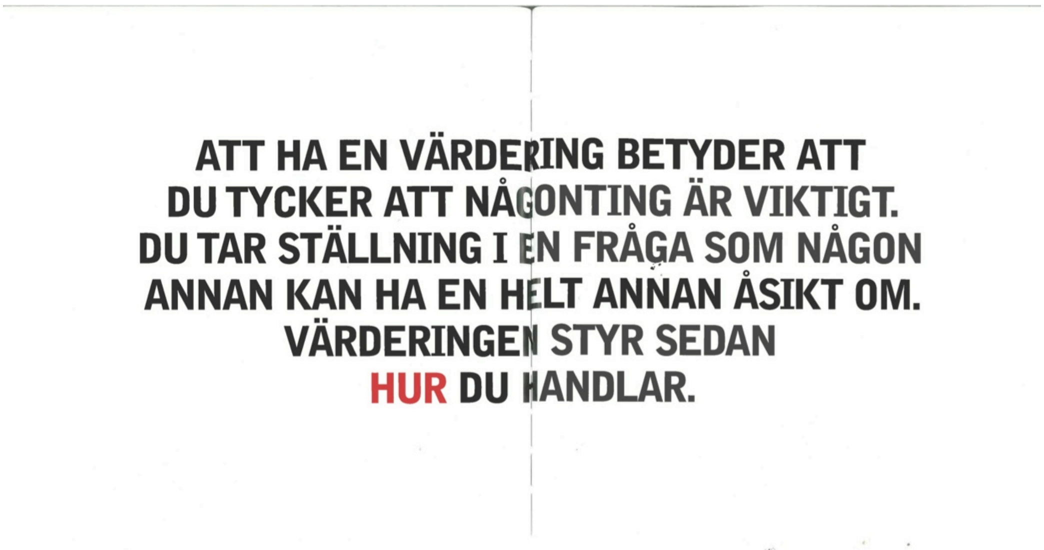


Appendix 2. Illustrations on the organizational structure in Friskis&Svettis, where F&S RIKS is claim the association of the associations.

Appendix 3. Illustration from "This is F&S" showing F&S' basic values.



Appendix 4. Illustration from "This is F&S", part two.



Appendix 5 Illustration from "This is F&S", part three.