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**Negotiating conflicting institutional logics in cases of involuntary exposure: An in-depth case study**

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# Negotiating conflicting institutional logics in cases of involuntary exposure: An in-depth case study

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Johannes Warther

Revised thesis submitted for the degree of Doctor of Philosophy  
University of Bath  
School of Management  
May 2018

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Johannes Warther



## **Abstract**

This thesis answers the question of “How do actors navigate necessary shifts between conflicting institutional logics in cases of involuntary exposure?” It is framed within the paradigm of social constructivism and defines institutional logics as socially constructed historical patterns of material practices, assumptions, expectations, values, beliefs and rules which are deeply held and often unexamined, forming an individuals’ framework for reasoning. The empirical context of this research is public service providers facing elimination due to the withdrawal of their funding. Findings are drawn from the analysis of multiple qualitative sources of data, combining unstructured nonparticipant observations, semi-structured interviews and number of supplementary secondary data in the form of recordings of meetings as well as internal and publicly available documents. The study reveals the significant impact of mimetic behaviour observable from the actors involved and stresses the benefit of continued meaningful interaction with representatives of the managerial logic they are transitioning towards. It is argued that these interactions reveal deficient understanding of basic concepts and language of the unfamiliar logic, which actors attempt to cover by mimicking those they perceive to be experts. This study also shows how the continuity of a restrictive structure, such as a council hierarchy combined with rules and regulations can thwart and eventually revert the progress of actors towards the adoption of a different institutional logic. The research at hand makes three distinct contributions to the existing body of knowledge on the resolution of conflicts between competing institutional logics. It does so by providing rare insight into the failure of transitions between institutional logics; developing a five stages model of resolving conflicts between competing institutional logics and proposing a framework for the categorisation of conflicts according to their origins, which expands the notion of the nature of a conflict’s cause by introducing the concept of a conflict’s locus.



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## II. List of abbreviations

LLSP:	Large Local Service Provider
SP:	Service Provider

# 1 Introducing the thesis

## 1.1 Introduction

This chapter provides an overview of the study at hand and is divided into two sections. The first section focuses on the development of the author's theoretical interest and some of the methodological choices, which built the foundations of this study. To this end the following section shows how the author's general interest in institutional perspectives led to an appreciation of the concept of institutional logics, which provides both the theoretical background as well as part of the phenomenon under investigation. Additionally, the following section will introduce the methodological stance that underpins the present inquiry into how actors negotiate necessary shifts between conflicting institutional logics caused by involuntary exposure. Finally, the following section will briefly focus on the empirical context of this study. The second part of this first chapter will then provide an overview of the remaining chapters of this thesis.

## 1.2 Foundations of this thesis

This thesis is the consequence of the authors long-lasting appreciation of institutional approaches, to which he was introduced through the writings of DiMaggio and Powell (1983) and their seminal edition of research on the new institutionalism in organisational research (Powell & DiMaggio, 1991). The theory's emphasis on sociological factors impacting organisations strongly resonated with the author's general fascination of human sociology and psychology as well as his interest to improve his understanding of organisational processes.

However, following an intense study of the canonical literature on neo-institutional theory, the author realised that part of his passion was based on his interest in change. And while neo-institutional theory proved arguably well suited to explanations of organisational change toward an established norm, the author soon found himself agreeing with scholars who

viewed it as ill equipped to provide insight regarding changes of these institutionalised norms (see Greenwood, Oliver, Sahlin, & Suddaby, 2008b, for example).

In his search for approaches to institutional change the author came across what appeared to be the theoretical buzzwords at the time, namely the concepts of institutional entrepreneurship (Greenwood & Suddaby, 2006) and institutional work (Lawrence, Leca, & Zilber, 2013). Yet, neither of these approaches convinced the author: while literature on institutional entrepreneurship appeared to be stuck on historical analyses of success stories, depicting the respective institutional entrepreneurs as modern princes (Levy & Scully, 2007); institutional work seemed hung up on explaining institutional change with accumulations of incremental alterations of mundane everyday tasks (Lawrence & Suddaby, 2006). That is, both approaches appeared to exaggerate, the former regarding the power of individual agents, and the latter regarding that of structure. Based on this realisation, the author began to be interested in the effects of institutional forces on individual actors and their ability to withstand or manage them.

At this stage, the author coincidentally discovered institutional logics as an immediately appealing approach and gained access to this study's research site (see below). He therefore pursued further study of the topic throughout the commencing collection of data. To his content he found a good fit between the two components and consequently committed to an application of the approach.

Even though the concept of institutional logics was originally introduced by Friedland and Alford in the 1990s, it remains a relatively new research domain, which "was virtually non-existent as a cohesive theoretical conversation [six] years ago" (Lounsbury & Beckman, 2015, p. 293). Since then the institutional logics approach has gained considerable traction, and scholars have found agreement in definitions largely based on Friedland and Alford's (1991) original text. That is, institutional logics are commonly referred to as sets of "material practices and symbolic constructions", which

are “organisationally structured, politically defended, and technically and materially constrained” (Friedland & Alford, 1991, p. 248 f). Institutional logics are derived from and influenced by institutions and conceptualised as non-mutually exclusive sets of institutional influence. Due to this ability to account for the impact of multiple and conflicting sets of institutional logics the approach has received a lot of attention and been lauded as “one of the most exciting new institutional research domains” (Lounsbury & Beckman, 2015, p. 293).

At the same time, however, a thorough review of the literature on institutional theory reveals that little is known about situations in which actors are involuntarily caught in situations, which expose them to institutional logics that conflict with their incumbent ones while at the same time forcing them to exit the institutional context they are familiar with. While the narrow specification of this scenario may cause it to appear rare in occurrence, it is in fact surprisingly common. That is, the scenario accounts for all instances of forced privatisation of public services, for example. In the wake of the global financial crisis, this is a relevant gap in extant research, as governments all over Europe are under significant pressure to reduce public expenses and in response by withdrawing their funding for public service providers (Landale, 2013).

This thesis aims to address the above-mentioned gap by studying how actors navigate necessary shifts between conflicting institutional logics caused by involuntary exposure. It does so within the empirical context of public service providers facing elimination due to the withdrawal of their funding.

The study is based on Berger and Luckmann’s (1967) assertion that reality is socially constructed. Reality is thus what actors perceive as real, which in turn is the consequence of their interpretation of the environment and actions of others surrounding them. In order to gain a thorough understanding in the sense of Weber’s (1997) *Verstehen*, this thesis makes use of multiple qualitative sources of data, combining unstructured

nonparticipant observations, semi-structured interviews and number of supplementary secondary data in the form of recordings of meetings as well as internal and publicly available documents.

### 1.3 Thesis structure

This thesis is divided into six chapters. Chapter 2 reviews the literature that informs this research. It is divided into two main parts, the first of which analyses extant literature on institutional logics and provides the definition of institutional logics applied throughout this thesis. It further develops a five stages framework of resolving conflicts between competing institutional logics and conceptualises the two conflicting logics involved in the scenario at hand. The second part of Chapter 2 reviews the literature on public service privatisation. It finds that the majority of studies on the topic have focussed on macro-economic factors and significantly less research exists on the micro-level managerial issues involved in these transitions.

Chapter 3 presents the methodological foundations of this thesis. It introduces social constructivism as the guiding paradigm underlying this research and highlights the implications of choosing this position. It furthermore stresses the relevance of Max Weber's (1997) concept of *Verstehen*, and the importance of interpretations in this context. Subsequently, Chapter 3 describes the research design of this study, as well as its context of public service providers facing elimination due to the withdrawal of local government funding cuts. Additionally, this chapter introduces the various types of data collected as part of this study, as well as the methods involved in their analysis.

The fourth chapter describes the findings of this thesis. It does so by highlighting significant issues associated with the use of language, the impact of structural continuity on the actors involved, as well as the consequences of this impact. Most significantly, this chapter draws attention to the failure of the actors involved to complete their intended transition from the incumbent public social service logic to a managerial logic. This

chapter furthermore presents evidence of the impact a group of students have, due to their fulfilling the role of external advisors.

Chapter 5 discusses the findings of the preceding chapter by first juxtaposing them with the results of the aforementioned literature review. It then analyses the applicability and general validity of the proposed five stages model of conflict resolution and subsequently focusses on the mechanisms by which the actors involved negotiate the two conflicting institutional logics involved in the scenario. This chapter furthermore discusses the underlying cause of failure and proposes the conflict origin framework, based on the concept of a conflict's locus.

The final chapter provides a conclusion of the thesis and presents its contributions. It also highlights relevant limitations of this study and suggests potential avenues for future research.

## 2 Literature

### 2.1 Introduction

This chapter aims to introduce institutional logics as a theoretical concept as well as literature on the phenomenon of conflicting and changing institutional logics. It further reviews extant literature on the empirical context of public service privatisation.

To this end it will first present extant literature on institutional logics and develop the definition adopted throughout the rest of this study. It will then highlight institutional legitimacy as a critical component of the theoretical concept before reviewing existing research on conflicting institutional logics. Within this context the concept of conflict severity is introduced as one dimension for conflict categorisation, the nature of a conflict's cause as another.

The next section of this chapter develops a simple stage model representing the process of transition from an initial, incumbent logic through confrontation with a new and conflicting institutional logic to a final configuration. It highlights the significance of conscious evaluation of both the incumbent and new logic for the subsequent implementation of behavioural as well as structural adjustments. The latter is shown to be particularly important as it allows actors to live aspects of the new logic, which is expected to eventually lead to the re-institutionalisation of the final logic configuration.

Subsequently, the two central but conflicting logics of public service or bureaucracy on the one hand and private enterprise or managerial logic on the other hand are conceptualised as ideal types for a later use in data analysis.

This chapter furthermore highlights the prevalence of retrospective methods of analysis among studies of changing institutional logics and corresponding calls for live cases, that capture the process as it unfolds.

The penultimate section of this chapter reviews extant literature on public service privatisation. In doing so it highlights a clear bias toward economic research and consequent lack of investigations into the managerial and operational challenges of privatisation.

The final section provides a concluding summary of this chapter.

## 2.2 Theoretical Background

While institutional theory has established itself as one of the most important approaches to organisational research (Greenwood, Oliver, Sahlin, & Suddaby, 2008a), a lot of scholarly interest has shifted from institutional theory's macro perspective to the effects of institutions on and their roots within organisations.

Due to neo-institutional theory's inability to account for micro-level analysis, less developed branches of institutional research have been revitalised and new ones have emerged. The institutional logics approach, originally introduced in the early 1990s, is a case in point (Kodeih & Greenwood, 2014).

Much like neo-institutional theory, this perspective suggests that organisational life is defined and constrained by institutional factors (Thornton, Ocasio, & Lounsbury, 2012). That is, scholars of institutional logics subscribe to the neo-institutional axiom that institutionalisation and legitimisation shape organisational structure (J. W. Meyer & Rowan, 1977) as well as the persistence of this structure (Zucker, 1977). In other words, while economics based explanations see rationality and efficiency as drivers of organisational decision making, scholars of institutional logics assume that institutional forces are responsible for the "startling homogeneity of organisational forms and practices" (DiMaggio & Powell, 1983, p. 148) observable today.

There is, however, a significant divide between neo-institutional theory and the institutional logics perspective when it comes to the breadth of the respective approach.

While both approaches stress the significant impact of institutions, neo-institutional theory has traditionally focused on analysing the strength of individual institutions, their diffusion across organisational fields (Boxenbaum & Jonsson, 2008; DiMaggio & Powell, 1983; Scott, 2001; Sine, David, & Mitsuhashi, 2007), as well as strategic organisational responses to institutional pressures (Campbell, 2007; Oliver, 1991). That is, traditionally, neo-institutional theory has focussed on one institution—and/or its effects—at a time. Greenwood et al. observe:

*“[I]n its early formulations institutional theory looked at how institutional processes shape organisations. Organisations were the thing to be explained. [...] But over the past several decades institutional scholarship has turned away from this position. We have become overly concerned with explaining institutions and institutional processes, notably at the level of the organisation field, rather than with using them to explain and understand organisations” (Greenwood, Hinings, & Whetten, 2014, p. 1206)*

In an attempt to counter this trend, the institutional logics perspective focuses on institutional effects on organisations and individuals (Thornton, et al., 2012). It suggests that actors face the potentially contradictory forces of multiple institutions at any given time (Friedland & Alford, 1991). Institutional logics scholars therefore argue that adequate institutional analysis should consider individual levels of analysis in addition to the neo-institutional quasi standard of macro analysis; and allow for investigations of multiple sets of institutional influences at once (Friedland & Alford, 1991; Greenwood, et al., 2008a; Thornton, et al., 2012).

As a consequence of this ability to accommodate and explain situations involving multiple institutional influences the institutional logics perspective has recently attracted significant academic attention and been labelled “one of the most viable frameworks within institutional theory” (R. E. Meyer & Höllerer, 2014, p. 1223) as well as “one of the most exciting new institutional research domains” (Lounsbury & Beckman, 2015, p. 293).

### 2.2.1 Defining institutional logics

Friedland and Alford, who introduced the concept to organisational research, defined institutional logics as sets of “material practices and symbolic constructions”, which are “organisationally structured, politically defended, and technically and materially constrained” (1991, p. 248 f). Institutional logics have also been defined as “the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality” (Thornton & Ocasio, 1999, p. 804); or as “distinctive categories, beliefs, expectations, and motives [which] constitute the social identity of actors” (Rao, Monin, & Durand, 2003, p. 797).

Common to all of these definitions is an understanding of institutional logics as constraints imposed by or at least attached to institutions. That is, institutional logics are derived from and influenced by institutions. They provide a reference for those believing in, embracing or obeying a given institution by defining not only which aims or aspirations make sense and are therefore legitimate (i.e. adequate, allowed or necessary) in a given situation, but also by defining legitimacy boundaries for “the means by which those ends are achieved” (Friedland & Alford, 1991, p. 251).

In doing so, institutional logics “provide individuals with vocabularies of motives and with a sense of self” and essentially “set the limits on the very nature of rationality” (Ibid). That is to say, an institutional logic can cause an actor to completely neglect (i.e. not even conceive of) certain alternatives for action. Common examples for this phenomenon include a devout catholic priest who is unlikely to consider stealing, or lovers who are unlikely to base their relationship decisions on financial cost-benefit evaluations. In each case the relevant logic is derived from a specific institution with high influence on the respective actor: religion in case of the catholic priest and family (in the widest sense) or love in the second example (Friedland & Alford, 1991).

While the differentiation between being a *consequence of* institutions and *being* an institution might appear negligible, it really is the fundamental characteristic of the institutional logics approach. This differentiation does not only allow for a distinction from neo-institutional theory, it also provides the basis for what arguably are institutional logics' biggest strengths. That is, in line with Greenwood et al.'s (2014) above mentioned request, this differentiation provides researchers with a framework which allows them to refocus their attention on how organisations as well as individual actors are affected by institutions—instead of continued investigations of institutions (Thornton, et al., 2012). Additionally, and potentially even more importantly, this distinction paves the way for two fundamental assumptions.

Firstly, while any given institutional logic can be defined clearly (much like neo-institutional theory's institutions), sets of logics are not mutually exclusive. Secondly and following from the previous point, different logics may or may not be compatible with one another, potentially creating significant conflicts for affected actors (Friedland & Alford, 1991).

Compounding the potential for conflict is the fact that institutional logics work at multiple levels. Friedland and Alford mention "individuals competing and negotiating, organizations in conflict and negotiation, and institutions in contradiction and interdependency" (1991, p. 240 f) and add that "these levels of analysis [are] 'nested', where organization and institution specify progressively higher levels of constraint and opportunity for individual action" (1991, p. 242). Consequently, there are two broad categories of conflict: multiple logics competing at the same level, and multiple logics shaping two nested levels, causing conflict between these levels.

Common examples of cross-level conflicts include doctors and other medical staff caught between their personal professionalism on one hand (i.e. a dedication to providing the best possible treatment for their patients) and a managerial logic (i.e. a focus on cost efficiency and profit generation) at the

organisational level (e.g. T. Reay & Hinings, 2005; T. Reay & Hinings, 2009). As an example of intra-level conflict, Friedland and Alford mention the contradiction between the “structure of capitalism, based on private ownership and legally free wage workers” on one hand and “state, democracy, and family” (1991, p. 241) on the other.

Following Thornton and Ocasio (1999; 2008; 2012) as well as Greenwood and Suddaby (2005) this research defines institutional logics as socially constructed historical patterns of material practices, assumptions, expectations, values, beliefs and rules which are deeply held and often unexamined, forming an individuals’ framework for reasoning. As such, institutional logics provide legitimacy boundaries affecting both the ends actors aspire towards as well as the means by which they do so. Institutional logics are furthermore understood to be non-exclusive within or across institutional settings, hierarchically structured, potentially conflicting with each other and resistant to change.

In choosing this definition, the research at hand underlines that it is possible, and indeed likely, that actors are at any given time exposed to multiple institutional logics, which may contradict each other. Given institutional logics’ resistance to change, contradicting institutional logics can cause conflict, which can provide opportunities for institutional change as well as significant struggles for the respective actor(s) (T. Reay & Hinings, 2009).<sup>1</sup>

Last but not least, this definition highlights the centrality of legitimacy as a fundamental mechanism for institutional logics in general and situations of conflict in particular. However, multiple conceptualisations of legitimacy exist, each with significantly different implications (Suchman, 1995). This warrants clarification, which the following section aims to provide.

---

<sup>1</sup> If logics were readily replaceable or exchangeable, there would not be much of a conflict.

### 2.2.2 Legitimacy

The institutional logics approach has inherited the concept of legitimacy from neo-institutional theory, which claims that “organizational success depends on factors other than efficient coordination and control of productive activities” (J. W. Meyer & Rowan, 1977, p. 352). Neo-institutionalists argue that organisations’ success hinges on the ability to maintain credibility within a social environment, which in turn depends on legitimacy within that context (DiMaggio & Powell, 1983). The concept of legitimacy is thus one of neo-institutional theory’s cornerstones (Ibid).

Nevertheless, in a seminal article aimed at “synthesiz[ing] the large but diverse literature on organizational legitimacy” (1995, p. 571), Mark Suchman finds that “legitimacy is more often invoked than described, and it is more often described than defined” (1995, p. 573). Based on his analysis of the varying conceptualisations, Suchman defines legitimacy as:

*a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (1995, p. 574)*

This definition views legitimacy as a *generalised perception*, implying two crucial features: firstly, it highlights that “legitimacy is resilient to particular events” while being “dependent on a history of events” (Suchman, 1995, p. 574). That is, illegitimate behaviour does not necessarily lead to loss of legitimacy, as the behaviour could either remain completely hidden, be perceived as less significant in light of previous behaviour, or only be observed by stakeholders less relevant for the constitution of the organisation’s overall legitimacy (see Mitchell, Agle, & Wood, 1997).

Secondly, it implies that “legitimacy is possessed objectively, yet created subjectively” (Suchman, 1995, p. 574). In other words, while an organisation or individual can behave legitimately, legitimacy has to be granted by other actors within the institutional environment, who will only grant it to an organisation or individual if they perceive its behaviour as legitimate (Ibid). Herein lies the main differentiation to other conceptualisations. The

strategic definition, for example, views legitimacy as a resource which an organisation extracts from its social environment “in a feat of cultural strip mining” (Suchman, 1995, p. 576)—in contrast to institutional definitions which assume that organisations are *subject* to “*external* institutions” (Suchman, 1995, p. 576, emphasis added).

Suchman (1995) further assesses that legitimacy can be subdivided into three distinct types, each comprising a number of highly specific typologies. According to him, legitimacy is based on one of the following three sources: “pragmatic assessments of stakeholder relations” (*pragmatic legitimacy*), “normative evaluations of moral propriety” (*moral legitimacy*), or “cognitive definitions of appropriateness and interpretability” (*cognitive legitimacy*) (Suchman, 1995, p. 572).

#### **2.2.2.1 Pragmatic Legitimacy**

Pragmatic assessments, as the first potential source of legitimacy, are the result of “self-interested calculations of an organization's most immediate audiences” (Suchman, 1995, p. 578). That is, pragmatic legitimacy can rest on the value a stakeholder expects to derive directly from supporting an organisation (*exchange legitimacy*); a stakeholder's perception of the benefit for their larger interests based on the organisation's success (*influence legitimacy*); or an organisation's image as perceived by its stakeholders (*dispositional legitimacy*) (Ibid).

#### **2.2.2.2 Moral Legitimacy**

In contrast to pragmatic assessments, moral legitimacy is based on “positive evaluation[s] of the organisation and its activities” (Suchman, 1995, p. 579). The focus is therefore not on personal gains for a given stakeholder, but their opinion towards the moral integrity of an organisation's actions. More specifically, moral legitimacy rests on evaluations of an organisation's accomplishments, as the quality of their products or services, for example (*consequential legitimacy*); evaluations of how it conducts its business (*procedural legitimacy*); stakeholders' perception of an organisation's

capacity to adequately serve the demands of its chosen field, due to its structural setup (*structural legitimacy*); or “the charisma of individual organizational leaders” (*personal legitimacy*) (Suchman, 1995, p. 581).

### 2.2.2.3 Cognitive Legitimacy

According to Suchman, the third category is “based on cognition rather than on interest or evaluation” (1995, p. 582) and comprises two distinct sources of legitimacy, namely effects of comprehensibility versus such of taken-for-grantedness. While comprehensibility depends on the “availability of cultural models that furnish plausible explanations for the organization and its endeavours” (Suchman, 1995, p. 582), taken-for-grantedness is the result of complete institutionalisation which renders alternatives “unthinkable” and challenges “impossible” (Suchman, 1995, p. 583).

It is notable that neo-institutional definitions of legitimacy follow the theory’s overall trend of focussing on macro-level phenomena. That is, legitimacy is highly valuable to organisations and granted by institutions (Greenwood, et al., 2008b; Suchman, 1995). It is organisations which are striving for legitimacy (DiMaggio & Powell, 1983) and it is organisations that are threatened by the loss of access to valuable resources, should their legitimacy be questioned (J. W. Meyer & Rowan, 1977). From a neo-institutional point of view, legitimacy is thus an issue rooted in an organisation’s external relations to its stakeholders in the institutional environment.

This perspective, however, neglects an internal component of legitimacy, namely legitimacy granted (from) within an organisation. Nevertheless, such micro level effects have received considerable attention from more recent institutional approaches, focussed on changes within the institutional environment. Examples include institutional entrepreneurship, institutional work and institutional logics (Greenwood, et al., 2008b). These more recent theoretical perspectives further consider the perceived legitimacy of individual actors within an organisation (Ibid).

As a consequence of this observation, the research at hand distinguishes external and internal legitimacy, where the former comprises neo-institutional macro components, while the latter covers micro-level effects of legitimacy. Except for the addition of this distinction, the present work adopts Suchman's (1995) definition of legitimacy, in the form quoted above.

Within the context of institutional logics, legitimacy is particularly significant when it comes to conflicting institutional logics. In these situations, actors are confronted with contradicting sets of legitimacy boundaries, violation of any of which may cause a loss of legitimacy significant enough to hurt or even threaten their central operation or career (Greenwood, et al., 2014; Thornton, et al., 2012). Due to their defining nature, situations of conflict have received increasing attention from institutional logics' scholars. The resulting body of literature is reviewed in the following section.

### **2.2.3 Conflicting institutional logics**

Extant research frequently states that concurrent influences of "multiple institutional logics present a theoretical puzzle" (Besharov & Smith, 2014, p. 364). At the same time, authors agree that the core strength of the institutional logics approach is its analytical utility in scenarios where one actor is subject to contradicting sets of institutional cues (Greenwood, et al., 2014; Thornton, et al., 2012). Friedland and Alford wrote:

*"When institutions are in conflict, people may mobilize to defend the symbols and practices of one institution from the implications of changes in others. Or they may attempt to export the symbols and practices of one institutions in order to transform another" (Friedland & Alford, 1991, p. 255).*

While this definition breaks the ground for research on multiple institutional logics, it creates as many questions as it answers. In other words, it does not clarify in which cases actors defend symbols and practices and in which cases they attempt to export them from one institution

towards another. It further raises questions regarding the factors affecting the success-rate of such attempts—both defensive and transformative ones.

Consequently, researchers have endeavoured to gain a better understanding of how these conflicts arise, their effects, and how they are resolved. Indeed, almost half of extant publications on institutional logics dedicate their attention to conflicting logics (~45%), with close to an additional third (31%) involving conflicting logics without explicitly focussing on them.<sup>2</sup>

Nevertheless, in a recent study Besharov and Smith assess that “research [still] offers divergent conclusions about the consequences of logic multiplicity within organizations” (2014, p. 364).

By introducing the concept of conflict centrality in combination with the degree of compatibility between the conflicting logics, Besharov and Smith (2014) effectively add conflict severity as a dimension for conflict categorisation. They argue that the centrality of conflicts and the degree to which the conflicting logics are compatible to one another, define the severity of a resulting conflict. In this context, Besharov and Smith (2014) define compatibility as “the extent to which the instantiations of multiple logics within an organization imply consistent organizational actions” (p. 365) and centrality as “the extent to which multiple logics manifest in core features that are central to organizational functioning” (p. 366). By presenting four different configurations of logic compatibility and the centrality of these logics for actors within organisations and the organisation itself, Besharov and Smith (2014) show a clear progression of conflict escalation from *no conflict*, through *minimal* and *moderate conflict*, all the way to *extensive conflict*. Figure 1 shows the resulting two-by-two matrix of logic multiplicity within organisations (Ibid).

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<sup>2</sup> For the literature review the search term “institutional logic?” was applied to Thompson Reuters’ Web of Science database. Quality of publications were assessed using the Association of Business Schools’ 2015 Academic Journal Guide.

Figure 1: Types of Logic Multiplicity within Organisations (Besharov & Smith, 2014, p.371)

Degree of centrality	High Multiple logics are core to organizational functioning	<b>Contested</b> <i>Extensive conflict</i>	<b>Aligned</b> <i>Minimal conflict</i>
	Low One logic is core to organizational functioning; other logics are peripheral	<b>Estranged</b> <i>Moderate conflict</i>	<b>Dominant</b> <i>No conflict</i>
		Low Logics provide contradictory prescriptions for action	High Logics provide compatible prescriptions for action
<b>Degree of compatibility</b>			

A second dimension of distinction is the nature of the conflict's cause. That is, actors can end up in a situation of conflicting institutional logics by choice or involuntarily. Extant institutional literature contains many examples of voluntary engagement with conflicting logics, mostly in the form of institutional entrepreneurship (Lounsbury, 2007; Mutch, 2007; Tracey, Phillips, & Jarvis, 2011; Wijen & Ansari, 2007). The common argument of these studies is that where institutional actors are aware of a conflict, willing to endure the harsh head-winds of conflict, and in possession of the right resources, they will succeed to overcome the conflict in their favour (Ansari & Phillips, 2011; Levy & Scully, 2007).

Alternatively, conflict can be imposed on actors externally—either by a controlling authority (T. Reay & Hinings, 2009), or by circumstance (Thornton, et al., 2012). Literature further suggests, that actors who voluntarily enter a scenario involving conflicting institutional logics are more likely to view the situation as a challenge—as in a test of their ability to overcome this obstacle (Gomez & Bouty, 2011)—whereas actors who are involuntarily caught in such scenarios are suggested to be more likely to view the respective conflict as a threat to their view of the world (T. Reay & Hinings, 2009). Consequently, research suggests that actors who involuntarily face conflict are more likely to actively defend the incumbent from the conflicting institutional logic (Thornton & Ocasio, 2008).

#### 2.2.4 Transitioning through competing and conflicting institutional logics

Researchers have focussed on varying outcomes of contests between logics. Some find a win-lose scenario, where one logic beats the other, the latter of which then gets discarded; some investigate situations in which two logics continue to coexist (e.g. T. Reay & Hinings, 2005; T. Reay & Hinings, 2009); while others discover the emergence of a third logic, combining aspects of the initially competing ones.<sup>3</sup>

Regardless of their outcome, there are three common denominators to these scenarios: firstly, there is always an incumbent configuration of logics held by any actor under investigation at the outset of a conflict (Thornton, et al., 2012). That is, within the confines of the institutional logics approach, logics are what drive and limit actors' behaviour, they are part of actors' identities (Tyrrall & Parker, 2005, p. 516). Thus, actors within society cannot escape the influence of institutions. They may reject the prevailing institutional order of their respective society, they may agree with it to some degree or fully, but they cannot have no relationship to it—as they would not be part of that society otherwise (Ibid). There consequently always exists an incumbent logics configuration.

Secondly, an incumbent logic has to be exposed to another, incompatible one for a conflict to arise in the first place; and thirdly, each conflict results in a final configuration. That is, regardless of its specific characteristics—survival of the incumbent logic, success of a new logic, amalgamation of two logics, or prolonged coexistence—any conflict leads to a final logics configuration. While this generalisation may appear trivial it does provide some common ground in an otherwise splintered field.

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<sup>3</sup> Hypothetically, one could further imagine scenarios in which a conflict affecting an organisation (i.e. a group of people) with an initially coherent institutional logic leads to such diverse end-results for individual actors within the organisation that the latter breaks into smaller units and effectively ceases to exist. However, there does not appear to be any scholarly record of such cases to date.

Extant research has shown that the initial exposition to a new logic is confusing for actors affected by it (Kodeih & Greenwood, 2014). That is not very surprising in so far as an institutional logic, per definition, guides an actor's interpretation of the world around them, including the actions of others and their own (Friedland & Alford, 1991). Contradicting logics thus challenge frames of mind, which to that point had been taken for granted.

This has two consequences. Firstly, the nature of unquestioned (i.e. taken for granted) behaviour and perspective dictates that actors may require some time to identify a new and conflicting logic as such (Thornton, et al., 2012). This further means that actors may require varying amounts of time to gain awareness of different aspects of a newly introduced logic. At the outset of a conflict, however, the most important aspect is an actor's awareness of the conflict's existence, which ultimately allows the actor to begin the process of evaluating the characteristics and implications of both the incumbent and the new institutional logic (Johnson, Smith, & Codling, 2000).

The second consequence mentioned above is that actors experience increased uncertainty as they question their view of the world, which they had previously taken for granted (Friedland & Alford, 1991). The effect of such questioning cannot be underestimated. Scholars in the field of institutional research have long agreed that the desire for security is a paramount component of human nature and in fact, one strong enough to be a major driver for institutionalisation as well as for the persistence of institutions (DiMaggio & Powell, 1983; Greenwood, et al., 2008b). In other words, extant research has exhaustively shown that actors as well as organisations within an institutional environment do not do well when faced with uncertainty (e.g. Oliver, 1991). Their desire for security is so strong, that actors with imperfect understanding of or control over their current situation even accept "the illusion [...] of control and stability" (Oliver, 1991, p. 170). In such situations actors thus mimic others who they perceive to be successful (DiMaggio & Powell, 1983). In a constant and congruent institutional environment, re-enactment of such mimicked

behaviour may then lead to its institutionalisation within the organisation, thus reaching taken-for-grantedness without ever being critically evaluated (Ibid).

However, within the context of conflicting logics the latter appears to be a lot less likely. Instead it has been argued that situations of conflict cause the otherwise taken for granted to be consciously processed, allowing actors to assess and evaluate what they otherwise enact mindlessly—i.e. take for granted (Johnson, et al., 2000). Through consciously dealing with two conflicting logics, actors are thus enabled to identify the defining characteristics of the logics involved and re-evaluate the legitimacy of these components (Ibid). With the exception of cases where two institutional logics persist in parallel, this questioning and contrasting of contradicting sets of social cues inevitably erodes the legitimacy of some components or even one of the involved logics entirely. In other words, conflict will eventually cause de-institutionalisation of parts of or even a complete set of logics (Clark & Soulsby, 1995; Oliver, 1992).

It furthermore stands to reason that any insight gained from such critical engagement with their personal perspective may cause actors to adjust their behaviour in the future. That is, the neo-institutional foundations of institutional logics suggest that actors are highly likely to discontinue behaviour that appears illegitimate in favour of more legitimate alternatives (DiMaggio & Powell, 1983, 1991; Friedland & Alford, 1991). It should be noted that the alterations in behaviour referenced here are not ones occurring by happenstance as frequently referred to by scholars of institutional work (see Lawrence, et al., 2013; Lawrence & Suddaby, 2006). That is, while unintentional and subconscious alterations of behaviour in mundane everyday tasks (Ibid) are not excluded as a possibility, the contrast of conflict is expected to reduce the space for such non-deliberate adjustments (Johnson, et al., 2000).

Extant literature additionally suggests that conflicts between incompatible institutional logics are concluded by a process of re-institutionalisation

(Thornton, et al., 2012). From a mechanical point of view, this re-institutionalisation is essentially what neo-institutionalists labelled institutionalisation (Barley & Tolbert, 1997). The preceding ‘re-’ simply denotes a re-establishment of a dominant institutional order, which was previously disturbed by the conflict (Thornton, et al., 2012). Re-institutionalisation thus does not necessarily imply re-generation of a previously extant logic (e.g. the incumbent or conflicting logic), but also accounts for institutionalisations of newly evolved logics.

Based on the above, the research at hand proposes a five stages model of conflict resolution. Figure 2 provides a graphical overview of the proposed stage model. During the first stage, actors involved recognise that they are faced with a perspective, which appears incommensurable with their own. While actors’ awareness of their own incumbent logic may vary, they recognise that their institutional environment allows or even expects them to act in ways incompatible with their own view of the world. Additionally, a sense emerges that this conflict will not just go away, but requires the actor’s considerate attention. At this stage actors may further have a preference for a particular configuration of logics (see previous section on resistance to changing logics), but do not know whether their preference is likely or even viable. Last but not least, actors are at this stage expected to have limited knowledge of or experience with the new logic. Consequently, this stage is characterised by increasing uncertainty due to the perceived disruption of the previous continuity of the institutional environment.

**Figure 2: Five stages of resolving conflicts between competing institutional logics**



In reaction to these uncertainties—especially their own lack of knowledge and experience regarding the new logic—actors in stage two begin to mimic the behaviour of others who they perceive to be experts in the field of the new logic. As with any mimetic approach, their mimicry may provide the

actors with a sense of security, yet their implementation of copied behaviour is likely to be flawed, due to inexperience (DiMaggio & Powell, 1983; Oliver, 1991). In other words, actors may superficially appear to have gained expert knowledge and skills regarding the new logic (which is exactly the aim of mimicry), but actually lack sufficient proficiency.

The third stage of the model is characterised by continuous improvement of the actors' awareness and knowledge regarding the new logic. At the conclusion of this stage, actors have successfully (re-)evaluated the legitimacy and viability of the logics involved, both in general and for their own situation. Put differently, their initial preference for one or another logic is now evaluated in terms of viability, acceptability and legitimacy. Legitimacy evaluations take place throughout this stage and de-institutionalisation of those logic components perceived as illegitimate begins.

During the fourth stage the first significant behavioural and structural adjustments are made. This stage therefore represents the materialisation of both the continuing de-institutionalisation (of discarded components or entire logics) and the beginning re-institutionalisation of the end-configuration. At the end of this stage, actors are expected to have come to terms with their new institutional logic both cognitively and behaviourally. That is, at the end of stage four actors are expected to have found a way of operating under the final logics configuration. At the same time actors are expected to still lack significant routine regarding this modus operandi.

In stage five the final configuration of logics is institutionalised through constant re-enactment. Even though they may still be unfamiliar for actors involved, the defining structural and behavioural adjustments have been completed at the outset of this stage. That is, actors are working towards familiarity with new routines and practices—they are no longer resolving a conflict. At the end of stage five, prevailing practices and behaviour are taken for granted and the transition is complete.

As mentioned above, this stage model provides scarce common ground in an otherwise splintered field of institutional logics analysis. What is more, this stage model provides researchers with a more detailed perspective on a process often presented as more or less unproblematic de- and subsequent re-institutionalisation. That is, this model highlights different forms of engagement with conflicting institutional logics, namely a distinction between conceptual or cognitive, behavioural, and structural components of conflict resolution. The proposed model further suggests that actors dealing with conflicting institutional logics may initially do so on the cognitive level, which then enables behavioural adjustments that are in turn supported by structural modifications. In doing so, this five stages model also highlights the existence of multiple points for potential failure of the conflict resolution process.

#### **2.2.5 Conceptualising ideal types of two conflicting institutional logics**

For the purpose of this study, two particular ideal types of institutional logics are relevant: on the one hand a social public service or bureaucratic logic and on the other hand a private enterprise or managerial logic.<sup>4</sup> These two are among the original and thus unsurprisingly two of the most frequently referenced examples of conflicting institutional logics (Friedland & Alford, 1991; Thornton, et al., 2012).

Furthermore, there is refreshingly little debate regarding the configurations of either of these two. For example, it is commonly accepted that public administrations in the western world—particularly within Europe—typically resemble a Weberian bureaucracy, “characterized by steep internal hierarchies, highly specialized institutional structures, and marginal scope for corresponding responsibilities” (Kuhlmann, 2010). The associated procedures are generally described as rule bound and highly regulated (Ibid). It has further been argued that these administrations are “characterized by core values such as equity, professionalism, public

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<sup>4</sup> It is important to not that these institutional logics represent ideal types (Trish Reay & Jones, 2015). As such they are not necessarily observable in such pure form (Ibid).

interest, procedural safeguards, acceptance of superordination and subordination, impartiality, and neutrality” (R. E. Meyer, Egger-Peitler, Hollerer, & Hammerschmid, 2014, p. 865). The absence of performance management systems or other incentives geared towards promotion of efficiency is another commonly referenced feature of the public service or bureaucracy logic (Friedland & Alford, 1991) as well as the argument that public servants are more likely to “perform meaningful public service by helping others, furthering the common good, and serving the public interest” (Brewer, Ritz, & Vandenabeele, 2012, p. 1).

The private enterprise or managerial logic represents an almost polar opposite. Here the guiding rationale is widely accepted to be one of causal means and ends, with a focus on values such as performance and efficiency (Trish Reay & Jones, 2015). In line with these values, behavior in general and success in particular are evaluated based on their outcome (R. E. Meyer, et al., 2014). That is, ends are much more likely to justify means and actors are equipped with significant managerial autonomy (Ibid). Table 1 is a reproduction of Meyer et al.’s (2014) comparison of a public service or bureaucracy logic with a private enterprise or managerial logic. It provides a neat juxtaposition of these two conflicting ideal types of institutional logics.

**Table 1: Comparison of two competing institutional logics (Adapted from Meyer et al., 2014, p. 866)**

	<b>Bureaucratic logic</b>	<b>Managerial logic</b>
<b>Rationality</b>	Bureaucratic, legalistic, professional	Economic (causal means–end relations, rational action)
<b>Legitimacy</b>	Procedural	Results-based
<b>Vision and mission</b>	State as sovereign	Public sector as service provider
	Serving society and the public interest	Achieving objectives and serving clients
<b>Core values</b>	Legality, correctness, political neutrality, objectivity, equity, loyalty, security, secrecy	Performance, effectiveness and efficiency, prudence
	Continuity, stability	Change, flexibility, innovation
<b>Evaluation criteria and focus of attention</b>	Rules, inputs, responsibilities, duties and rights; Focus on appropriateness of action	Organizational and individual goals, results; Focus on consequentiality of action
<b>Mode of governance</b>	Bureaucratic governance based on laws, rules, and directives with strict accountability towards the sovereign; Hierarchical, centralized, and united system	Based on targets, results, performance measures in a competitive environment; Decentralized system with strong managerial autonomy
<b>Employment status</b>	Sector-specific highly regulated	Sectoral openness based on private sector employment laws
	Closed recruitment and career paths based on seniority (with little mobility)	Flexible and open career paths based on performance

### 2.3 The prevalence of conceptual and/or retrospective publications in institutional logics research

At the time of writing this thesis, extant literature on institutional logics exhibits a lack of studies capturing institutional change in the form of shifting institutional logics as the process occurs. That is, while there certainly are significant numbers of qualitative studies dealing with the process of institutional change within the context of institutional logics, the majority of these studies—and in particular the influential ones among them—remain purely conceptual, such as Friedland and Alford (1991) or DiMaggio (1997), for example, or they rely on historical analysis, such as Greenwood, Diaz, Li, and Lorente (2010) or Rao, et al. (2003), among many others.

Very few studies capture an unfolding process of changing institutional logics in real time. Instead, the most common approach to studying this phenomenon appear to be publications like Reay and Hinings' work on "change in mature organisational fields" (2005, p. 351), which uses archival qualitative data to retrospectively analyse "the role of competing institutional logics as part of a radical change process" (Ibid). Other prominent example of similar research methods are Thornton and Occasio's (1999) as well as Thornton's (2002) seminal works, which combine interviews with the analysis of historical documents in an attempt to understand and explain past developments.

While these types of retrospective studies—be they purely conceptual or analytical—certainly have deservedly gained strong recognition in the field, they nevertheless bear the risk of "reinterpretation" (Gioia, Corley, & Fabbri, 2002, p. 622), which is a frequent criticism of institutional studies, especially within in the more recent fields of institutional work, institutional entrepreneurship, and institutional logics (Czarniawska, 2009; Greenwood, et al., 2014; Greenwood, et al., 2008a; R. E. Meyer & Höllerer, 2014). Probably the most commonly cited example of supposed retrospective exaggeration is the depiction of institutional entrepreneurs as "modern

princes” by Levy and Scully (2007), portrayed as powerful social actors, capable of shaping their societal environment more or less at will.

For this reason, scholars of processes in general and that of institutional change in particular, have repeatedly called for live studies, observing processes as they evolve (Gioia, Corley, & Hamilton, 2013; Pettigrew, 1997).

#### **2.4 Literature on public service privatisation**

The study at hand is embedded in a public service privatisation context, and thus this section provides a systematic review of extant research on the topic. To this end it suggests a common definition of public service privatisation as “the transfer of decision making authority, delivery, or financing from a public to a private entity” (Gollust & Jacobson, 2006, p. 1733). It further finds that while fiscal stress, pressure from interest groups and cost considerations are the most common drivers of privatisation and public service discontinuation (Bel & Fageda, 2007), “research shows mixed empirical evidence concerning the success of such efforts” (Dharwadkar, George, & Brandes, 2000, p. 650).

Specifically, a review of extant research on the topic reveals that the main body of literature is either concerned with the causes, or the consequences of privatisation.<sup>5</sup> Most research has focussed on the transition of large-scale public services such as water and waste services in various countries (for example, Bel & Warner, 2008; Carrozza, 2010; Gonzalez-Gomez, Picazo-Tadeo, & Guardiola, 2011), emergency services (Hansen, 1998), or the English Royal Mail (Lucio, Noon, & Jenkins, 1997). Given this apparent focus on large-scale transitions it is probably not surprising that most of the

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<sup>5</sup> This as well as the following conclusions are drawn based on a review of 350 published articles, retrieved from Thomson Reuters Web of Science using two sets of search terms: firstly, ‘privati?ation AND “public service?” in TOPIC’, which yielded 284 articles and secondly, ‘privati?ation NOT “public service?” in TOPIC’ limited by the most significant journals in the field<sup>5</sup>, which yielded 66 articles.<sup>5</sup> From the total of 350 papers 135 were manually selected and downloaded. Upon closer inspection, 110 publications were selected as relevant for the research at hand. These were then catalogued and categorised.

research to date has focussed on macro-phenomena involved in these shifts. That is, an overwhelming amount of research has been conducted on antecedents of privatisation or liberalisation of public services (e.g. Bertacchini & Nogare, 2014; Cabral, Lazzarini, & De Azevedo, 2013; Carrozza, 2010), reactions to announcements of government proposals to such ends (e.g. Jalette & Hebdon, 2012), or the consequences of such transformations (e.g., Adas, 2011; Bach & Givan, 2010; Bakker, 2003; Hefetz, Warner, & Vigoda-Gadot, 2012). Privatisation is thus mostly investigated as “an economic policy” (Megginson & Netter, 2001) with significant attention paid to “the societal benefits of privatization” (DeCastro & Uhlenbruck, 1997, p. 124). In contrast, it has much less frequently been addressed as a managerial problem (Johnson, et al., 2000).

However, there are a number of studies focussing on the managerial challenges involved in privatisation. Most relevant for the study at hand are the writings of Clark and Soulsby (1995), Johnson et al. (2000), as well as Tyrrall and Parker (2005), which make direct references to neo-institutional literature.

Clark and Soulsby (1995), for example, investigate the role of key managers in the transformation of previously state controlled organisations within the Czech Republic. They argue that “effective organizational transformation must refer to cultural changes that go to the very heart of the enterprise” (Clark & Soulsby, 1995, p. 216) and suggest that Greenwood and Hinings’ (1988) design archetypes are useful frameworks for the analysis of such change. Furthermore, Clark and Soulsby suggest that processes of de-institutionalisation and re-institutionalisation are at the core of observable institutional change, which itself consist of two components: a societal macro component (shifts from Communism towards competition based markets in their case); as well as a micro component, involving “key actors” who “begin to question the way things are done in the organization” (1995, p. 222).

Clark and Soulsby (1995) therefore get very close to what could be described as a study of transitions from one institutional logic to another. However, their analysis remains at the level of neo-institutional assumptions. That is, their analysis does not go beyond identification of institutional isomorphic forces (see DiMaggio & Powell, 1983) as drivers behind the transformation they investigate (Clark & Soulsby, 1995). In other words, Clark and Soulsby (1995) appear to accept the process of isomorphic adaptation as unproblematic. Their study consequently fails to provide insight into the processes of de- and re-institutionalisation. Thus it equally fails to provide insight into potential issues, which may hinder a desired transformation (or transition from one institutional logic to another).

Similarly, Johnson et al. argue that in cases of privatisation, actors transition from “a well-established, familiar institutionalized context” (i.e. the public sector) into one “less familiar and, therefore, uncertain” (2000, p. 574). This shift, so the authors, is effectively “a process of deinstitutionalising public sector templates and institutionalising private sector templates” (Johnson, et al., 2000, p. 578). Johnson et al. further state that while they see privatisation “as coercive institutional change” (2000, p. 572), they consider traditional neo-institutional perspectives on institutional change less useful. They explicitly name Greenwood and Hinings’ (1993, 1996) work on organisational archetypes; Christine Oliver’s (1991) strategic responses to institutional pressures; and Scott’s (2014) pillars of institutionalism. That is, according to Johnson et al. these approaches have general value as explanations at the institutional and organisational level, but provide little insight into “how the behaviour of actors influences the process” (2000, p. 573).

In an attempt to advance the explanatory power of the aforementioned approaches, Johnson et al. (2000) conceptually apply their basic principles to expected behaviour of individual actors facing privatisation. The resulting framework is summarised by four propositions: firstly, that conformity to public sector norms and rules persists residually throughout the initial stages of privatisation; secondly, that the following stages of privatisation

are characterised by a “conscious duality” (Johnson, et al., 2000, p. 576) of scripts which coexist with one another; thirdly, that “progressive but recursive experimentation” (Ibid) will lead to the adoption of a private sector template; and fourthly, that actors will interpret and enact the new template with reference to and in the light of their original public sector template during the initial phases of the process. Thus, similarly to Clark and Soulsby (1995), Johnson et al. (2000) paint the picture of a reasonably straightforward change process, from initial inertia and attachment to then still legitimate and institutionalised templates, followed by template duplicity and an eventual adoption of the new private sector template.

While this perspective contains some valuable thoughts, such as the supposition that “the involvement of actors in change processes increases not only the likelihood of their acceptance of but their commitment to change” (Johnson, et al., 2000, p. 575), it lacks insight into key processes at work throughout the overall transition. Specifically, the work of Johnson et al. (2000) does not explain where actors would get alternative market scripts (or templates) from, how the duplicity of scripts (or templates) would get resolved, or where any of these processes may falter.

Tyrrall and Parker (2005) analyse avenues of organisational change at British Rail throughout its long transition towards privatisation and pay particular attention to the role of interpretive schemes. According to the authors, these interpretive schemes are at the same time shaped by and affecting organisational design archetypes (see Greenwood & Hinings, 1988). They are thus conceptually similar to institutional logics (Greenwood, et al., 2010; Greenwood & Hinings, 1988, 1996; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011), in particular when it comes to their resistance to change or disintegration (Thornton, et al., 2012; Tyrrall & Parker, 2005). Tyrrall and Parker (2005) further highlight that the impact of such interpretive schemes is likely larger the smaller the organisation under consideration. In other words, they suggest that actors within smaller organisations are likely better placed “to ensure that any change to the design archetype [...] is loosely coupled, hence mitigating its

colonizing potential” (Tyrrall & Parker, 2005, p. 512). Therefore, small organisations may actively resist new interpretative schemes and if successful, thereby weaken new elements of a new design archetype (Ibid). While the framework and supporting concepts underlying Tyrrall and Parker’s arguments (2005) suggest a mutually interdependent relationship between interpretive schemes and design archetypes (Greenwood & Hinings, 1988; Laughlin, 1991), their analysis is restricted to the effect of structural change on interpretive schemes. Structural change is thus introduced as a prerequisite. It is, however, entirely conceivable that some privatisation never attempted or complete structural changes. This may, for example, be caused by inherent attachment to an original interpretative scheme or institutional logic.

In addition to the works presented above, there are relevant investigations of privatisation without reference to any branch of institutional theory. Mouly and Sankaran (2005), for example, investigate factors contributing to the successful establishment of small businesses in the wake of staff redundancies caused by corporatisation, privatisation or even closure of federal departments. They find that such small business “will survive to the extent they do not perpetuate modes of functioning that prevailed in the declining parent agencies” (2004) and argue that the timing of new business formation can predict the likelihood of such perpetuation occurring (Ibid). According to Mouly and Sanakaran, business founded by staff before “the demise of the federal parent” are more likely to avoid “being stuck in the mud” than businesses founded by “members remain[ing] in the parent organization until its formal closure” (Mouly & Sankaran, 2004, p. 1462f).

However, while these findings are interesting, the case study of Mouly and Sankaran appears to be rather descriptive in nature and neither informed by nor expanding any particular theoretical approach. It further does not provide any explanation of or insights into why these small business might perpetuate the aforementioned modes, how they end up, or indeed how they could avoid being “stuck in the mud” (2004, p. 1435). Instead, it could be argued that the effect observed by Mouly and Sankaran (2004) is merely

one of better vs. lesser entrepreneurial instincts, skills or aptitude. In other words, it is entirely conceivable that those employees leaving the public sector earlier do so because their business sense was stronger to begin with, which does not only enable them to better identify a business opportunity in the private sector, but also increases their chances of survival in a market environment. Less entrepreneurial skill and perspective on the other hand, would explain both a later exit (i.e. lesser ability to spot business opportunities) as well as slimmer chances of survival within the private sector (2004).

Others have focussed on the conditions under which private entrepreneurs can successfully provide public services. Cabral et al. investigate “how the interplay between private entrepreneurs and public agents affects the performance of complex public services” (Cabral, et al., 2013). Their case is, however, one of reverse privatisation. That is, the authors study “prisons changing [back] from hybrid to state-run modes” (2013, p. 7). While the relevance of their study might be limited by the reverse nature of the transition, Cabral et al. (Cabral, et al., 2013, p. 11) raise an interesting issue. Namely, their study highlights the difference between public service projects or organisations transitioning towards free markets and entrepreneurs making use of the liberalisation of markets.<sup>6</sup> This difference is significant as it has two opposing implications: on the one hand, studies investigating the micro processes of privatisation suggest a positive relationship between entrepreneurial skill of those involved in a transition and the chances of success for said effort (2013). The underlying argument appears very intuitive, as greater entrepreneurial skill provides advantages in experience and in cases of privatisation lessens or completely foregoes the struggles of adapting to a market oriented institutional logic.

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<sup>6</sup> This study adopts Flecker and Hermann’s (Thornton, et al., 2012) definition of Liberalisation as the abolishment of public service monopolies and consequent admittance of alternative suppliers as providers for the respective service.

However, scholars have also identified the level of entrepreneurial force behind a transition as a potential threat to “the values and mission” (Cabral, et al., 2013; Flecker & Hermann, 2011) of the respective services, due to adverse effects of efforts to reduce production costs (Gollust & Jacobson, 2006, p. 1733). That is, while entrepreneurial skill may increase the chances of success for a transition toward the private sector, the means for reaching this goal, however, may undermine working conditions at or even the mission and values of the respective organisation (Ibid). In other words, there appears to be a potential trade-off relationship between introducing external entrepreneurial skill and the maintenance of the public organisation’s social integrity. Hefetz and Warner (2004) add political resistance by incumbent employees based on mistrust toward newly introduced managers as a potential threat in cases where expertise is brought in from outside the organisation.

## 2.5 Chapter summary

This chapter has introduced the concept of institutional logics and, following Thornton and Ocasio (1999; 2008; 2012) as well as Greenwood and Suddaby (2005), has defined institutional logics as socially constructed historical patterns of material practices, assumptions, expectations, values, beliefs and rules which are deeply held and often unexamined, forming an individuals’ framework for reasoning.

It has then presented extant literature on the topic, paying particular attention to institutional legitimacy as a central component of the concept. The chapter further analysed research on conflicting institutional logics conducted to date and introduced the concepts of conflict severity as well as the nature of a conflict’s cause.

Furthermore, this chapter has synthesised existing knowledge on the resolution of conflicts between incompatible institutional logics into a five stages model of transitioning from an incumbent logic through conflict to a final outcome configuration. It has then explained that this stage model does not only provide scarce common ground in the otherwise splintered field of

institutional logics analysis, but also provides the researcher with a framework for analysing cases of conflicting institutional logics, with a particular focus on potential causes for failure of the conflict resolution process.

Subsequently this chapter has presented evidence of a gap in extant literature, where live studies of institutional change are concerned. It has highlighted the fact that researchers of this field have been calling for such studies, as these provide valuable insight in the unfolding of the process.

Last but not least, this chapter has reviewed literature published on public service privatisation and highlighted an abundance of investigations interested in economic factors of public service privatisation as a policy. In contrast to this abundance, it has pointed out a succinct lack of privatisation analysis with a focus on the managerial challenges involved.

In reviewing the literature as described above, this chapter has furthermore shown that while public service privatisations represent a feasible and very current examples of conflicting institutional logics (e.g. Johnson, et al., 2000), extant research on the topic has so far not made proper use of the approach. Additionally, this chapter has shown that in the few cases where published work is making references to institutional approaches in the analysis of public service privatisation, extant studies have failed to adequately capture the inner workings of these transitions—largely due to assuming a straightforward process of de- and subsequent re-institutionalisation.

The remainder of the study at hand addresses the identified gap in knowledge by answering the following research question:

*How do actors negotiate conflicts between competing institutional logics within the context of public service privatisation?*

## 3 Methodology

### 3.1 Introduction

This chapter will present the methodological approach chosen for the investigation of the research question, which is guiding this study. It will point out the author's belief that social reality is socially constructed, and that what actors perceive as real, therefore is the result of their interpretation of the environment and actions of others surrounding them. This chapter will further show that the work at hand is consequently based on the ontological assumption that any analysis of social interaction requires an analysis of how the actors involved construct the respective case.

Subsequently, the chapter will provide a brief presentation of the epistemological considerations, which follow in consequence of the aforementioned ontological position.

This chapter will then present the overall research design chosen for the study at hand as an in-depth case study of a transition from one institutional logic towards a second and conflicting one. This section will also highlight the fact that while the author was very keen to investigate the effect and resolution of conflicting institutional demands, he was rather fortunate to acquire access to a local council project faced with a corresponding challenge.

The subsequent section will introduce the research context as one of council projects attempting a transformation from grant dependence and public funding to independent private operation, following threat of elimination due to government funding cuts. That is, it will be highlighted that in accordance with the research question, the empirical context of this study involves involuntary interaction with conflicting institutional demands within a public service privatisation context. This will be followed by an explanation of the process by which the research site was selected and the latter will be introduced as an inclusive cycling project, dedicated to the

provision of cycling experiences for people of all ages and abilities. It will be shown that this project is facing the threat of elimination due to local government funding cuts resulting from austerity measures implemented by the central government. A short description of the project's initial situation and operational configuration will also be provided.

Subsequently, this chapter will introduce the five types of data collected for the purpose of this study, namely unstructured non-participant observations, interview data, recordings as minutes of meetings and additional supplementary data. For each of these, both the method of data collection as well as the necessary preparations (if any) will be described.

The penultimate section of this chapter will present the data analysis methods chosen for this study and explain how a combination of pattern inducing and pattern matching approaches benefitted the work at hand. It will further describe how QSR's NVivo software package was used to manage as well as analyse the collected data, and which node structure was used to this end.

The final section will conclude the chapter with a brief summary.

## 3.2 Ontology

Ontology is concerned with the nature of the entities making up the world we humans live in (Bryman, 2012; Kuhn, 2012). Specifically, ontology asks whether or not these entities “have a reality external to social actors” (Bryman & Bell, 2011, p. 22)—i.e. whether they are objective facts or constructed by the very actors who perceive them. The former perspective is known as objectivism, while the latter has been labelled constructivism (Ibid).

When first faced with this dichotomy, the author of this study struggled greatly to match his view of the world with either doctrine. For a significant amount of time, he felt uncomfortable accepting either to the extent of rejecting the other—without being able to identify the reason for this

discomfort. Eventually, he realised that for him to identify with either perspective an important distinction was necessary.

As someone with a long lasting appreciation of what is commonly referred to as the natural sciences and a particular love for mathematics and biology, it is impossible for the author to completely discard positivist thinking. In other words, the author is convinced that as far as the natural sciences (i.e. physics, mathematics, chemistry and biology) are concerned, objective truths exist. Thus, the author maintains that the classical example of  $2+2=4$  is not a matter of interpretation and will hold true regardless of the individual performing this mathematical operation. Equally, chemical reactions and physical laws retain their truths across any social boundary. They would still be true if the human race did not exist and would continue to govern the globe in the absence of humankind.

When it comes to understanding social interaction, however, the author struggles to maintain a positivistic perspective. That is, within the context of social interaction, the author follows Berger and Luckmann's (1967) assertion that reality is socially constructed. Hence, the author of this work believes that *social* reality is socially constructed. In other words, within the context of social interaction, the author believes that what actors perceive as real is the consequence of their interpretation of the environment and actions of others surrounding them.

Upon reflection, this conviction is most likely what fosters the author's affinity to and valuation of the theoretical underpinning of this study—i.e. institutional approaches in general and institutional logics in particular. Within institutional studies researchers put great emphasis on the perceptions actors generate from their institutional environment. The concepts of institutional isomorphic forces (see DiMaggio & Powell, 1983) and legitimacy (see Deephouse & Suchman, 2008; Suchman, 1995) are the most prominent examples of the importance of interpretations as causes for social action.

Within the context of social interaction, the author thus believes that any truth obtainable by social research is dependent on the social actors involved in the scenario and it is therefore not sensible to extrapolate on a grand scale. Instead, the author holds that any analysis of social interaction requires an analysis of how the actors involved construct the respective case.

### 3.3 Epistemology

Bryman and Bell state that “an epistemological issue concerns the question of what is (or should be) regarded as acceptable knowledge in a discipline” (2011, p. 16). These authors further suggest that the most central aspect of this question is a researcher’s stance on which principles and procedures should be used for the purpose of a study. Specifically, within the context of a social study, “whether or not the social world can and should be studied according to the same principles, procedures, and ethos as the natural sciences” (Ibid).

As a logical consequence of the brief outline of the author’s ontological position presented above, the author cannot agree with the idea of carbon copying the principles and methods of natural sciences for the purpose of social investigations. Instead the author believes that the goal of social sciences should be to understand the perspectives of social actors as opposed to merely describing their actions. That is, the author stresses the importance of what Max Weber described as *Verstehen*, i.e. an attempt to achieve “interpretative understanding of social action in order to arrive at a causal explanation of its cause and effects” (Weber, 1997, p. 88). Understanding of such kind does not only provide a richer insight into the behaviour of social actors, but also highlights the complexity of social actions. The author is convinced that such understanding has two advantages: firstly and more obviously, it is likely to provide a more accurate account of events and their causal composition (Weber, 1997); and secondly, the aforementioned recognition of the complexity of social interactions provides a researcher with a better appreciation for the values

and limits of a given piece of research. That is, while such deeper understanding provides better insight into a case, thereby increasing the value of said research as a source of knowledge for future analyses of similar cases, it also cautions both researcher and reader not to overestimate its generalizability.

### **3.4 Research design**

This study is a consequence of the author's interest in institutional changes, particularly individual struggles with conflicting institutional demands and the effect such struggles have on organisations. Previous work based on institutional theory and a preliminary review of institutional literature suggested a number of contradicting assumptions within the context of conflicting institutional demands.

As presented in the literature review, it appeared that the fundamental assumptions of neo-institutional theory are more or less applicable to individuals within a given institutional context (Friedland & Alford, 1991).

Resulting was a perceived lack of clarity in extant research regarding the process by which conflicts between competing institutional demands were resolved (Besharov & Smith, 2014). During the same period, the author had engaged in unrelated interactions with a number of local council projects, which faced elimination due to governmental funding cuts. This threat left the projects with a choice of discontinuing operations versus transitioning into the private sector. Based on conversations with project members and some of their stakeholders two things became apparent: firstly, that these projects were not alone—many other small and local council projects were affected by central government's attempt to reduce public expenditure (Ramrayka, 2013); and secondly, that institutional differences were at the heart of managing the transition from grant dependence to private enterprise.

The research question guiding this study was derived from these two recognitions. Once the research question had been narrowed down well enough (Gioia, et al., 2013, p. 5), all efforts were directed toward gaining

access for data collection. At the beginning of September 2013, access was secured with a related project facing a transitional challenge identical to that described above. That is, the researcher was presented with the opportunity to capture data on significant events as they went on (Bryman & Bell, 2011). With Gioia et al.'s suggestion of the "value in semi-ignorance [...] of the literature" (Gioia, et al., 2013, p. 7) in mind, data collection commenced immediately.

From this point onwards, the researcher pursued two related goals at once: firstly, the collection of as much data as possible; and secondly, identification of the most appropriate specific theoretical approach to the research question. That is, parallel to the collection of data through unstructured non-participant observation (Bryman & Bell, 2011), institutional literature was consulted and peers as well as thesis supervisors were engaged in conversations. The final choice of institutional logics as a theoretical approach to the issue was then based on these conversations and the preliminary insights from data gathered.

Once institutional logics were identified as the most appropriate theoretical framing, the remaining collection of data was designed accordingly. Most importantly, interviews, which were part of the overall research design from the beginning, were decided to be most appropriate as an evaluative tool at the end of the transition period (at the beginning of April 2014). A semi-structured design was selected for these interviews (Gioia, et al., 2013). Data collection continued as planned until the 1<sup>st</sup> of April 2014—with the exception of one final interview on the 15<sup>th</sup> of April 2014.<sup>7</sup>

After the conclusion of data collection, the resulting data was analysed and a set of findings developed, which provided the foundation for the discussion of the contribution of this study. Subsequently, a conclusion as well as relevant limitations of this work were provided and finally, the implications for future research as well as practice were discussed.

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<sup>7</sup> The project manager was not available for an interview any closer to the intended target date on the 1<sup>st</sup> of April.

### 3.5 Research context

In the broadest sense, the empirical setting for this study is council projects attempting a transformation from grant dependence and public funding to private enterprise. More specifically, those council projects, which enter the above-mentioned scenario involuntarily. In other words, council projects facing threat of elimination due to government funding cuts.

In the wake of the global financial crisis governments all over Europe are under significant pressure to reduce public expenses (Landale, 2013). This has put so-called personalized public service providers into severe financial trouble, as they frequently fall victim to consequent withdrawal of funding (Ibid). In the UK, for example, such “organisations brace themselves for closures on the back of government spending cuts” (Ramrayka, 2013).

Service providers (SPs) therefore represent a unique empirical setting for an investigation of the research question outlined above. That is, these organisations exist under an institutional logic of social service provision (R. E. Meyer, et al., 2014). What is more, their perceived legitimacy is to a great extent derived from being publicly funded—in these contexts indicating that the delivered service is intrinsically worthwhile providing and of importance to society (Gollust & Jacobson, 2006).

Therefore, current governmental cut backs severely threaten not only the financial existence of these SPs, but also their perceived role of self, as well as their position within the institutional landscape. When faced with a governmental announcement of cuts to the funding of their particular organisation, SPs have to decide whether they discontinue provision of their services or otherwise seek alternative—and most importantly—private or commercial forms of funding. The latter two forms of funding, however, are part of an institutional logic that runs counter the initially held logic of social value as it is framed around a (market) priced valuation of the providers' services.

As mentioned above, this case is thus one of involuntary interaction with conflicting logics in a public service privatisation context.

### 3.5.1 Research site selection

The specific research site for this research was the result of purpose-sampling (Bryman, 2012). Initially a set of three local council projects were selected and approached as they began the transition towards private enterprise. This selection was purpose driven (Ibid) in so far, as the sample was restricted to live cases, which provide the opportunity to observe processes as they evolve (Gioia, et al., 2013; Pettigrew, 1997), whereas “events and actions from the past are susceptible to reinterpretation” (Gioia, et al., 2002, p. 622). The latter being a frequent criticism of institutional studies, especially within in the more recent fields of institutional work, institutional entrepreneurship, and institutional logics (Czarniawska, 2009; Greenwood, et al., 2014; Greenwood, et al., 2008a; R. E. Meyer & Höllerer, 2014).

The fact that only one of the initially approached projects agreed to participate in the study was compensated by the fact that this project granted full access to project files and information, meetings, everyday business and all personnel involved in both the project itself as well as the transition process (which included external actors).

### 3.5.2 Research site description

The project serving as the empirical site for this study provides inclusive cycling experiences for adults and children of all abilities—henceforth it will thus be referred to as the cycling project.

The cycling project was established in 2010 as a consequence of the “identified need to make cycling accessible to everybody, regardless of their age or ability” (Project Officer, concluding interview). Subsequently it was moved to the council’s play team, underlining its focus on working with children, which account for about 60% of all users of the service according to internal documentation. Since its inception, the cycling project has had a project manager, a project officer, and a project worker. The project manager is responsible for the strategic direction of a number of council projects, the cycling project being one of them. The project officer is

responsible for daily operations, which include the acquisition of new clients, the organisation and staffing of upcoming sessions as well as the organisation of maintenance duties. Furthermore, the project officer is frequently delivering cycling sessions, either on his own or as a supervisor of the project worker. The latter is working on a part time basis and mainly responsible for the delivery of cycling sessions, as well as for the maintenance of the project's equipment.

During the early months of 2013, the project manager was informed by her superior, that the council would terminate the project at the end of the 2013/2014 financial year (i.e. the 1<sup>st</sup> of April 2014). At this stage, the project was firmly rooted within the council infrastructure, entirely relying on grants and public funding as well as the council's back-office support. Furthermore, the project's main assets—30 bikes—were council property, stored in a container, situated on council grounds, and the main venue for self-hosted sessions was a council cycling track.

At the same time, however, the project managed to qualify for an internal council initiative. This initiative aimed to help a limited number of its own projects (less than a dozen) to achieve a pre-set goal within a little over three months, starting at the beginning of September 2013. The cycling project set the completion of a viable business plan as its goal for this initiative, thus attempting to prepare itself with three months to the final deadline after that.

As a result of taking part in the council initiative, the cycling project received additional support from both internal and external sources. That is, each participating project was assigned a mentor and a supporting director. The latter were director level executives within the council, who were supposed to provide internal backing, where necessary, and making introductions to relevant external parties. The mentors were selected for their experience in large-scale project management as well as prior experience in private business. Additionally, the cycling project received support from a number of other council staff, which they knew through previous interactions. They

also managed to convince one of the most frequent users of the service to take up the role of user representative. Furthermore, the cycling project succeeded to secure cooperation with a group of final year BBA students from a reputable University Business School nearby. Beyond these direct contributors to the transition effort, the cycling project had a number of alliances, which it managed to tie in within the context of the council initiative. These included potential future business partners and guardian organisations as well as other inclusive cycling bodies from different parts of the country.

### **3.6 Data collection**

This study is based on four types of data. Firstly, unstructured non-participant observations; secondly, one-to-one interviews; thirdly, rich recordings of significant events (some audio, some video); and finally, supporting documents—both from within the project and from external sources. The following sections will introduce these and the manner in which they were collected in more detail.

#### **3.6.1 Unstructured non-participant observation data**

As Bryman points out, non-participant observation describes “a situation in which the observer observes but does not participate in what is going on in the social setting” (2012, p. 273). More specifically, this study employed unstructured non-participant information, which “does not entail the use of an observation schedule”, but aims “to record in as much detail as possible the behaviour of participants” (Bryman & Bell, 2011, p. 272). By employing this approach, the author gains the freedom to take notes in the terms used by informants, which helps in understanding “their lived experience” (Gioia, et al., 2013, p. 5).

Data collection commenced when the cycling project’s efforts towards a successful transition out of the council began in earnest. The launch of the council initiative and the cycling project’s first meeting for it marked this beginning. The author of this study was present at this initial meeting and

was introduced as a researcher from the University of Bath. Emphasis was given on the fact that he was in no way affiliated with the student team and the purpose of his research was deliberately left vague. As far as the cycling project and its allies were concerned, the author conducted research on the process of transitioning out of the council. No mentioning was made of any *institutional* context.

Following this initial meeting the author was present at every following group meeting. He further attended a number of sessions held by the cycling project (a total of six), and shadowed the project officer on two occasions. Notes on these occasions were made in a notepad dedicated to the collection of data for this case. In total 74 pages of hand-written notes resulted from these observations.

As is customary for non-participant observations, the author did not engage in any of the conversations held at the attended meetings (Bryman & Bell, 2011). Instead he made a point of observing the behaviour and conversations before and after meetings as well as during breaks. When directly approached by attendants, the author referred to the need to abstain from the conversation so as to not affect their direction. Any conversations taking place beyond the above were deliberately held at a casual level, for example, focussing on the author's affinity for cycling or marvelling at some of the project's bike stock.

### **3.6.2 Interview data**

The second source of data were interviews held with each member of the cycling team as well as those closely involved with the transition. Following an initial review of established practices in the field, semi-structured interviews appeared most appropriate for this purpose (see Gioia, et al., 2013; Greenwood, et al., 2008b; Thornton, et al., 2012 for prominent examples).

Semi-structured interviews are widely regarded for enabling a flexible interview process, while maintaining reasonable comparability across interviews (Bryman, 2012). This balance is achieved by using "a list of fairly

specific topics to be covered, often referred to as an interview guide” (Bryman, 2012, p. 471). That is, semi-structured interviews are designed to cover a predefined set of issues, while providing the interviewee with “a great deal of leeway in how to reply” (Bryman & Bell, 2011, p. 467). Semi-structured interviews also allow the researcher to follow up on interviewees’ responses wherever those responses are unclear or raise additional questions (Ibid). Gioia et al. further assess that semi-structured interviews allow the researcher “to obtain both retrospective and real-time accounts by those people experiencing the phenomenon of theoretical interest” (2013, p. 5).

Once the choice for semi-structured interviews was made, development of the interview guide began. This guide was designed to capture each interviewee’s personal perspective on the cycling project’s transition progress in general and their perception of the struggles encountered throughout the process in particular. The final structure comprised an opening phase, the main interview, and a conclusion at the end. A copy of the final interview guide can be found in Appendix 1.

During the opening phase, interviewees were first of all asked whether they were happy with the location of the interview. They were then informed about the intended course of the interview and asked for their consent to recording the session. A copy of the final informed consent form can be found in Appendix 2. The opening phase of each interview was concluded with a set of demographic questions and one open-ended question regarding the interviewee’s involvement with the cycling project, which functioned as an ice-breaker (Bryman, 2012).

The main interview evolved around the creation of a time-line (see Appendix 6 for the timeline drawn by the project officer, as an example), which interviewees were asked to draw on an A1 sheet of paper, provided by the interviewer. The latter initiated the task by drawing two dots on said sheet of paper, one labelled S for start, the other labelled N for now. Interviewees were then asked to state what they considered the start of the

transition process and subsequently to fill the time-line between S and N as they saw fit. Interviewees were told they could either complete their writing before explaining the individual parts of their work, or explain as they went along. After the creation of this time-line and its explanation by the interviewee, the interviewer followed up on any notes or comments needing clarification. Where possible, the interviewer used the interviewee's markers on their timeline to guide the conversation through the remaining interview schedule (Bryman, 2012). The latter comprised questions regarding both the interviewee's personal experience throughout the transition and their assessment of the struggles experienced by the other members of the cycling project.

Once the main questions were answered, the interviewer concluded by asking the interviewee whether there was anything they would like to add, or anything they would like to ask the interviewer as a result of the interview itself.

Upon completion of the preliminary interview guide, a pilot interview (Bryman, 2012) was conducted with students involved in the cycling project's efforts towards transitioning out of the council. These students were particularly feasible candidates for this pilot as they were familiar with the overall context of the cycling project and knew the project members.<sup>8</sup> Two students were selected for this pilot, one as interviewee and the second as an observer. These students were friends and explicitly comfortable with the specified setting, of which they were informed prior to their agreement to taking part in this pilot. After the interview with student number one, both students were asked for specific feedback on the questions, the flow of the conversation, the utility of the timeline tool, and any other feedback they could think of, including the clarity of the forms and information sheets provided.

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<sup>8</sup> Relevant because part of the interview asked the interviewee to provide their assessment of the struggles experienced by the other members of the cycling project's team.

This feedback revealed the importance of clearly distinguishing between the interviewee's personal struggle and their view of the struggles of other people involved. As a result of a conversation regarding this aspect, the suggestion evolved to use the space above and below the time line for the team and personal perspectives, respectively. This procedure was adopted for all following interviews. Overall, the two students agreed that they "found the timeline really helpful" (Interview with External Source 1), both as a means of arranging their thoughts and guiding the subsequent conversation. Additionally, a minimal number of typographic errors were corrected and a different type of pen was chosen for future time-line creation.

By incorporating this feedback, the interview guide was finalised and the actual interview phase began. Interviews were held with each member of the project team, the mentor and the supporting director, one of the additional supporters and the user representative, as well as the remaining members of the student team. Overall twelve interviews were held, which ranged from 28 to 95 minutes in length and lasted 58 minutes on average. Interviews were held wherever the interviewee preferred—most council employees chose their work place, the user representative opted for a café and the remaining interviews were held at the University. All interviews were conducted, recorded and transcribed by the author. Furthermore, the author took handwritten notes during the interviews.

### **3.6.3 Recordings as minutes of meetings**

In addition to the data gathered first hand, through interviews and observations, the author had access to video recordings of an exploratory meeting held in July 2013 and audio recordings of interviews with the cycling project's team conducted by the students. Since the author was not present at the time of recording, these data were treated as minutes of meetings (see below).

### 3.6.3.1 Video recordings

Videos capture versions of events as they happen and thus provide the opportunity to “record aspects of social activities in real-time” (Heath, Hindmarsh, & Luff, 2010, p. 5). They are therefore “an even richer source of data for re-analysis than are photographs or audiotape” since they “include all the information that could be obtained from these two sources separately” and additionally provide “information on the temporal relationships of speech and sounds to visually depicted actions and events” (Lemke, 2014, p. 44).

Despite the above-mentioned benefits, it is important to keep in mind that video material is restricted to a predefined perspective, characterised by the camera angle, distance to target, and zoom (Goldman, Pea, Barron, & Derry, 2014). Combined with the fact that the author was not present at the original scene and had no influence over the above-mentioned aspects of recording, this limitation becomes quite significant. The video recordings were consequently treated as comparatively rich minutes of meetings. As such they were considered to be adding to the overall richness of data (Gioia, et al., 2013), thus adding another perspective for triangulation with the remaining data (Eisenhardt, 1989).

The video material acquired in this case consists of multiple sequences—ranging in length from less than a minute to just under ten minutes. Each of these sequences is unedited “in the sense that no cuts and joins have been made [and] no time periods left out” (Lemke, 2014, p. 45) of the original recording. Overall, the video material amounts to 1 hour and 30 minutes of recorded time, which was analysed at normal speed and in its original form, as opposed to frame-by-frame or slow-motion analysis (Heath, et al., 2010; Lemke, 2014).<sup>9</sup> The material was furthermore not transcribed. Instead,

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<sup>9</sup> This is again due to the fact that the author had no influence over the perspective of recordings, which has the potential to narrow the focus on events which may in real life appear less significant (Trish Reay & Jones, 2015, p. 12). Using frame-by-frame, slow motion, or any other form of

relevant quotes were taken from the source and referenced accordingly, using the file name of the respective clip and a time marker as reference.

Participants of the brainstorming session were informed at the beginning of the event that video material was captured for the purpose of a study and told they could request not to be recorded or have their identity obscured. However, none of the attendees made use of either option. Nevertheless, all references to participants of this event were anonymised to allow consistency of reference to individual actors without compromising the promise of anonymity given at the outset of this study.

### **3.6.3.2 Interview recordings**

In addition to the video recordings, the author had also access to audio recordings of interviews conducted by the student team with five of the core members involved in the council initiative (i.e. the supporting director, the project mentor, the project manager, officer, and worker). These interviews were conducted over the phone and in the absence of the author. Furthermore, the author had no influence over the schedule or any other aspects of the interviews, and only acquired the recordings after the last interview had been conducted. It is therefore, that these recordings were treated as minutes of meetings.

In terms of length, the interviews range from 30 to 60 minutes, with an average of 39 minutes. All five recordings were transcribed by the author and the transcripts filed with the remaining data.

The recordings were acquired after the respective participants had given their explicit consent to this. The requests for consent were sent out via email to each interviewee individually (a copy this email can be found in Appendix 3). This step was necessary as the interviews were conducted under the promise of confidentiality while the present study only guaranteed anonymity. Five out of the six participants consented to their recordings being passed to the author of this study and for the contents of

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manipulative analysis may exacerbate this effect (Ibid). Such approaches were thus discarded.

their interviews to be treated as the rest of the data acquired for this research (i.e. anonymity instead of confidentiality).<sup>10</sup>

#### 3.6.4 Supplementary data

The final category of data used for this study is supplementary in nature. It comprises email conversations, internal documents, and publicly available data.

Emails were collected from a dedicated email inbox set up by the students for their cooperation with the cycling project. This email inbox contains all external communication sent out by the cycling project regarding its transition. Requests for any access to email content was deliberately held back until the end of data collection. This was designed to maximise authenticity of content and avoid attracting subjects' attention to the fact that they were observed in this regard as well.

However, as a consequence, it was not possible to acquire an equally manageable bundle of internal emails, due to a combination of lacking technical skills and insufficient organisation of emails by the project team as well as resulting difficulties of retrieving approval for the collection of data.<sup>11</sup> The mailbox acquired from the students, in contrast, was a complete set with a dedicated purpose. All parties involved in these email conversations consented under the same conditions as for primary data (i.e. anonymity) to these emails being used for the purpose of this study.

Subsequent to this approval, the author retrieved the entire mailbox as an exported file, which was then accessed via open-source software<sup>12</sup> used to export the containing emails as individual text-files. As part of the extraction

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<sup>10</sup> The user representative did not consent to their recording being forwarded to the author, thus only five of the original six interviews could be included in this study.

<sup>11</sup> Internal Emails apparently showed a tendency to contain numerous contacts copied in, responses were not always filed accurately and some of the recipients were not accessible for the author.

<sup>12</sup> Mozilla Thunderbird is a free email application with the functionality to export emails from mailboxes as text-files (see [www.mozilla.org/thunderbird](http://www.mozilla.org/thunderbird)).

process the software assigned unique seven-digit numbers to these files, which serve as identification numbers for the purpose of this study.

In addition to emails, internal documents were acquired either as email attachments or hand-outs during meetings. These documents were stored in corresponding folders (i.e. “supplementary meeting material” or “email attachments”).

### 3.6.5 Summary of empirical data

Table 2 provides an overview of the different sources and respective quantities of data captured.

Table 2: Overview of empirical data

Data Source	Quantity
Minutes of Meetings	11
Interviews as Minutes of Meetings	5
Video Footage as Minutes of Meetings	1h 30min
Semi-structured Interviews	12
E-mails	423
Internal Documents	58

### 3.7 Data analysis

Reay and Jones have highlighted that despite “an ever-increasing volume of studies investigating institutional logics [...] qualitative methods for studying this phenomenon are not clear” (2015, p. 1). They go on to identify three broad categories of approaches, namely pattern deducing, pattern matching, and pattern inducing; where patterns are defined as “of symbols and beliefs expressed in discourse (verbal, visual, or written), norms seen in behaviors and activities, and material practices that are recognizable and

associated with an institutional logic or logics” (Trish Reay & Jones, 2015, p. 2).

According to Reay and Jones (2015), these approaches imply varying epistemologies and ontologies, ranging from semiotic structuralism to completely interpretivism. The research at hand combines aspects of pattern matching and pattern inducing (Ibid).

Pattern matching is defined by initial identification of ideal types of a given institutional logic, followed by an evaluation of the actual data’s fit to this ideal type (Trish Reay & Jones, 2015). The authors state that this approach is rooted in Max Weber’s notion of ideal types in combination with Friedland and Alford’s (1991) concept of nested and competing institutional logics—i.e. state, market, capitalism, religion, and family (Ibid). In other words, this approach is based on an understanding that an ideal type exists for each of the logics listed by Friedland and Alford (1991). When employing this approach, researchers are not implying these ideal types represented reality, they merely use them as templates against which they can hold their actual data in order to identify relevant discrepancies (Trish Reay & Jones, 2015). It has been argued that this comparison is helping researchers to avoid simply reproducing empirical situations without providing any analytical insight (Thornton, et al., 2012). Another benefit of matching patterns to ideal types is that the latter provide “a common reference point” which allow the researcher to identify “changes in behaviour at different points in time”, thus revealing changes in guiding logics” (Trish Reay & Jones, 2015, p. 8 f).

However, much like any other scientific approach, the pattern matching technique has disadvantages as well. Reay and Jones (2015) mention the high dependency on sufficiently robust ideal types, without which the approach quite obviously is not functioning. On the other hand, the authors mention the market logic as an example of a rather unproblematic ideal type (Ibid). In fact, the ideal types of both the market and public service logics are arguably among the most established ideal types, going back to Max Weber’s

works on bureaucracy as well as Friedland and Alford's (1991) seminal publication. In addition to issues arising from lacking robust ideal types, this approach is argued to suffer from potentially constrainig researchers to insights "connected to established theory because this is the intent of the approach" (Trish Reay & Jones, 2015, p. 8).

The opposite is arguably true for the pattern inucing approach, which represents interpretivist methods (Ibid). As such this is a "bottom-up approach", focused on "analysing and coding (grouping) text in ways that show behaviour of beliefs guided by particular logics" (Trish Reay & Jones, 2015, p. 9). The increasingly often referenced Gioia Methodology (see Gioia, et al., 2013) is a prominent example designed around the concept of pattern inducing. Researchers employing Gioia's approach commonly argue for two significant assumptions. Firstly, that social actors are *knowledgable agents* and thus "know what they are trying to do and can explain their thoughts, intentions, and actions" (Gioia, et al., 2013, p. 3). Secondly, proponents of this approach argue that researchers "can figure out patterns in the data, enabling [them] to surface concepts and relationships that might escape the awareness of the informants, and that [they] can formulate these concepts in theoretically relevant terms" (Ibid).

Due to its heavy reliance on intepretation and the overall bottom-up nature of the approach, studies employing pattern inducing techniques lack any generalisability "beyond the specific context" (Trish Reay & Jones, 2015, p. 11). Indeed, generalisability "is not the point of [such studies]" (Ibid).

In light of the benefits and drawbacks of both pattern matching and pattern inducing approaches, combined with the overall design of this study (i.e. real-time observations), the research at hand employed a combination of both pattern inducing and pattern matching in that order. As mentioned above, this study aimed to maximise the benefits of real time access to the research site and to that end embraced the concept of a "value in semi-ignorance [...] of the literature" (Gioia, et al., 2013, p. 7) at the beginning of data collection. At the same time, however, the author did not just blindly

record meetings and other events in a robot-like fashion, but attempted to make sense of the data gathered from the beginning on. Due to the then superficial knowledge of literature on institutional logics, these preliminary analyses of data could not make use of predefined ideal types, derived from extant literature. Instead, induction was utilised to make sense of unfolding events as they went on. That is, the author continuously took notes on what he perceived to be reoccurring themes. From this, the author did not only generate his basic understanding of the case, but also began to identify the two relevant ideal types (i.e. market as well as public service logics). By utilising pattern inducing strategies for the on-going preliminary investigation throughout the data collection phase, the author was able to acquire a better awareness for the patterns hidden in the data (Gioia, et al., 2013), without having to divert attention away from unfolding events in order to develop ideal types first.

Following the completion of data collection in April 2014, the author returned to reviewing the literature (see research design), before launching a second round of analysis focussed on pattern matching. With the help of the ideal types of both the public service logic and the managerial logic, the second round allowed the author to utilise his intuitive insight and the corresponding interpretations for a more structured analysis. To this end all captured data, except the video clips of the initial brainstorming session, was fed into the widely used NVivo for Mac software package (Trish Reay & Jones, 2015).<sup>13</sup> Overall the structure described in the data collection section was maintained within NVivo. That is, separate folders were created for Emails, Email Attachments, Minutes of Meetings, Supplementary Material, Transcripts of Interview Recordings, and the author's own Interview Transcripts.<sup>14</sup> With the exception of all interview transcripts (i.e. both those

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<sup>13</sup> The specification of the Apple OS X version of QSR's NVivo software package is only in the interest of full disclosure. Using the Mac instead of the Microsoft Windows version did not have any impact on the research at hand.

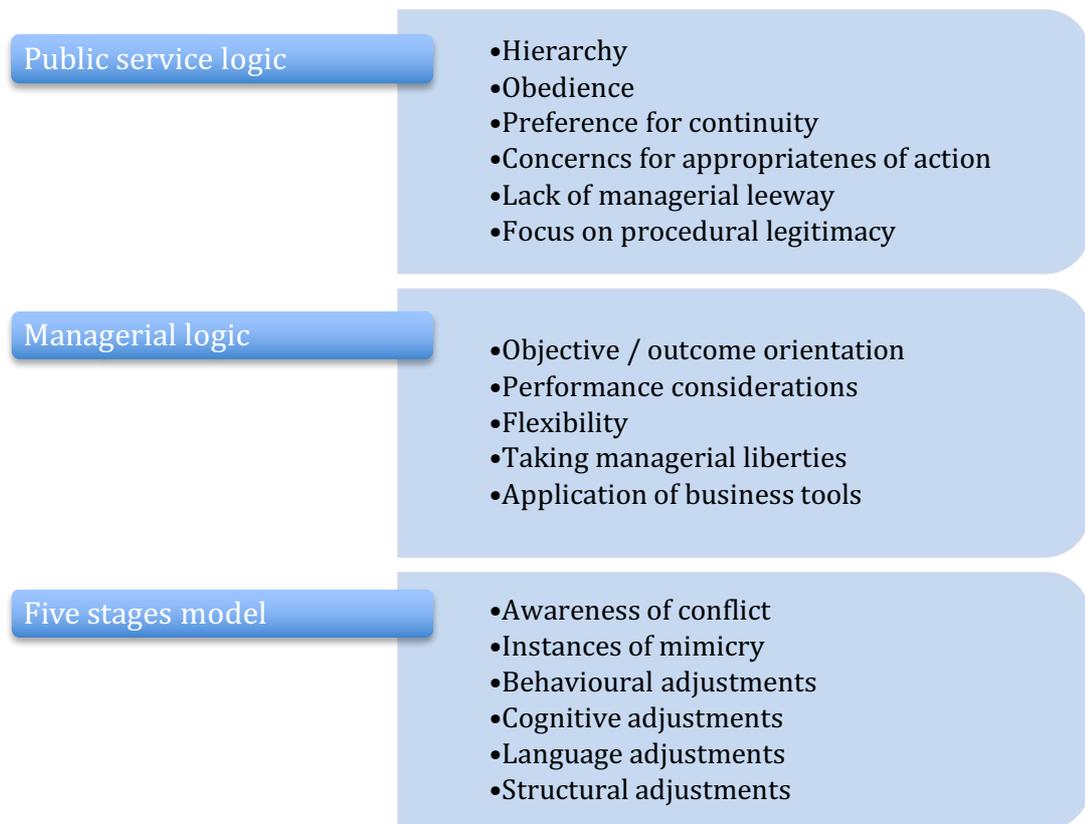
<sup>14</sup> The folders are presented in the same (alphabetical order) as maintained in NVivo.

of the recordings and the author's own ones), all data source names were prepended with the date of their creation. For example, an email attachment with the original name "Action notes from yesterday's meeting" was renamed to "20131003-Action notes from yesterday's meeting", indicating the email was sent on the 3<sup>rd</sup> of October 2013. This allowed the author not only to quickly find his way through the substantial amount of data, but was mainly a means to ensure chronological presentation of later queries. That is, both actual queries as well as NVivo's automatic representation of coded sections at a specific node were returned in chronological order due to this naming convention.

Following the import of data into NVivo as described above, a total of 17 nodes were created, covering indicators of the public social service logic, the market logic, and the proposed stage model of transition. **Fehler! Verweisquelle konnte nicht gefunden werden.** provides a short overview of the resulting node structure.

Using these nodes the collected data was coded accordingly and the resulting code bundles analysed. To this end the author analysed both the individual nodes of coding, as well as queries tailored to capturing the three node bundles represented in Figure 3 (i.e. the two ideal types of logics and the stage model). As part of this analysis the author made good use of the abovementioned chronological representation of coded sections within a node or node bundles, respectively.

Figure 3: Node structure



### 3.8 Chapter summary

This chapter has provided a brief overview of the ontological and epistemological assumptions underlying the work at hand. It has highlighted the author's belief that social reality is socially constructed, and that what actors perceive as real, therefore is the result of their interpretation of the environment and actions of others surrounding them. It has also pointed out that the work at hand is based on the ontological assumption that any analysis of social interaction therefore requires an analysis of how the actors involved construct the respective case.

Furthermore, this chapter has introduced the overall research design of this study, which is conducted as an in-depth case study of the processes involved in the transition from one institutional logic to another, conflicting one. It has been highlighted that this phenomenon was investigated in the empirical context of council projects attempting a transformation from grant

dependence and public funding to independent private operation, following threat of elimination due to government funding cuts. That is, it will be highlighted that in accordance with the research question, the empirical context of this study involves involuntary interaction with conflicting institutional logics, shifting from within towards outside of the council.

This chapter has also outlined the process of purpose-sampling, which led to the selection of the live case, which provides the actual research site. Subsequently, the research site has been described both in terms of its initial operational situation and in terms of its staffing configuration.

Additionally, the five types of data, which provide the empiric foundation of this work, have been introduced. In this context, it has been highlighted that this study employed a combination of unstructured non-participant observations of meetings, semi-structured interviews, recordings as minutes of meetings, as well as supplementary data in the form of emails, for example.

Last but not least this chapter has explained how this research utilised a combination of pattern induction and pattern matching approaches in two successive rounds of data analysis. It has been shown that this combination allowed the author to make the most of the benefits of each approach while seemingly mitigating some of their drawbacks. It has also provided evidence that “many researchers” utilise similar approaches and “combine [these] techniques” (Trish Reay & Jones, 2015, p. 12). This final section has furthermore provided an overview of the elements of the second round of analysis, such as the deliberate date-based naming conventions and the node structure that was chosen.

## 4 Findings

### 4.1 Introduction

This chapter presents the findings gathered from data analysis. It begins with a brief description of the institutional configuration present at the outset of the transition process, which is identified as a public social service logic.

The following section highlights three language-related findings. Firstly, an initial excitement exhibited by members of the project team, who appear very keen to and energetic in their attempts to kick start the transition process towards the independency of the project. This initial excitement is further shown to be paired with a significant blind spot regarding business related aspects of the transition. That is, project team members appear to lack relevant knowledge of and skills with business concepts as well as language. Secondly, it shows how the project team attempts to overcome their obvious deficiencies by mimicking the language and practices of those who they perceive proficient with the matter (i.e. the consulting team of business students). It then identifies misnomers and misconceptions as consequences of the project team's mimicry and highlights how successful mimicry can have significant potential for detrimental effects. The third part of this section then explains how the project team achieve a better understanding of the concepts and vocabulary they previously mimicked, as a result of continued interaction between the team and their external partners. This part also underlines the revealing role of tasks and deliverables, which help discover the discrepancies between pretended (i.e. mimicked) and actual knowledge or skill.

The third section of this chapter provides evidence of the strong impact of structural continuity within a setting of conflicting institutional logics in general and those of intended transition towards a foreign logic in

particular. Two components of this impact are identified, namely continuous operational restrictions as well as the perpetuation of original hierarchies.

Regarding the former, it is shown that within a public service or council setting, continuity of structure entails continuity of highly institutionalised rules and regulations, which in turn restrict the project team's ability to experiment with or adopt alternative practices. Instead this continuity perpetuates incumbent practices and procedures. In its subsequent part this section provides substantiation of a negative effect of hierarchical continuity, which is shown to maintain a classical chain of command that discourages lower level officers and workers to test their managerial abilities.

The fourth section of this chapter then shows the consequences of the abovementioned effects of structural continuity. Using three prominent examples from the case, this section highlights how effects of the constant council structure cause the project team to revert back toward their familiar practices and procedures, despite their initial cognitive progress toward a managerial logic.

The fifth section focuses on the students' role within the context of this study. It finds that both the project team as well as the student team perceive the role of the latter as that of consultants who provide business expertise and a perspective, which, according to the team members' perceptions, would not have been available without the involvement of the student team.

The final section of this chapter provides a short summary of the findings presented below.

## **4.2 Initial configuration of institutional logics**

Throughout the brainstorming session and the first few meetings in the context of the council initiative there are clear indications of a council and social service logic among the project team and its stakeholders, respectively.

Evidence suggesting this comes from two separate sources, namely the video footage shot at a brainstorming session at the end of July 2013, and the notes the author took during the kick-off meeting between all parties involved in the council initiative 2<sup>nd</sup> October 2013.

The video footage shows an afternoon long event, consisting of a hands-on session during which all participants are invited to try out the specialty bikes used by the cycling project, followed by a workshop. The latter comprises a short welcome speech given by the project manager, a verbal presentation of the types of sessions the project typically run, presented by the project worker, a 30-minute-long lecture on social enterprises, given by a nearby university's lecturer specialising in the topic, and an hour-long brainstorming session moderated by said lecturer. The footage is shot by one of the lecturer's students<sup>15</sup>, who used opportunities throughout the day, to capture quick interviews with some of the key people, who were later involved in the council project and the cycling project's efforts towards independence overall.

The social service logic is most vividly observable from the video material. One very obvious piece of evidence is the project manager's description of the project's origins as one aimed at providing "short breaks [...] which is the term used for respite care [...] which is very much focussed on what activities and provisions are there for parents and carers of disabled children, to make sure that they get short breaks" (Video ID S1000004). The project worker seconds this in his description of the original purpose of the project, as one addressing the issue that "a lot of children are not able to take part in normal cycling and enjoy a lot of the activities that a lot of kids could, because they are disabled". He goes on to explain that the project has become

*"very keen to work with families, because if you have a disabled child, it is not really about just dropping them off and letting them ride the*

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<sup>15</sup> This student is in no way related to the student that became involved with the cycling project as part of the council project later on.

*bikes—that's great fun—but actually, it's about being able to enjoy things all together. So that you can take part as a family, as a whole family, with your brother or your sister and that you're not excluded and have to go to something that is very separate" (Video ID S1000002).*

The project worker, in another clip, states that the project “provides a lot of social value to people that are isolated” (Video ID S1000015) and a frequent helper of the project adds that “it is not only about the exercise, but also the awareness it brings about disabilities” (Video ID 1000027).

The video footage also contains numerous social effects of the project, such as “it challenges stereotypes as well, doesn't it? [...] I mean challenging stereotypes about disabled people not being able to do anything and always needing help to do stuff” (Participant, Video ID IMGA0121). The same participant states that “it leads to independence, in that children can do things, they can be more independent” (Ibid).

In sum, all project members as well as the people participating in the brainstorming event repeatedly highlight the worthiness of the project's cause. They also state the significance of users being accustomed to the service being free of charge.

One of the initial clues towards the clear existence of a council logic is part of the short welcome speech, given by the project manager at the beginning of the brainstorming session. Within it, the project manager stresses that when they first got in touch with the trustee, who they were meeting in their search for support in setting the project up as a business, “in the cab to this meeting [the project officer] said: ‘this is like a new world to us, really” (Video ID S1000005).

The kick-off meeting, then, provides further evidence of the hierarchical and organisational aspects of the council logic. The meeting is, for example, opened by the project mentor—not the project manager or the project officer—both of whom are arguably much more closely attached to and therefore obvious representatives of the project. The project mentor, in his opening, also speaks for the other project members, for example when

stating that “we acknowledge that we should be open to new ideas” (‘we’ being the operative word here) or “everybody should aim to under-promise and over-deliver” (Meeting 20131002). This happens naturally without anyone on the part of the project team showing any sort of reaction to the fact. It appears that the project mentor’s higher position within the council<sup>16</sup> as well as his proclaimed experience with large projects, both public and private enterprise ones, naturally dictate this.

In extension of this theme, the supporting director, who is not present during the kick-off meeting, is naturally in charge of the first (Meeting 20131107) meeting he attends. This is despite him being the furthest removed from all goings on—out of all preparatory meetings he only takes part in this one as well as the workshop at the end of the council initiative, for which he is approximately half an hour late.

Within the core team, everybody, including the user representative and all additional support staff from within the council, is looking to the manager for any strategic decision. The officer appears to be prepared to accept any such decision practically without question and the project worker seems to be even less involved in this process—regardless of the potential post-transition positions of these people. That is, while everybody is invited to contribute to the pool of ideas, the council-given hierarchy of manager, officer and worker is very visible.

On the organisational level, the project’s dependence on back-office services provided by the council (e.g. finance, marketing and IT) is also highly visible and the project team are clearly used to the safety and rigidity of budget financing as well as the limitations associated with council bureaucracy. The project officer’s request towards the students to include a “documentation of current operations”, in order to get a clear understanding of all the “functions provided by the council” (Meeting 20131002), is an indication of this. Regarding the establishment of a bare-bones financial plan, including

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<sup>16</sup> The project mentor holds the second highest rank within the council of all council project participants. Only the supporting director ranks higher within the council organisation.

an assessment of both current and future operational costs, he further states that “this is something where I will need some help” (Meeting 20131002).

Or as the project manager puts it “the work I do is restricted by this council perspective” (Meeting 20131002). These restrictions include the need to request permissions for the most basic decisions, such as the usage of cloud storage providers as an information platform, or the creation of social media channels for the project. The project manager makes another two more or less direct references to a council logic. That is, despite not labelling it as such, the project manager proclaims that “the council is not very experienced in making sure businesses actually take off” and that “the council's way of limited scope” is “a cultural thing” (Meeting 20131002).

In sum, the evidence presented above clearly suggest the existence of a pronounced council and social service logic at the outset of the project’s journey towards independence from the local council.

### **4.3 Significant issues with language**

#### **4.3.1 Initial excitement**

The members of the cycling project are very excited, solidly optimistic and highly motivated from the very beginning of their efforts toward transitioning out of the council.

The video footage recorded at the brainstorming meeting held at the end of July 2013 provides abundant evidence for these three components. Especially those recordings capturing a wide angle clearly show the enthusiasm with which each member of the project team engages with the remaining attendees of the session.<sup>17</sup> They not only encourage invited attendees to help generate ideas, they themselves are obviously very busy

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<sup>17</sup> As evident from the videos, four members of the cycling project team were present on the day: the project manager, the project officer, the project worker and the user representative (despite not filling that role at the time). Additionally, project supporters A and B were present on the day, as well as one of the project’s trustees.

adding to the list of potential income streams, organisational structures and ways of combining the two.

Throughout this initial meeting all recordings capture a positive atmosphere and it is evident from individual close-ups that invited guests as well as the members of the project team perceive the meeting as such. The project manager for example highlights that it is “really exciting to bring so many different people together” (Video ID S1000036) and “it is really exciting just getting them to all think about the project together and about the potential for it” (Video ID 1000037). Referring back to one of the earliest meetings, held close to the cycling track, one of the students remembers in their interview that “It seemed very positive again. It seemed like they were keen on helping us, we were keen on helping them and that it would mutually be a very successful relationship, because we wanted it to be successful for each other’s aims” (Interview with External 3).

In addition to their excitement, the project team further appear very optimistic when it comes to the assessment of their own situation and their future moving forward. Variations of “the bikes go down a storm” and “they are very attractive for big public events” (Project Manager, Video ID 1000004) are mentioned throughout the event. The project team frequently couple these statements with the assertion that the service supports a clear social mission, which members of the project team seem to interpret as additional support for their overall assessment of comparatively good chances of survival for the service. During the introduction the project manager also states that the project team feels “very strongly that this project, a bit like a phoenix, is rising from the ashes” and wants “to make sure that [they] launch [the cycling project] successfully as something that sits outside of the council after April 1<sup>st</sup> 2014” (Video ID 1000004). From this and other comments made throughout the session it becomes apparent that the project team at this stage positively believes in a successful outcome of the transition.

Furthermore, members of the cycling project are observably and outspokenly very committed to the collective effort of attempting the transition toward private enterprise. They dedicate a significant amount of their spare time to attending the initial as well as many subsequent meetings and are willing to step out of their own comfort zone to further the transition efforts. The latter is evident from a variety of examples, such as the (later to be) user representative agreeing to medium length, close-up interview clips. The discomfort is not only visible from the footage, but also explicitly stated: after asking her interviewer “that will do?” and him confirming “yes, absolutely”, the designated user representative closes the interview with smiling shyly and jokingly saying “cut me out though” (Video ID S1000033). Project team members additionally donate their own spare time in order to complete transition related tasks, such as a telephone survey of known users, in addition to on-going everyday operations. This commitment is maintained throughout the process of transition and continuously observable at later events. The user representative accepting the role when approached by the project manager and project officer is testament to this. Especially during the early stages of the transition (i.e. from the brainstorming session through to the end of October 2013), different members explicitly and convincingly state that they are “up for everything” (Project officer, Meeting 20131010) and willing to do anything as long as it does not interfere with “the service’s identity as an inclusive cycling project” (Ibid).

Despite their convincing excitement, optimism and dedication to the future of the service, there appears to be one significant blind spot to their own account. That is, all conversations captured on the 30<sup>th</sup> of July 2013 distinctively lack relevant business acumen as well as language, and therefore a critical evaluation of ideas from a business or management perspective. This manifests in both behaviour and language. Project team members, on this day, clearly focus on what they believe they can do, what they are willing to do and allow themselves to have these conversations with background assumptions regarding what others will or will not do—i.e.

love the service or simply fail the service, respectively. The lack of conceptual knowledge is further underlined by the consistent use of descriptions instead of definitions. That is, the cycling team never use vocabulary such as “income”, “business opportunity” or “market”; instead they refer to “things we can do”, “things we need to check” or “things we need to be careful with”. At some stage, apparently after an initial free brainstorming phase, the trustee provides a short introduction to the principles and concepts of social enterprise. This presentation employs a reasonable amount of business jargon, which however does not appear to have any impact on the language or behaviour on this occasion—although it does seem to provide a better sense of direction for the following conversation, which otherwise continues in the fashion the brainstorming began.

It is not until the second meeting after the brainstorming session that project team members make direct reference to the institutional challenge lying ahead of them. That is, the project officer acknowledges on this occasion that transitioning from council service to independent organisation “is a huge mind-set change” (Meeting 20131003). Such proclamations become more and more frequent throughout subsequent meetings, the mentor telling the consulting students they “might ask questions that we might not” (Ibid) is another example. Despite this apparent increase in the level of awareness regarding the required adaptation, project team members maintain their original naivety towards fundamental concepts representing aspects of the process.

#### **4.3.2 The impact of misnomers and misconceptions**

Illustrations of this are plentiful throughout the first few meetings. For example, team members labelling the goal of establishing “a brand identity outside of the council” as a “quick win” (Project officer, Meeting 20131002)—a categorisation, which largely appears to be influenced by the perception, such identity could rather quickly be generated by “setting up a Facebook group” (Ibid). Other instances include the project manager

stressing, that “what we want is full cost recovery” (Project manager, Meeting 20131002), a statement which receives immediate support by the remaining project team (nodding and other non-verbal signs of approval).<sup>18</sup> In a later meeting, it is highlighted that “the council does not do full cost accounting” (Project mentor, Meeting 20131015). The project mentor goes on to provide a “best guess” (Ibid) regarding the level to which administrative costs are covered via the project’s budget. In combination with the suggestion of full cost accounting by the manager, the provision of this information by the mentor suggests that the project team perceive their method (i.e. full cost recovery) as the alteration required for sustainable private operation. A possible explanation for this is provided at a later stage, when the project manager and project officer admit that “finance is part of the back-office support we receive from the council” (Interview with project manager) and that “finance is not [their] strong suit” (Interview with project officer).

It is, however, important to note that the implications of these misnomers and misconceptions are as difficult to grasp within the context of the conversations they appear in, as they are glaringly obvious once identified under closer inspection. That is, the author, who was arguably in the best position to recognise the significance, only did so after reviewing his notes, paying particular attention to and specifically looking for signs of institutional misalignments and the consequences thereof. This further gains relevance due to the fact that the project team continuously increase the use of business vocabulary, including a growing set of misnomers and misconceptions.

In other words, the project team increasingly often use an incorrect label for a given concept, or suggest an inappropriate course of action (albeit

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<sup>18</sup> Full cost recovery is a cost allocation method, which—as suggested by its name—aims to recover the full expenses of an operation. If applied as intended, it thus does not lead to the generation of profits, which the method is not concerned with at all (Fiennes, Langerman, & Vlahovic, 2004). It is consequently a method frequently applied by organisations which function on the basis of budgets (such as councils, for example).

correctly labelled). A frequent example of the former confusion is the use of “cost” or “costing” instead of “finance” or “financing”, suggesting the team perceive no conceptual difference between assessing the costs of an operation and financing it. In this case, the apparent misconception seems to also cause the suggestion of full cost recovery, which arguably is an example for an inappropriate course of action. Another highly prominent case of conceptual confusion is the apparent synonymous use of *business plan* and *business strategy*. While there appears little debate among academics and practitioners regarding the fact that business strategy usually is but one component of a business plan (e.g. ECSB, 2011), the project members seem to be less clear on this distinction.

For example, on 30<sup>th</sup> October 2013, the project officer sends his “draft wording” for the invitation to the workshop at the end of the council initiative. Centrally this draft contains the following wording:

*“We will then ask participants to take part in a round table discussion as part of the selection process for one model to be shaped into the final business plan.”*

*After the [council initiative] a business strategy will be developed which will define how [the cycling project] can creatively use existing resources, relationships and capabilities and transition into a viable social enterprise.” (Email ID 7961440)*

Within the first sentence of this draft, the “one model” is arguably a reference to the business strategy which is supposed to “be shaped into the final business plan”. The sentence also suggests, that while the “one model” (or business strategy) is to be selected during the workshop, the “final business plan” will be developed based on and after that. The second sentence, in contrast, now states that the business strategy will be developed after the workshop. This suggests that business plan and business strategy are termini used to describe the same thing, despite one being a component of the other.

In conversations with project members—especially with the project officer and the project worker—the author noticed similar or even more obvious confusion of these terms on multiple occasions throughout the first couple of months. The students also seemed to recognise this, as apparent from the following interview excerpt:

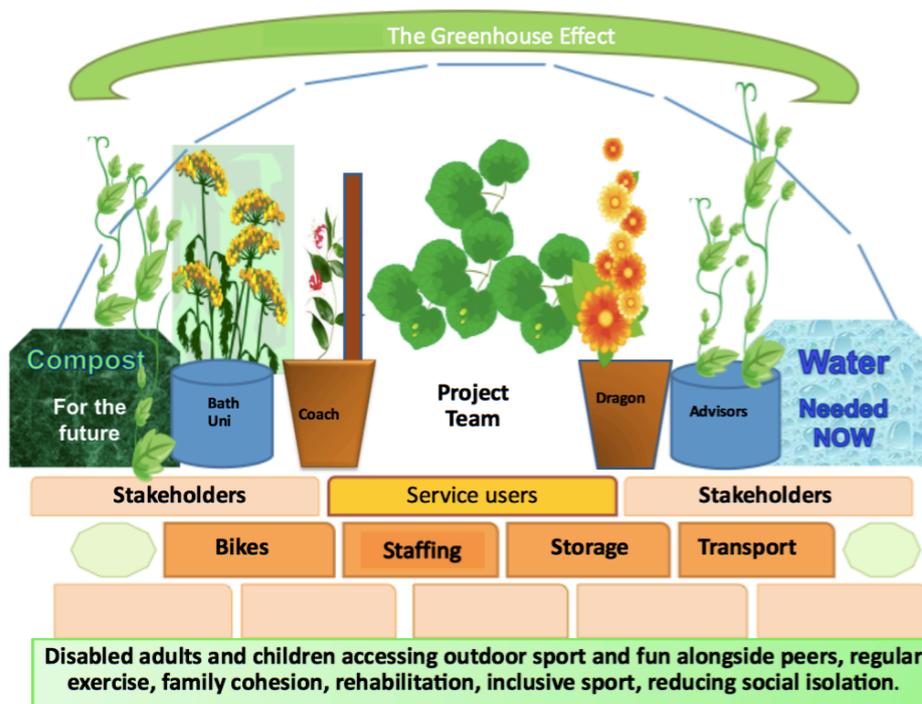
*“what they called the business plan we kind of adapted to business strategy, which is essentially what we saw as just a part of a business plan, there’s more stuff to it. There was probably a lack of understanding from their point, as to what everything entailed in a way and because they weren’t maybe used to operating in this sort of business environment, they were kind of like ‘business plan, business strategy, you know...whatever’” (Interview with External 3).*

Nevertheless, the project team quite obviously make efforts to not only learn more about the institutional realm they self-confessedly know little about (i.e. the business world), but also attempt to produce a professional external appearance. The project officer, for example, mentions the importance of making “a professional impression” (Project officer, Conversation following Meeting 20131015) on external stakeholders, such as the large local service provider. These attempts manifest in two main ways: the adaptation of methods associated with business professionalism and the increased usage of jargon as described above. While it appears relatively easy to identify the true nature of the former variant, it seems increasingly more difficult to do the same with the latter.

A PowerPoint slide presented by the project manager provides a good example of an attempted utilisation of business methods. During a meeting held in early November, the project manager presents a slide “represent[ing] the impact of the [council initiative]” (Project Manager, Meeting 20131107) on the cycling project. Figure 4 shows a copy of this slide. The graphic shows the project team and other actors central to the transition as plants that are fuelled by the social need and its user base, enabled by the material and human resources and supported by what is

labelled as “Stakeholders”. The metaphorical ecosystem is furthermore placed within a greenhouse, representing the council initiative.<sup>19</sup>

Figure 4: The greenhouse slide



The choice of PowerPoint is arguably reflective of the desire to present information using a medium highly associated with business methods. The fact that prior to this occasion information was exclusively shared in form of printed hand-outs further supports this interpretation. The project manager’s proclamation, this slide was the result of “an analysis of our situation” (Project Manager, Meeting 20131107), further suggests that at least the project manager perceives the slide as analytical in nature. Responses from the project officer suggest a similar perception on his part. At the very least he does seem to be very interested in incorporating said slide into the final business plan. In an email containing the slide as

<sup>19</sup> The observant reader may notice a patch of divergent green in front of “The Greenhouse Effect”. This patch covers the actual name of the council initiative and was added by the author as a means of anonymisation. No other alterations were made to the graphic.

attachment he only writes “please can we use this” (Email ID 14590515). While the creation of this slide undoubtedly required some analytical effort, the resulting product also highlights significant deficits in the analysis as well as misconceptions. That is, the underlying interpretation of the council initiative as something facilitating and catalysing growth appears very reasonable when viewing the transition as “a growing out of the council” or a personal growth in the sense of skill development for the members of the project team. Placement of the social need and user base as nourishing ground as well as the human and material resources as supporting foundation is testament to analytical engagement with the situation.

However, from a business perspective, the greenhouse slide depicted in **Fehler! Verweisquelle konnte nicht gefunden werden.** does not appear to add a lot of analytical value. In a business context, it could be argued that this graphic is little in excess of a stakeholder map turned descriptive visual metaphor, presenting the effects of environmental factors. In other words, the graphic appears to provide more information about its creator than analytical insight into the situation of the cycling project. Additionally, the graphic does not appear very professionally produced either. While these facts appear to elude the project team, the discrepancy between seemingly intended and actual effect remains very noticeable. The author’s immediate reaction on the day is “this is cute”—meaning endearing in its insufficiency—an interpretation apparently shared by the students, who later refer to the graphic as “the infamous greenhouse slide” (Interview with External 3 and 4 alike). When probed for the meaning behind this expression, students suggest the slide is a flawed attempt to add something analytical and reflective to the conversation.

While the greenhouse slide thus seems to miss its intended effect, it efficiently exemplifies the project team’s efforts to create a professional impression. Beyond that, it subtly provides a very interesting insight into the thought process of its creator, namely a focus on people rather than the service. That is, actors and their *growth* (i.e. their development) are at the centre of attention, not the evolution of the service. Arguably, the service

could very easily have featured as the evolving component (i.e. the plants) with the actors presented as another nourishing layer. In fact the graphic even contains a spare segment of blank bricks, which could easily have been utilised thusly. Yet, the service does not feature anywhere in written form. While it can certainly not be argued the project manager perceived the service as irrelevant,<sup>20</sup> this graphic provides support for the suggestion that the people involved in its provision take precedence over the service in the mind of the project manager.

The greenhouse example clearly shows the relative ease with which practical attempts to create a professional appearance can be identified as such. While the project team certainly do not intend this, it nevertheless is in their best interest in so far as the obviousness allows those dedicated to helping the project team to adequately gage both the respective situation and the project teams' struggles.

However, the operative word in the preceding sentence is *obviousness*. That is, despite arguably making sense from an institutional perspective (see mimicry), successful imitation can have severely detrimental effects on communication. Within the context of this case, the continuous improvement of the project team's use of business language eventually leads to successful mimicry.<sup>21</sup> And at this stage, the very success of their action (i.e. the mimicry) puts the project team at a severe disadvantage regarding the progression of their transformation.

In this situation, the effect of clashing sets of taken for granted information is at its maximum. That is, following an initial awareness of the discrepancies in worldview as explicitly stated by project members at the outset of the relationship (see above) and obviously flawed initial attempts of mimicry, the students interpret the increasing levels as well as the partial improvement of business language as a sign of very basic understanding on

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<sup>20</sup> The project manager emphasises the value and significance of the service too frequently and too authentically for such an interpretation to be viable.

<sup>21</sup> N.B. success in the sense of successfully masking the underlying gap between pretended and actual knowledge.

the part of the project members. They consequently begin to take knowledge of such concepts they (the students themselves) perceive to be incredibly basic, for granted (such as a minimal understanding of the financial structure of current operations, or the differences between a business plan and strategy). As a result, the students do not identify the still existing gap between imitated and actual insight and continually advance the planning process.

That is, both the project team and the students continue their conversations regarding desirable outcomes, potential avenues and particular parts of the planning process, until the students eventually ask the project team for the completion of two tasks: firstly, the provision of financial information; and secondly, an evaluation of potential operational directions for the project. Specifically, the students ask for a financial overview of annual costs and revenue, as well as some basic information regarding the costs and revenue of individual sessions. They set this as the minimum requirements and ask the project team to provide as much detail as possible, providing examples of cost and revenue components. In response, the project team provide a crude excel file containing little detail beyond the examples stated by the students as well as some minor and one significant error, which leads to an underestimate of incurred annual costs by several thousand Pounds.

Secondly, the students ask the project team to refine what is labelled *the list of business ideas*. This list—the outcome of the brainstorming session held in July (see above)—is at that stage still not much more than a four-page bullet point list of ideas covering a wide range of largely unrelated ideas. Examples of discernible themes include an AA-like service for cyclists, children’s party services and a café. The actual list, however, is not organised according to these themes, but instead an unordered accumulation of ideas. The students consequently ask the project team to reduce what they perceive as a creative mess into a set of three practicable bundles or themes as well as a crude evaluation of each. In order to assist the team with their task, the students provide an instructive poster. The latter highlights a wide range of aspects for the evaluation of business ideas (see Appendix 4). The students

furthermore instruct the team to focus on a few key aspects from this poster. In the time between receiving and completing it, the project team mention that they “find it difficult to complete this task, but [...] will do [their] best to provide this information” (Project Manager, Meeting 20133011).

The final response is what the project team refer to as “consolidated ideas”. As part of the introductory text of this two-page document they state: “by narrowing down the initial brainstorm ideas we have been able to identify six models that could potentially be developed into viable social enterprises” (Attachment ID 20131104\_01). This list of “models”, however, does not achieve either of the two tasks the students had clearly formulated. Firstly, the list completely lacks the requested evaluation as it is not reduced to three themes, but contains six headlines, or as the project team call them *models* (see Figure 5). Additionally, the aforementioned headlines arguably do not constitute models of any sort. Instead they do not exceed the format of a bullet point list (Ibid).

Figure 5: Copy of the list of “Consolidated Ideas”

- Training and Education**
  - Schools
  - Special needs
  - Cycling and confidence training
  - Referrals from GPs to use bikes for health
- Corporate Events**
  - Team Building
  - Disability awareness
  - Sponsorship
- Bike Maintenance**
  - Mobile bike maintenance
  - ‘AA’ style recovery or servicing
  - Accreditation from Cytech
    - Skills generation
    - Partnership with Julian House?
- Bike Rental**
  - Students; long-term rentals; would need a place to store them.
  - Storage in Bath
  - Tourists
    - Pedalling picnics
    - Circuit sessions with travel from City centre
- One Day Events**
  - Playwork
  - Outreach days
  - Bristol Cycling organisation
  - Circuit sessions
    - Rent the track from the council and host events.
  - Old-age homes cycling; take granny on a bike; extended families
- Commissioning**
  - Health
    - NICE Obesity program
    - Personal health budgets
  - Rehabilitation
  - MOD

Only after receiving and reviewing the above-described information do the students realise the extent of the project team’s deficit in understanding and knowledge. Each student mentioned this chain of events in their respective interview as one of the most challenging aspects—in the majority of cases without being probed for it. That is, the students unanimously describe that they were surprised or even shocked when they received the above

information. Until this point students had not realised “actually how far they [the project team] had to go” (Interview with External 4). Another student summarised this phase saying:

*“We kind of made the assumption that they would be able to provide this, but in retrospect...maybe because they are from the council, they’re not used to doing it in that sense. They are more used to just following”*  
(Interview with External 3)

Overall this phase is characterised by crude learning attempts of the project team who try and improve the perceived security on unfamiliar territory (i.e. a business environment). It is noteworthy that the project team apparently try and learn from those who they perceive to be particularly proficient in those areas and make significant use of mimetic techniques.

#### **4.3.3 Reaching basic understanding**

As a result of continued interaction between the project team and their partners (i.e. the council support team as well as the external consultation provided by the students), deficiencies in understanding and conceptualisations continue to be uncovered and begin to be resolved. This leads to a basic understanding, which is twofold: on one hand, project team members improve their understanding of basic business concepts as well as their command of the language to describe these; on the other hand, and in tandem with the former, the understanding between the project team and their external partners improves.

Following the recognition of the difficulties in developing a set of three coherent business themes, the consulting students discard initial plans of presenting a business strategy based on what were supposed to be the three themes developed by the project team. Instead of the presentation, they opt for a workshop, during which they first reiterate some basic concepts utilised in the evaluation of business ideas (i.e. the aspects they previously had highlighted on the poster they provided to the project team). During this introduction, the students mainly focus on very basic principles of identifying marketable value, the costs of producing said value and the

benefits of synergies. They follow this up with an exercise tailored to the application of these principles.

For the purpose of this exercise, the students place the members of the project team at separate tables from the beginning of the session. According to the students this is designed to not only allow, but hopefully force the individual members of the project team to argue separately from one another, thus minimising the potential for consent based on hierarchical effects (see next section for more detail on the effects of the council structure).

The exercise itself asks each table to evaluate a coconut for its basic value and potential opportunities of generating profit from it. To the surprise of the author on the day, project team members excel at this task. They not only identify a multitude of sellable components to any given coconut (i.e. shell, flesh and milk), but also recognise the marketability of idealistic values, such as the potential for auctioning off items signed by relevant supporters of a potential business. While this obviously is but a short exercise, the manner in which project team members talk throughout this challenge is significantly different to their conceptualising and use of language at both the initial brainstorm session in July and early project meetings.

That is, in addition to an initial phase of brainstorming, project members actually encourage their respective tables to try and narrow the resulting mass of ideas into coherent bundles in an effort to “make sure that the plan [they] come up with has a clear direction and the components [they] choose fit with it” (Project Officer, Meeting 20131205). In other words the project team seem much more at ease with the notion that “[they] cannot do everything that’s potentially possible” (Project worker, Meeting 20131205).

After completion of the exercise and a short comparison of each table’s proposal, the students continue the workshop with a short presentation of a basic framework for evaluating a given business proposal, using six criteria: alignment with the social mission, potential social impact, market saturation

and competitiveness, existing resources as well as the ease or difficulty with which missing required resources can be obtained. The students provide concise explanations of each of these components and illustrate those with examples from the coconut exercise or previous activities within the cycling project. Subsequently, they present a summary of the strengths and weaknesses analysis conducted in cooperation with the project team throughout the previous 100 days. Interestingly, the project team by now appear to agree with the classification of a “Brand identity” as “difficult to acquire” (Email Attachment ID 20131212\_02), which is in stark contrast to their initial reference as a “quick win” (Project Officer, Meeting 20131002).

Following this informative section is the main exercise of the workshop, namely the evaluation of four distinct business proposals by means of the framework presented earlier on the day. The four business proposals are refined versions of the themes developed by the project team with the help of the student advisors prior to the workshop (see above). Specifically, the students suggest *Bike Maintenance and Rental*, *Training and Education*, *Events*, as well as *Lifestyle*. Table 3 provides an overview of the main components of each proposal. Each table is then given a scoring sheet in table format, showing the business proposals across the top and the six scoring criteria (see above) on the vertical axis (see Appendix 5 for a copy of a blank scoring sheet). Scores are collected using Harvey Balls—i.e. empty circles, which the teams are to fill in according to their evaluation of a bad (empty circle) or good (full circle) fit. After a short explanation of this scoring system, the tables are instructed to start their evaluations and reminded that they are supposed to judge each proposal’s viability as a core business—i.e. revenue generator, allowing the project to stay afloat and thus alive.

Table 3: Components of four business proposals

	Service	Users	Funding
Maintenance and Rental	<ul style="list-style-type: none"> <li>• Cycle surgeries</li> <li>• Adapted and standard bike rental</li> <li>• “Try before you buy”</li> </ul>	<ul style="list-style-type: none"> <li>• Institutions</li> <li>• Families and Individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Fees from customers</li> <li>• Sponsorship</li> <li>• Grants and commissioning</li> </ul>
Training and Education	<ul style="list-style-type: none"> <li>• Design and delivery of training courses</li> <li>• Adapted bike training courses</li> <li>• Disability and cycle awareness</li> </ul>	<ul style="list-style-type: none"> <li>• Schools, Children’s services</li> <li>• GPs, Health care sector</li> <li>• Social care, Police</li> </ul>	<ul style="list-style-type: none"> <li>• Schools, Children’s services</li> <li>• Individual users, businesses</li> <li>• Cycling networks via Cycling projects</li> </ul>
Events	<ul style="list-style-type: none"> <li>• Community play days</li> <li>• Corporate away days</li> <li>• Special events and trips</li> </ul>	<ul style="list-style-type: none"> <li>• People in need</li> <li>• Local businesses</li> <li>• Families, individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Schools, businesses</li> <li>• Direct payments for trips</li> <li>• Event sponsorships and grants</li> </ul>
Lifestyle	<ul style="list-style-type: none"> <li>• “Using bikes to improve lives”</li> <li>• Regular, frequent sessions</li> <li>• Weight management, rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Families, Individuals</li> <li>• Disabilities and differing needs</li> <li>• Individuals with health issues</li> </ul>	<ul style="list-style-type: none"> <li>• Direct payments from users</li> <li>• Public Health providers</li> <li>• Charities</li> </ul>

The ensuing conversations are very similar to the deliberations of the first exercise in that the project team members appear much more methodical and actually evaluative in their approach to the task—a task they had previously failed quite drastically (see above). Regarding maintenance and rental, for example, the project officer notes that this might be quite a difficult proposal after all, “seeing that [a local bike rental agency] just closed shop and the city has also installed those pay by the minute Barclay’s Bikes” (Project Officer, Meeting 20131205). It could therefore be “quite a tough market to get into” (Ibid). At their table, the project manager highlights that “the general maintenance is something [a local charity] already provide and the AA-version seems quite cost intensive without very reliable income” (Project Manager, Meeting 20131205).

Regarding training and education, the team independently of one another come to the conclusion that it definitely fits their mission and capabilities very well, but lacks sufficiently reliable income. As such, they all argue it may be best to retain the idea as an option for a later addition or expansion of a more stable core business. The events proposal, which previously had received a lot of support throughout, is identified as “very much fun but financially not very viable” (Project Worker, Meeting 20131205).

In contrast to the first three proposals, project team members commend the fourth option, labelled as lifestyle. They notice that “using bikes to improve lives is a great fit for [their] social mission” (Project Officer, Meeting 20131205) and that regular, more frequent sessions provide greater security of income. They also mention their existing relationships with local health providers as well as charities and the benefit those are likely to have on their chances to promote the transformed venture. Additionally, they pick up on their earlier assessment that “once the main organisation is up and running, once we get a better feel for how much capacities we have left, we can add a training and education relatively easily” (Project Officer, Meeting 20131205). Even the project worker, who to this point had always insisted on the inclusion of a café as part of the business plan, concedes that

“while I still think a café would be very nice to have, I can see that it is probably just that and not necessarily at the core of the business” (Project Worker, Meeting 20131205).

Furthermore, it is clearly observable that the project team members are leading the conversations at their respective tables. This represents a drastic change when compared to their previous consumption of external input. In October, for example, the project manager had highlighted: “we are waiting for all sorts of suggestions, but where do we see it” (Project Manager, Meeting 20131015), a statement underlining the observable passivity in the apparent wait for external direction.

This adds to an overall impression of increased and, more importantly, increasingly justified confidence in their own judgements. The project team appear to have gained a much better understanding of both the information provided and the tasks given by the business students. They furthermore seem much more proficient in using business terms and concepts as tools for the evaluation as well as their descriptions of their plans for the future. While they are still cautious of the implementation and execution of those plans, they voice these reservations in a significantly different manner: instead of broadly brushing over complex aspects of the transition, such as “there is a lot of management stuff that we are not really used to” (Project Officer, conversation following meeting 20131010), the project team are now able to identify potential difficulties much more precisely. They identify differences between core and peripheral or optional services (see above) and realise that their main deficits lie with a dedicated marketing strategy and accounting, as well as the development of an adequate pricing scheme. The project team have also changed their perspective on these self-assessed weaknesses, particularly regarding the marketing aspect, which they no longer seem to be viewing as the quick win they described it as during the early stages of the council initiative.

It thus appears that the project team have overcome the barrier of taken-for-grantedness as far as thinking and arguing are concerned. Instead of

basing their responses and evaluations on what appear to be vague generalisations based on taken for granted prejudgements, such as the notion of a huge mindset change or references to business stuff (see above), the project team have managed to thoroughly engage with the basic business concepts involved in the transition. Another good example of this shift is the critical evaluation of propositions, all of which arguably provide much social value. Earlier it was apparently unthinkable to reject these ideas due to this social value—understandable from the perspective of a public social service logic—and project team members appeared unable to fathom the potential detriment of pursuing them. Towards the end of the council initiative, however, project team members are critically assessing business propositions and explicitly reject some socially valuable ones based on their lack of feasibility and profitability. One of the students summarised this, as he labels it “shift in language [...] towards more commercial, business oriented language” (Interview with External 4), as follows:

*“They’d used the language before, particularly [the project officer], erm...but probably having heard [external 3] and I use it, and it was definitely more in isolation than kind of the cohesive, the whole group talking in that way” (Interview with External 4).*

It is, however, important to note that the influence of the old logic remains particularly strong when it comes to aspects of pricing. Here, the project team appear rather stubborn and reluctant to adjust the fees for their services, based on arguments of external moral and cognitive legitimacy (Suchman, 1995). That is, the project team insist that “we cannot increase our fees anymore, because our users would not be able to afford them” (Project Manager, conversation following Meeting 20131205); or argue they could not increase fees, because “users have voiced that they would not like to have to pay more for the sessions” (Project Officer, Ibid). The former example underlines a perceived moral obligation, while the latter represents a taken for granted assumption that the clients’ expressed disregard for a hypothetical increase in fees means inevitable loss of those customers should fees actually be increased. Put simply, the latter is an example of

assuming equation of what customers want to pay and what they will pay. Both these examples highlight the project team's struggle with the perceived external illegitimacy of monetising the service in a meaningful way.

Despite these cognitive struggles the project team continue their efforts toward a transition and appear to make decent progress when it comes to the necessary adjustments of their attitudes towards and approach to running the project as a business. They are, nevertheless, faced with significant structural inhibitions due to the continued financial dependency on the council and the strings attached to this.

#### **4.4 The impact of structural continuity**

As mentioned above, the financial support from the council is tied to the project continuing to be a part of its organisation. The cycling project's position within the overall council structure thus remains unchanged until the project is expected to exit the council come April 2014. The impact of this structural continuity in a scenario of involuntary exposition to a conflicting logic appears to be twofold: firstly, it limits the actors' ability to experiment with or adopt new practices; and secondly, it perpetuates existing hierarchies.

##### **4.4.1 Continuous operational restrictions**

Due to the maintenance of the organisational structure—i.e. the position within the local council as well as its general configuration—the cycling project remains operationally dependent on the council as its host. Firstly, the project remains dependent on central back office services provided by the council, such as accounting, human resource management and IT services. The project is thus allowed to continue its existence in an environment where these functions are effectively non-issues. That is not to say the project never face any issues related to these organisational functions—regarding IT services quite the contrary is true—but since the team are not responsible for dealing with any occurring issues, they are

perceived as neither their problem, nor their responsibility. Or in the words of the project officer:

*“The most difficult bit is still seeing how it’s pulling ourselves back from the cushion of the back office. Being in this room, computers, and things like that. You know, that’s quite a big support network. I don’t work with them a lot, but it’s nice to have this sort of infrastructure.” (Project Officer, Interview)*

Due to the continued provision of these services, the council is shielding project team members from having to deal directly with some of the most basic workings of private businesses, such as keeping accounts and pricing the own product appropriately. This barrier not only prevents the project team members from gaining experience in the basics of such tasks, but also causes complete ignorance regarding the cost and difficulties involved in providing or purchasing these services.

Furthermore, council rules dictate a number of aspects, which directly affect the project’s ability to adjust their everyday operations. These include strict regulations regarding the utilisation of modern social media and other web-based technologies. The project is, for example, limited to a single-page web-presence hosted on the council website, with extreme restrictions regarding form as well as functionality of the page. Most limitations are caused by a lack of flexibility provided by the content management system deployed by the council, which is quite obviously geared towards unemotional provision of information instead of advertising a service.

In terms of design, the page is required to conform to the overall design principles of the council website which dictates the styling of all significant design elements. The same design elements are also compulsory for paper- and email communications. Furthermore, the website lacks the capability to integrate any social media channel or other direct form of user contact. There is a prominent feedback form at the bottom of the page, which however frequently causes confusion. Headed with “Help us improve this content”, messages sent using this form do not actually reach the project

team, but the council's overall web-contact team. The latter, according to the project team, are rather unreliable when it comes to forwarding messages to the intended recipient. In combination with regulations requiring the service to provide detailed forms and information brochures as well as the project's own desire to present as much of its service as possible, the single-page design is "quite confusing and non-transparent" (User Representative, Meeting 20131015).

Similar to the web content management system, the project remains confined to the software packages used by the council for the management of their user database. While this restriction is motivated by sensible data protection concerns on the part of the council, it nevertheless limits the project's ability to gradually detach itself from the council or at least prepare for any sort of exit by choosing widely used or easily accessible software instead of the expensive proprietary software employed by the council. The project team can also not easily make use of cloud storage services (such as Google Drive or Dropbox) as there are further restrictions regarding these services.

Overall, these restrictions have a number of apparently negative effects on the project's transitioning efforts. First of all, they prevent the project team from being able to gradually prepare their operations for an exit from the council. That is, the project is unable to select or even experiment with alternative products and can thus also not begin transitioning its technologies as it progresses through the overall transition process. Instead the project is forced to maintain existing practices until it actually exits the council. Consequently, the project is also not able to begin establishing an identity separate to that of the council. With all communications bearing the council logo, colours and design; with all email addresses featuring @thecouncil.gov.uk; and without independent representation, neither in the form of a website, nor any social media, the project does not only lack an identity outside the council, but lacks the means to establish one in the first place.

Additionally, these restrictions limit the opportunities for members of the project team to gain valuable experience in the application of these technologies for a business purpose. That is, the restrictions do not only hinder or even forbid the development of new practices they simultaneously reinforce incumbent practices, regardless of their feasibility in a transition context. Due to its financial dependency throughout the intended transition period, the project nevertheless has little choice but to adhere to rules and regulations while it prepares itself for the period following its exit from the council. This, however, means not being able to experiment with alternative practices, which in turn perpetuates existing ones.

Consequently, the project team members' development and cognitive progress towards a reconciliation of their local council social service delivery logic with a private business logic (see previous section) appears to be countered by the reinforcing effect of council restrictions described above.

#### **4.4.2 Perpetuation of original hierarchy**

In terms of hierarchy, the project team is clearly affected by the perpetuation of the familiar structure, which holds members of the project team by and large within their respective roles. That is, the project worker continues to perceive himself as a mere executor of decisions made by the project manager and project officer. Only when it comes to the delivery of individual sessions does he allow himself room for digression—which nevertheless mainly causes him to maintain the way in which he has always provided the service. In his own words, his role is “to take the sessions when people come to ride the bikes” and he is “not so much involved” in most decisions beyond that (Project Worker, Meeting 20131130).

The project officer similarly states that strategic discussions are not part of the role, but instead fall into the responsibility of the project manager (Meeting 20131113; Interview with project officer). The project manager in turn, very much views strategic decisions as their purview, and points out that this is even incorporated in their job title as “Strategic development

officer”. Consequently the project manager views “oversee[ing] the exit strategy of [the cycling project]” (Project Manager, Meeting 20131130) as their main role within the context of the transition. This hierarchical structure is not questioned by anyone part of the project team at any time. In fact the taken-for-grantedness goes so far that neither the project worker, nor the project officer take any issue with the project manager’s rule over strategic decisions, despite it being abundantly clear that the project manager is not going to leave their current position, but plans to remain responsible for other projects within the council instead.

A prominent example of this hierarchical structure in effect is the project manager’s decision to attempt a relocation of the project into a large local service provider (LLSP). According to the project manager, this decision is triggered in November by the manager’s perception that “moving the project and all of its resources and assets out, in order to kick off the new financial year outside the council [...] was going to be unlikely” (Project Manager, Interview). The project manager describes the unfolding situation as follows:

*“I started doing some work down here, which sat outside [the project officer]’s and [the project worker]’s work, which was to discuss with [the large local service provider]...to almost sort of side-line...this sounds awful, but to kind of speed up...pre-empt some of the difficult management work and to explore...erm...models and potential links for April 2014. [...] That’s something that I worked on more specifically with [the project mentor] and my managers. So I took it away from [the project officer] and [the project worker] to some extent.” (Project Manager, Interview)*

This excerpt shows that the project officer and worker are deliberately not involved in this strategic decision, instead they are “appraised of it” (Project Manager, Interview) after the fact. Yet, neither the project officer, nor the project worker—or anyone else with a council background—appears to be offended or even surprised by the executive nature of the decision. The

quote instead reveals the project mentor's apparent support for this cause of action.

Much like the restrictions due to rules and regulations and the limitation to ingrained practices, this hierarchy is not fought against, it is not even questioned. Instead it is simply accepted as "the way a council works" (Project Officer, Interview). It is, in other words, taken for granted and highly institutionalised.

#### **4.5 Consequences of the impact of structural continuity**

As a consequence of the impact of structural continuity (see above), project team members appear to revert to the comfort of their familiar practices and procedures, despite the original recognition that they would "have to change the way [they] do things" (Project Officer, Meeting 20131003).

The data provides three examples of these consequences in effect. The first is provided by another aspect of the already mentioned attempts to relocate the project into the large local service provider; the second is found in a "sponsorship proposal" produced by the project officer, manager and the supporting director; and the third lies in the projects eventual seeking of additional funding from the local council. All three examples highlight the aforementioned reversion to practices and procedures, which provide perceived security from a public service perspective. However, while the first two appear less impactful with regards to the overall outcome of the project's transition efforts, the third proves to be as fatal as it is revealing.

##### **4.5.1 Seeking shelter in a familiar external environment**

As already mentioned in the previous section, the project manager identifies the large local service provider as an ideal alternative host organisation and a seemingly simple solution to the troubles of transitioning out of the council. This is obvious from the manager's statement that the LLSP "is in part consisting of ex-council staff and very much used to working in a similar way to how we do" and that "they would also provide the back-office support we need" (Project Manager, Interview). Despite the fact that the

initial decision to pursue this avenue was made in an executive fashion by the manager (see previous section), the remaining project team appears to be quite content with the prospect of being absorbed by another organisation. The project officer, for example, assesses transitioning into the LLSP as “a good option” (Project Officer, Interview), and the project mentor admits having considered the LLSP “as a natural home for [the cycling project]” (Project Mentor, Interview).

In order to make this shift possible the project manager engages heavily with one of the management staff of the LLSP, who at that stage had already attended one meeting and subsequently joins another three, including the workshop in December. The project manager reports that negotiations are progressing nicely and what is left to do is “to show [the large local service provider] that [the cycling project] has money in the bag to encourage them to take the risk of taking on [the cycling project]” (Project Manager, Interview Recording). From both the tone of voice as well as the reported interpretations of the two students who conducted the interview, it appears as if the project manager is actually very optimistic regarding a successful deal with the LLSP.

However, in a subsequent meeting between the students, the author and the same manager of the LLSP the project manager had been in contact with, it emerges, that his organisation has significantly higher expectations regarding the cycling project’s liquidity for such a deal to take place. Eventually it becomes clear that a deal with the LLSP is highly unlikely due to these disagreements. At this point the project team react with disappointment and instead of recognising the underlying issue and tackling the consequences—i.e. realising that the LLSP is “simply not going to take on that sort of risk” without “the council guaranteeing a decent set of contracts over the following twelve to 24 months” (LLSP Representative, Meeting 20131121)—the project team suggest “looking for a partnering organisation” by casting an even wider net “even if we just care about this one organisation” (Project Officer, Interview).

In doing so, the project team arguably overlook what could potentially turn out to be a vicious circle: Namely, that the LLSP's evaluation or expectation rests to a large degree on the project's (in-)ability to either put forth a credible business case or alternatively secure a sizeable "dowry" from the council, to offset the financial risks perceived by the LLSP and voiced by its representative (see above). This may become a vicious circle in so far, as focussing on the possibility to find shelter in a familiar environment or organisation, might weaken the project team's efforts towards developing a compelling business plan, which in turn might arguably decrease the likelihood of successfully securing such shelter. One of the students appears to share this observation and states:

*"Once [the LLSP] was on board, there was definitely a shift. So right at the beginning there had been a real clear objective of to become a social enterprise. And once [the LLSP] got on the table which was in the middle of our individual interviews, it was no longer about becoming a stand along social enterprise, so much as moving into [the LLSP]. And it was very difficult for anyone in the team to look beyond it" (Interview with External 4).*

#### **4.5.2 An awkward proposal**

This decision to take a first step towards acquiring external organisations as partners or sponsors follows the December workshop, at which point the project team are still committed to launching the project outside the council, albeit still hoping the LLSP might take the project under its wings after all (Email ID 132640178). As part of their effort to attract sponsorship and potential partner organisations, the project officer and manager cooperatively create a six-page information document with a cover letter. This "sponsorship proposal" package is explicitly intended to advertise "a range of options available by which [an interested sponsor] business could [get] involved" (Attachment ID 20131213\_02) in supporting the cycling project. However, the council origin of both documents is immediately identifiable in multiple ways. Most obviously, both documents are

thoroughly council branded. That is, both of them feature the council's signature colours for headers as well as footers, and the sponsorship proposal introduces the service in its title as “[The cycling project] ([The Council])” in bold letters across the width of the cover page. Less obvious but not less awkward appears the naming of the document itself as a proposal, indicating the cycling project was proposing a course of action or service themselves, where they are actually trying to advertise the project as a sponsorship target.<sup>22</sup>

Despite these immediately noticeable issues<sup>23</sup>, the first two pages of content nevertheless provide relevant information in an appealing fashion. Part of the introduction on the first page, for example reads:

*“[The cycling project] deliver an essential service to a wide range of people who otherwise would have no opportunity to cycle or take exercise. It has built up a wealth of knowledge and expertise in filling the gap for many people who, despite wanting to enjoy cycling have been unable to.”*

It continues:

*“Parents and carers tell us they had never previously been able to enjoy a family-inclusive physical activity—now it has become a focus for their weekend at our regular Saturday Club at the [cycling track]. Through the enormous popularity of the bikes for people of all ages [...] and at larger public events [...] it has become clear that this project has potential to expand its capacity to deliver public events and corporate training” (Attachment ID 20131213\_01)*

Following this description, however, is what reads like an official grant application: using factually dry language the remaining document emotionlessly informs the reader by way of bullet points, which aspirations

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<sup>22</sup> Such scenarios are usually rather presented as pitches for sponsorship, for example.

<sup>23</sup> Note that these are only labelled as issues here, as the author considers it obvious that these characteristics are counter productive for the explicitly declared goal of the material.

the project holds for the upcoming year 2014, and which areas it is seeking help with (16 bullet points are provided), before presenting “a menu of options and costs” (Attachment ID 20131213\_01, see also Figure 6).

**Figure 6: Excerpt from "Proposal for Sponsorship"**

██████████ would like to seek a potential sponsor at either or all of the following levels:

1. Assistance with creative development of a brand identity:
  - a. Preparation of design brief – design of logo’s, strapline for use on all ██████████ branding and publicity
  - b. Work alongside representatives from our users in developing and selecting the design
  - c. Produce a specification for the design
  - d. Produce final design as part of our marketing strategy
  
2. Local and in-kind sponsorship.
  - a. Sponsor ██████████ event or events (Festival)
  - b. Staff support from sponsor at events
  - c. Marketing materials – supply of branded clothing for a) volunteers, b) users, equipment
  - d. Sponsor cycle purchase and use as advertising space – e./g rides through ██████████
  - e. Link to cycle supplier to provide annual maintenance
  - f. Make ██████████ the Charity of Choice for your business.
  
3. Financial support – see menu of options
  - a. Staffing
  - b. Transport
  - c. Storage resource

**Menu of options and costs**

Sponsor a local child to access ██████████ for a year	£100
Sponsor a ██████████ bike	£500 - £1000
Sponsorship of summer outreach programme transport and sessional staff 5 locations across B&NES, S Glos & Wilts	£1200
Sponsorship of Saturday Club: X2 staff and branded clothing	£2,000
██████████ festival 2014 in Bath on the cycling circuit – corporate training for your staff to become ██████████ assistants at the event	£5,000
Purchase of storage and/or large van transport to enable wider access of the bikes.	£8,000
Contribution to cost of delivery staff and volunteers support and training for all sessions and events	£10,000



That is, despite its possession of four well written and touching, single page case studies of children, who the service is successfully able to help, the project team decide to write a document, which overall appears very objective and deliberately unemotional as if to avoid any possibility of emotionally manipulating the intended recipients or taking financial advantage of a user's special needs by presenting their case study for advertising purposes. In their combination, the utilised style of writing and the clear labelling of the project as part of the local council suggest that, when left to their own devices, the project team reverts to its familiar practices, guided by their original public social service logic.

#### **4.5.3 Re-turning to the council**

The third example of reverting to familiarity is provided by the project manager's efforts to secure additional funding for the continuation of the project within the council beyond the original deadline of April 2014. According to the project manager, this is a "fall back" in case "we don't get where we need to go" (Project Manager Interview). Eventually, the project manager succeeds and the remaining parties are informed subsequently (i.e. the rest of the project team, the student team, the user representative, as well as the author of this study).

It is tempting to interpret statements like "the simplest case would be that [the project] would just carry on within the council" (Project Manager, Interview) as a sign that the events as they unfolded were inevitable. There are, however, two aspects which render this outcome rather surprising: firstly, the fact that the council ever granted the described extension; and secondly, that the project would accept it, despite its nine-month experience of restrictions and limitations caused by the affiliation to the council (see above). Regarding the former aspect, both the project mentor and the supporting director suggest in their interviews that "the council simply did not want to be seen to let a project fail it had previously promoted in its [council initiative]" (Project Mentor, Interview). Both insist they could not see any other explanation. This, however, only increases the curiosity of the

project's choice to take the offer. After all, the pressure suggested by the project mentor and supporting director would presumably only wear off with time, all the while the project would remain restricted by council regulation for another six months.

This may be the reason why the project manager, as well as the remaining team, continues to express their intention to achieve independence from the council and only use the granted extension as last resort. Nevertheless, the security of an additional six months within the council seems to effectively thwart the project team's transition efforts. From this moment until the conclusion of data collection there is no significant progress of the project or its members towards independence from the council. The only noteworthy event taking place after this announcement is the student team's presentation of the final roadmap they developed for the project. As far as the author can tell, however, this document is not acted upon in any manner before data collection concluded.

#### **4.6 Students as external advisors**

As previously mentioned, the first meeting dedicated to the council initiative is the first meeting attended by the author and simultaneously the first meeting attended by representatives of the student team. In his reflective notes of this meeting the author records an apprehension regarding the project team accepting the students as partners as well as the possibility of the project team not accepting input provided by the student team. Indeed, the author notes his own curiosity regarding the actual skills of the individual students and their abilities as a team.

A comment by the project manager at the beginning of this first meeting suggests a similar initial position. That is the project manager tells the students that "[they] will guide [them]" in their efforts and "won't let [them] go out on [their] own" (Project Manager, Meeting 20131002).

Following the first few meetings, however, this reservation on the part of the project team appears to have faded, which is evident in a number of observable facts. Firstly, the mimetic adoption of language and behaviour

apparently copied from the student team suggests project team members trust the students' expertise well enough to consider them feasible sources of templates (i.e. role models). Secondly, the acceptance of tasks from the student team, as well as the project team's apparently honest (yet insufficient) attempts to complete them further supports the notion of accepting the students as what may be described as external advisors. With time the project team thirdly actively turn to the student team for help. In case of the preparations for a council internal update session for the council initiative, for example, the project team run their intended presentation by the students, explicitly asking for feedback and further input or ask for feedback on their invitation for the final workshop to be held in December 2013 (Email ID 7961440).

Finally, both the project team members and the students overwhelmingly perceive the students' role within the transitioning process as that of consultants. The project officer, for example, when asked for his perception of the students' role, says "management consultants" (Interview). He also speaks of their own role as clients in this relationship and highlights that this "forced [them] to look at the whole business planning thing in more detail and a bit more rigour than [they] thought [they]'d normally do" (Ibid). He also stresses that the students' involvement provided a "different degree of professionalism about approaching business ideas" (Ibid). Throughout the interviews, project team members refer to the expertise they perceive the students to have in relation to what they describe as business skills. Using the words of the project mentor:

*"[The students are] external expertise. They're effectively consultants. [...] And I think that from what I've seen so far and the afternoon that we had up here, everything they bring to the project we wouldn't have gotten from anywhere else" (Project Mentor, Interview)*

The students appear to share this perception and voice it equally explicitly. Their responses to the respective interview question suggest that the

students see themselves as “consultants” (Student 3) or “business consultants” (Student 4).

#### 4.7 Chapter summary

This chapter has presented the findings derived from data analysis and highlighted the presence of a public social service logic at the outset of the project’s journey towards independence from the local council.

It has then shown an initial excitement of the project team members, which is combined with a significant blind spot regarding business related aspects of the transition. A subsequent phase characterised by misnomers and misconceptions is presented, with a particular focus on successful mimicry’s potential to cause detrimental side effects. The third part of this second section explained how the project team achieve a better understanding of the concepts and vocabulary they previously mimicked, as a result of continued interaction between the team and their external partners.

The following section of this chapter provided evidence of the strong impact of structural continuity within a setting of conflicting institutional logics in general and those of intended transition towards a foreign logic in particular. This section identified two components of this, namely continuous operational restrictions as well as the perpetuation of original hierarchies.

The fourth section of this chapter then showed the consequences of the effects of structural continuity and highlighted how effects of the constant council structure cause the observable reversion, despite initial cognitive progress toward a managerial logic.

The final section focused on the students’ role within the context of this study and found that all parties involved perceive the students as consultants who provide business expertise and a perspective, which, according to the team members’ perceptions, would not have been available without their involvement.

## 5 Discussion

### 5.1 Introduction

As previously mentioned, the study at hand is guided by the research question of how actors negotiate conflicts between competing institutional logics caused by involuntary exposure in a context service privatisation. To aid the investigation of this research question, Chapter 2 proposed a five stages model of resolving conflicts between competing logics, derived from extant literature.

This chapter first puts the findings presented in the previous chapter in perspective by recapitulating expectations suggested by extant research. In this context it finds, that extant literature's suggestions appear to be at odds with the findings, especially regarding the expected personal resistance of actors to the new and conflicting logic as well as regarding the suggested likelihood of success for the transition overall.

In the following section, it is argued that the proposed five stages model does not only provide a feasible representation of events as they unfolded, but also provides insight into the factors causing the eventual failure of the cycling project to transition out of the council as intended. It is additionally argued that this failure does not imply a lack of feasibility of the proposed model, but rather highlights the model's relevance and applicability in the analysis of failure as well as that of successful resolution of conflicts between competing institutional logics.

The third section of this chapter discusses how actors involved negotiated the two competing logics of public social service delivery and managerial aspirations. It finds a discrepancy between the project team's conceptualisation of what they label *business skills* and the notion of a managerial institutional logic. That is, project team members appear to have a lack of awareness of the significant impact of structural continuity. This section further identifies interactions between the project team and their external

advisors—i.e. the students—as the main mechanism driving the project team’s progress towards the adaptation of aspects of a new institutional logic. These interactions are further shown to be particularly impactful at the transition points between separate stages.

Subsequently this chapter considers the factors, which lead the project to revert back into the council it originally intended to exit. This section argues that the combination of the student team’s departure at the transition point between the third and fourth stage, in combination with the project team’s inexperience of managing structural change and the council’s rigid structure are at the heart of the change in direction.

The sixth section of this introduces the concept of conflict origin, combining the nature of a conflict’s cause (voluntary vs. involuntary) with the concept of a conflict’s locus. It argues that while the nature of a conflict’s cause is a feasible indicator of individual resistance to conflicting logics, the locus of a conflict provides an indication of a second dimension of resistance, namely that of structural resistance.

Finally, a summary of the chapter is provided.

## **5.2 At odds with extant literature**

Based on the literature reviewed at the beginning of this study, one is arguably going to arrive at the following assessments:

Firstly, it appears rather obvious that the case presented here is one of conflict between a public social service logic on one hand and a managerial business logic on the other. Between the conceptualisation of these two logics, outlined in the second chapter, findings regarding the initial configuration of logics (see Chapter 4.2) and the observations presented throughout the remaining findings section, the author sees this first assessment as more or less trivial.

Secondly, the public social service logic and the managerial business logic share what Besharov and Smith (2014) would classify as a low degree of compatibility. Indeed, they appear to be almost polar opposites (Battilana &

Dorado, 2010). At the same time, the conflict between the two is central to the organisation under investigation and all actors involved in this case (Ibid). Accordingly, it appears logical to expect a rather severe conflict between the two logics (Besharov & Smith, 2014).

Thirdly, the presented case of the cycling project is clearly one of involuntary exposure to a conflicting institutional logic. (T. Reay & Hinings, 2009; Thornton, et al., 2012). Consequently, extant literature would suggest that one is to expect active resistance against the new managerial business logic by the actors involved (Thornton & Ocasio, 2008). *Active* in ‘active resistance’ being the operative word.

Last but not least, literature would also support the view that motivated actors—such as the ones presented in the case at hand—are likely to succeed and overcome the logics conflict in their favour (Ansari & Phillips, 2011; Levy & Scully, 2007).

However, aside from assessments one and two, literature appears to be at odds with the findings of the study at hand. That is, while the case clearly falls into the category of involuntary exposure<sup>24</sup>, actors do not exhibit the suggested active resistance to the new and conflicting institutional logic. On the contrary, findings show a highly motivated project team that is passionate about their goal to transition their service towards independent operation. It is argued here, that the social nature of the service and the very high commitment towards the social mission of the project cause the project team to adopt their attitude of “whatever it takes to get the project set up for the future”. This fact that commitment to a cause can apparently override the academically suggested resistance against a conflicting logic (Thornton & Ocasio, 2008) is indeed very interesting and will be picked up at a later point of the discussion.

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<sup>24</sup> As presented in the research site description, the initial impulse towards a transition out of the council came with budget cuts being announced with one year warning.

With this observation in mind, however, the fourth assessment listed above, arguably gains even more weight, in so far as the absence of active resistance should in general increase the chances of a successful transition.

Yet, successful transitioning is not what the study at hand finds in the end. Instead, the cycling project is seen to revert back into the council at the end of the self-set transitioning period, which coincides with the end of data collection. In a first step towards understanding this failure, the following section aims to identify the point at which the process of conflict resolution is halted.

### 5.3 Two and a half stages of conflict resolution

As highlighted by the findings, and as alluded to in the previous section of this chapter, the actors of this case study did not achieve their intended goal of transitioning out of the council by April 2014. Instead the project reverted back into the council after extracting an additional six months of funding by leveraging its raised profile as part of the council initiative.

On one hand this means that relevance and applicability of the proposed five stages model of resolving conflicts between competing institutional logics can only be assessed up the point of the project's failure to transition. On the other hand, it is argued here, the process model provides a useful means to take a closer and more structured look at the development up until said failure, which in turn is arguably likely to provide useful insights regarding the failure's underlying cause.

To aid the assessment and for the benefit of the reader, a copy of the model proposed in Chapter 2 is depicted in Figure 7 below.

Figure 7: Five stages of resolving conflicts between competing institutional logics



Analysis of the data revealed that stages one and two of the model are clearly identifiable within the captured data. Actors involved in the transition efforts were initially excited and recognised a challenging incongruence between what they perceived as their council and an opposing business mindset. Actors' elaborations on these mindsets and their descriptions as ways of doing things and general attitudes, arguably suggests an instance of the proposed first stage. That is, actors are aware of the conflict's existence (Johnson, et al., 2000). This in turn means, that the incumbent institutional logic of a public social service organisation is "seen as *one* set of rules, rather than *the* set of rules", which is the prerequisite for "alternatives becom[ing] accessible" (Johnson, et al., 2000, p. 576, emphasis added by the author).

According to the proposed model, this first stage is further characterised by increasing insecurity caused by the aforementioned availability of alternatives, which pose questions as to the institutionally appropriate behaviour (Kodeih & Greenwood, 2014). In the case at hand, this is only in so far directly observable, as actors voice their insecurities regarding certain tasks and their own hesitations or inability to handle them. It is, however, argued here that the observation of mimetic behaviour is a reliable indicator for hidden insecurities preceding the observable behaviour (DiMaggio & Powell, 1983; Oliver, 1991). That is, mimicry is by definition an institutional coping mechanism for social insecurity. In other words, while the data did not provide much direct evidence of the presence of insecurities, their existence is indicated by the emergence of mimetic behaviour (Ibid).

The second stage is thus also clearly identifiable from the data. Project members' mimicry of other's behaviour is highlighted across the findings section, particularly with regards to the superficial adoption of language (Oliver, 1991). This mimetic behaviour in turn is not only highly visible in the data, but—as will be argued later in the thesis—also has significant impact on both the transition process as well as the project team members' development towards adaptation of a managerial logic.

The third stage of conflict resolution, while partially observable, is arguably never completed by the actors in this case. That is, the case at hand clearly suggests that actors are improving their awareness and understanding of components of a managerial logic as well as their dexterity with them (Johnson, et al., 2000). The case further provides evidence of actors developing an appreciation for certain elements of the managerial logic, such as greater operational freedom and an identity independent of the council (Ibid). In contrast to the suggestions of the proposed model, however, actors do not appear to accomplish de-institutionalisation of the corresponding—or rather opposing—elements of their public social service logic (Barley & Tolbert, 1997; Clark & Soulsby, 1995; Oliver, 1992). In other words, actors in this case are cognitively opening up to components of a managerial logic and acknowledge, but never seem to manage to discard the public service logic counterparts, which define the respective aspect of social life (Ibid).

Instead of completing the conceptualised third stage, the project team appears to revert towards the original public social service logic. The example of the sponsorship proposal arguably illustrates this quite clearly. The decision not to use the readily available and highly compelling case studies appears completely irrational from a business perspective—especially since the users described in these case studies explicitly agreed to represent the service for the specific purpose of advertising it. When viewed from the perspective of a public social service logic, however, the behaviour is almost a perfect match for the ideal type presented in Chapter 2. That is, it perfectly fits with core values of correctness, objectivity, and a sense of duty to maintain the anonymity of those perceived to be more vulnerable due to their special needs.

As far as the proposed stage model is concerned, the sponsorship proposal example provides an early indication and the eventual retreat into the council proof positive that the project did not evolve beyond the third stage. It is worth noting at this point that this does not say anything about the general relevance and applicability of the proposed model, or a lack thereof.

Instead and as mentioned above, it is argued here that the five stages model provides a useful perspective on the case, especially when it comes to the analysis of the factors, which lead to the project members' choices and actions.

#### **5.4 Negotiating multiple logics**

The findings presented in the previous chapter highlight that all members of the project team recognise the existence of a conflict between what they refer to as the council mindset and a business approach, respectively. Based on their own accounts as well as the field observations presented above, the impression emerges that project team members not only recognise the aforementioned conflict (Johnson, et al., 2000), but also desire to improve their understanding of the concepts and skills they perceive are necessary to ensure a continuation of the project. They are even aware of and aim to meet external expectations regarding what they label as professional behaviour. That is, project team members perceive that representatives of stakeholders, such as the user group and the large local service provider are evaluating their progress in developing proficiency regarding managerial or business concepts and skills. They therefore feel compelled to uphold what they describe as a professional image in addition to their own desire for a better understanding of a managerial logic. In other words, project team members are aware of normative institutional pressures (DiMaggio & Powell, 1983) rooted in the managerial business logic.

This is in so far significant, as it is evidence of a lack of active resistance or resistance by default (Thornton & Ocasio, 2008). In other words, the council team do not perceive the managerial logic as a threat, which they instinctively fight off. Instead they generally perceive the managerial logic as part of the solution to their problem. However, this is neither to say that project team members do not have any reservations regarding the management logic, nor that they themselves analysed their own situation in these terms. The notion of setting market prices, for example, remains a contentious point throughout the process of transition; and the project team

themselves utilise a resource based approach in the widest sense (Barney, 1991). They therefore perceive business practices as skills, which represent valuable resources they not only would like to but also should attempt to acquire (Ibid). Thus, project team members have a personal desire for as well as a recognition of external expectations regarding what could be describes as a personal development of business skills.

The project team members are therefore unwittingly reducing what the institutional logics perspective would consider a managerial logic to the concept of business skills. This is relevant in so far as the latter does arguably not account for structure as an important factor. The perceptive limitation to business skills instead of a managerial logic therefore diverts attention away from the significance of structural factors, which arguably play a substantial role in any institutional context (Greenwood, et al., 2008b; Thornton, et al., 2012).

It is argued here that this limited view or understanding is strongly indicated by two factors: firstly, the project team's frequent referral to "business skills" as an important thing for them to acquire or improve; and secondly, by the fact that the team members almost exclusively engage with the conflict between council and managerial logic at the level of language and behaviour, not on a structural level. This is, for example, evidenced by the fact that the first response of project team members to both their own and external expectations for more business professionalism is mimicking language and behaviour of the student team, who they perceive to be experts in relation to business skills (DiMaggio & Powell, 1983, 1991). The responses to the conflict perceived by the project team members thus remain restricted to negotiations of language and behaviour. This does, however, not cause any noticeable issues throughout the initial two phases of the transition (i.e. the recognition and mimicry phases).

The preceding argument shows that regardless of the disregard for the structural aspects of the logics conflict, the project team's main method of meeting the demands created by the conflict between their public social

service and a managerial logic is to mimic aspects of the latter, which they are picking up through interactions with their external partners. These interactions play a significant role in the later unmasking of successful mimicry as well (see below).

It is therefore argued here that interactions with external actors, who serve as sources for alternative templates of behaviour (Johnson, et al., 2000), are the main method of resolving the logics conflict throughout the initial stages of the transition process. Through these interactions, project team members are exposed to the business language and methods exhibited by the students (Ibid). In a manner, reminiscent of children singing along to songs before they are properly able to speak the respective language a song is written in, the project team members use elements of the student's vocabulary. Especially during the early stages of this interaction, these attempts are easily identified as such, due to the obviousness of their improper use. This is comparable with the use of fantasy words in the example of the song-singing children.

Relatively quickly, however, the project team members manage to improve their command of the language to the extent that blatant discrepancies between portrayed and actual command of the language become fewer and farther apart. As the students discover at a later stage, this improved usage of vocabulary is not met by an equal gain in understanding of the underlying or otherwise related business concepts. At this stage, the team's behaviour could, to some extent, be described as blind mimicry (Oliver, 1991). Once more returning to the example of singing children, the project team have at this stage managed to correctly sing the songs they like, but are still not completely aware of the full meaning of the lyrics they are reciting. Nevertheless, the apparent success of their mimetic behaviour—i.e. the fact that not only the students but also other relevant external partners seem to interpret the team's portrayed command of language for actual proficiency (Oliver, 1991)—clearly seems to have the theoretically expected effect. That is, the findings suggest that the project team members are quite content with their perceived progress at this stage, which they seem to be gauging

by assessing the reaction they observe from those they perceive to be experts (Ibid).

This is insightful for two reasons. Firstly, it underlines the continued presence of the public service logic when it comes to aspects of trusting the judgment of those who are perceived as superior without question. Secondly and in consequence of the former, it reveals a rather precarious and self-reinforcing circle of unwittingly deceiving those whose judgement is then accepted without question. It is noteworthy that the qualification of this deception as *unwitting* is an assumption based on the author's judgement of the general characters of the members of the project team as well their arguable personal interest in the success of the transition. It is in other words argued here that any malice in the deceptions described above is extremely unlikely, to the extent that it can be assumed non-existent. In fact, it is argued here that the project team members can likely be considered unaware of the fact that they are deceiving anyone. Based on the findings, it appears likely that all they are trying to do is to perform their roles as evolving business people as best they can (Johnson, et al., 2000).

These deceptions—regardless of the nature of the intent behind them, if there even is any—have a significant effect on both the communication between the project team and their partners, and consequently on the overall progress of the transition. That is, one of the two parties involved in any of the interactions taking place throughout this phase, is engaging in these conversations based on the assumption that the respective other (i.e. the project team members) understands what they are saying. This judgement is based on the fact that they can observe the project team's increasing ability to properly use the same words. However, since this judgement is inaccurate, the ensuing conversations based on this assumption are virtually meaningless. In the words of the students, these conversations are accordingly labelled as a waste of time, once the discrepancy is uncovered. That is, once recognised as such, the project team's mimicry no longer holds up (Oliver, 1991).

The actual revelation of this discrepancy is again achieved through interactions between the project team and the students. However, it appears that in order to break the self-reinforcing circle of meaningless conversations described above, escalation to the level of behaviour, or more specifically action, is required. That is, the students are only able to reveal the lack of actual knowledge on the part of the project team when they receive the cycling team's response to the task of providing financial information and consolidate the creative mess resulting from the ideas workshop held before the beginning of the council initiative.

This realisation has two consequences: firstly, both parties are openly frustrated with the apparent setback; and more importantly, from this point onwards the project team's external advisors begin to question displays of apparent proficiency. The latter is significant as it deprives the project team members of the comparatively easy mimicry strategy for resolving the tensions between the council and the managerial logic (Oliver, 1991). The subsequent period is thus no longer characterised by the prevalence of mimicry, but instead by deliberate efforts to ensure actual learning. The project team increasingly asking questions where they are not sure of the meaning of certain words or concepts, and the students providing ample additional support are evidence of this. It is arguably due to these efforts that the entire council initiative team manage to develop an actionable plan for the necessary structural changes.

At this stage two events coincide with a critical factor, the combination of which appears to be triggering the cycling projects reversion towards the council logic, as the following section will discuss in more detail.

### **5.5 The underlying cause of failure**

As alluded to above, the completion of the strategic plan marks both the conclusion of the cycling project's cooperation with their external consultants as well as the threshold to the next phase of resolving the conflict between the original public service logic and the new managerial logic. In combination with the aforementioned structural rigidity within the

council, these events appear to be sealing the fate of the cycling project's transition towards a managerial logic. To translate the complexity of this configuration into a coherent line of thought, each of its components is discussed individually below.

#### **5.5.1 Departure of the external advisors**

Firstly, the departure of the student team from the transition efforts meant that the project team was deprived of their main source of contact to the managerial logic (Greenwood, et al., 2008b) they initially aimed to transition towards. The previous section of this chapter clearly underlines the significance of the student team as an interactive partner in the project team's efforts towards independent operation. It is thus not surprising that its removal from the process affected subsequent developments. However, this generally expectable effect appears to be exacerbated by the point in time at which it occurs.

That is, as argued in the previous section, the presence of the project team is particularly significant at three distinct points in the overall process. Firstly, in the transition from initial excitement to the stage of mimicry, where the students obviously served as the source of much of the language and behaviour mimicked by the cycling project's team. Secondly, it played a vital role in uncovering the true nature of the mimicry and thirdly, the student team were the main source of support for the project team when it struggled through the acquisition of actual business skills.

That is, interactions with the external advisors were particularly crucial at each of the transitions between the different stages. They provided templates for the project team to adopt (Greenwood, et al., 2008b), they provided a point of reference for the actual progress made by the project team (Oliver, 1991, 1992), and they supported the project team when it struggled to reach the end of the third stage of transformation. It is therefore argued here, that the departure of the external advisors on the verge of reaching the fourth stage is likely to have had a significant effect. Indeed, all

evidence points to the fact that the student team acted much like a counter weight to the impact of the council's structural rigidity (see below).

### 5.5.2 Students as external advisors

Given the impact attributed to the students as actors within the context of this case, it appears prudent to clearly define the role they fulfil. It is argued here that within the context of the project team's transition efforts toward an existence outside of the local council, the student team fills the role of external advisors or consultants. This position is reflective of the student team conducting market research, providing analysis of the project's current operations and their remaining interactions with the project team, referred to throughout the earlier sections of this chapter. As the corresponding section in the Findings Chapter highlights, the data clearly shows that both the project and student teams share this perception.

Despite or potentially especially because of its consistency across the actors involved, this perception could arguably be seen as cause for concern, or even be blamed for the project's failure to reach its initially stated goal. That is, it could be argued that the students, regardless of the work experience from their previous placement years<sup>25</sup>, should not be considered consultants. It could further be argued that due to their young age (early twenties on average), the students lacked the experience necessary to properly support the project team in their efforts. If taken, this position could suggest that the project team may have failed to reach its intended goal of independence from the council partly due to inappropriate support caused by these insufficiencies.

In contrast to this position, however, this study argues that while the students may not have provided the exact kind of support one may expect

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<sup>25</sup> To the knowledge of the author, most of the students had completed placements in relevant industries in the academic year preceding their involvement with the cycling project. One student had worked in the finance department of a large international consultancy, one had worked at a consultancy specialising in start-up businesses, and two others had worked as consultants for large international professional service firms.

from a professional service firm, the argument presented above is futile for two reasons: firstly, the lack of comparable data backing such a position; and secondly, the fact that the student team is central to the observable progression of project members towards a managerial logic. In other words, while the student team may not have provided the ideal support, the lack of comparable data (i.e. absence of studies investigating parallel situations involving professional consultants), means that it is not even clear what “ideal support” may have looked like in this case. Additionally, the students’ involvement unquestionably benefitted the project team members’ development. And last but not least, as the preceding sections have highlighted, the failure to resolve the conflict between the competing logics of public social service provision and private management is arguably caused by the underlying continuation of structural rigidity, not by a lack of external support.

### 5.5.3 Overlooking the significant impact of structure

As indicated at the beginning of this chapter, the project team’s behaviour and comments strongly suggest that they never perceived structural adjustments as part of what they labelled as business skills. From this perspective, it is thus not surprising that there is no significant evidence from the data, indicating relevant efforts towards structural adjustments. In fact, the data instead suggest an attitude along the lines of *all we need is a business plan and then we’ll just go and implement it*. Thus, structural elements seem to take a backseat, if they are considered at all.

While the restrictions resulting from the council structure (see Findings, Chapter 4) may make this fact appear rather surprising at first glance, it fits rather well with the ideal type of a public service logic. That is, the lack of consideration of structural aspects and their impact is easily explainable as a heavily institutionalised element, which is taken for granted to an extreme degree (J. W. Meyer & Rowan, 1977; Thornton, et al., 2012). A notion supported by the findings of this study.

Regardless of whether or not the project team is aware of it, the continuity of the rigid council structure obviously does have a significant impact on the case as a whole. In addition to limiting the project team's operational freedom due to its rules and regulations, it also reduces the project team's ability to transition from one modus operandi to another. Or in other words, the structural rigidity deprives the actors of sufficient room for the experimentation with alternative scripts and behaviour, which Johnson, et al. (2000) suggest as a crucial component of a transition from one, to a conflicting other institutional logic.

Since the project team members have worked within a council environment for a significant time and their evident awareness of *the way the council works*, it could potentially be argued that the project team were aware of the impact of structure all along but did not challenge or address it because they saw it as problem they could not solve anyway. However, their voluntary return to the council and consequent option for extending the previous deal, at a stage where they were already in possession of an implementable strategy for structural adjustments, suggest otherwise. In other words, had the project team been fully aware of the impact of structure at this stage, they would arguably be likely to try and reduce their exposure to it—the fact that they are not, may suggest the lack of awareness argued for in this study.

In summary, it is thus argued that the project's lack of ability to gradually adjust its structural configuration before the 1<sup>st</sup> of April 2014; the consequent lack of experience with change at this level; and the coinciding departure of the student team, who previously functioned as both the main source of support in these situations and a source for behavioural templates, caused the project team's reversion towards the council logic it initially set out to exchange or at least merge with a managerial logic.

## **5.6 Conflict origins—Reconciling extant literature with found evidence**

While the argument presented above provides a feasible explanation of the project team's failure to transition from one institutional logic to another, it

does arguably not explain why the expectations drawn from extant literature regarding the phenomenon did not match the findings of the actual case.

The study at hand argues that this may be due to a conceptual gap in the representation of conflicts between incompatible institutional logics. Namely, the lack of conceptual differentiation of conflicts according to their origin.

### 5.6.1 Distinguishing conflicts by their origin

Extant research has already paid attention to the causes of conflicts, i.e. choice vs. coercion (T. Reay & Hinings, 2009; Thornton, et al., 2012), as outlined in Chapter 2. That is, researchers have only looked to the aforementioned nature of a conflict's origin to predict the amount of active resistance towards the new logic to be expected. This, however, foregoes the concept of a conflict's locus (see below), which adds another dimension for such classification.

This dimension is derived from the fact that there is always an incumbent configuration of logics held by any actor under investigation at the outset of a conflict (Thornton, et al., 2012)<sup>26</sup>. This incumbent configuration then meets another, conflicting logic (Ibid). Furthermore, conflicts between institutional logics inevitably occur within an institutional context (Ibid)—henceforth referred to as the conflict's *locus*. At any given time, each locus is characterised by a specific configuration of institutional logics, which are native to this locus at this point in time. New conflicts can thus either arise when a foreign logic is introduced to the native locus of the incumbent logic (Thornton, et al., 2012), or when the incumbent logic is introduced to a new locus, which it is not native to. In other words, conflicts either occur within

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<sup>26</sup> Within the confines of the institutional logics approach logics are what drive and limit actors' behaviour, they are part of actors' identities (Tyrrall & Parker, 2005, p. 516). Thus, actors within society cannot escape the influence of institutions. They may reject the prevailing institutional order of their respective society, they may agree with it to some degree or fully, but they cannot have no relationship to it—as they would not be part of that society otherwise (Ibid).

the incumbent logic's locus or within a locus foreign to the incumbent logic. The latter is typically a case of conflicts emerging as a consequence of actors shifting from one locus to another, effectively carrying their incumbent institutional logic to a new locus, which is already defined by its own institutional logic (Souitaris, Zerbinati, & Liu, 2012).

Researchers have identified a number of corporate ventures that are inherently prone to conflicts caused by shifting loci. These include businesses which “target new markets or enter new industries, spin-offs, multinational subsidiaries, and franchised units entering new regions”, as they are “simultaneously part of two ‘worlds’—alternative institutional environments with different norms” (Souitaris, et al., 2012, p. 477).

Dolbec and Fisher's (2015) study, for example, is a good show-case for the suggested distinction. Their investigation of consumer's influence on prevailing logics within a field is arguably written from the perspective of consumers. These are considered to “participate in a field out of passionate enthusiasm [without a] change agenda that opposes existing logics”; yet, “they may, without any such agenda, help to highlight contradictions between old logics and usher in new logics” (Dolbec & Fischer, 2015, p. 1460). In other words, these consumers are considered to voluntarily engage with the field. However, since the resulting conflict is impacting organisations serving those customers—especially if consumers are expected to be oblivious regarding their influence on existing logics—it is organisations that are confronted with potentially conflicting logics. Consequently, Dolbec and Fischer's (2015) case is one of involuntarily engagement with conflicting logics in a constant locus.

It is argued here, that while the distinction between voluntary and involuntary exposure, as discussed in extant literature (see Chapter 2), is a feasible indicator of active resistance on the part of the individual actor under consideration, the concept of a conflict's locus provides a similar indicator regarding the structural resistance an actor faces within the context of conflicting institutional logics. In other words, the concept of a

conflicts locus adds a second qualifier of resistance to or respective support for a new and conflicting institutional logic. That is, structural resistance to a new and conflicting institutional logic is, *ceteris paribus*, greater in cases of constant loci than in cases of shifting loci. The underlying assumption is, that an institution's impact on actors' behaviour is strongest at the centre of the respective organisational field, and weaker the farther away actors move from the established institutional context (Greenwood & Suddaby, 2006). Or in other words, the further actors are removed from the native locus of an incumbent institutional logic, the less likely they are to hold on to that logic, and vice versa (Ibid).

At the same time, extant research suggest that, *ceteris paribus*, actors are more likely to defend and hold on to incumbent institutionalised behaviour and practices where they are forcefully driven towards alternatives (Oliver, 1991; T. Reay & Hinings, 2009), as elaborated on in Chapter 2.

These two dimensions—native vs. foreign locus and voluntary vs. involuntary engagement with conflicting logics—create four different origin-of-conflict scenarios. Or in other words, a conflict's origin is defined by the nature of its cause as well as by its locus.

Combining the above described effects of each component of a conflict's origin yields a matrix, indicating the magnitude of resistance against a conflicting institutional logic for each dimension.

Figure 8 indicates, that while the expected overall effects of resistance in cases of involuntary exposure in a native locus as well as voluntary exposure within a foreign locus appear to each point in a clear direction, the effects in cases of voluntary exposure within a native locus are unclear. The same is true for cases of involuntary exposure within a shifting locus.

Figure 8: Expected resistance by conflict origin

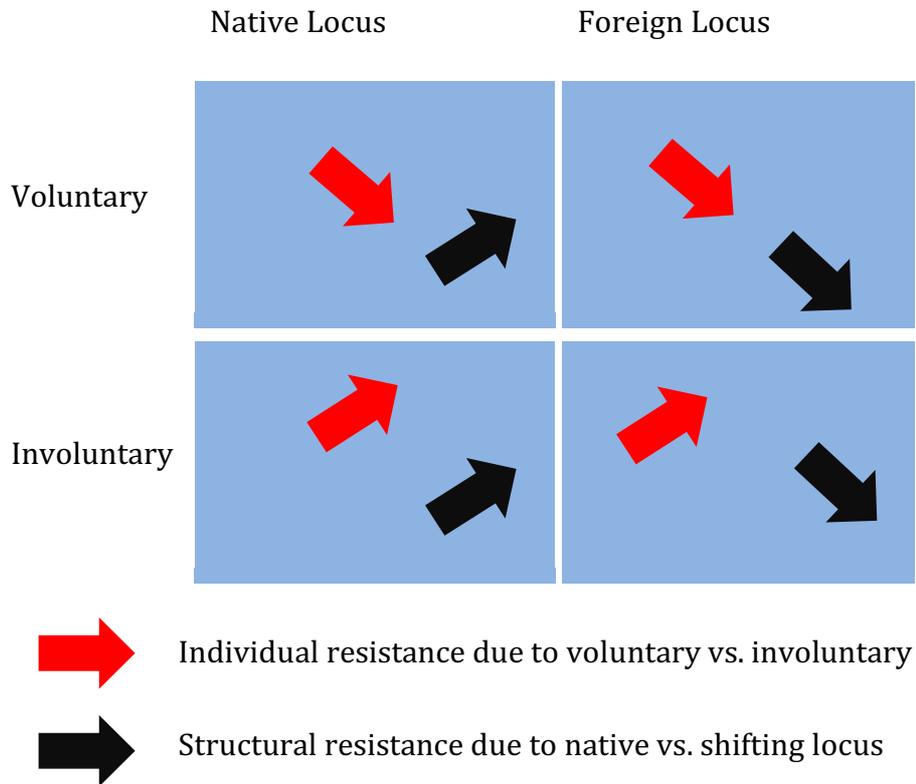


Figure 9 summarises the graphical representation of Figure 8.

Figure 9: Summary of effects of resistance by conflict origin

	Native Locus	Foreign Locus
Voluntary	Less pers. resistance (voluntary nature) Stronger struct. resistance (native locus) Unclear result	Less pers. resistance (voluntary nature) Less struct. resistance (foreign locus) Least resistance
Involuntary	Stronger pers. resistance (involuntary nature) Stronger struct. resistance (native locus) Strongest resistance	Stronger pers. resistance (involuntary nature) Less struct. resistance (foreign locus) Unclear result

Figure 9 shows that by adding the concept of a conflict's locus, the expected overall resistance effect in a context of involuntary exposure within a native locus—which the case at hand arguably is—becomes less predictable a priori, as a review of extant literature's concept of the nature of a conflict's cause may suggest.

Returning to the conundrum posed at the beginning of this discussion, namely the fact that actors failed to transition successfully, despite apparently being as motivated and dedicated as could be expected of actors voluntarily engaging with a conflicting logic<sup>27</sup>, the proposed concept of origin of conflict seems to provide an answer which reconciles the highly specific conditions of this<sup>28</sup> case with the findings of extant literature.

That is, the case at hand appears to be characterised by very little personal resistance but significant structural inhibition.

## 5.7 Chapter Summary

This chapter has evaluated the five stages model of resolving conflicts between competing institutional logics and subsequently argued that the model does not only provide a feasible representation of events as they unfolded, but also provides insight into the factors causing the eventual failure of the cycling project to transition out of the council as intended.

It has then addressed the main research question and discussed how the cycling project team negotiated the conflict between the competing institutional logics of public social service and management. It has highlighted the significance of the continued interactions between the cycling project team and team of external advisors (i.e. the students), which is shown to be particularly impactful at the points of transition between

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<sup>27</sup> Albeit being coerced by circumstance.

<sup>28</sup> As has been mentioned before, the case at hand is special in multiple ways, including the fact that while actors are actually forced to seek change, they appear highly motivated nonetheless, and that while the project's aim is a transition out of the council, the transformation attempt essentially occurs within the confines of the council nonetheless.

separate stages of the overall process of resolving the conflict between these competing logics.

Subsequently, the factors causing the eventual reversion towards the public service logic were investigated. This section highlighted the detrimental effect of the departure of the student team coinciding with the project team reaching the next transition point, namely that from the third to the fourth stage. It argued that the resulting void of representatives of the managerial logic, in combination with the continuous existence of the omnipresence of structural implications caused the re-turning towards the council observed in this case.

The final section of this chapter introduced the concept of conflict origin, which combines the nature of a conflict's cause (voluntary vs. involuntary) with the concept of a conflict's locus. It argues that while the nature of a conflict's cause is a feasible indicator of individual resistance to conflicting logics, the locus of a conflict provides an indication of a second dimension of resistance, namely that of structural resistance.

## 6 Contributions and conclusion

### 6.1 Introduction

The study at hand sets out to investigate how actors negotiate necessary shifts in institutional logics, caused by involuntary exposure to competing institutional logics. To this end it systematically reviews extant literature on conflicting institutional logics as well as literature on public service privatisation. It finds that while there is a significant body of literature in both fields, there is a gap in knowledge when it comes to the phenomenon studied here. That is, the literature reviews highlight a lack of publications investigating conflicting institutional logics in scenarios of involuntary interaction within a foreign institutional context, as well as a lack of research on the managerial micro-level aspects of public service privatisation. Furthermore, these reviews reveal a good fit of the institutional logics perspective as a feasible tool for the analysis of such aspects of public service privatisation.

Consequently, the research at hand applies the theory of institutional logics in an in-depth case study of a local council project's attempt to transition towards independent operation. To this end it combines multiple sources of data, including unstructured nonparticipant observations as well as semi-structured interviews. It finds that actors are both excited and committed to tackle what they recognise as a challenging change of mindset and after an initial period of undirected brainstorming engage in meaningful interaction with external partners, most notably a team of final year business students, who act as consultants in the context of the transition. The study further reveals the significant impact of mimetic behaviour observable from the project team and stresses the benefit of continued interaction with representatives of the managerial logic they are transitioning towards. It is argued that these interactions reveal deficient understanding of basic business concepts and language on the part of the project team, who mimic those they perceive to be experts to convey a professional appearance.

This study also shows how the continuity of a restrictive structure, such as the council hierarchy combined with its rules and regulations can thwart and eventually revert the progress of actors towards the adoption of a different institutional logic.

## 6.2 Theoretical contributions

The research at hand makes three distinct contributions to the existing body of knowledge on the resolution of conflicts between competing institutional logics.

Firstly, the research at hand is a rare study of failure. As indicated by the literature review in Chapter 2, the vast majority of investigations on institutional logics are focussed on success stories and of the few that deal with failure there does not appear any with a similar benefit of real-time analysis but instead investigate historical cases. This study is therefore a valuable rarity. It is able to highlight the significant complexity involved in cases of conflicting institutional logics and furthermore shows how structural continuity can inhibit highly motivated actors from a transition away from their incumbent institutional logic. This study therefore provides empiric evidence for a need to caution against often found oversimplifications of conflict resolutions as seemingly unproblematic de- and subsequent re-institutionalisation.

Secondly, this study proposes a five stages model of resolving conflicts between competing institutional logics to the body of conceptual knowledge. This model is developed from extant research and in its application as part of the analysis of this case is proven highly useful for investigations of the resolution of institutional logic conflicts. The model is shown to be particularly useful as an aid in the process of identifying the factors responsible for the failure of attempted conflict resolution.

Last but not least, the study at hand introduces conflict origin as a useful framework for the analysis of institutional logics conflicts. To this end it first develops the concept of a conflict's locus, which defines the relationship between the incumbent logic and the environment within which the conflict

takes place. It then shows, that a conflict's locus is a feasible indicator for the expected structural resistance to a conflicting logic, while the established concept of the nature of a conflict's cause can be seen as an indicator of the expected individual resistance to a conflicting logic. The combination of these two concepts is then shown to provide a useful framework, which highlights the ambiguity of situations which either represent voluntary interaction with conflicting logic in a native locus or involuntary exposure to conflicting logics within a shifting locus. In addition to its use in analysing cases such as the one at hand, this framework may also prove useful in attempts to generate a structured overview of a field, which can otherwise appear confusingly diverse (Thornton & Ocasio, 2008; Thornton, et al., 2012)

### **6.3 Practical implications**

The research at hand provides rich insight into the challenges involved in the transition from public service and grant dependence to financially independent operation. As has been argued above, this research identifies the council's structural rigidity in combination with its rules and regulations as the major cause of the project's failure to achieve a transition within the desired timeframe. Viewed from this perspective the study at hand is a study of failure and as such provides a case of how not to implement an intended transition.

Based on the findings of this study, it is however relatively easy to theorise a version of this case in which the cycling project successfully transitions out of the local council within the initially intended timeframe of one year (i.e. by April 2014) or at least within the eventually extended timeframe of one and a half years. However, this theoretical case, which is described below, rests on a fundamental assumption of greater structural and behavioural freedom for the project team. This could theoretically be achieved by providing the financial support the project received anyway, without attaching it the criterion that the cycling project remains an internal unit while receiving it.

For the fixed timeframe of the transition period, the project could theoretically be set up as an entity outside the council, with a contract stipulating the access to the resources the council otherwise provided anyway—i.e. the bikes<sup>29</sup>; the main human resources of those involved in the transition efforts, possibly by way of volunteering them; as well as the required storage facilities. Theoretically, such a setup utilised the same resources the as the real case did, albeit under significantly different circumstances. That is, while it would remove direct access to back office functions, thereby throwing the project into the proverbial deep end of the pool, it would simultaneously provide the project team with the necessary leeway to either find external partners to help them with this or even attempt and acquire the basic skills themselves.

In order to protect the image of the council, the aforementioned contract could further strip the project's rights to use council branding and contact addresses. On the one hand, this would arguably deprive the project from a major component of its original identity, but on the other hand the organisational detachment would provide the project with a chance to begin and build an identity independent of that of the council.

Whether or not such a scenario would actually lead to a complete resolution of the conflict between the public service and the managerial logic, remains the subject of future research. From a managerial perspective, however, there appears to be little to no downside to such an approach. It would utilise the same resources—and potentially even less, due to the removal of back office support—while at the same time removing some of the most significant hurdles identified by the research at hand.

#### **6.4 Limitations and implications for future research**

This study has a number of limitations, which are outlined below, together with suggestions for future research. First and foremost, this study is limited

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<sup>29</sup> According to the project mentor the council had agreed to release the bikes to a potential umbrella organisation, such as the LLSP for example, already, since those had been depreciated to a book value of 1 GBP anyway.

by its nature of a single case study. That is, while the author profited from unlimited access to the project under investigation and was able to observe events as they unfolded, this benefit comes at the expense of a lack of generalizability. Despite the author's conviction of the usefulness of insights gained by this study, the nature of this study prohibits any generalisation beyond the specific context of the case at hand. Despite their lack of generalizability, the findings of this work suggest a number of avenues for future research. While the study of inner workings of transitions between institutional logics does not appear very susceptible for quantitative analysis, future studies could, for example, incorporate multiple cases to both verify the findings of this work, as well as improve generalizability.

Secondly, the single case design also creates a limitation in terms of the type of council project under investigation. That is, the project's dedication to providing an inclusive cycling experience with a strong focus on supporting the less abled, clearly distinguishes it from other council departments with lesser focus on social values. A comparative study may yield interesting insight regarding the impact of such difference on the ease with which actors transition from one to another institutional logic.

Thirdly, this work is limited to a council setting for its general empirical context and it could thus be worthwhile to investigate whether the identified impact of structural continuity is equally prevalent in private sector settings.

Furthermore, this research, much like all other, is limited by time. However, in this case time-limitation coincides with the fact that the process under investigation—i.e. the intended transition from council project to independent enterprise—was not completed in the originally planned timeframe. That is, data collection concluded before the aspired goal of independent operation was observable. While this provided the author with the rare and interesting opportunity to study a live case of failed transition from one towards a conflicting institutional logic, it also removed the opportunity to study any subsequent attempts of the project team to

separate the service from the council—an intention maintained across the board, due to the continued threat of elimination from the local council by the end of the six months extension. Revisiting the research site for a historical analysis of the period since then may be an attractive research proposition with the potential opportunity to study the impact of lessons learned throughout the first attempt of transitioning studied here.

Last but not least, the choice of theoretical lens chosen could be seen as a form of limitation and the author is convinced that other theoretical approaches may yield very interesting results. Out of all of these, identity theory may be particularly insightful.

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## APPENDIX 1: Final interview guide

### Interview Guideline

Make sure you have set the scene and that both you AND the interviewee are comfortable with it.

- Lock the room if you can (avoids distractions)
- Check for window-distraction

Hand out Participant Information Sheet (to be **kept by participant**) and consent form (make sure it is **signed by you**). Provide **pen**.

Take note of date, place and time.

Once interviewee has finished filling in the consent form, double check that they are happy with the interview being recorded.

START RECORDING

### Begin interview

1. What is your role (and position) within [the cycling project]?
2. Why (and how) did you get involved with the project?
3. Get interviewee to highlight critical events on the timeline (Provide **Sharpe**).
  - a. Critical for them (**above** the line).
  - b. Critical for the project (**below** the line).
4. Why were these events critical?
5. Which aspects/issues of the project have you struggled the most with? Which do you think others might have struggled the most with?
6. If you met someone who was about to undergo a similar transformation, what advice would you give them (**clarify** that “them” refers to “someone who was about to engage in a similar transformation”)?

## APPENDIX 2: Informed consent form

### Informed Consent Form

By signing below, you are agreeing that: (1) you have read and understood both pages of the Participant Information Sheet, (2) questions about your participation in this study have been answered satisfactorily, (3) you are aware that there are no known risks for you in this study, and (4) you are taking part in this research study voluntarily (without coercion).

Please indicate whether you agree to your interviews being recorded:

yes / no

---

Participant's Name (Printed)\*

---

Participant's signature\*

---

Date

---

Name of person obtaining consent

---

Signature

### **APPENDIX 3: Email template requesting access to recordings of interviews**

Dear [name],

as [student 3] mentioned in his previous email, the FYP Team had told me about their plans regarding individual interviews before they conducted those with you as well as their completion. I believe he also indicated that I would very much like to listen to the recordings of these interviews as they would help me with my own research.

Given the confidential nature of these interviews I would obviously understand if you preferred to restrict access to the FYP Team. By the same token I would greatly appreciate the opportunity to receive a copy of your interview with the students.

I therefore hope that you might agree to allow me access to the recording of your interview.

Kind regards,

Johannes



# APPENDIX 5: Scoring sheet

	
Sales appeal?	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Use available resources?	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Ease of acquiring resources?	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Already provided by others?	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Social mission alignment?	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Impact on community?	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
 OVERALL SCORE	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>

APENDIX 6: Example of timeline drawing (project officer's interview)

