INTERPLAY OF INTENTIONS: AN ETHNOGRAPHY OF INSTITUTIONAL WORK WITHIN A HYBRID ORGANISATION

CAROLE ANNE BAIN

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Abstract

This thesis is the outcome of a study which takes institutional work (purposive action of individuals and groups aimed at creating, maintaining and transforming institutions) in hybrid organisations (those constituted by multiple, often competing institutional logics) as its focus. Through a longitudinal, embedded ethnography I explore the nature of institutional work undertaken to navigate institutional logics, who undertakes such work and how, and what happens if 'insiders' do not see the proffered logic as legitimate. Through long term participation in and observation of micro processes I identified two forms of institutional work. The first, termed ***identification work,*** is undertaken by senior managers to encourage other actors to identify with a proffered (commercial) logic but within the existing (social) mission. Taking place at an ideological level this work aims to ensure widespread acceptance of a system of ideas and ideals within the prevailing mission of the organisation, which would normatively appear contradictory or illegitimate. The second, termed ***practice work***, is work undertaken to promote adoption of practices. Taking place at the level of policies, procedures, processes and systems this work aims to diffuse the system of collective ideas and ideals. I found that such work is undertaken cautiously over time, is mutually reinforcing and often overlapping.

This theorisation problematizes current understandings of institutional work in that it highlights the 'messiness' of institutional work in hybrid contexts in ways that challenge the appropriateness of both the linear, binary presentation of logic change and the cleanly delineated forms of institutional work that dominate the literature. Furthermore understanding this complexity is a long-term endeavour, requiring observation of the actual processes of institutional work. The prevalent retrospective accounts of institutional work collected at a single point in time are likely inadequate for developing rich understandings of the role of 'everyday talk' and sense-making in hybrid organisations or the practicalities of change efforts. These conclusions will not comfort researchers of or managers in hybrid organisations with promises of easy solutions, but will hopefully contribute to a more nuanced account of organisational life which encourages fruitful future lines of thought and action.

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Chapter 1: Introduction

1.1   Chapter Introduction

This thesis is the outcome of a research study which takes institutional work (the purposive action of individuals and groups aimed at creating, maintaining and transforming institutions) in hybrid organisations (those constituted by multiple, often competing institutional logics) as its focus. In this introductory chapter I outline: the research context; methodological approach (which is covered in detail in chapter 3) and contributions of this thesis.

1.2   Research context and questions

Institutional scholarship on hybrid organisations and institutional work has developed largely along separate tracks. This research aims to bridge these two conversations through a longitudinal, embedded ethnography that contributes to understandings of actors' daily realities in making sense of and acting upon and within hybrid organisations.

Accepting that hybrid organisations are gaining prevalence in modern societies (Kraatz & Block, 2008) and that organisational actors have an active role in the maintenance and transformation of institutions (Zilber, 2002; Kellogg, 2005; Billis, 2010; Lok, 2010; Coule & Patmore, 2013; Jay, 2013; Jager & Schroer, 2014), this research study matters for its contribution to understanding the function and arguably survival of hybrid organisational forms. Some authors present hybrids as arenas of contradiction unlikely to survive over time (Friedland & Alford, 1991; Scott, 2001; Scott & Meyer, 1991; Turco, 2012) because they become '*blocked, dysfunctional, and unable to resolve tensions between competing logics*' (Skelcher & Rathgeb Smith, 2014, p. 440). Others suggest they are *'an inevitable and permanent characteristic of the non-profit sector'* (Brandsen et al., 2005; Billis, 2010) and possess the ability to blend and synergise different logics (Haverman & Rao 2006; Galaskiewicz & Barringer, 2012; Jay, 2013; Jager & Schroer, 2014; Skelcher & Rathegeb Smith, 2014).

The setting for this research is a non-profit professional association **(see appendix 1 for an overview of the focal organisation**). As a chartered institute, registered charity and increasingly commercial entity, I believe it is a particularly appropriate form of hybrid organisation to study the opportunities

and tensions presented by institutional hybridity. Such organisations are '*subject to multiple regulatory regimes, embedded within multiple normative orders, and/or constituted by more than one cultural logic*' (Kraatz & Block, 2008, p. 2). The focal organisation is incorporated through a charter which sets the '*overall legal purpose and top line agenda*' (Focal Organisation, 2004, p. 2). Whilst the core emphasis as displayed in the charter, is on public benefit, the most recent strategy document, highlights the tensions that play out within the organisation and arguably depicts a setting of competing pubic good (social) and commercial logics.

> '*The challenges faced by us as a non-profit organisation are considerable and tensions between making a sustainable income and staying true to the mission are inevitable. We recognise and embrace the rival metaphors of mission and business; our driver remains 'to make money to do more things to deliver to our public good agenda' (Focal Organisation, p. 6)*

As a member of the 'leadership team' of the focal organisation, responsible for ensuring delivery of the strategy and business plan, I have become increasingly fascinated by the hybrid nature of the organisation and the interplay of associated divergent beliefs and practices. Against this backdrop, the following questions guide this study:

1) How do organisational actors deal with the presence of multiple institutional logics and what implications does this have for the nature of organisation (structurally, politically, symbolically and rhetorically)?

   a) What is the nature of institutional work undertaken by organisation actors to navigate multiple logics?

   b) Who influences such work and how?

   c) What happens if 'insiders' do not see the dominant logic as legitimate?

1.3   Methodological overview

This research comprises of a longitudinal, embedded ethnography that contributes to understandings of actors' daily realities in making sense of and acting upon and within hybrid organisations. It thus adopts an interpretivist stance which '*…emerges from a scholarly position that takes human interpretations as the starting point for developing knowledge about the social*

world' (Prasad P. , 2005, p. 13)*.* The outcome of this research is a context specific, time-bound understanding of individual and organisational action; the goal was to understand the process of 'world making' (Schwandt, 1994) and the way that people actively establish and re-establish the meanings they use to organise their experiences. Notably I describe myself as an embedded researcher (Rowley, 2014) as I worked within the research organisation for 14 years prior to beginning the study and continue to do so until July 2017.   The research underpinning this thesis, was undertaken between April 2014 and August 2016. An ethnographic approach was chosen for its synergy with my practical and theoretical research interests which have sense making (sensibility), social interactions and processes of meaning-making as its central focal point (Weick K. E., 1995). This enabled me to make sense of my current practice environment and had a pragmatic advantage in terms of access to the research setting.

A critical aspect of ethnography is the stylistic approach of the author:

> *'Put starkly, there is simply no such thing as ethnography until it is written...if ethnography is something of an art, science, and craft rolled into one, writing style (and pride), cannot be overlooked... the virtues and felicities of stylistic writing and the narrative conventions and experiments that carry ethnography to readers are more than a passing concern' (Van Maanen, 2011, p. 224)*

Whilst this ethnography is told in my (researcher) voice, I would be a failure not to recognise my active role in the research and knowledge creation process and my dual role 'insider researcher' (Brannick & Coghlan, 2007) . I do not presume that I (the researcher) am some impartial, value-free entity engaging in the research process to produce objective accounts of ratified truth. Rather, I bring implicit and explicit theories to the research process and context and accept that my task is to surface theoretical insights which represent a '*balance between theory in the researcher's head and theory employed by the people in the research situation*' (Musson, 2004, p. 35). To that end:

a) When writing as researcher I use the first-person description (e.g. I, me, mine);

b) When representing myself as an organisational actor I use third person (e.g. Carole or Director) <u>(see appendix 2 for author pen picture)</u>

c) When reflecting on my insights / experience and thoughts I present them as 'musings'. These musings are placed in the thesis as they occurred in my thinking. They typically emerged as I was writing up my notes and reflecting on my experiences and interpretations of events and presentation of events by institutional actors. I provide my first musing below which emerged following a conference on organisational development and during the process of writing up the first draft of this chapter where I was attempting to position this research, what I was observing and whether it mattered

d) When referring to the focal organisation from my perspective I use the term organisation. When I use the terms 'company' or 'business' this is to reflect the terms used by other organisational actors. All refer to the focal organisation.

Musing 1

> *7th May 2014: Patterns and events appear to emerge without any conscious plans. Through the politics of everyday life, processes of negotiation and persuasion, people interact with each other and create patterns of behaviour. Eventually, if the pattern exists long enough we believe that this way of thinking is the only way. The problem as I observe it is that we think <u>our</u> way, <u>our</u> plans determine the outcome. It often doesn't because we are all doing 'it' and trying to get our own way. What happens is the outcome of all our intensions and this interplay of intentions forms the politics/activities, outcomes and how we experience everyday life.*
>
> *In our quest for power, winning, harmony or, stability are we forgetting the importance of difference? If we all act the same and produce only one pattern, are we falsely chasing simplicity and in the changing world environment is this the most sustainable thing anyway? Should we argue for embracing different levels of thinking and being, different logics to ensure our evolution? Is adopting a hybrid strategy a way of embracing different ways of being and therefore a pragmatic, approach to sustainability and evolution? Do we have choice to do anything other anyway?*

1.4 Contributions

Through this study, I identify two forms of institutional work that is undertaken cautiously over time, is mutually reinforcing and often overlapping. This theorisation problematizes current understandings of institutional work in hybrid organisations in several ways. First, it challenges both the appropriateness of the linear, binary presentation of logic change and the

cleanly delineated forms of institutional work that dominate the literature (see for example: (Meyer & Rowan, 1977; Zucker, 1987; Pffer, 1982; Meyer, Brooks, & Goes, 1990; Friedland & Alford, 1991; Tolbert & Zucker, 1996; Suddaby & Hinings 2002; Greenwood, Oliver , Sahliin, & Suddaby, 2008; Thorton, Ocasio, & Lounsbury, 2012). Secondly, understanding this complexity is a long-term endeavour, requiring observation of the actual processes of institutional work over time. The prevalent retrospective accounts of institutional work collected at a single point in time (see: Zilber, 2002; Coburn, 2004; Powell & Colyvas, 2008; Battilana & Dorado, 2010; Darcin, Munir, & Tracey, 2010; Turco, 2012; Gawer & Phillips, 2013) are likely inadequate for developing rich understandings of the role of 'everyday talk' and sense-making in hybrid organisations or the practicalities of change efforts.

At a practice level, the research holds significant insights to inform the work of both professional associations and other non-profit organisations that are characterised by hybridity. Specifically, it highlights how organisational structure, rhetoric and politics can be used by elite actors to advance and resist the ideological and practical implications of divergent institutional logics and what happens when internal actors experience dissonance with the proffered logic. In doing so, it illustrates the necessity of constructing and reconstructing rhetoric, structures, processes and practices that are congruent with the organisation's stated ideology. This may go some way to prevent 'harmful internal coalitions' occurring (Glynn, 2000) due to incoherent and conflicting logics.

On a personal level, the DBA journey has significantly changed my worldview <u>(see appendix 2)</u> and acceptance of multiple interpretations of events. The demand for reflexivity presented by my methodological choices has raised my awareness of the attitudes, assumptions and values I bring to my working life and interpretations of my own and others' meanings, experiences and feelings. On a day to day basis I am more equipped to examine situations, problems and solutions from a variety of perspectives; question my own assumptions and practices and engage with others' world views.

1.5   Structure of the thesis

The remainder of this thesis is broken into 3 key parts. The first part sets out the theoretical and research backdrop.   For example, chapter 2 is a literature review, the purpose of which is to get a critical appreciation and understanding of what the extant literature offers in relation to the research question.   Chapter 3 is the methodology chapter, and includes discussions on philosophical positioning, research strategy and design and research methods. The next part consists of four findings chapters the first of which (4) looks to get an understanding of the logics that were experienced by organisational actors. The subsequent three chapters (5-7) relate to separate but interlocking incidents, giving an appreciation of the nature of institutional work undertaken to navigate and manipulate institutional logics, who undertakes and interrupts such work and how, and what happens if 'insiders' do not see the proffered logic as legitimate. The final part consists of a discussion chapter (8) which syntheses the four findings chapters with the literature foreshadowed in chapter 2 to address the research questions.   The thesis concludes with chapter 9 which states the contributions of this study, discusses its limitations and identifies areas for further research.   The body of this thesis is supported by appendices which include supplementary but none critical information to support the reader's understating of the study and its context.

Chapter 2: Literature Review

2.1   Chapter Introduction

This research emerges from an interest in understanding how individual and groups of actors shape their daily work activity in the context of hybridity – i.e. in organisations that incorporate elements of different logics (Zilber, 2002; Kraatz & Block, 2008; Battilana & Dorado, 2010). Informed by an institutional perspective, the study specifically seeks to enhance understanding of how organisational actors deal with the presence of multiple institutional logics and what implications this has for the nature of organisation (structurally, politically, symbolically and rhetorically).

Early institutional theory portrayed organisations as '*social machines designed for the efficient transformation of material inputs into material outputs*' (Suchman, 1995, p. 571) giving focus to understanding the relationship between an organisation and its environment, examining how organisations adapted or attempted to adapt at a macro level (Greenwood, Oliver , Sahliin, & Suddaby, 2008). An underlying assumption of early institutional theorisations is bounded rationality; that organisations are influenced by their institutional context and are bound by powerful rules (cultural prescriptions), norms and ideologies of wider society (Meyer & Rowan, 1977; Greenwood et al., 2008) ensuring a common understanding of what is appropriate and fundamentally meaningful behaviour. Consequently, the notion of isomorphism (similarity) received scholarly attention (DiMaggio & Powell, 1983; Zucker, 1987) as it was assumed organisations instrumentally manipulate and deploy evocative symbols to signal their conformance to social prescriptions to; garner societal support (Suchman, 1995), be received as legitimate (Meyer & Rowan 1983) and therefore increase their chances of survival (Scott, 1983).

More recently, institutionalists have given more credence to complexity, recognizing that institutional contexts often consist of competing demands and that conforming to institutional rules might conflict with the requirements of technical efficiency. For example Pfeffer (1982) and Zucker (1987) posit that conformity may be ceremonial - '*a form of confidence game*' (Pfeffer, 1982, p. 246) occurring through surface isomorphism (Zucker, 1987) involving a process of deliberately decoupling symbolic practices from the organisation's technical

core. This acknowledgement is to a degree at odds with the bounded rationality presentation of hegemonic (bound by taken for granted assumptions) institutions that are resistant to change as it implies a degree of intentionality, foresight and choice, presenting institutions as enacted and reconstructed through responses to institutional pressures. This shift in scholarly focus has led to a productive stream of research on institutional work (Berger & Luckmann 1966; Zilber 2002; Lawrence & Suddaby, 2006; Mutch, 2007; Dacin et al. 2010; Jay, 2013; Jager & Schroer, 2014) – the *'purposive action'* of individuals and groups in organisations aimed at *'creating, maintaining or disrupting institutions'* (Lawrence & Suddaby, Institutions and institutional work, 2006). Arguably, this has allowed a deeper investigation of *'how institutions and strategic action affect each other'* (Rojas, 2010, p. 1266).

Against this backdrop and with the goal of critically assessing what understanding extant literature offers in relation to the research questions (see page 7) this chapter is divided into three sections (see Figure 1 below). Section 2.2 explores the concepts of institutional logics and hybrid organisations while section 2.3 considers institutional work undertaken by human agents within such contexts. The justification for this choice of literature is rooted in the insights institutional logics can provide into the competing organising principles, belief systems and practices associated with multiple and often divergent logics and their implications for the nature of organisation. Such 'structural' insights alone, however, downplay the role and power of human agency and the role of actors. It is for this reason I subsequently turn to the literature on institutional work. Finally, section 2.4 concludes the chapter.

Figure 1: Literature review map
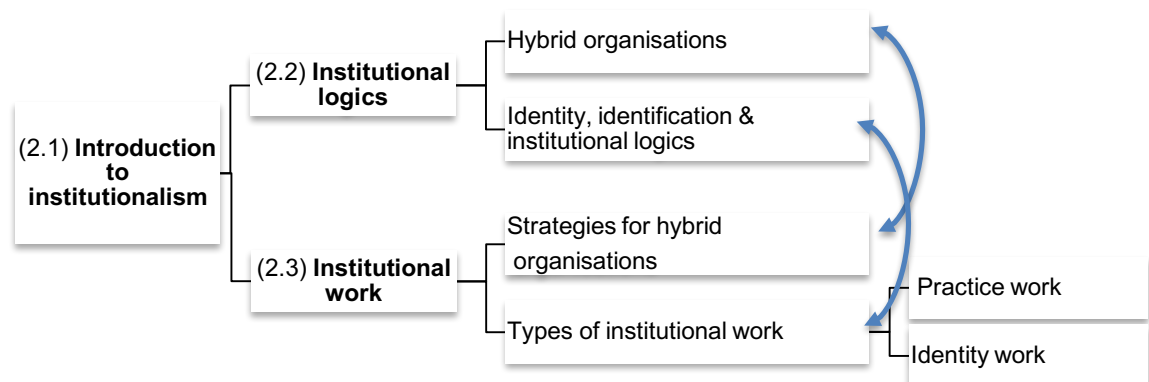
2.2 Institutional logics, identification and hybrid organisations

The literature on institutional logics presents institutions as being organised around shared practical understandings (Schatzki, Knorr-Cetina, & von Savigny, 2001), sets of material practices and symbolic systems (Lok, 2010) and legitimized through theorisation (Greenwood, Suddaby, & Hinings, 2002). Institutions are viewed as patterns of logic activity rooted in material practices and symbolic systems underpinned by assumptions, values and beliefs by which individuals and organisations produce, reproduce and make sense of their lives (Thorton, Ocasio, & Lounsbury, 2012), very much in the same fashion as the rationally bounded organisation. For example, the seminal work of Friedland and Alford (1991) continued with a rational approach but rather than emphasising isomorphism at the societal level, positions institutional logics or organising principles as available to individuals and organisations:

> *'Each of the most important institutional orders of ... society has a central logic – a set of material practices and symbolic constructions – which constitutes its organizing principles and which is available to organizations and individuals to elaborate' (Friedland & Alford, 1991, pp. 248-49)*

Positioning logics in this way creates a sense of malleability, an arena where (rational) actors can elaborate principles and practices for their own advantage. In taking this stance the authors create a link between the macro-structural perspectives of early institutional theory and the emerging micro perspective whereby individual, agentic actors can shape organisations. This presentation of an enacted organisation where actors can *'actively mediate logics'* (Coburn, 2004, p. 212) is of interest to this study as it acknowledges their ability to make sense of, construct and transform institutionalized organising principles. It is also important to note that deterministic linearity, probably a natural companion to rationality, dominated early theorisation of institutional logics and institutions more broadly. The common view within this literature was that institutional logics are binary and that organisations are stable or static until an event or jolt occurs (Meyer, Brooks, & Goes, 1990) which destabilizes the organisation and enables the formation of new definitive practices and, a new steady state (Tolbert & Zucker, 1996; Suddaby & Hinings 2002). See figure 2 below for a depiction of this perhaps overly sequential and linear process.

Figure 2: Stages of Institutional Change (adapted from Suddaby and Hinings 2002 (p.60)
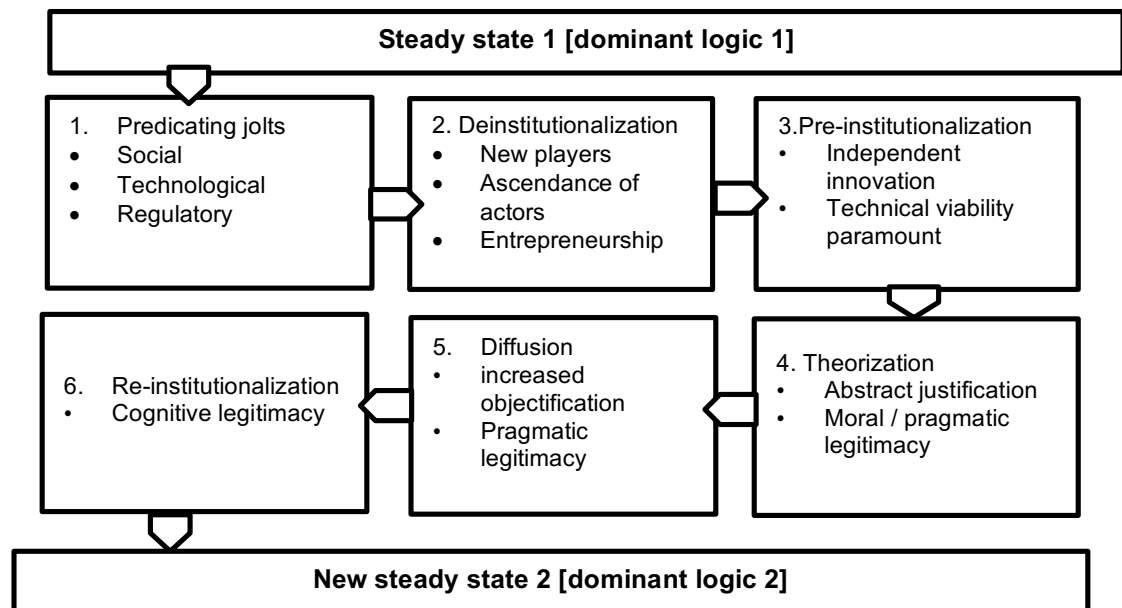
Such theorisation is problematic in the context of this study, which takes as its focus an organisation where several different logics are at play concurrently. Arguably, within the process presented above there can only be one dominant logic at any one time, yet recent scholarship on hybrid organisations that incorporate elements of different institutional logics undermines this assertion (see for example, Battilana & Dorado, 2010). Nevertheless, agreement regarding the prospects of hybrid organisations does not prevail. Some authors situate the problem of hybridity at the nexus of 'fundamental and distinctive governance and operating principles' (Billis, 2010) presenting hybrids as arenas of contradiction unlikely to survive over time (Friedland & Alford, 1991; Scott & Meyer, 199; Scott, 2001; Turco, 2012) because they become 'blocked' or 'dysfunctional', suffering from an 'inability to resolve tensions between competing logics' (Skelcher & Rathgeb Smith, 2014, p. 440) and ambiguity about whether certain organisation outcomes represent success or failure (Smith & Lewis , 2011). Typically, hybrids are considered to face excessive change and run the risk of the resulting instability and flux depleting organisation's capability to solve complex problems (Jay, 2013). Other scholars meanwhile suggest hybrids are ubiquitous (Billis, 2010) and *an inevitable and permanent characteristic of the non-profit sector*' (Brandsen, van de Donk, & Putters, 2005, p. 758), possessing the ability to blend and synergise

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different logics (Haverman & Rao 2006; Galaskiewicz & Barringer, 2012; Skelcher & Rathegeb Smith, 2014) and that it is their very ability to integrate different logics that enable them to manage and solve complex environments and problems (Jay, 2013)

What there is, however, is consensus that the challenge for a hybrid organisation is that they are dynamic entities, and that as the level of hybridity becomes more complex, so do the competing aims, values and norms of stakeholders and the governance process (Cornforth & Spear, 2010). As such, hybrids must negotiate the rules of the game in multiple, contradictory games (Heimer, 1999; Zilber, 2002; Glynn, 2008) and be *'so many different things to so many different people that it must, of necessity, be partially at war with itself'* (Kerr, 1963, p. 8).   This '*war*' is often experienced through the emergence of subgroup identities that exacerbate tensions between logics, thereby making their combination untenable (Battilana & Dorado, 2010).   Taking organisations to be rationally bounded, working within a common understanding of what is appropriate and fundamentally meaningful behaviour to gain societal support and legitimacy (Meyer and Rowan 1983; Suchman, 1995), in this context becomes problematic. If we take 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'* (Suchman, 1995, p. 574)

then what constitutes legitimate behaviour, goals and means to achieve those goals in hybrid organisations?   This question occupies much of the literature on hybrids which are argued to face a 'politician's dilemma' (of not being able to please everyone) (Kraatz & Block, 2008, p. 261), be in danger of experiencing 'mission drift', having a marginalised majority (volunteers) (Ellis Paine et al., 2010), of having significant structural, political and symbolic issues, and 'growing schisms' between carriers of different logics (DiMaggio & Powell, 1983; Battilana & Dorado, 2010; Turco, 2012).

2.2.1 Identity and identification

If institutional logics codify the way that a social world works by providing a set of material practices and symbolic constructions that constitute organising principles, actors' identification with such logics is central to their acceptance and legitimation. The development of shared practical understandings provides social actors with vocabularies of motives and sense of self and provides cognitive legitimacy (Friedland & Alford, 1991). It follows then that logics are more likely to be adopted if they are congruent/legitimate to individual actors but will be resisted or adapted if they are not perceived as legitimate (Coburn, 2004; Gioia, 2013).

Weick (1993) argues that identity and action are closely linked and that the social construction of an identity based on an institutional logic inherently involves the conditioning of practice and vice versa. People are argued to classify themselves and others into various social categories (Ashorth & Mael, 1989) such as social classifications (Creed, Scully, & Austin, 2002), role classifications (Rao, Monin, & Durand, 2003) and institutional classifications (Watson T. J., 2008). Effectively this classification provides a *'systematic means by which a person can define others and themselves in the social environment'* (Ashorth & Mael, 1989, p. 21) which leads to social identification – the perception of oneness with or belongingness to some human aggregate (Ashorth & Mael, 1989). It is posited that this identification leads to activities that are seen to be congruent with the identity. In other words, it acts as a subliminal guide for how a person, group or organisation should behave to be seen (by themselves and others) as legitimate (Kodeih & Greenwood, 2014; King, Clemns, & Fry, 2011). Critically, however, such identification may not necessarily result in the individual accepting the espoused values and attitudes – *'an individual may define themselves in terms of the organization they work for, but they can disagree with the prevailing values, strategy, system of activity and so on'* (Ashforth & Mael, 1989, p22; also see Martin & Siehl, 1983).

Lok (2010, p. 1306) meanwhile argues that identity has historically been treated as relatively fixed against a logic, only flexing in times of *'an entrepreneurial struggle'*. As such, individual actors are portrayed as either *'heroic change agents'* or *'cultural dopes'* (Lawrence, Suddaby, & Leca, 2009,

p. 1) assumed to simply adopt or maintain the identity that is deemed most appealing or in their best interests (Creed et al., 2002; Reay & Hinings, 2005; Suddaby & Greenwood, 2005) or seen as unwitting victims of coercive pressure and / or 'symbolic violence' (Oakes et al.,1998). This view, Lok (2010) argues, blinds institutionalists to the possibility of identity work (a form of institutional work to which we turn shortly) and that identities can be subtly transformed through the 'everyday talk' and activities of all actors, not just those of institutional entrepreneurs. Lok (2010) continues that identification with practices and discourses desired by management is seen to be able to cut across the multiple contested discourses that are continually available to employees. Control is accomplished through positioning actors in a managerial discourse that they may come to identify with and commit to. In other words, because multiple, contested and contradictory logics are available to actors, one of the most important ways to influence behaviour is to influence their identification with a particular logic and its associated practices. We will now explore the types of work undertaken to create, maintain and transform intuitional logics, and actors' identification with them, through an exploration of institutional work - the *purposive action of individuals and organisations aimed at creating, maintaining and disrupting institutions'* (Lawrence & Suddaby, Institutions and institutional work, 2006, p. 215).

Musing 2

> *June 2015*: It is my experience that with a recent influx of (elite) actors (from one specific profession) a transformation of logics may be taking place which is emphasising contracting, commercial relationships and operational efficiencies associated with a commercial logic. I have observed several occasions where the new actors have not been invited to meetings because of a fear that they will 'do the hard sell' on customers and this is not how things are done 'in the institute' / 'because we are a charity'. For those individuals, there is a frustration that they are being prevented from joining conversations which may enable them to do their job (sell stuff) and some confusion about why this is occurring.
>
> This study should explore this further, to understand the transformation of identification with particular logics over time and gain an appreciation of how this change is negotiated and the implications this has for organisational scripts, structure, governance and politics as well as operating practices.

2.3 Institutional work, logics and hybrid organisations

This section reviews the literature on the work of organisational actors to create, maintain and transform institutional logics within hybrid organisations, rather than the vast literature on institutional work in general. In addressing the central question of the study, it also takes as its focus institutional work that has an internal focus (i.e. that which is concerned with constituents within the organisation) rather than external institutional work focused at field or societal levels. The notion of institutional work is one of the dominant frameworks for conceptualising and exploring institutional dynamics and human agency within institutional theory, as a response to early, overly deterministic macro-structural accounts of organisations (Lawrence & Suddaby, Institutions and institutional work, 2006). I frame the section around three areas, exploring: the strategies for dealing with hybridity; who does institutional work and; what constitutes institutional work.

2.3.1 Strategies for dealing with hybridity - structure and form

Significant scholarly attention has been given to how hybrids might seek to accommodate various, and often contradictory, institutional logics in many different contexts. In this section I consider the structural strategies of decoupling; compromising; logic combination, segregation and segmentation - all of which are aimed at managing constituents' perception of organisational legitimacy. The concept of **decoupling**, or compartmentalising (Kraatz & Block, 2008) is prevalent in the early and current literature (Meyer & Rowan, 1977; Scott, 1983; Westphal & Zajac, 1994; 1998; 2001; Boxenbaum & Jonsson, 2008; Tilcsik, 2010; Bromley & Powell, 2012). These studies purport that organisations present a façade by conforming *'closely to the meanings and categories ritually defined by the environment* [institutional logic]*, but do not attempt seriously to implement them at an operational level'* (Scott, 1983, p. 279). One of the underpinning assumptions of decoupling is that an organisation understands its core objective and purpose, enabling it to determine what contributes to the core objective and what is (for them) merely symbolic so that they can decouple the two. The view that it is possible to compartmentalise different institutional logics without inadvertently invalidating

another (Stryker et al, 2000; Pratt & Foreman, 2000) is criticised as over-simplistic (Pache & Santos, 2013) in its assumption that an organisation's attempts to comply with the demands of one constituency are inevitably observable by others, who may assign different values to the same displayed symbols (Stryker & Burke, 2000; Glynn, 2000).

Decoupling suggests a process whereby organisational actors create and maintain gaps between symbolically adopted polices which are defined and promoted **externally** to the organisation and organisational behaviour guided by actors **internally** to the organisation, but whose interests are being served by this? Dacin (2010), Coburn (2004) and Coule & Patmore (2013) argue that elite and the less-powerful organisational actor can draw upon institutional logics to frame and serve their interests. If this is the case, how does the organisation ensure that different groups/coalitions have complementary interests, indeed do they and should they if we accept the view that individuals have the capacity to respond to dual logics (Lok, 2010)?

Musing 3

June 2015: As I was reading the literature on the potential for coalitions to occur within hybrids, I asked myself if there were different categories of internal actors. I identified the potential for coalitions across the following groups:

- *salaried employees (staff),*
- *elected volunteer trustees (Trustee's)*
- *CEO and Chariman of Trustees*
- *the elected representational member group*

I observe

- *a dichotomy between employed staff dependent on their length of employment and their alliance with the 'public good' (social) and commercial agendas,*
- *the Trustees as guardians of the entity (for some this is charity and for others 'a business'),*
- *the CEO and the Chairman of Trustees as the work as an 'operational team'*
- *group Y as guardians of the social agenda (public good).*

My reflections led me to identify that I experience the focal organisation attempting to compartmentalise different activities between different groups. An example is an internal discourse relating to Group Y and Trustees and how the respective groups are managed, meetings shaped and information presented to meet their needs. A potential area of interest to my research is how the focal organisation recruits and sustains cooperation between groups driven by a deep commitment to the business entity and those to the social mission?

Compromising (Oliver, 1991) is presented as an alternative to decoupling and is suggested as a viable strategy for organisations facing institutional complexity that need to placate diverse external constituent groups (Kraatz & Block, 2008; Oliver, 1991; Pache & Santos, 2013). Compromising involves crafting an acceptable balance between competing logics by conforming to minimum standards of what is expected within each (Scott W. R., 1983) and/or bargaining with institutional referents so that they alter their demands. Both approaches aim to avoid the risk of losing endorsement from referent groups and other significant actors. This approach is positioned as having an important limitation in that the organisation may not fully secure support from important referents, particularly over the long term (Pache & Santos, 2013).

Greenwood et al. (2011) and Tracey, et al. (2011) criticise the assumption that the logics that organisations embody are always compatible and argue that a central feature of hybrids is that the institutional logics they embody are not always so. In response to this incompatibility, hybrids may have to incorporate 'antagonistic practices' which may not work together and compromise is not always possible. A potential example of this was the case of Minnesota Public Radio (MPR) discussed by Powell & Colyvas (2008, pp. 289-290). Here, the not-for-profit organisation created a separate trading company but constituents (politicians, media and competitors) were highly critical of the status of both companies and challenged their legitimacy, illegal nature and lack of transparency.

A further approach is that of **selective coupling** / logics combination. This is purported to occur when significant complementarities exist between institutionally given identities, such that the organisation's ability to successfully be one thing enhances its ability to be another (Kraatz & Block, 2008). For example, Pache and Santos (2010; 2013) study into four work integration social enterprises (recycling and temporary work) identified how organisations embedded in competing social welfare and commercial logics were able to use a strategy they termed 'Trojan Horse' (p. 972). The Trojan Horse strategy, saw the organisations '*symbolically and substantively adopting behaviours prescribed by the dominant (social) logic whilst maintaining those of the*

competing (commercial) logic' (Pache & Santos, 2010, p. 37) in an attempt to gain legitimacy and acceptance.

The authors take the stance that organisations can combine logics to create a competitive advantage and, contrary to research suggesting otherwise (Raa, Monin & Durand, 2003; Thornton, 2002; Chen & O'Mahony, 2006, Glynn & Lounsbury, 2005), can gain legitimacy in the dominant market enabling them to be sustainable over time. Selective coupling is different from compromising as it requires the organisation to meet the full needs of the pluralistic environment, sending the signal of adhesion to a several logics. Skelcher and Rathgeb Smith (2014) suggest that segregation and segmentation strategies are used by non-profit hybrids to enable them to manage the relationship between two logics, for example between a community logic emphasising service delivery and a market logic reflecting the need to generate income.

Musing 4

> *July 2015: In a similar way to Minnesota Public Radio (Powell & Colyvas, 2008), the focal organisation has a limited company. The argument for doing so is that the interests of the two entities are indistinguishable and that the surplus from the limited company be covenanted back to the main organisation to fund the social agenda. Additionally, the focal organisation has set up a separate charity 'Foundation' to which 10% of the surplus of the main charity is covenanted. The purpose of the foundation is set out separately to the main organisation and has separate Trustees.*
>
> *What is the purpose of these different forms, with their interdependent activities and funding mechanisms? Is this a compromising strategy which enables the focal organisation to use structure and form to:*
> *(1) present argument that some of the overtly trading activities are legitimate under the trading company as the surplus is returned to the not-for-profit arm to fund the delivery of the social agenda and/or*
> *(2) defend against the criticism that the organisation is too commercial in that it can demonstrate its charitable activity under the 'foundation' structure and activity?*
>
> *Is this an example of surface isomorphism (Zucker, 1987) through which the focal organisation is seeking to manage the perception of the organisation's legitimacy?*

Whilst the above theoretical developments are useful in highlighting the socio-structural challenges of multiple logics and the strategies organisations

may adopt to cope with hybridity, it is in danger of reifying both institutional logics (by presenting them as real, concrete social structures independent of human agency and action) and hybrid organisations (by assigning agency to strategic responses independent of organisational actors). In other words, the thoughts and actions of human agents in making sense of and acting within the pluralistic world they are faced with is largely absent from the above accounts. In keeping with the spirit of the questions underpinning this research, I therefore align with the growing stream of research on institutional logics that places the interests of individual and groups of organisational actors at the heart of institutional logics. Here, theorisation of institutional logics concerns itself with '*the enduring paradox of embedded agency*' (Gawer & Phillips, 2013, pp. 1035-6), seeking to understand how actors envision and enact change despite their actions, intentions, and rationality being conditioned by the very institutions and logics they wish to change (Holm, 1995; Coule & Patmore, 2013; Thorton & Ocasio, 2008; Greenwood, Oliver, Sahliin, & Suddaby, 2008)*.*

2.3.2 Agentic actors and power

But who does such institutional work? In section 2.2 (above), I surfaced the ongoing debate within institutional scholarship around agency and the ability of actors to translate ideas and practices to '*fit their own wishes and specific circumstances in which they operate'* (Sahlin & Wedlin, 2008, p.225; see also Coburn, 2004) versus the depiction of actors as cultural dopes – people who simply act out the directives provided by cultural, organisational and societal norms (Garfinkle, 1967; Tolbert & Zucker, 1996). Much of the literature on agency positions only a sub-set of actors – the resource rich institutional entrepreneur (Greenwood et al., 2002; Greenwood & Suddaby 2006; Dacin, Munir & Tracey, 2010) – as having the ability to construct and impose logics through the monopolization of 'symbol system' (Berger & Luckmann, 1966). However, there is a growing stream of literature which critiques this depiction, challenging the view that only resource rich, elite institutional entrepreneurs are agentic (Glynn, 2000; Zilber, 2002; Coburn, 2004; Coule & Patmore, 2013; Coule & Bennett, 2016). Turco (2012) provides a particularly lucid account of how non-elite actors can turn against a dominant discourse and lead it to failure. In her study, Turco discussed the challenges of decoupling within

Motherhood Inc. (MI) and how organisational elites made visible, public commitments to satisfy the demands of their external environment, which were often just 'myth and ceremony'; the real day-to-day, behind-the-scenes work of employees is unaffected by them and is organised for technical efficiency and profit instead. This study involved a project to *'commercialize a personal sphere of life, namely, the support and instruction that new mothers traditionally received from their families and communities'* (p. 389) and identified how the external discourse was used by internal actors to resist the commercialisation project:

> *'MI executives … carefully controlled what language the organization used with clients. They promoted a euphemistic discourse that specified who MI clients were and what MI's role was in serving them and that obscured the organization's status as a self-interested market actor. Keying off the idea that motherhood was stressful and traditional support eroded, they cast MI's clients as overwhelmed, vulnerable, and fragile; MI as a 'safe haven' that offered these women the support and community they otherwise lacked; and MI employees as 'trusted advisors' with unique expertise to help lower clients' stress…. We are here to build our community of families and help them navigate through childbirth and parenting. We're not about the hard sell.' (Turco, 2012, pp. 392-393)*

Specifically, it identified that internal actors could disrupt commercialisation activity by refusing to adopt the new narrative in its entirety due to great discomfort with the *'commercial nature of the business'* (p. 398). Instead they appropriated the 'trusted advisors' and 'safe haven' aspects of the narrative in order to challenge commercialisation. What this study points to, is the need for sensitivity to (often asymmetrical) power relations within institutional work.

In the context of this study, I take the stance that all individual actors have agency and participate in institutional work that contributes to the creation and evolution of organisation's logics through 'everyday talk' (Lok, 2010) and action. So, I will now discuss what constitutes such work.

2.3.3   Types of institutional work

The seminal work of Lawrence and Suddaby (2006, p. 215) defines institutional work as the *'purposive actions of individuals and organizations aimed at creating, maintaining and disrupting institutions'*. For completeness, I

will briefly introduce Lawrence and Suddaby's (2006) taxonomy of institutional work, which categorized the types of work associated with institutional creation, maintenance and disruption. The main emphasis, however, will be on the institutional work literature within the context of shifting and pluralistic environments given the research context and questions guiding this study.

The work undertaken to **create** organisations is often presented as the area of institutional work *'most extensively examined in the literature'* (Lawrence, Suddaby, & Leca, 2009, p. 8). This type of work involves activity concerned with the construction of rules, property rights and boundaries and the configuration of work practices. Critical to this type of institutional work is the notion of institutional entrepreneurs (DiMaggio, 1988; Eisenstadt, 1980) in defining the types of actors who attempt to create new institutions. The introduction of the institutional entrepreneur as the solution to all the stasis and conformity within institutional theory has nevertheless been criticized for its functionalism (Clegg 2010) and tendency to evoke 'heroic imagery' (Lawrence et al., 2011).

Maintaining organisations, in contrast, has historically been unproblematic and routine in that organisations were assumed to be self-reproducing and thus hold a taken for granted status (Lawrence, Suddaby, & Leca, 2009, p. 8). As such, institutional maintenance initially was a largely neglected and under theorised area of institutional work. Recent scholarship has challenged these earlier assumptions, arguing that *'relatively few institutions have such powerful reproductive mechanisms that no ongoing maintenance is necessary'* (Lawrence & Suddaby, 2006, p. 229). Instead, most organisations require sustained institutional work to preserve them over time (Townley, 1997; Zilber, 2002; Dacin et al., 2010), respond to threats to existing institutional arrangements (Dacin et al., 2010); prevent change and ensure other actors adhere to *'routine reproductive procedures'* (Jepperson,1991 p.145; also see Berger & Luckmann, 1967).

Disruption and transformation of organisations are positioned as the least documented research area, with little knowledge about the practices associated with actors attempting to undermine institutional arrangements and relatively little concrete descriptions of work undertaken to disrupt

institutionalized arrangements (Lawrence et al., 2009; Coule & Patmore, 2013; Coule & Bennett, 2016 for rare examples). This is significant to this study which looks to gain a greater understanding of the nature of institutional work undertaken by organisation actors to navigate multiple logics, who influences such work and how. Previously non-profit scholars have claimed that non-profits should be cautious about transformation and disruption, instead valuing continuity, due to the relative *'constancy of societal need and non-profits' missions'* (Salipante & Golden-Biddle, 1995, p. 3).   Recent institutional scholarship, however, suggests hybridity has become *'an inevitable and permanent characteristic of the non-profit sector*[1]*'* (Branden et al., 2005, p. 758). Therefore, gaining a greater understanding of the nature of institutional work in the context of non-profit hybridity and how actors make sense of and work to disrupt, transform, blend and synergise different logics (Haverman & Rao 2006; Galaskiewicz & Barringer, 2012; Skelcher & Rathegeb Smith, 2014) could help such organisations survive in the current context of significant global social, political and economic change. At a practical level, this may prevent organisations becoming blocked or dysfunctional from their inability to resolve tensions between competing logics which is currently theorised as a common outcome of hybridity (Friedland & Alford, 1991; Scott & Meyer, 1991; Scott, 2001; Turco, 2012; Skelcher & Rathgeb Smith, 2014).

This study takes the nature of institutional work within a non-profit hybrid organisation as its focus. It is for this reason that I limit the remainder of this section to literature on internally focussed institutional work. As a starting point, I refer to Gawer and Phillips' (2013) study exploring forms of institutional work performed within an organisation responding to external field level changes. Specifically, through an in-depth case study of Intel Corporation, a firm involved in

> *'a fundamental shift in the institutional logic of its field in the late 1980s and 1990s as the field moved from a traditional supply chain logic dominated by computer assemblers to a new platform logic following very different organizing principles' (Gawer & Phillips, p. 1035).*

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[1] The focal organisation is a non-profit organisation

They distinguished between externally and internally focussed institutional work, highlighting participation in the processes that drive change in the institutional logics that characterize an organisation's field, and of relevance to this study, the work associated with responding to the shift as it occurs within the organisation. They categorised internal work into two interdependent categories of: internal practice work (performed by organisational members to develop and legitimise new practices) and internal identity work (carried out by managers on actor's perceptions of the organisations identity) (Gawer & Phillips, 2013).

In relation to internal practice work there were three sub-categories of institutional work: 1) innovating new practices; (2) enrolling people in new practices and; (3) managing tensions resulting from new practices. I will review each one in turn. Innovating new practices involved the creation of new work-groups whose sole purpose was to engage in new practices which did not rely on traditional practices and which were consistent with the new logic. Enrolling organisational members in the new practices was necessary to convince organisation members that the new practices were appropriate and encourage them to engage in them enthusiastically. This was presented as a difficult and time-consuming activity which required consistent input from senior managers to communicate why the new practices were important; creating a sense of danger and urgency; practical explanations of what these practices look like; reinforcement through visual reminders and; aligning individual and group performance indicators and individual incentives with corporate logics. Finally, managing internal tensions resulting from new practices focused on sensing and acknowledging tensions; establishing a new vocabulary of job 1 and job 2 to clarify and legitimize divergent objectives and; establishing an organisational decision-making process for managing these tension in a practice sustaining way. This process was described as encouraging and stimulating direct discussions and at times *'confrontational'* and *'fairly intense'* argumentation between different points of view (Gawer & Phillips, 2013, p. 1057).

Internal identity work – carried out by managers on actor's perceptions of the organisations identity – emphasised responding to an internal sense of uncertainty as to whether engaging with these new practices was coherent with

Intel members' perception of its identity. This led to identity work that 1) attempted to make sense of the tensions between the organisations (in this case Intel) identity and the new practices and 2) make new identity claims that aligned with the new practices.   Work centred on making sense of tensions between identity and new practices and creating a climate where tension was acknowledged, tolerated, stimulated and legitimated was important:

> *'These tensions exist, but they are definitely not a war….' I don't think tension is bad. Tension focuses strategic thinking. It focuses people to figure out what's important and what's not so important. It's a bit like the judicial process in that it uses advocacy method to get at the truth. Here, the advocacy method and the arguments get the best results of strategy'- Intel CEO   (Gawer & Phillips, 2013, p. 1058)*

Creating new identity claims associated with the new logic and new practices involved, for example, shifting the 'old' identity of 'builder' to a new identity as 'architect of the industry'.   Gawer & Philips identified how new identity claims were carefully expressed through use of *'evocative metaphors'* (p. 1060).   Such metaphors retained the vocabulary of Intel's technological foundations but reconstructed them in a manner that portrayed intel as a powerful leader in a new industry logic. For the remainder of this section I take Gawer and Phillips (2013) categorization of internal practice and identity work and develop it through the inclusion of other literature. Figure 3 (see page 33) provides a schematic overview outlining the nature and intentions of internal institutional work suggested by extant literature, which I expand on within this section.

2.3.2 Internal practice work

The literature is suggestive that the intention of practice work is to aid the diffusion and adoption of new practices in support of a particular logic. Several writers (Burns & Wholey, 1993; Davis & Greve, 1997; Westphal & Zajac, 1997; Kraatz, 1998) have explored the patterns and mechanisms by which ideas are transported within organisational communities. Examples of such practice work include; innovating new practices – forming new teams/roles, developing new polices, processes, products and utilising new technologies; enrolling organisations members into new practices – through discourse, training, setting objectives that align to new practices, creating sanctions (formal and informal) for non-adoption. The common theme is that as new practices diffuse they become 'objectified', gaining social consensus concerning their pragmatic value (Suchman, 1995), and thus they diffuse even further (Tolbert & Zucker, 1996) providing ideas and practices with cognitive legitimacy (Suchman, 1995). In this sense, they become taken-for-granted as the natural and appropriate arrangement.

2.3.3 Identity work

Internal identity work is that work aimed at reinforcing the moral acceptance and therefore adoption of new logics. Fundamental to this activity is identity work to encourage actor's identification with dominant logics (Gawer & Phillips, 2013). In his study into identity and logic construction of shareholder value, Lok (2010) found that both managers and institutional shareholders (re)worked their identities in everyday talk in ways that enabled them to translate logics in particular ways. Lok concluded that the '*everyday identity work of actors in response to a new institutional logic is an important form of agency through which they can resist some of a new logic's identity cues and action implications while paradoxically reproducing the logic at the same time*' (Lok, 2010, p. 1306). He suggests that '**everyday talk**' enables actors to '*reflexively accomplish self-identity through active identity work - the process of continuously forming, repairing, maintaining, strengthening or revising self-constructions that are productive of a precarious sense of coherence and distinctiveness*' (Lok, 2010, p. 1307).

Coburn's (2004) study of the relationship between changing ideas about reading instruction in California from 1983 to 1999 and teachers' classroom practice, identified the role of pre-existing beliefs and practices in the adoption of new practices. This study focused on three teachers across two schools and concluded that teachers (actors) exercised agency and autonomy in their response to institutional pressures and in doing so refined, constructed and reconstructed their world-views and beliefs. Coburn identified that there was a greater propensity to reject ideas that did not correlate with existing world views but acknowledged that world views could be changed, for instance through exposure to 'new ways' such as attending a training course. However, Coburn also reported that there were other factors that determined whether a new practice was adopted. First, actors were more likely to adopt practices where they had an opportunity to engage with the message in sustained iterative ways (Coburn referred to as the *intensity* of messaging). Second, actors were more likely to adopt new practices where the benefit of doing so was communicated through multiple and interlocking ways (Coburn referred to this as *persuasiveness*). Third, the perceived voluntariness of response had the potential to impact in that actors were less likely to respond to regulatory messages which are controlled and sanctioned but more likely to respond to normative messages (Coburn termed this *voluntariness*).

Other examples of identity work include the recruitment of new actors who are carriers of the preferred logic (Schein, 1979; Battilana & Dorado, 2010) and the incentivisation of existing actors to adopt new logics (Gawer & Phillips, 2013). For example, Battilana & Dorado (2010) suggest that the crucial early levers for developing an organisational identity that supports the sustainability of a novel logic combination are hiring policies, which define who can become an organisation member. In their study of two microfinance organisations, they compared the hiring process finding that one organisation hired candidates who worked in organisations that embodied the different institutional logics with an attempt to combine the respective logics. This resulted in coalitions forming because of preconceived notions as to what to expect and how to behave in organisations – i.e. because the individuals were carriers of the logics they were previously socialised with. The other organisation preferred to recruit individuals

with no preconceived ideas (e.g. little or no work experience) and build a new (combined) logic, focusing on early socialisation against an identity that combined the various logics thus preventing the formation of coalitions. Gawer & Phillips (2013) additionally provide examples of how tailored incentive programmes can be used to reinforce new practices and encourage their adoption to reduce tensions resulting from 'old' logics. There is, of course, a tendency in such work to present organisational actors as mere 'carriers' of institutional logics and thus cultural dopes (as discussed previously). By way of summarising the above discussion, figure 3 (below) provides a summary of the literature within the categories of internal practice and internal identity work.

2.3.4 The role of rhetoric

The role of rhetoric in the process of identity maintenance is one that is recognised in the extant literature (Ashforth & Humphrey, 1997; Coburn, 2004; Heracleous & Marshak, 2004; Lok, 2010; Blomback et al., 2013) for its ability to reassure stakeholders of the stability and legitimacy (Whetten & Mackey, 2002; Golant et al., , 2015) of the organisation and for its structuring of meaning making for participants (Cheney, 1983; Lok, 2010). Rhetoric is also recognised for its abilty to be a disruptive force (see for example Coburn, 2004 and; Turco, 2012). In their study Gawer and Philips (2013) position rhetoric both as practice work (theorizing) and identity work as shown in the diagram on the following page. In doing so, they emphaised the powerful role of rhetoric work in maintaining, transforming and disrupting organisations. Problematic, however, is the presentation of the homogenity of discourse within a hybrid organisation where arguably there are multiple identies at play and which is something that I return to throughout this thesis as we observe potentially conflicting discourses.

Figure 3: Map of internal institutional work

Perspective	Category	Definition	Activities		Intention
Internal (Gawer & Phillips 2013)	**Practice work** (Gawer & Phillips 2013)	Work performed by organisations members - developing and legitimizing new practices (Gawer & Phillips 2013)	**Theorizing** (Tolbert and Zucker 1996)	• Asserting functional superiority (Suchman, 1995) • Asserting pragmatic value (Suchman, 1995). • Aligning strategy and objectives settings with new practices. (Gawer & Phillips 2013, p1055) • Nesting: Fitting new ideas within prevailing normative scripts thus giving them "moral legitimacy (Suchman, 1995)	**Diffusion and adoption of new practices** As a new script is diffused they be-come "objectified," gaining social consensus concerning their pragmatic value (Suchman, 1995), and thus they diffuse even further (Tolbert & Zucker, 1996: 183).
			Structural reform (Scott, 1983; Meyer & Rowan, 1997; Coburn, 2004; Cooney, 2006; Lounsbury & Crumley, 2007; Kraatz & Block, 2008, Tracey et al, 2011; Greenwood et al., 2011; Pache & Santos, 2001Skelcher & Rathgeb Smith 2014)	• Decoupling (Scott, 1983; Meyer & Rowan, 1997; Coburn, 2004; Cooney, 2006; Kraatz & Block, 2008; Skelcher & Rathgeb Smith 2014) • Segregating, (Meyer & Rowan, 1997; Skelcher & Rathgeb Smith, 2014) • Selective coupling (Lounsbury & Crumley, 2007; Tracey et al, 2011; Greenwood et al., 2011; Pache & Santos, 2011)	
	Identity work (Gawer & Phillips 2013; Lok, J, 2010))	Work performed by organisations managers internally on organisation member's perceptions of organisation (Gawer & Phillips 2013)	**Hiring strategies** (Battilana & Dorado, 2010)	Define who can become an organization member	**Identification and moral acceptance of legitimacy** Identification with new logics and schematics developing social consensus of the legitimacy
			Socialization policies (Van Maanen & Schein)	Teach and reinforce desired behaviors and values in hires (Van Maanen & Schein	
			Incentivisation (Gawer & Phillips, 2013)	Reinforcing and rewarding desired behaviors and values through incentivisation programme (Gawer & Phillips 2013, p1055)	

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2.4   Chapter summary

In this chapter, I introduced the core concepts of institutional logics and institutional work with an emphasis on hybrid organisations given the research context and questions set out in chapter 1 (see page 9) Acknowledging the body of work that reflects on the increasing hybrid nature of organisations (Billis, 2010), I concur with need for 'tougher' conceptual frameworks to improve understanding.   Specifically,   through   this   review,   I   identified   several shortcomings in the literature which questions the fullness of current micro-level understanding of how organisational actors make sense of, respond to and try to influence multiple logics. I problematize the presentation of logics as binary (Meyer, Brooks, & Goes 1990; Tolbert and Zucker 1996), logic transformation as a sequential process (Suddaby and Hinings 2002); rhetoric as homogeneous and hybrid organisations as inherently unstable (Scott and Meyer, 199; DiMaggio & Powell, 1983; Glynn, 2000; Zilber, 2002; Battilana and Dorado, 2010). I also argue that the literature suffers from a tendency to reify institutional logics and organisations, presenting actors as cultural dopes rather than agentic in making sense of complex hybrid organisations and reworking associated organisational scripts.

My intuition as an embedded actor turned researcher in a hybrid organisation is that the interplay between logics and the work of actors to reconcile competing logics is more fluid and messy than the literature presents and that multiple aspects of institutional work can be undertaken simultaneously. Actors can behave intentionally, and as such are powerful and practiced at managing consensus, constructing, maintaining and disrupting institutional boundaries and behaviour, and at times like cultural dopes following directives unconsciously.

Chapter 3: Methodology and Research Design

3.1   Chapter Introduction

As discussed in the previous chapters, this research emerges from an interest in understanding how individual and groups of actors shape their daily work activity in the context of organisational hybridity. Specifically, it seeks to enhance understanding of how organisational actors deal with the presence of multiple institutional logics and what implications this has for the nature of organisation (structurally, politically, symbolically and rhetorically). In this chapter I examine the research design for the study, the chapter structure is as set out in figure 4.

Figure 4: Chapter three structure map
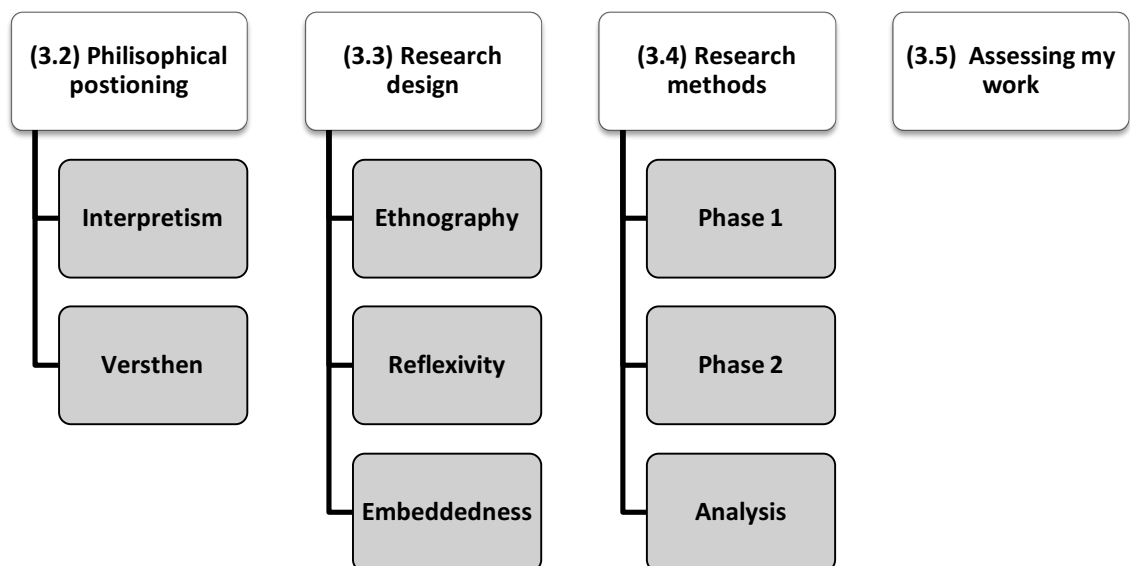
Figure 5 (below) provides a synopsis of the overall research design; each of these elements, how they interrelate and give meaning to my research is discussed in further detail in the remainder of this chapter. In summary, the core assumption I bring to the research is that humans have autonomous potential and give meaning to their surroundings; knowledge is personal and experiential and research methods need to explore individual understanding and subjective experiences of the world.

Figure 5: Research Design – adapted from Crotty (1998)

Research Question:		
How do organisational actors deal with the presence of multiple institutional logics and what implications does this have for the nature of organisation (structurally, politically, symbolically and rhetorically?) a) What is the nature of institutional work undertaken by institutional actors to navigate multiple logics? b) Who influences such work and how? c) What happens if 'insiders' do not see the dominant logic as legitimate?		
Philosophical Tradition **Interpretivism**	**Epistemological position** (nature and purpose of knowledge) **Subjective**	**How I understand the nature of knowledge:** a) Embrace the notion that we are dealing with situated world-making and meaning developed by individuals and groups. b) Reject the view that it is possible to neutrally observe organisational phenomena.
	Ontological position (nature of social reality and what it means to be human) **Objective**	**My sense of reality:** a) Social structures (in the context of this study - institutions) have an existence independent of human cognition, but are not necessarily cognitively accessible to researchers b) Social structures are amenable to manipulation, creation, maintenance, transformation and destruction by agentic actors.
	I am placing human interpretation as the starting point for developing knowledge about the social world; I'm interested in the ways individual's sense making schemas are put into practice, accepted, altered or rejected.	
Research methodology and methods	**Qualitative**	A craft rather than a scientific endeavour.
	Embedded ethnography	I understand ethnography as action orientated fieldwork carried out over a long period of time to see cycles of activity. Ethnography requires me (as researcher) to immerse myself in the day-to-day extraordinary stuff of everyday cultural life and through observations, encounters and conversations come to an understanding/interpretation of the actors, actions, chaos and complexity of everyday life. By being 'embedded' I recognise and acknowledge my role as a team member, co-worker and senior manager. As a contributor to the creation of everyday life, as a researcher, employee and colleague, I position myself as a 'native going researcher' rather than a 'researcher going native'.
	Fieldwork	a) **Interviews:** Respondent interviews and incident-focussed interviews – participants asked to share their own perspectives and experiences b) **Document analysis:** explore the range of ways multiple logics are experienced, narrated and navigated c) **Participant observation:** Acting as participant observer to explore in situ, how different logics and work activities interplay.
	Analysis	a) **Committed to Verstehen** and embrace that through the process of interaction with participants and privileging my interpretations, I co-create research accounts and knowledge claims b) **Use of critical reflexivity** to challenge my taken for granted assumptions.

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3.2   Philosophical positioning

In this section I discuss the philosophical positioning of my study, why it is appropriate for my chosen area of study and research questions and summarise the implications this has for knowledge production and the status of my research outcomes. The importance of understanding metatheoretical assumptions is supported by many commentators (Morgan & Smircich, 1980; Cunliffe, 2011; Coule, 2013) for its 'practical consequences' for the way that we do research, how topics are approached, where researchers focus their studies, what constitutes 'data' and how it should be collected and analysed, how we theorise, and how we write up research accounts:

> *'There is considerable diversity in the different methods available to the researcher seeking to access the organizational world... any process of methodological engagement inevitably articulates, and is constituted by an attachment to particular philosophical or metatheoretical commitments' (Duberley, Johnson, & Cassell, 2012, p. 15)*

3.2.1 Interpretivism

The intended outcome of my research is a context specific, time-bound understanding of individual and organisational action. The goal - to understand the process of 'world making' (Schwandt, 1994) and the ways that people actively establish and re-establish the meanings they use to organise their experiences within a specific hybrid organisation. To this end, my research approach is undertaken within the interpretive tradition. In aligning with this tradition my stated ontological position (or my sense of reality - whether phenomena exist independently of my knowing and perceiving them) is realist. I see social structures – in the context of this study, institutions – as having an existence independent of human cognition, but are not necessarily cognitively accessible to researchers. Importantly, I do not take social structures to be fixed, enduring realities; rather they are amenable to manipulation, creation, maintenance, transformation and destruction by human actors.

Research within the interpretive tradition *'takes human interpretations as the starting point for developing knowledge about the social world'* (Prasad P. , 2005, p. 13). Whilst some scholars would dismiss interpretive research as

a limited approach suffering because it centres exclusively on micro-worlds of individual interactions, Prasad argues that:

> *'As interpretive organizational research comes of age it begins to bridge the gap between micro-practices and macro-structure and to work on establishing the connections between local subjective worlds and macro organizational and institutional processes and phenomena' (Prasad P. , 2005, p. 7).*

This ability to bridge the micro and macro worlds of individuals, structures and external environments aligns to my interest in the interplay between macro level institutional logics and micro level institutional work and therefore an appropriate tradition for my research.

Central to Interpretivism is an acceptance of Verstehn (Outhwaite, 1975) so it would be remiss not to acknowledge the significance of this and how it played out in my research. Verstehn suggests the possibility for researchers to access and understand, through investigation, the meanings and interpretations research participants subjectively ascribe to phenomena to explain how they experience, sustain, articulate and share with others their socially constructed everyday realities. Whilst this ability to access and understand is critical to this research, it comes with the implication that I inevitably privilege my interpretation of the participants' experiences and realities and, in this very act, contribute to the creation of research accounts and knowledge claims. As such, reflexivity plays a central role in ensuring interpretations have strong congruence with research participants' accounts (see section 3.3.2, page 40 for discussion of my approach to reflexivity).

3.3   Research Strategy (Methodology)

My research constitutes an embedded ethnographic study. I position ethnography not as a research method, but as a way or writing about and analysing social life that prioritises close and intensive observation in the gathering of information and insights and uses many research methods to '*get into' the head of organisational members'* (Watson T. J., 2011, p. 202). Considered to '*occupy a surprisingly important position'* in terms of competent and interesting management research (Fine, Morrill, & Surianarain, 2009, p. 602) with its ability to reduce puzzlement – of researchers as well as readers

(Van Maanen, 2011) – ethnography contributes to organisational studies in numerous areas of enquiry including:

> *'The elaboration of informal relations; organizations as systems of meaning; organizations and their environments; organizational change; ethics and normative behaviour and; power, politics and control' (Fine et al., 2009, p.602).*

By 'embedded researcher' (Lewis & Russell, 2011) I mean that I am a *'complete member'* (Brannick & Coghlan, 2007) of the focal organisation and present myself as being been in the *'waiting room'* (Mannay & Morgan, 2015) for some 14 years prior to starting this study as opposed to temporarily joining the focal organisation for the purpose and duration of the research.

Placing human interpretations as the starting point for developing knowledge about the social world (Duberley et al., 2012), this ethnography sought to understand and interpret how individuals make sense of their life-worlds, the ways in which individuals construct and make sense of social situations (Garfinkle, 1967; Weick, 1995) and the ways schemas are put into practice and accepted, altered or rejected (Prasad, 2005) in the face of hybridity. As such, providing localized understanding of meaning making as it occurs from a few vantage points within the focal organisation required a high level of 'ethnographic being there' (Glaser & Strauss, 1967; Bate, 1997; Van Maanen, 1998; Brannan & Oultram, 2012). The process deployed rested on a *'logic of discovery and happenstance rather than logic of verification and plan … subjecting the self... to a set of contingencies that play on others such that over time… one can see, hear, feel and come to understand the kinds of response others display (and withhold) in particular social situations'* (Van Maanen, 2011, pp. 219-220).

That said, ethnography is not without criticism. Three main criticisms are levelled against it, namely: that there is a lack of control over what is studied; that it is susceptible to the possibilities of researcher bias and; that it lacks enumerative generalizability. These are generally countered by the potential of ethnographic approaches to allow for deeper understanding of the topic being studied, and provide for multiple perspectives and opportunities to examine processes (Fine et al., 2009). Its strength as a methodology has been positioned as: its ability to *'elucidate (two) aspects for which other*

methodologies are less suitable - its hidden dimensions and its actor-context relations' (Yanow et al., 2012 p.335); its ability to discover subtleties in both meaning and behaviour as they unfold in situ (Dalton, 1959); its ability to reveal unintended consequences of intended managerial decisions (Goffman, 1956) and; its ability to illustrate *'how things work'* (Van Maanen, 2011 p.218).

Because this research aim is to reflect on and understand the experiences of actors within a given context and time to gain some insights which may provide an understanding that extends beyond the individual and into the wider context of organisations and institutions (Musson, 2004, p. 35), ethnography is an appropriate methodology for my research. The attention it allows me to give to how the focal organisation operates as on-going concern, the exploration of daily social interactions, routines and rituals and to the identification of mechanisms through which organisational behaviours occur (Fine et al., 2009) is a real strength. In short, it is well suited to generating greater understanding of the processes and logics at play in the focal organisation and how they are used to achieve and or subvert actions and behaviours and to inform future planning and operations to support the focal organisation's sustainability.

3.3.2 Reflexivity

Being an embedded researcher meant that I benefitted from immediate access to many different actors and data sources and an ability to participate in daily routines and concrete work situations (Covaleski & Dirsmith, 1988; Dent, 1990). This enabled me to see contradictory rationales and divergent viewpoints, highlighting similarities and difference between the perspectives as they emerged and evolved over time. That said, whilst my 'natural access (Alvesson M. , 2003) was of practical benefit, it did require me to give much thought and planning to the avenues of exploration. Without this I was at risk of chasing many different discussion's and disappearing like the preverbal 'rabbit down a rabbit hole'. My 14 years in the organisation prior to beginning this study could be deemed valuable time spent in the '*waiting field with the opportunity to explore the times when real lives carry on before the intrusion of the data production process*' (Mannay & Morgan, 2015, p. 166). Arguably, however, this also carries the risk that I may be blind to the assumptions, beliefs

and knowledge claims that I bring to any interpretation; there is after all *'something of the judger involved in the judgment'* (Emerson & Pollner, 1976, p. 244). Therefore, the critical appraisal of my own assumptions and research practices and my ability to turn back upon and take account of myself (Weick, 2002) was an important part of the research process. In pursuing a rich congruent interpretation, reflexivity must go beyond simply questioning the truth claims of others and considered my role in making knowledge claims.

Furthermore, as an 'insider researcher' I was cognisant of the potential risks, personal stakes and emotional investment that I had in the research setting. There were occasions where I felt that my access was of a sensitive nature and this impacted on my ability to share and validate my interpretations. See for example chapter 6 where I was both the researcher and the line manager of one of the protagonist. Whilst such closeness can be challenged as reducing the ability for objective, valid research (Anderson, Herr, & Nihlen, Studying your own school, 1994 Anderson & Herr, 1999) as a result of personal stakes I conteract this percieved limation by suggesting that this closeness enabled a level of pre-understanding (Brannick & Coghlan, 2007, p. 72) that when combined with activite reflexivity enabled a particulary richness of interpretaiton and understanding which is a stregth of this research.

My reflexive processes therefore incorporated multiple layers and levels of reflection within the research, including (also see figure 6 below):

> *'The relationships within the production of knowledge (epistemology), the processes of knowledge production (methodology), and the involvement and impact of the knowledge producer (ontology)' (Duberley, Johnson, & Cassell, 2012, p. 73)*

Figure 6: Four stage reflexive process - adapted from (Hibbert, 2012)
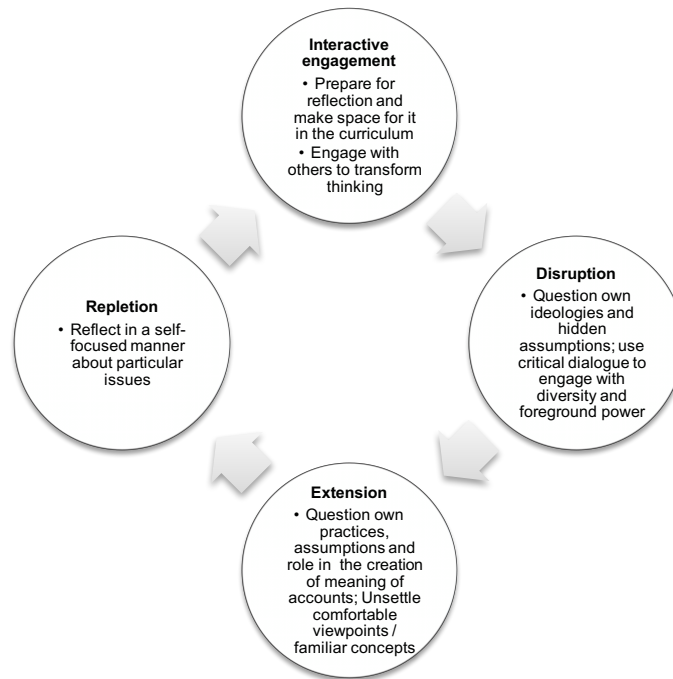
In practice, my reflective processes included the following

Table 1: Reflective processes

Interactive engagement	(a) Reading scholarly articles to get an appreciation of approaches to reflection in practice (b) Negotiated frequent study days from work to enable me to create quieter space to reflect upon and challenge my interpretation (c) Set up internal reviewer group and employed open communication and talked about progress, thinking and interpretations (non-personalized) in several forums to develop perspectives (e.g. dining room, team meetings, peer groups)
Disruption	(a) Set up supervisory meetings to challenge my thinking and look at alternative ways of thinking. (b) Committed to writing up my reflections and frequently reviewing to understand and challenge the assumptions and feelings that I have expressed at different stages of the study
Extension	(a) Through reflection continually challenged what I was bringing to my interpretation. (b) Gave much consideration to my 'work role' and how this may impact on my interpretations but also how others presented things to me.
Repletion	(a) Created opportunities to speak to others who were outside of the organisation to get their perspectives on my findings and interpretations – these included financially successful entrepreneurs; pure charity workers and academic peers.

I spent time focusing on the thoughts and assumptions that guided my interpretation of the discussion that had taken place. I recorded how I had made sense of the conversations and elicited new observations for future lines of

enquiry through use of a research log. I noted the emotions that conversations and observations evoked in me and by doing so acknowledged that they are *'crucial to how the social is reproduced and the relationship between the process of research and the final research product'* (Haynes, 2012, p. 85). As part of this reflection I considered the effectiveness and processes of data collection, considering issues such as ethics, power relations and language use.

This post reflection raised my awareness of and helped me deal with challenges in conducting the research as an embedded researcher. One example of reflection in practice was when I almost corrected an interviewee who I felt had incorrectly described a technical process (that I had implemented in a work role some 5 years previously) during an interview. As I was about to make the correction I realised that the interviewee's representation reflected how they made sense of the process within the current context and making the correction was outside of the scope of my researcher role. This experience highlighted the need for me to be aware of the role that I was playing during discussions as I was at times both a researcher and a member of staff with a role in logic creation, maintenance and transformation. It was important that I maintained a reflexive awareness of *'my shifting sense of self as both the subject and the object of research… belonging to the research and being outside it'* (Hynes, 2012, pp. 84-85)

Another example of reflection in practice occurred whilst reflecting on the relationship between my work role and those that I was researching which arguably *'goes beyond the temporal parameters of my research project'* (Tietze, 2012, p. 54). I felt that the seniority of my work role had potential implications for my researcher role, for example, it brought with it potential issues of ethics, the use of the information collected and power relations within the data collection process (Waddington, 2004). Talking with my academic peer group and my supervisor I acknowledged the potential that others may; (a) hesitate to share their experiences or feel under pressure to present their experiences in a way that they felt was acceptable because I was a director and/or, (b) may use the opportunity to lobby me for some changes they wanted to make and /or (c) may react emotionally to my findings if they felt that I was making judgements

on them or, representing them incorrectly or sharing some information that was given to me in confidence. By becoming aware of the constitutive nature of the research conversations it became clear that I needed to be open and transparent about my dependence on the researched, implement steps to check the interpretations of meanings I assigned to the data and, ensure that I continued to reflect on the established relationships that will be taken into the research project and which may influence the data generating, collection and interpretation processes. Following this reflection, I implemented several actions. At an organisational level I published my research programme on the intranet and through new staff induction briefings explaining the goals of the research, how it would be carried out, how data would be used and a clear escalation plan – both internal to the organisation and externally through my supervisory team should anyone have any concerns about the research programme or my conduct. (see Appendix 3 – Research Notice (Bain, 2012)). For formal interviews, each participant received a written letter outlining the purpose of the research and how I would use the information. Each participant was given a unique reference to make their comments anonymous and recordings of the interviews were transcribed by an independent external organisation ensuring that no one in the focal organisation apart from me and the participant had knowledge of the conversation. Copies of respective transcripts were provided to participants with a commitment to amending any comments retrospectively for whatever reason if they wished – no one requested to amend their transcript following review.

I selected three reviewers from the organisation, asking them to reflect and feedback on my interpretations from the focal incidents, whether they recognised my interpretation and if it had any congruence with their experiences and perceptions and if my interpreted was credible to them.   All reviewers have central roles that span across the focal organisation giving them breadth of experience of the different teams and actors; none was directly involved in any of the incidents. One reviewer had been employed within the focal organisation for over 20 years (and five CEOs), bringing a breadth of background knowledge and perspective; the second was from the same profession as the CEO which arguably has some commonality of sense making (see musing 2 on page 20) and finally, reviewer 3 was an external consultant

who has worked within the focal organisation in a central management role for six years and thus brings a relatively 'outside' perspective. See Appendix 3 – Profile of interviewees / reviewers for an overview of the reviewers and Appendix 5 – Example of Internal Reviewers Feedback for an example of the quality of feedback received. This feedback was received in respect of Chapter 4, Making Sense of a Hybrid, and alleviated my initial concerns around whether the organisation was experienced as a hybrid by others (see musing 5 below).

I discovered reflexivity in action required me to think about my experiences, question my way of doing and reflect on the intellectual, perceptual, theoretical, ideological, cultural, textual and cognitive principles and assumptions that informed my thinking (Hynes, 2012). The 'musing box' (5) below represents some of my thoughts as I considered my own role in this research. Taking this musing into a supervision session we discussed how my instinct that something big was happening should be used to motivate me to explore how others made sense of the organisation and how (or indeed if) they experienced different logics and made sense of them. The discussion from this musing became quite significant in my research design. It resulted in my implementing a two-phase approach to my research, with phase 1 being specifically directed at answering my questions around whether the focal organisation was experienced as a hybrid by anyone other than me and if it was experienced how was it experienced (see the next section for further details).

Musing 5

> *September 2014:* *After reading 'We're real here: Hooters girls, big tips and provocative research methods' (Rasmusson, 2001) specifically around the researchers reflections around the assumptions and beliefs that were driving their interpretations I began thinking around what led me to believe that the focal organisation was a hybrid and what position I had on logics I perceive to be at play – was I coming from a critical perspective, a perspective that 'judged' one logic to be better than another, were there indeed even different logics at play or was I simply struggling to cope with a change of CEO? I asked myself the following?*
>
> 1. *Is my research interest constructing a hybrid organisation where for others it does not exist?*
> 2. *What if the problem isn't the existence of competing logics but my reaction to changes being made by a new CEO*
> 3. *What do the competing logics even look like - how will I be able to recognise them?*

3.4   Research methods

This research design chapter opened by noting the 'considerable diversity' of methods available to the researcher seeking to access the organisational world and the need for methods to align with a methodology that articulates and constitutes attachment to metatheoretical commitments (Duberley et al., 2012 p.15). So far, I have sought to articulate my philosophical stance and its implications for the production of knowledge claims.   In this current section I expand on the phases and methods of the study, namely interviews, direct observations and document analysis aimed at describing and interpreting the experiences of organisational members (Fine, Morrill, & Surianarain, 2009)

I approached 'data' collection in two distinct but interrelated phases, which are summarised in figure 7 below. The first phase focussed on the research context and if and how organisational actors experienced and made sense of different logics within the organisation. The second phase focussed on incidents that appeared to have potential to shed light on the substantive questions guiding the overall research programme.

Figure 7: Research phases and associated methods

- **Phase 1 Questions**
- Do different/competing logics exist?
- How are they experienced (seen, felt, described, actioned)?
- **Research methods**
- Document analysis
- Interviews with organisational actors
- Observation

- **Phase 2 Questions**
- What is the nature of institutional work undertaken to navigate multiple logics?
- Who influences such work and how?
- What happens if 'insiders' do not see the dominant logic as legitimate?
- **Research methods**
- Document analysis
- Interviews with actors involved in critical incidents
- Observation

In sum, I undertook a total of 26 in-depth interviews (or purposeful conversations) (see table 2 on page 48) which were recorded and transcribed. A copy of the full transcript was provided to participants for review and clarification through a supplementary interview if they felt they had not

represented a response as they wished - in the event, this type of addendum never happened. A field journal was kept and updated regularly to include my reflections (musings) and observations. During formal and informal discussions, I provided a description of the locations, situations and actions being observed and emotions evoked. For instance, during meetings, the people (those present, their dress code, positions around the table) and their conversation (order of speaking, content of discourses, tone including jokes, serious humour and small talk) were recorded. This proved unproblematic in that I had freely communicated my research within the organisation and my research log quickly became somewhat like the furniture – unquestionably accepted. Documents, or written texts, were useful in exploring the construction of stories and shared narratives about individuals and the organisation over time (Hodder, 2003; Paulson, 2011; Lee, 2012). The texts analysed included strategy documents, records of management meetings, published annual accounts, staff newsletters and films/presentations from staff away days. Table 2 (page 48) provides an overview of the various data sources before they are discussed in detail in relation to the two research phases.

3.4.1 Phase one

Returning to my earlier musing (see musing 5 page 45) I firstly wanted to understand how individual actors experienced the focal organisation from a logics perspective, specifically looking to: get an understanding of whether different logics were experienced; if they were experienced how they were seen, felt, described, actioned and; how actors made sense of navigating them. This was the purpose of phase one and to that end I immersed myself in analysis of organisational texts, interviews with organisational actors and participant observations.

This initial phase consisted of fourteen audio-recorded and transcribed interviews, lasting approximately one hour each, with: two trustees; one current and one previous CEO; three senior managers, three middle managers; three (non-management) staff and one graduate. In total, there were 251 pages of interview transcripts. Participants were chosen both for pragmatic reasons (ease of access) but also to get a breadth and variation of experience amongst interviewees (King, 2004; Alvesson & Ashcraft, 2012) (See Table 3 page 49 for

profile of interviewees). Specifically, I was looking to get perspectives from the different areas of activity, job seniority and length of employment with the focal organisation. I did not select on age or gender of the participants as I did not feel it was relevant to the context of the study.

In the interviews, participants were asked to share their own perspectives and experiences (Alvesson & Ashcraft, 2012, p. 241) beginning with their interpretation of the core purpose of the organisation and how their role fitted within this. Interviews were loosely structured and conversational in style, allowing participants to pursue topics they regard as interesting and important, thus facilitating a richness of content (Alvesson & Ashcraft, 2012, p. 248) and reducing the potential for participants merely to respond to researcher determined parameters. This approach comes with the risk that participants move in directions that are of little or peripheral relevance to the research (Fine, Morrill, & Surianarain, 2009). I counteracted this risk through reference to a loosely structured interview guide (King, 2004) or aid memoir, which evolved in respect of topics as they emerged throughout the process and centered on the aims of the organisation and how work is prioritised and success measured. Interviews were recorded and copies of transcripts were provided to each participant for their review and comment. Following each interview, I reviewed the format and experience as part of the reflexive process (see page 40 for a discussion on reflexivity). In addition, I observed two functional team meetings (finance and governance team and sales team) to get an appreciation of the issues that they were dealing with and the types of language they used. I read three strategy documents (from the period 2007-2016) to see what issue were being dealt with, how the organisation was being positioned, what the key priorities were and what constituted success. I undertook a physical environment scan, walking around the offices looking at the physical set up and symbolic messaging on the walls to understand what key messages were being presented. I referred to minutes of previous meetings I had attended and copies of my personal appraisal and other institutional documents that I had gathered within the context of my role. I acted as participant observer in meetings that took place throughout my study and included Board meetings (volunteer trustees); management meetings; meetings of the member representational group and functional team meetings (see Table 2 below for details).

Table 2: Summary of sources

Phase	Title	Individual interviews / purposeful conversations	Documents		Participant observation
Total		26 interviews with 19 individuals [350 interview transcript pages]	98 documents [2,566 document pages]		Attendance at 25 meetings as participant observer
1	Making sense of hybridity	14 [251 pages of interview transcript]	1374 pages	Strategy documents; Website pages; charter document; Trustee meeting minutes; Senior executive meeting minutes; Staff away day films and presentation; Project and budget documents	• Trustee strategy setting meetings • Senior executive meetings • Functional team meetings (finance, governance and sales)
2	Incident 1: Public good versus commerciality	6 [118 pages of interview transcript]	114 pages	Job descriptions; Key performance indicators; ICT data flow document; Project document (P&L scoping Nov 14); Training handouts; Reflective log	• Monthly senior executive meeting • Training presentation (preparing for audit)
	Incident 2: The bonus setting process	1 [27 pages]	500 pages	Job descriptions; Regulations / terms of reference; Email; Meeting report; Citations; Pay policy; Meeting minutes; Staff away day films and presentation; Reflective log	• Finance committee (July 2015) • Trustee meetings (8 Sep 2015, Dec 2015, Mar 2016)
	Incident 3: The governance setting	5 [102 pages]	578 pages	Job descriptions; Regulations / terms of reference; email; Trustee meeting minutes; Reflective log	• Trustee meetings • Senior executive meetings

Table 3: Interview candidates phase 1

	Role level			Relationship with focal organisation					Role description [as by team position in organisation]				
	Senior	Middle	Other	Volunteer	Previous employee now retired	Employed	Consultant	Years in role	Trustee	CEO	Commercial	Regulated	Services
Interviews [n= 14]	Strategic leader or trustee	Accountability for a function	Team leader, administrator, graduate placement								Responsible for revenue and profit	Responsible for setting standards and / or regulated by an external regulator	Cost centre providing services to organisation such as finance HR / governance
	1			1				5	1				
	1			1				2	1				
	1					1		6		1			
	1				1			10		1			
	1					1		8			1		
		1				1		2			1		
			1			1		3			1		
	1					1		10				1	
			1				1	5				1	
	1					1		23					1
		1					1	6					1
		1				1		5					1
			1			1		3				1	
			1			1		3					1
Total	7	3	4	2	1	9	2	91	2	2	3	3	4

At times, it was difficult to remain a 'conscious researcher' at meetings as I was often acting as a routine participant, forming relationships and participating in activities at the same time making no secret of my intention to observe events (Waddington, 2004). In doing this I needed to consider my own experiences as an important and legitimate source of data (Tietze, 2012, p. 55). To mitigate against lapse of attention (privileging participation rather than observation) I systematically recorded data through a mixture of note taking on descriptions of people, events and conversations as well as recording and transcribing the recordings where possible. For more formal meetings I could use the formal minutes of the meeting to supplement observational data but being mindful that minutes are themselves a political artefact and shaped by individual sense-making of the meeting conversation. Respectful of the need to be able to approach the data from multiple possible interpretations (Tietze, 2012), the process of reflexivity was an essential feature of participant observation (Waddington, 2004).

Phase one analysis. The purpose of phase one was to establish whether organisational actors experienced different/competing logics within the organisation and if so how they are seen, felt, described, actioned. It was these questions that shaped my analysis. As I listened to the tapes, read through transcripts and documents and reflected on my experience in the field I noticed several phrases that individuals used to position the different areas of the focal

organisation. This caused me to review the sources in relation to Bakhtin's (Bakhtin, 2002) notion of living conversation (seeing conversation among people as a never-ending process whereby one person's message joins with that of another and one person's meaning joins with that of another) and my question then changed to 'what is the nature of the work undertaken within these different positions; how is such work influenced and how do individual actors navigate across and make sense of these different positions?'

In this way, I began to build a schematic (see chapter 4) of the different ways people position the organisation and the logics that underpin these positions through an iterative process of reading and re-reading accounts. This reassured me that others, besides me, experienced different logics at play within the focal organisation. Specifically, these coalesced around notions of public good and commerciality. This insight enabled me to move onto phase two and identify 'incidents' to develop understanding of how organisational actors deal with the presence of multiple institutional logics and what implications this has for the nature of organisation (structurally, politically, symbolically and rhetorically).

3.4.2 Phase two

This second phase involved the identification of incidents or cases of institutional work that cut across competing logics. It is important to note, however, that I did not endeavour to undertake the traditionally positivistic approach of critical incident technique (Chell, 1998; Chell & Pittaway, 1998; Pittawell & Chell, 1999), but rather used 'critical incidents' as the mechanism to guide the focus of data collection and write up the findings. This was helpful in terms of bounding the purposeful fieldwork within an embedded, longitudinal ethnography and offers an alternative to the commonly adopted thematic presentation of data. In identifying what seemed to be a 'critical' incident, rather than just another incident, I observed the level and significance of 'noise' or 'turbulence' created within the organisation (i.e. how much and what kind of attention did the incident receive, from whom, for how long and why). In practice this study, involved three 'events' or 'incidents' where there were opposing perspectives, as summarised in the Table 4 below.

Table 4: Summary of incidents

Ref	Location	Title of incident	Summary of incident	How incident was identified
1	Chapter 5	Data sharing	Involved a challenge from one department that another department had sent out an un-authorised marketing email and in doing so restricted data was accessed in an unfair way, putting the organisation at risk of regulatory breach.	In my everyday work, I became aware of emotionally charged conversations between three departments (A-made challenge; B – potentially misused data and C – used the data to send out a communication).
2	Chapter 6	The bonus setting process	This incident explores the institutional work undertaken to bring in a change to the bonus structure and the challenges faced from protagonists.	In my role, I was directly involved in the development of the proposal and attending meetings to gain approval.
3	Chapter 7	The governance setting	This incident relates to a Board challenge to the legality, authority and process of another body.	I attended several meetings where I became aware of a narrative of challenge around the governance of an elite committee. Specifically, this came to my attention due to of the longevity of the narrative of challenge.

At this point, it is important to again acknowledge the influence of my 'insider' role (Brannick & Coghlan, 2007) on the identification of incidents.   As an 'elite actor' (though my role on senior management team), I had access to a certain type of conversation shaped both by my leadership and my functional remit. As such my access to conversation and therefore awareness of potential incidents is undoubtable shaped by the theoretical and experiential knowledge and access that I brought to incident identification process   Equally it was my awareness of this influence that enable me to use the reflexive process (see table 1 and figure 6) to reframe and develop my understanding and interpretation of the situation.

Incident 1 – Data sharing. Fieldwork relating to incident one consisted of three taped and transcribed interviews, lasting approximately two hours each with two senior managers and a consultant involved in a specific project. In the interviews participants were asked to share their perspectives and experiences (Alvesson & Ashcraft, 2012, p. 241) on the incident and how they made sense of the issues involved. Additionally, I revisited the transcripts of three phase one

interviews where interviewees had referred to the incident in their phase one interview to get an appreciation of how the incident was made sense of by those who were not directly involved. Again, I brought to the process my experiences as an organisational actor. For example, in my time with the focal organisation I had been responsible for the Information Technology (IT) team (so was familiar with the data sharing policies and data protection regulations) and for the operational activity that caused the incident (so was also familiar with the regulatory framework). Furthermore, as a colleague of the two senior managers, having worked directly with them for more than 5 years, I had my own relationship with them and brought to the discussion my experiences of their personalities and motivations and knowledge of their individual roles and relationships with other parties involved.

I termed each interviewee a protagonist in recognition that they were an advocate of a logic in this case 'public good' or 'commercial'. Analysis involved an iterative process of reading and re-reading the protagonists accounts to build up an understanding of the different perspectives, what institutional work was undertaken and what strategies they deployed (rhetoric, structural and political) to perpetuate and defend their respective preferred logics.   As with the interviews in phase one, participant identities were anonymised, interviews recorded and externally transcribed.   Participants were provided with their transcript and I completed a reflective log after each interview, recording my initial interpretations about what was going on for the protagonist. Finally, I provided a copy of my interpretations to three reviewers and invited their feedback on my interpretations and the extent to which it made sense and appeared credible to them, thus contributing to the reliability and authenticity of knowledge claims (Fine et al., 2009).

Incident 2 - The bonus setting process.   This incident was of a more confidential, sensitive nature in that the context of the incident (approving a new bonus) was one with the potential to affect staff terms and conditions of employment. I was closely involved with the events as they unfolded as, at the time, my job role included responsibility for Human Resources (HR) and I line managed the HR team.   This allowed for a direct observation and involvement in conversations and processes as the incident unfolded. For these reasons, I did not feel the need for additional methods of data collection and as such the

sources of data for this incident are organisational documents in the form of minutes of meetings, drafts of formal papers, nominations for bonus awards to map the changes made to the bonus scheme over time (2007-2016); observation field notes of committee meetings and a reflective diary.   As in previous chapters, to enable interactive engagement I provided early drafts to the reviewer group asking if 'it make sense to them, was it a credible interpretation'- thus contributing to the reliability and authenticity of the knowledge claims (Fine, et al., 2009). Importantly due to the sensitivity of the subject matter I did so only after the approval process was completed.

What struck me most about this incident, was the strength of individuals' positions and that, on this occasion, there appeared to be two opposing perspectives towards a bonus scheme. The first view reflected a belief in 'economic man' with its assumption that human behaviour is driven by financial reward. As such, the status of a bonus scheme was important, the focus was on maximising the value of the bonus and the success measures were purely financial. The alternative view positioned the bonus as 'nice to have', a means of showing what matters in terms of input (behaviours and means of achievement). As such the bonus was a way of messaging what mattered and a way to say thank you to staff.

Incident 3 - The governance setting. This incident was of a political (distribution of power) and regulative nature and one that was causing a good deal of frustration to elite actors (as indicated by the tone and volume of conversation around this matter).   My research consisted of four taped and transcribed semi-structured interviews, lasting between one and two hours with one trustee and three senior managers, two of whom had more than twenty years service within the focal organisation. My initial interview questions were positioned around the current structure of governance and how interviewees made sense of the changing governance structure. From this other questions emerged regarding the work undertaken by specific individuals in relation to structure changes and what challenges they faced in doing so. Additionally, I returned to the transcript of one interview in phase one who had referred to the governance setting.

Additionally, 'my insider role' enabled me to be observer participant in eight trustee meetings during September 2014-December 2016 where this

matter was discussed. At the end of each meeting I recorded my reflections, thoughts and feelings in my research journal which were used as part of my reflexive and interpretation process and in discussion with my supervisor. Trustee meetings were supported by organisational documentation (such as presentations, minutes, draft proposals for changes to terms of reference) which related to the structural changes undertaken and the discussions relating to them which I used in conjunction with the interviews and my journal notes. As I listened to the tapes and reviewed the transcripts, documents and journal notes, what struck me most was the iterative changes made to structure over time - almost as if by making small incremental changes, actors were reducing the risk of challenge and making changes by stealth. Ironically, however, the 'professionalization' rationale for the changes resulted in the recruitment of agentic powerful actors with knowledge of governance to the extent that they directly challenged the structure that brought them to the organisation in the first place.

Phase two - analysis of the incidents. The purpose of phase two was to understand the implications hybridity has on the focal organisation (structurally, politically, symbolically and rhetorically), how actors navigate and operate within an environment of competing logics and what happens if other actors do not see the proffered logic as legitimate. I first repeatedly listened to the audio-recordings, reviewed documents and research journal entries. I drew free-hand sketches to develop visual mind maps of who was involved, what roles they played, what was occurring and how different aspects of the incidents related to other aspects. I then wrote an incident narrative, including a) precis of the incident b) the data that relates to the it c) identification of the protagonists and where appropriate d) how the incident relates to the wider organisational environment e) what happened from the protagonist perspective and f) a summary of my interpretation. The findings chapters are structured around these major headings (see chapters 5-7). From the individual incident mind maps and narratives, I noticed some recurring concepts and themes which were again mapped visually to aid theorisation across the incidents and form the basis of the discussion in chapter 8. In having this approach to my analysis, I am respecting the role of 'noticing' as an important part of the research process. (Cunliffe & Eriksen, 2011, p. 1431).

As before, I read and re-read the documents and transcripts in an iterative manner, looking for surprises or unexpected data and at times cycling between the documents and the literature to refine and build a picture of understanding. I sense-checked and refined my understanding through the group of people who reviewed chapters and in conversations with my supervisor, looking to ensure that my interpretation was received as authentic and credible, that it resonated and had meaningful congruence (Johnson, Buehring, Cassell, & Symon, 2006) with this group of organisational actors. (See figure 8 below for a pictorial overview of the process). For example, I developed the idea of rhetorical work because I read the work of Turco (2012) who puts at the heart of organisational change euphemistic discourse, or creating the appearance of inoffensive messages. What was noticeable in the transcripts and documents was the use of this tactic by elite actors within their rhetorical work. I then went back to the transcripts to see exactly how they were doing this and found three core processes: elite actors gave protection to an existing symbolic order to provide an underlying structure of meaning for participants; elite actors used a nestling strategy which embedded new ideas into the existing script to provide legitimacy; from the nestling approach the existing discourse was evolved to create a bridging narrative (see chapter 8 for a full discussion).

Figure 8: Illustrative sequence of analysis
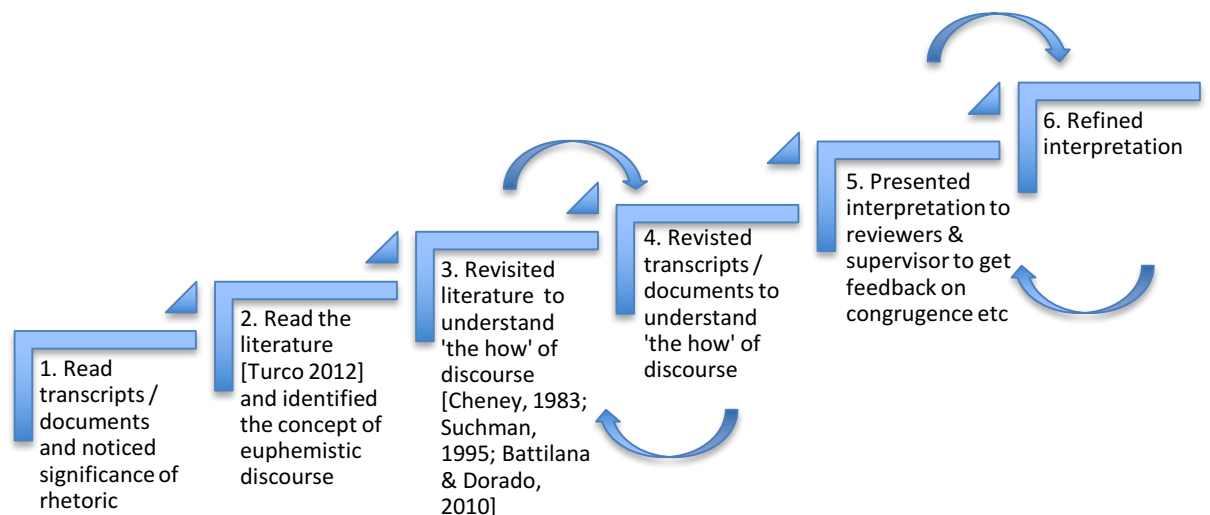
As another example, I developed the notion of institutional work taking place at different levels from reading the work of Gawer and Philips (2013). Whilst their research question was broader than mine, in that they were considering institutional work at a field and organisational level, their findings from an in-depth case study into Intel Corporations sensitised me to the notion of institutional work at both 'practice' and 'identity' levels. Specifically, I reflected on the activities I had identified in the focal organisation relating to hiring, performance management and reward strategies against Gawer & Phillips discussions to develop a process model of institutional work within the focal organisation. I discussed early drafts of this process model with my reviewers to get their perspective on the types of activity and my supervisors to refine the terminology I used to describe constructs. 'What phenomena does a label represent' proved to be a frequent topic of conversation. Thus, the outcomes of my analysis are the rich points of my interpretation of documents, transcripts, research journal entries and observation notes. This thesis includes words and moments that appear to carry significance to the organisational actors (of which I am one) within the temporal boundaries of this study, interwoven with insights from the literature to theorise and highlight features of institutional work.

3.5   Assessing my research

The methodological choices I have laid out hold implications for how my research should be assessed. I have taken the approach suggested by Symon and Cassell (2012, pp. 204-223) by making explicit the basis or quality criteria on which this work should be judged. This is outlined in Table 5 on the following page.

3.6   Chapter Summary

This chapter described and justified the research design for this study. The intended outcome of this research is a context specific, time-bound understanding of individual and organisational action within a specific focal organisation. Aligned to the interpretivist tradition, I take human interpretations as the starting point for developing knowledge about the social world, acknowledging my role in knowledge creation. In this chapter I discussed how I used interviews, documents and participant observation to achieve the

overriding aim of telling the story of individuals' experiences and sense-making within a given context and time and provide insight into the process of navigating multiple logics that could contribute to the sustainability of the focal organisation. Specifically, I outlined the philosophical tradition underpinning the research, the overall ethnographic research strategy, the two phases of research in respect of data collection and analytical processes and the quality criteria by which the thesis should be judged. Having done so, the next chapter is the first of four findings chapters establishing the focal organisation as a hybrid and identifying what logics actors construct in their accounts of the organisation.

Table 5: Suggested Quality criteria (adapted from Johnson et al. (2006); Tracey (2010); Symon and Cassell (2012))

Objective	Quality Criteria	How I have honoured the quality criteria
Worthy topic / significant contribution	• Provides practical outcomes	• Use of active incident as they occur to show how institutional work emerged in action and associated intended and un-intended consequences • At an organisational level, the thesis is supported by an executive report to share with trustees and CEO on tactics and approaches that support the maintenance of the hybrid organisation
	• Interesting - addresses the 'so what' issue	• Challenges and extends existing theoretical and practical understanding around complexity of institutional work, agentic actors and challenges faced by hybrids in a context where hybridity is becoming increasingly commonplace
Rich and transparent rigor	• Technically competent	• Demonstrated by the level of fieldwork undertaken • Extensive and critical analysis of literature • Transparency of analytical process
	• Acknowledges complexity	• Using protagonists, I seek to show the 'messiness and complexity of everyday life' • Challenging the literature's binary, linear and rational presentation of shifting logics
	• Includes rich descriptions and a variety of relevant theoretical and methodological concepts	• Capturing the richness of participants' stories through incidents • Inclusion of lengthy passages of transcripts supplemented by detailed analysis rather than small broken segments of text that are removed from context • Building the richness of descriptions through multiple data sources
Sincerity	• Evidence of reflexivity, honesty and transparency • Logical inference – not going beyond the data	• Use of reflective journal and musing boxes to share my thinking and feelings at various stages of the research • Continual checking back with the review group on my interpretations • Use of supervisions to challenge assumptions and open up alternative interpretations
	• Giving a balanced account	• By using a protagonist approach, I have aimed to provide multiple and conflicting perspectives • By including musings boxes, I seek to expose my perspectives and assumptions throughout the study.

Objective	Quality Criteria	How I have honoured the quality criteria
Credibility	• The report appears trustworthy and morally actionable	• Despite providing copies of individual transcripts, no interviewee asked for any changes to be made and there were no requests for transcripts to be retracted • Use of independent but embedded reviewer group • Although this thesis is embargoed I have provided an executive report for the organisation which focuses findings but removes political sensitivities
	• Theoretically informed	• Interpretations of actor's accounts interwoven with theoretical understanding from extant literature
Ethical	• The research process has encompassed SHU ethical practices	• Frequent reference to Director of Studies, specifically when issues of confidentiality arose. Compliance with SHU research ethics and research integrity guidance including full research ethics approval by the faculty research ethics committee and completion of (DBConf) due to political sensitivities and to ensure no harm to focal organisation and interpersonal relationships within it.
Meaningful coherence	• Research outputs and conclusions are meaningful to the audience	• Continual checking back with the review group on interpretations
	• Epistemologically congruent	• This study does not presume that I (researcher) am some impartial, value-free entity engaging in the research process to produce objective accounts of ratified truth. My analytical strategy is coherent with this tradition. Rather it embraces the perspective that I bring implicit and explicit theories to the research process and context and accepts that my task as the ethnographer is to surface theories which 'balance between theory in the researcher's head, theory employed by the people in the research situation' (Musson, 2004, p. 35) and theory as it is already understood (as shown in extant literature)
	• An eloquent interconnected research design, data collection and analysis that align with the theoretical framework and study goals	• Use of narratives to provide a richness of descriptions and activities within an overall study aimed at subjective meaning or world-making. • Continual practice of reflexivity and in additional frequent reference to extant literature
	• Convincing, telling a believable story	• Through incident-focussed data collection and analysis, I have used contextualised events told through rich narratives from participants, organisational documents and observations.

Chapter 4 - Making Sense of a Hybrid Organisation

4.1 Chapter Introduction

The purpose of this first findings chapter is to:

(a) Elicit if the focal organisation is experienced as a hybrid organisation by organisational actors – other than myself (see musing 2 on page 20 and musing 5 on page on page 45);

(b) Explicate the nature of the logic(s) at play in the focal organisation to contextualise the subsequent findings chapters;

(c) Understand how people make sense of the organisation they work within to understand the institutional work that this subsequently drives.

Structured into three sections, this chapter begins with an exploration of how actors frame (make sense) of the organisation and its purpose. The second section builds on these framings to give an overview of the nature of the logics at play (beliefs, assumptions, governing regimes, normative orders, rhetoric and organizing practices). The concluding section discusses implications for my research.

4.2 Positioning the focal organisation

In the strategy document 2013 – 2016, the CEO depicts the organisation as operating within multiple institutional perspectives (one of 'business' and one of 'public good'):

> *'The challenges faced by us as a non-profit organisation are considerable and tensions between making a sustainable income and staying true to the mission are inevitable. We recognise and embrace the rival metaphors of mission and business; our driver remains 'to make money to do more things to deliver to our public good agenda.' (Focal Organisation, 2013, p. 6)*

In a research interview, one organisational actor narrates this hybridity in respect of her individual role:

> *'I think I'm possibly the only director that is both revenue generating and also has to protect public good and standards.' [A]*

This suggests that the focal organisation is well versed in the challenges and practices of negotiating the rules of the game in several games concurrently

(Kraatz & Block, 2008, p. 243) and at the same time potentially at risk of being *'so many different things to so many different people that it must, of necessity, be partially at war with itself'* (Kerr, 1963, p. 8).

Through interviews and organisational documents, I looked to understand how the '*rival metaphors*' (Focal Organisation, 2013, p. 6) were experienced in everyday context. My interpretation suggests a complex picture with the metaphors being both recognised and embraced to varying degrees by different organisational actors. Provided below are several interview excerpts highlighting the interplay between different organisational framings and the coalitions who favour them:

> *'There's definitely… some people think oh, we have to make sure we're doing right for the charity, and then there's another group in the middle who are like oh, we can be commercial and be charitable; why don't people get that? And they get kind of quite self-defensive around what they're doing and people judging them to be wholly commercial. And whether they are being wholly commercial or not I think is irrelevant really; it's the interaction between the two. And then I think there's another third group which are about my job is to be commercial, I have a target to hit, I'll let the others worry about the need to be charitable. So, yeah, I think the tension involved is between those who want to be charitable and those who are commercial but see themselves as being commercial in the right way versus those who … recognise that the organisation is a charity and that's their first port of call. I think that's the biggest tension…' [C]*

> *'The conflict probably is sometimes internally in that there's a sense of well I can't bring you sales people into this meeting 'cause you'll just try and sell to them, and there is that tension at times, 'cause there is the perception that we won't just sit there and have a nice conversation, we'll actually sit and try and sell something… but, you know, there needs to be some payback at some point for all the advice that we put in there.' [D]*

> *'I think others are so driven by the demands of the business… that they lose that focus and it becomes all about achieving the revenue or the target… the overwhelming pressure at times to deliver supersedes perhaps the right thing.' [A]*

On reading and re-reading interview transcripts, I noted several different presentations of the organisation and represent these pictorially in figure 9 (below). The figure illustrates a 'continuum' wherein actors simultaneously

construct multiple organisational realities as they made sense of the organisation's purpose as expressed during interviews.

Figure 9: Continuum
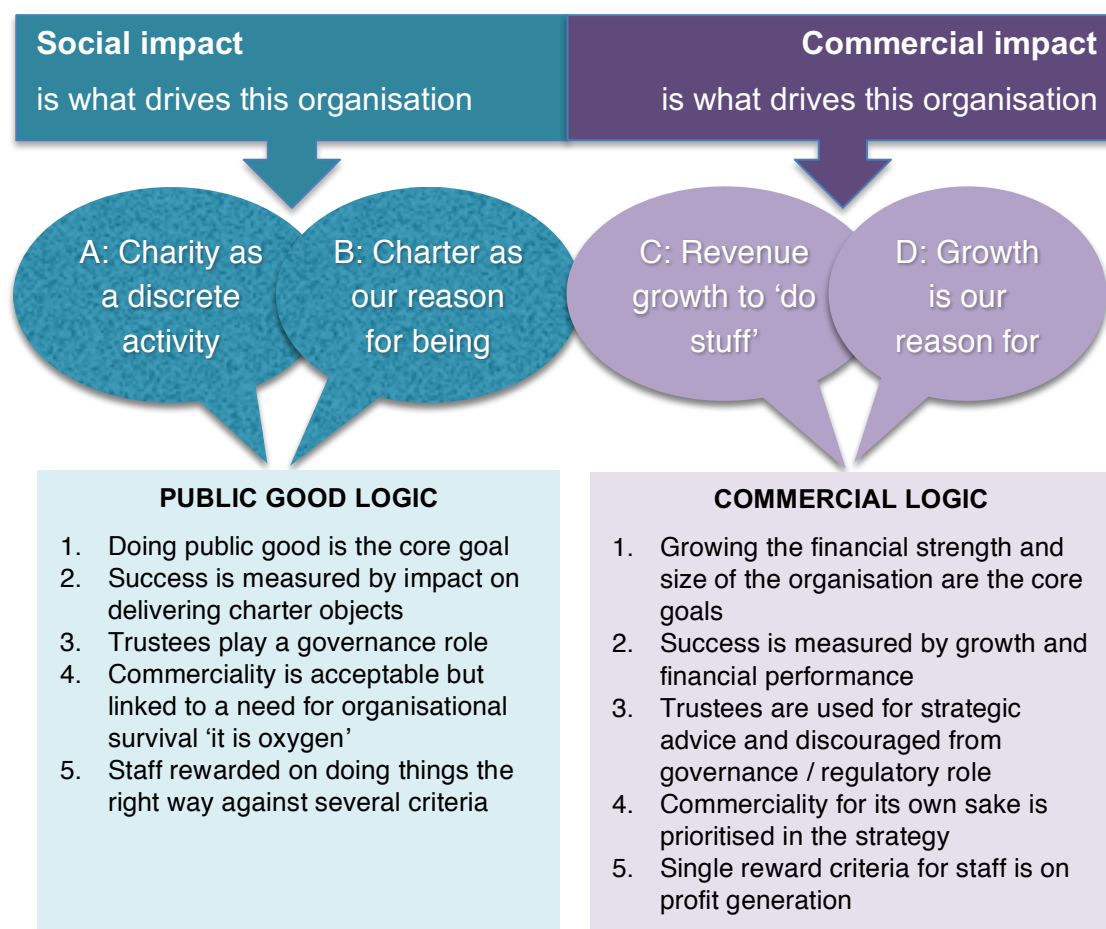
4.2.1 Position A - Charity

Whilst the formal organisation incorporation documentation and a trustee talks of the focal organisation as a charity this representation was in the minority throughout the interviews.

> 'We are a charity devoted to supporting those who struggle to get into, and further themselves within, the [name removed] profession (Focal Organisation, n.d.)'.

> 'The Foundation is offering a number of bursaries and scholarships, to help those of you in desperate need to complete your studies and develop your knowledge of [profession name remov and to support the brightest and best in achieving excellence in the [name removed] profession. (Focal Organisation, n.d.)'ed]

> 'I don't see it as a business. I see it as a charity that needs to generate income in order to deliver its core purpose. So, no, I

don't. I mean, it's not going to be the next big global PLC, I really don't believe that. If it wants to be a training company, then it should not have charitable status' [H]

The notion of charity, when presented in interviews, was decoupled from the 'core', positioned as a discrete activity undertaken through a discrete entity 'The Foundation':

I don't have strong thoughts about [focal organisation] as a charity. I know it is, but I don't have it in my head that we're doing lots of good things for desperate people. I know we've got the foundation side, but it feels a small part of what we do'. [F]

'I think it [the Foundation] hasn't been widely or that well publicised as part of the whole corporate social responsibility arm of [focal organisation].' It is in a way kind of like a side arm'. [E]

'I don't see us as a charity, if I'm honest. I... I think we...we pick it up and put it down when it suits us. [D1]

As such, charity was expressed more as an organisational form, reduced to a function rather than expressed as a set of organisational values or ethos embedded within the focal organisation. The Foundation, for many, was the symbolic face for the focal organisation's charitable work rather than a core activity given equal priority to other activity:

'Primarily, it [the foundation] was formed to divorce itself from the main body, main business so that it can… It's ring-fenced funds, it's got its own funds ring-fenced, where it can give bursaries and all the rest of it, and something which is ring-fenced and properly managed. It would just generally get lost in the mainstream business so at least it has more focus now, being divorced from the parent.' [G]

Despite the external rhetoric (as shown on the website and marketing literature), the internal presence of 'charity' was such that there was a low-level recognition by internal actors that the parent company is itself a charitable organisation. Arguably, this decoupling narrative enables the mainstream business to not be concerned about its charitable impact:

'There are a lot of people within the organisation … don't actually appreciate we've a charity. What that actually means, they certainly won't understand the public good piece and they just think that we're there as any other commercial organisation to, you know, survive and thrive; make loads and loads of money.' [G]

'We have a Board of Trustees because we are a charity and we have charitable status because it gives an exemption to corporation tax '(G).

4.2.2 Position B – Charter

Position B, 'Charter', highlights the emphasis placed on the organisation having charter status as a reference point for individuals' sense making:

'[Focal organisation] has got a royal charter, it's there to do public good and it explains in the royal charter the four ways it's supposed to do it. So, it's not difficult to define what the purpose of the organisation is if people decide they want to have a look. Very simple.' [CEO 1]

Within this position, I experienced charity as secondary to the charter, which is privileged as *'guiding our purpose in life and how we are supposed to do it' [CEO 1].* Charter is presented as being used to guide decision-making on activity and assessment of performance with activity being geared towards delivering the stated chartered objectives and in doing so there is a taken for granted assumption that public good will result:

'It's a chartered body, it's not a charity, and a chartered body is there to do public good. If you investigate what chartered bodies are for, it's about doing public benefit, do public good and that links to charity 'cause to become a charity you have to define how. And in order to achieve that, you have to be able to say well how do we do public good? And then you go back to the charter that says you do public good by doing these four things …money is our oxygen, we have to make money to survive and create a surplus to do more things in order to be able to deliver public good but making money is not the end game … As a business, it [focal organisation] has to be business-like, but it's not a business. This is where you've got to define the end game. The end game of a business is to make money for shareholders or for the owners. [Focal organisation] is not like that. [Focal organisation] has to make money but not to pay shareholders but to do things, which then fulfil the charter. It's very simple… Being business-like means you have to make money, but money isn't the end game. If that makes sense to you.' [CEO1]

'if we can carry on spending that sort of money and reinvesting that into what [focal organisation] does and therefore improving the profession because of what we do for that, I think it is a great cycle to be in' [D]

Significant in the charter position, is rhetoric on exactly how public good is achieved:

So, it's not difficult to define what the purpose of [focal organisation] is if people decide they want to have a look…. There are four things I used to say. It's about helping individuals, helping organisations, representing the profession, and developing improved methods. [CEO1]

4.2.3 Position C - Hybrid

Position C, 'Hybrid', represents a group of people who simultaneously frame the organisation around two organising principles shared by frame B-Charter and D-Commercial (described below). Like the charter position, contained within the Hybrid frame is a sense that the organisation's purpose is to enhance and represent the profession. What is notably different however is that there is a greater acceptance of the priority given to making money than among those constructing frame B. Yet, they still conditioned making money with a requirement that the organisation did not become '*too commercial*' as it would take us away from '*who we are*'. In this sense, they share the belief that making money is not the end game:

'It is good [that the team was repositioned into a profit centre] I think it's showing what we can do in this area. I think it's enabling us to spend that money in other areas where we need to spend some money in terms of development' [I]

'We need to be commercially focused. However, it's about maybe not being too commercial. We need to be aware of what we are and what we stand for and not forget that.' [J]

'We are a not for profit organisation…. the benefit of being not-for-profit is we don't have shareholders. We don't have partners in a consultancy. We don't have an individual owner, who is trying bankroll his villa in wherever. So, we don't have those individuals as such, so therefore what we're doing is we are providing, you know, the money we make, we can put to good use….' [D]

'I think there's [name removed] who is very connected to that kind of public good type work, because obviously [they] run the [name removed] function and that is the real core of I suppose the more charitable element of [the organisation]. So, I think yeah, you would hear [them] talk about the number of people that have got to a certain qualification level. However, even at that extent I feel that can be disguised sometimes by oh, we've got so many people through these exams, that represent this revenue here. And that just comes down to [them] owning that P&L [this is a reference to making the profitability of a specific activity] and it's kind of a self-preservation thing; I have to get those numbers through because I have to adhere to this profit and this target, this financial target to ensure that I get my objectives for my boss. And, to be honest, in general do I see people getting excited about serving the more charitable elements? Not really.' [C]

The rhetoric of *'making money to do more things'* continued to be prevalent in interviews, but in a departure from A (Charity) and B (Charter), in position C (hybrid) actors never articulated the nature of such 'things'. Nor was there reference to the charter as a framework to guide decision-making and action. This is very different from position A which emphasises making money *'to help desperate people'* and position B where money was made to achieve four clearly articulated *'public good'* goals. The lack of clarity on the 'end game' makes 'we must make money to do more things' feels more like an internal strapline within frame C rather than something guiding behaviour.

4.2.4 Position D - Commercial

Position D, Commercial, constructs a narrative that privileges making more money and more net financial return (NFR) as legitimate and an organisational driver in its own right:

'…CEO's ethos is to make loads and loads of money, yeah, but he doesn't necessarily want to do things with it. He wants to basically, it's a horrible phrase, but to hoard it and basically make [focal organisation] a lot more financially stable than it is. So, he wants to accumulate, you know, a reserve, cash reserves and all the rest of it, but ultimately, that's not there to do things; that's just to make us more financially secure.' [G]

'…I think it's hard for me to interpret what [focal organisations] purpose is. I think that fundamentally the kind of common threads that I can identify seem to be about a global presence; about being the biggest and the best; about achieving that kind of recognition. So, I think there's quite a lot of sense of purposes to make [the organisation] more and more unassailable.' [K]

66

'I can't speak for the entire [organisation] but I don't think I've seen anything which is a measurement of our success in our charitable status and what that looks like, and, you know, it's difficult to measure a softer, not-for-profit target.' [H]

'… The overriding one [KPI] is a financial target. You know, we report on management accounts and budgets and margin, all of that financial analysis, on a monthly basis. At my level and my position in the organisation, I'm not aware of anything else that we measure on a monthly basis that is in the limelight as such… there's nothing around measuring how did we relate to this charitable objective number one and this charitable objective number two? I think there's an automatic assumption that as long as we make sure we're selling, we'll be doing the charity work; that'll happen…but, from my opinion, if we're set up as a charitable organisation then you should have a bit of an internal feeling that you are contributing to that.' [C]

'We're a not-for-profit organisation…. Now that doesn't mean we don't need to make the money to do things with that money. So, are we commercial? Of course, we're commercial, and I don't think there's anything wrong with being commercial because what we have is some service that companies want and they're prepared to pay for. So, I don't think there's anything wrong with us saying there's a real value here, you've got to pay for it.' [D]

Achieving positive NFR is expressed as the key performance metric and a driver of organisational and individual behaviour due to its alignment to individual bonus payments:

'We are measured, we are rewarded on certain metrics. So, you know, sales revenues are clearly an important one. So, there are some things that I do purely because there's some revenue there. **[Researcher]** *Important to whom? They're clearly an important metric.* **Researcher: For [Focal organisation]? Okay, anyone else?** *Okay. And to me, for my bonus.'* [D]

*'The commercial pressure was that if we didn't give them [a client] something they wouldn't finish off. I don't know whether they wouldn't have paid us completely, but one of the… their company is a chain of many companies and they said that if we developed this product for them, they would roll that out to several other of their sister companies and things…. **Researcher: Did you feel that you had any choice but to introduce a new lower standard?** Honestly? No. … Because of commercial pressure from [senior actors name removed].'* [J]

The following conversation took place at a senior leadership meeting in October 2015 and provides a further example of an individual (director) being so driven by financial impact they he was happy to sacrifice the learner's (user of service/ customer's) experience.

> *'I would like them (existing students) to be affected [have a bad experience, have poor pass rates] because they [the paying organisation] will move onto the [name of a newly launched programme] and I will get a better margin from them.' [B - Observed by Participant Researcher]*

A notable departure from position C (Hybrid) is that within D (Commercial) personal reward (bonus) is presented as a legitimate outcome in defining what 'more things' should be with little consideration for delivering the charter objectives:

> *'It is fundamentally wrong for the organisation to be making significant profits and not distributing some of these back to staff' [CEO 3]*

> *'Increasing profits although required for pension liabilities and growth investment, should morally go to staff making the growth….' [extract from proposal for amendment of pay and reward policy – July 2017].*

4.2.5 Section Summary

The section above summarises various perspectives on the positon of the focal organisation as constructed in interviews, observed meetings and organisational documents, namely the focal organisation as:

(a)   A Charity focused on helping individuals in need and supporting humans to 'flourish' though accessibility to education

(b)   A Chartered organisation focused on delivering public good by meeting the objectives of the charter

(c)   A Hybrid organisation focused on growing the business in order to 'do more things'

(d)   A Commercial entity – making money to grow the business and individual staffs reward through the delivery of products and services that are deemed legitimate (against the need to make money and public perception)

4.3   Nature of Logics within the Focal Organisation

Taking the four positions elaborated above as the starting point, I returned to the interviews and organisational documents and synthesised the four positions into two logics supported by material practices and symbolic systems (Lok, 2010) that were expressed by individual actors in their accounts. **Significantly,** rather than individuals constructing a single view of the organisation within the interviews, they simultaneously constituted the organisation in multiple ways thus highlighting its hybrid nature, often oscillating (Jay, 2013) between different perspectives In the next section I present these positions as being informed by institutional logics.

Figure 10: Institutional logics within focal organisation

Delivering public good is positioned as the 'end goal'

Charity   Charter

Hybrid

Commercial

Growth of the 'business' is positioned as the' end goal'
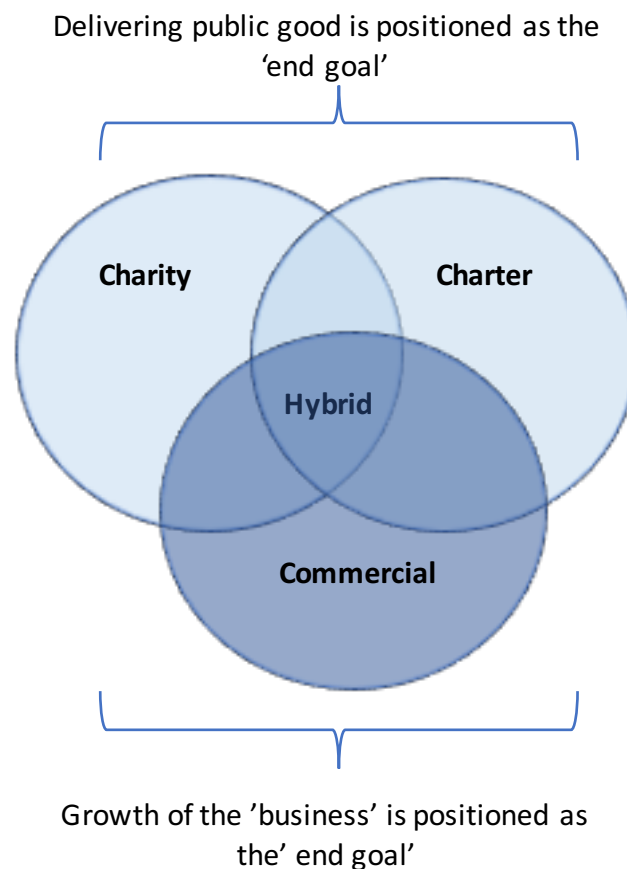
4.3.1 A Logic of Public Good

This logic is constituted by the charity and charter position (A & B) presented in figure 9 (page 62). Delivering public good is positioned as the organisation's raison d'être and the 'end' it exists to achieve. The means to achieving this 'end' reflect the service ethos (through serving the profession), decision making is based on contribution to public good and measurement of performance is aligned to this goal. 'Commerciality' is accepted under the guise of being business-like to 'make money to do more things to deliver the public good objectives'. As shown by the continuum (figure 9), such assumptions hold implications for the nature of work and organisation, this is depicted in figure 11 (below). Within the public good logic, commerciality has a place in the institutional narrative, its purpose is to generate surplus to invest back into public good activities. As such there is a circular relationship between commerciality and public good; charter objectives are privileged and guide what is deemed to be legitimate activity. Strategic conversations focus on activities' potential to deliver on the public good agenda. Such organising principles were prevalent under CEO1.

Figure 11: Public Good Logic

Charter as means and end
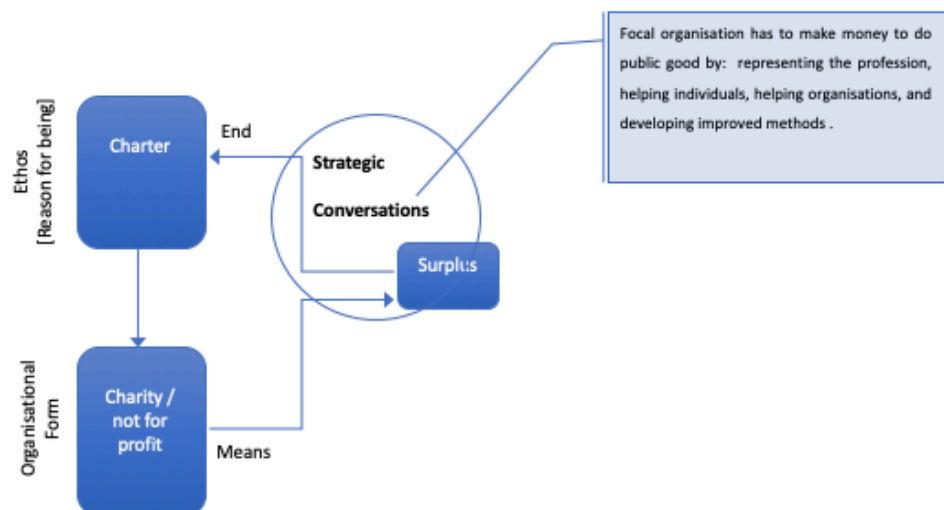
4.3.2 A logic of commerciality

Being global, financially strong and unassailable as a business drives the commercial logic constituted by the hybrid and commercial positions (C & D) in figure 9 (page 62). The organisation positions itself as a global business, the growth of which is the end goal; being a chartered organisation is a means to that end through utilising the brand and associated notions of impartiality, ethical, quality assured etc. for competitive advantage. Revenue, profit growth and the ability to share success with staff are the main drivers for decision making and organisational activity; measurement of performance is primarily through financial metrics.

Strategic discussions are focused on the impact of decisions on growing profit and making the organisation unassailable. There is greater emphasis on presenting the organisation as 'a business' where the growth agenda is the main objective and an acceptance, to varying degrees, that institutional growth and financial strength, is, in its own right a valid way to deliver public good. The charter has become the means to serve economic or financial ends. Such organising principles and practices are prioritised by CEO3.

Figure 12: Commercial logic
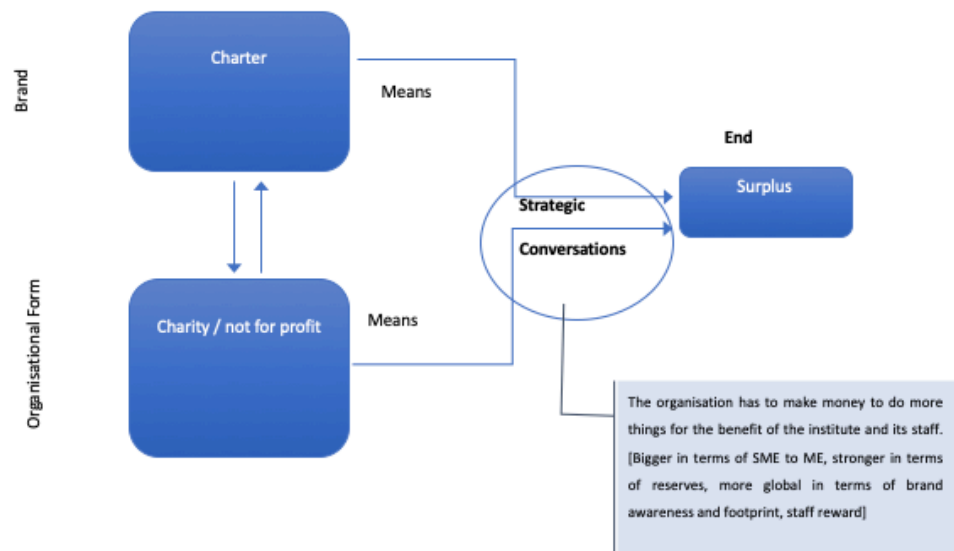
4.3.3 Interplays within a field of tensions

The hybrid nature of the organisation explored above means that decision-making and action often occur in a contested field of tensions where

actors appropriate the organising principles and symbolic systems of their proffered logic to exert power over organisational outcomes. By way of illustration, I attended a senior management team meeting on 20 May 2016 as a meeting participant and as a participant researcher.   The annual budgeting setting process had just begun and annual membership fee setting was on the agenda.   Below is an excerpt from a supporting paper from the Director responsible for membership which positions the 'member' as a consumer of a product.

> *'It is salient that (focal organisation) should focus its effort on membership retention as well as acquisition, it always costs less to service existing customers than it does to win new customers.' (Membership Retention Strategy, 2016)*

I suggest that this presentation sits uneasily with the ethos of the charter which positions the organisation as existing to serve the members (see quote from organisation website below)

> *'[The focal organisation] was awarded the charter in [1990s] in recognition of its leading role in supporting and furthering the interests of the [xxx] industry. We represent the interests of the profession and the views of our members. In fact, our special interest groups, online and face-to-face, encourage members to share their opinions and knowledge with the wider community. We're also directly involved in shaping [reference to professional function] policy for the UK Government and European Commission, and our consultative response process allows us to represent members' views at the highest level.' (Focal Organisation, n.d.)*

Within the paper there was a proposal to increase membership fees in the UK by 2%. The paper argued that as 2% was the Bank of England's upper target for inflation it would be hard to justify any more. In response, the CEO asked the meeting for their views, arguing that in the previous year inflation had been lower and fees had been increased by 5% with no negative effect. In fact, he went on *'membership was steaming ahead like a train'* so why should we not increase it further as it seems to be *'price inelastic'.* One director [G] agreed, responding that we should charge, *'as much as we think we can get away with as margin is high'* while two directors [B and D] argued for the minimum price increase as it was hard to justify anything more given that members were not receiving increased or enhanced benefits. Another director [A] argued against a

membership fee increase but posited that should this occur a percentage of the increase could be given to 'The Foundation' so that we *'could use it for public good'.* After much debate, the decision was that a 5% increase would be recommended to the Board for their approval as *'they (Trustees) would change it anyway and as there was a lack of rigour in terms of indices to base our decision, 5% was as good a number as 2%'*. Three things were striking in this conversation.

(a) No one challenged the presentation of the members as a consumer. I suggest that an alternative view would be that members are part of the wider community of practice the organisation exists to develop and therefore the funding raised from membership fees should be used for the activities that develop the wider community rather than simply servicing members as direct consumers. Arguably the positioning of members as wanting a transactional relationship with the organisation is working from a commercial logic, which assumes that in return for their fee members (as consumers) expect a personal tangible benefit rather than to contribute to the organisation's mission to serve wider development of the profession.

(b) By making a proposal to transfer a proportion of the increase to the Foundation, the director who made the proposal constitutes public good activity as a sub-set of the main organisation not its core purpose, which is often a structural arrangement in the corporate sector as a mechanism for discharging social responsibility. Whilst said director represented themselves as being the only director responsible for public good and therefore   'the protector of public good' (see following chapter), an alternative interpretation is that they are unconsciously reinforcing the member as a consumer and thus a commercial logic within a charitable, chartered organisation.

(c) Outside the conversation around the Foundation, no one asked how the funds would be used. The generation of more money was the objective in and of itself without reference to serving the profession through meeting charter objectives.

4.4   Reflexivity in action

As discussed in chapter 3, the critical appraisal of my own assumptions and research practices was an important part of this research. To that end, I provided a draft copy of this chapter to three colleagues, seeking their feedback on the following (see p.44 for an overview of the reviewers):

(a)   Whether they recognised the image of the organisation I had presented;

(b)   If my interpretations resonated with them and/ or;

(c)   Whether my personal interpretations created a scenario that they had not experienced.

One of the reviews was particularly detailed and in depth and can be found in full at appendix four. Extract from the three reviewers are below:

'I definitely recognise your account of the tensions between competing tracks of public benefit and commercial success, and I would say with the benefit of a 25-year view of [the organisation] that the balance between them is fluid and changes over time… I think perceptions of [the organisation] as charitable or commercial or both depend almost entirely on where a person sits in the organisation and what their KPIs [key performance indicators – a method of attaching number to an activity which is used to see if the activity is successful] are … The comments about the Foundation are revealing and ring true….Reading your section on the effects of charter on the ethos and organisational logic of [the organisation], I agree that the charter objectives do themselves create ambiguity and create the paradigm for a hybrid organisation… You are right to identify that people often repeat the received wisdom (to justify revenue generation) that [the organisation] makes money to do things that deliver our charter objectives, but then struggle to articulate what that actually means…Looking at the kind of language your respondents have used to describe, 'doing more things', I recognise the difficulty people have once you get beyond a certain point in the argument… You talk about both sensibilities being diluted, noting that people who are naturally more commercial or public minded, depending on their role in the organisation, show awareness of the other point of view and its place in the culture. That does chime with me too.' (reviewer 1)

'I totally recognized your description of [the organisation] and could guess where different people would sit on your frame… Just after I read your chapter I was interviewing someone for a new role and I used some of your content to describe [the organisation]

as it was really clear.   However, it's also really complicated…. I am not sure they (the interviewee) will be back…' (reviewer 2)

'I thought that I had understood [the organisation] and knew that there were different outlooks but on reading your work I recognised it all and realised that it was even more complicated that I realised… I guess that having been here for over 6 years you just get used to it and make up your own priorities and ways of working to balance other people's demands…'(reviewer 3)

4.5   Chapter summary

The purpose of this chapter was to develop understanding of if and how the focal organisation is experienced as a hybrid and how people make sense of/frame the logics at play. I presented four positions of understanding drawn from actors' accounts, observations and documents. From this, I returned to the narratives and documents to achieve a more nuanced level of understanding of the different drivers, priorities and objectives constructed by organisational actors.   This resulted in the identification of two perhaps conflicting logics – namely a commercial and a public good logic. Through phase one of the fieldwork and reviewer feedback on my interpretations, I have alleviated the concerns expressed in my musings of 14 September 2013 (see musing box 2, page 20) around whether the organisation as a hybrid was merely my sense making or something that others experienced.

The purpose of phase two was to understand how organisational actors deal with the presence of multiple institutional logics and what implications this has for the nature of organisation (structurally, politically, symbolically and rhetorically). Specifically, I explored the nature of institutional work undertaken to navigate (and manipulate) institutional logics, who undertakes (and interrupts) such work and how, and what happens if 'insiders' do not see the proffered logic as legitimate through an 'incident' approach. I now move onto the first of three incidents involving one department challenging another that they had acted inappropriately over data sharing and put the organisation at risk of a regulatory breach.

Chapter 5 – Data Sharing

5.1   Chapter Introduction

The purpose of this chapter is to review the first in a series of incidents to explore: the nature of institutional work undertaken to navigate the multiple logics of public good and commercial; who influenced such work and how, and; what happened when 'insiders' do not see such logics as legitimate.

I identified this incident as part of my everyday work where I became aware of emotionally charged conversations between several departments (see p.55 of the methodology chapter for detailed information of the fieldwork underpinning this incident). A primary concern I had as I began the fieldwork process was the expectations of the interview candidates, specifically the two senior managers insofar as they could use me as a 'go-between' by giving me messages to pass to the other.   This lead me to emphasize my role as researcher at the start of the interview and to repeat how the information given would be used (as part of my research) and would not be used in my role as a peer and staff member.

I position each interviewee as a protagonist in recognition that they advocate different logics: public good and commercial.   In this chapter I aim to build up an understanding of the different perspectives, what institutional work was undertaken and what strategies they deployed (rhetorical, structural and political) to perpetuate and defend their respective logics. The chapter proceeds as follows, firstly I provide a summary of the incident which provides contextual background and introduces the key characters (protagonists), section two includes protagonist narratives which are interpreted in section three.

5.2   Précis of incident

Writing this section, I experienced a tension in trying to balance the need to provide context against the risk of writing an overly descriptive commentary which could be received as un-interesting and irrelevant. I consider that having an appreciation of the environmental context is both critical to understanding the perspectives (on organisational position) the actors are working within and underpins an ethnographic methodological approach (Bjerregaard, 2001). Therefore, I ask for your acceptance of this section, which comprises a

summary of the activity involved; a schematic overview of related data-sets which is a central component to the incident; an overview of the key protagonists utilising job-description to illustrate their role position and alignment to the various logics and finally; my reflections of other relevant activities that were taking place in the organisation around the same time of the incident.

5.2.1 The incident

The incident involved a challenge from one department (*A*) that another department *(B)* had sent out an un-authorised marketing email promoting a new product. From *A*'s perspective, they felt that *B* had used privileged access to data in an unfair way and to the detriment external stakeholders (namely training providers). *A* suggested that *B* had put the focal organisation at risk by highlighting a conflict of interest; the conflict being that Department *B* used data of Department *A* to promote their products when the data had been obtained for another service; both services however are provided by the focal organisation.

5.2.2 The data

Different work activities within the organisation, often by specific functions, produce several different data sets (a specific group of information held within the focal organisation's database) that enable the organisation to deliver its services. This incident relates to the use of data-set 3 ('owned' by department *A*) by department *B* to promote a new learning product. Department *A*'s claim was that Department *B* was not authorised to access or use data-set 3 and by using it *B* compromised the integrity of the Awarding Body. Table 6 and figure 13 below provide further detail.

Figure 13: Data-sets pertaining to this incident
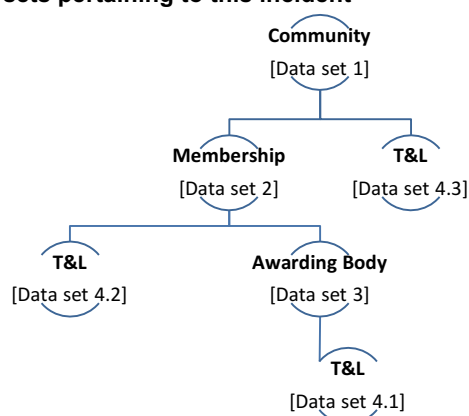
Table 6: **Detailed explanation of data set (read in conjunction with figure 13)**

Data Set	Descriptor
1. Community	• Any individual who is identifiable and contactable is part of the 'Community' represented by the focal organisation (data set 1).
2. Member	• Some communities access a product/service called membership (data set 2). There are several grades of membership, an example of membership products/services is access to resources to support work tasks or to support learning to achieve a qualification. • Membership is subject to payment of an annual subscription fee.
3. Awarding Body (AB) **[Dept. A]**	• A function of the organisation is as an AB. This activity, led by Department A means that the focal organisation can award educational qualifications. The AB is regulated by Ofqual (Office of Qualifications) as it provides a public qualification. For simplicity, I refer to this public qualification as 'Professional Diploma [Prof Dip]'. • The AB provides the assessment process (primarily examination) and is responsible for setting the syllabus, setting and marking assessments, confirming awards and monitoring the quality of teaching. • Prof Dip teaching/learning is provided through study centres (approx. 234) which are accredited by AB to offer the teaching and learning of the focal organisation's qualification. • Individuals who are progressing on the Prof Dip are studying members. They are likely in the first instance to become registered with a study centre. They are required to register with the AB to take an assessment and at this time they become a member and part of the community (1), member (2) and AB(3) data-sets • Individuals who complete the Prof Dip are removed from the AB data-set (3) but remain in sets (1) and (2)
4. Teaching & Learning (T&L) **[Dept. B]**	• Another function of the organisation is to provide teaching and learning, led by Department B. There are several teaching and learning programmes and this causes three sub-data sets. All members of data-set 4 are included in community (1) • One of the programmes offered by Department B is the Prof Dip and in this context Department B is classed as a study centre regulated by Department A (4.1). The sub-set of individuals progressing on the Prof Dip through Department B are included in data-set 3 until they complete the programme. • Another sub-set are taking a programme that leads to membership but not Prof Dip (data-set 4.2) • Finally, a sub-set are taking a programme that does not lead to Prof Dip or to membership (4.3)

5.2.3 The protagonists

There are two protagonists, *A* and *B*. They are peer-to-peer senior roles. Actor *A* has worked in several regulated environments in a number of different organisations. For the majority, this has been within education, and in small and medium sized Charities and not for profit organisations. *A* is responsible for the activity of Department *A*. *B* has worked for 25 years prior to joining the focal organisation in privately owned large commercial organisations, this is their first charity/not-for-profit and small-medium sized organisation. *B* is responsible for the activity of Department *B*.

Prior to interviewing the two protagonists and to help me understand the context and framing of the two roles, I read the respective job descriptions. The following pages provide a copy of these, against each entry there is a unique reference, this indexing system is used throughout this chapter to cross-reference interpretations to the source documents.

Job Summary

	Actor *A*		Actor *B*
A1.	Responsible for the development and continuous improvement of a global education standard that meets regulatory & market needs, & positions *[focal organisation]* as the leading authority & standard setter for the profession.	B1	Accountability for the delivery of all B2B products & services maintaining margins leading to increased returns (financial & volume)

Key Responsibilities [in order of presentation on Job Description]

	Actor *A*		Actor *B*
A2.	Develop, manage & deliver a global Plan that promotes & adheres to professional standards	B2.	Input into the Corporate Strategy & business Plans, with responsibility & accountability for the delivery of corporate products & services, maintaining margin & maximising financial return.
A3.	Develop, manage, deliver & maintain the *[name removed]* International Standard ensuring that it meets the needs of global markets & supports the Public Benefit needs of the charter	B3.	Lead & direct Group Product Development activities, developing new leading edge products & enhancing current offerings to maximise profit & increase market penetration & reputation
A4.	Develop, manage & deliver new global education products & services that will support & continuously raise standards & meet the needs of the corporate market	B4.	Lead & direct the maintenance & expansion of local & international senior professional networks (member & non-member), Corporate & individual stakeholder groups) to support reputational growth & influence & exploit business opportunities.

A5.	Lead & direct the continuous development of educational/assessed programmes to meet current & future market needs – both in the academic world to ensure world-class status & to meet the needs of the corporate market	B5.	Lead & direct key/strategic supplier networks to ensure continued quality of delivery & availability of a range of appropriate partners to meet current & future demand.
A6	Lead & direct alternative routes to membership ensuring no detriment to standards of entry.	B6.	Control & manage the department's finances to ensure effective budgeting & cost control.
A7.	Lead & direct the management & continuous improvement of a range of academic consultants/providers to ensure on-time, quality provision of examination material, coupled with robust marking & assessment to agreed standards.	B7.	Direct & develop staff of the department to ensure they are appropriately motivated, trained & are working towards the achievement of plans & objectives
A8.	Lead, direct & protect the independence of the Awarding Body, ensuring strong compliance, clarity of purposes & continuous improvement.		*End of Document*
A9.	Responsible & accountable for protecting the legally binding regulatory compliance status of the Awarding Body		
A10.	Lead representative/ambassador in the global education arena & wider into the corporate market to support reputational & business growth.		
A11.	Responsible & accountable for the provision & continuous maintenance & growth of a global network of education providers, ensuring fairness, open access & formal auditing to maintain standards & to meet the charter objectives of 'access for all'.		
A12.	Responsible & accountable for assessment methodologies to support the currency & credibility of the global standard & lead current thinking in the academic world & to ensure relevance to other stakeholders.		
A13.	Responsible & accountable for the continuous monitoring of Government, agencies & other global educational bodies to assess potential impact & opportunities for professional development activities.		
A14.	Control & manage the department's finances to ensure effective budgeting & cost control.		
A15.	Direct & develop the staff of the department to ensure that they are appropriately motivated, trained & are working towards the achievement of business plans		

The job descriptions position *A*'s role as an internal regulator; an authoritative role, responsible and accountable for setting standards [points A2, A3, A4, A5, A7] and ensuring regulatory compliance on a global level [points A2, A8, A9, A10]. The role is arguably framed by a public good logic encompassing public benefit, independence, fairness and equal access [points A4, A9, A12]. Whilst there is a reference to ensuring solutions meet corporate market needs [points A2, A5, A6, A11] and business growth [points A10] this is linked to: *'position[ing] the organisation as the leading authority and standard setter for the profession'* [points A2, A11].

In respect of Actor *B*'s role, I note the absence of any reference to delivering public good or meeting charter. In its place is reference to a commercial logic encompassing accountability for increasing financial returns [points B1, B2, B3]; and market penetration [point B3]; exploiting business opportunities [point B4] and; meeting demand [point B5]. This arguably positions making money as the end game with the charter (public good) brand as the means. This firmly aligns to the commercial logic depicted in figures 10, p.69 and 12, p.71.

Notably, product development is included in both job descriptions. In point A4 we see that *A* is charged with product development '*in order to raise standards and meet the needs of the corporate market*' which arguably relate to charter and public good and also, commerciality, whereas point B3 charges *B* with product development purely to 'maximize profit' and 'increase market penetration', which is firmly entrenched in the commercial logic. So even when there is shared activity, the end game is rhetorically expressed within the opposing logics of public good and commerciality.

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When interpreting the job descriptions, how significant is the development process? Reflecting on this question I have discovered that the respective (current) role holders [A and B] wrote these job descriptions before submitting them to HR who then added standardised elements of people and budget management. With this in mind, have the individuals written their job descriptions in a way that aligns with their belief, value and assumption systems and if so can the job descriptions serve as an external expression of how they make sense of their roles?

```
[ Values, beliefs,    ]  →  [ Job description ]
[ assumptions         ]
```

Or have they written their job descriptions in a way that does not reflect their internal sense making but in response to what they think is expected of them? If so, are the job descriptions a guiding frame to be used to socialise how they behave, and the activities that they prioritise in their role?

```
[ Job description ]  →  [ Guiding frame ]
```
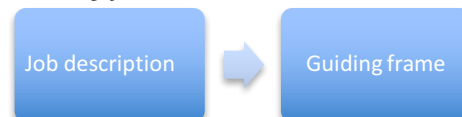
Or both? My intuition is that the human element of writing job descriptions means that there substance may be self-consciously or unconsciously driven by taken for granted assumptions, fantasy and / or emotionally needs, through ego or a quest for power. Because the author of these job-descriptions are the role holders themselves, and given the interview discussions, I feel that they do serve as an external expression of their individual sense-making rather than an 'externally imposed' guiding frame.

5.2.4   The environment

I invite a small pause in the review of the protagonists and turn your attention instead to a couple of contextual points surrounding the incident. Before I provide greater detail, I direct you back to first musing box in chapter 1 (page 11) where, I reflected on the interplay of everyday intentions, how they may form the politics/activities, outcomes and experiences of everyday life.   It is for this reason that I present two examples of everyday activities, which I refer to as CEO Rhetoric and Regulatory Audit and suggest that the politics and processes of negotiation and persuasion of these apparently unrelated events may well have a role in shaping how the individual actors experience everyday life and influence their intentions.

5.2.4.1 CEO Rhetoric

The current CEO (CEO3) had brought a focus on financial sustainability from the time he first started with the organisation [May 2009] where he presented the following:

> *'To meet these challenges [name removed] has to change to ensure we are fit for purpose… [Strategy June 2010 Para 2.3]…We are dependent on three principal revenue streams … Our aim is to maintain these three revenue streams in broad balance to mitigate against any sudden changes '[Strategy June 2010 Para 5.0]*

I experienced a new, strengthened commercial rhetoric emerging, centred on the need to ensure that all major activity streams deliver a surplus financial result. The following extract from the Strategic Plan FY14-16 (Aug 2013 p11-12) states:

> *'Within the next three years it is planned that total sales will reach £30m; over double where they were in FY09 and representing consistently strong year-on-year growth. P&Ls will be targeted to be profitable at net financial return (NFR) level in FY14 to counter the fall in [product name removed] contribution as we move to a new segmented customized offering. Essential to our on-going growth is stronger cash reserves, which will be driven by targeting a minimum of £1m cash, returned to reserves from FY14 onwards. Underpinning this will be an improving return on sales to 8% and balancing debtor/creditor days at 45 days each average. This will allow us to actively address the pension deficit and build a 'war chest' for potential acquisitions.' Strategic Plan FY14-16 (Aug 2013 p11-12)*

In response to the objectives of '*stronger cash reserves'* and building a *'war chest',* focus was given to the financial performance and most notably 'surplus' of what was referred to internally as the 'three P&Ls' (a term given to the three areas of activity, which had the largest percentage of revenue across the organisation which are membership, education and activity relating to a corporate customer). A separate Director manages each of them, two of them being Actor *A* (education) and Actor *B* (corporate).

Department *A* was achieving a break-even position with income being sufficient to cover its cost base. *A* argued against increasing costs to achieve more revenue citing the regulator's interest in cost modelling to ensure accessibility and warned that an over focus on 'making money' would be

deemed by the regulator to be inappropriate. This argument appears to have been accepted as there has been no request by the CEO for Department **A** to move from this break-even position.

At the time of the incident Department **B** was making a loss with its revenue being insufficient to meet the defined cost base. At the end of the first year of the 2014-2016 strategic period and in response to continual loss making a 'CEO taskforce' was created. A summary from the taskforce scoping document is provided below.

'This document provides a scope for the [name removed] P&L Task Force, which is being undertaken at the request of the CEO

Sponsor	CEO	Accountable for the realisation of objective/success criterion, oversight of the task force and management of senior project stakeholder
Accountable	Role B	Responsible and accountable for ensuring [name removed] business becomes profitable in FY15
Project Lead	Direct report of Role B	Responsible for leading a sub-project to review costs at margin 2 l (departmental indirect costs, departmental payroll costs, centralised cost).

Background
Corporate business (sales to business, rather than individuals) accounts for 41% of total group revenue for FY14 [financial year 2014] *and this is budgeted to increase year on year (representing 51% of total revenue by FY18 [*financial year 201]*). However, at a group level, this area of business returns a negative contribution at margin 4 (NFR)* [currently this activity is making a loss].
Success Criteria
The overriding objective and success criterion for this project/task force is to ensure that [name removed] becomes profitable in FY15 [financial year 2015].*' (Focal Organisation)*

At a management team meeting [April 2015] **B** presented the objectives as '*Keeping me in a job project',* using serious humour to express a level of concern around personal consequences. **B**'s comment resonated a view expressed during an interview around how people express success in a way that ensures 'self-preservation':

'[talking about how one team expresses success] … even at that extent I feel that can be disguised sometimes by oh, we've got so many people through these [products], that represents this revenue here. And that just comes down to that role owning that P&L and it's kind of a self-preservation thing; I have to get those numbers through because I have to adhere to this profit and this target, this financial target to ensure that I get my objectives for my boss.' [C]

I posit that it is entirely possible that **B** perceived a considerable personal risk to their job if this objective was not met. The pressure to meet financial objectives was expressed by **B** again during a meeting when they suggested that it would be beneficial if learners had a bad experience and failed their exams as they would then transfer onto a new programme giving greater financial returns. This suggests that **B** was willing to sacrifice the learner's result and experience in return for increased financial performance:

> *'I would like them (existing students doing a learning programme) to be affected [have a bad experience, have poor pass rates] because they will move onto the **** [name of a newly launched assessed learning programme] and I will get a better margin from them'. [B Observed by Participant Researcher 21 August 2014]*

The second cotangential event taking place at the same time was an institutional regulatory audit which I now discuss.

5.2.4.2 Regulatory Audit

The focal organisation was notified by Ofqual (an external education regulator in the UK) that a regulatory audit was imminent. Department **A** is responsible for ensuring compliance and took the lead in preparing for the audit. As part of this **A** commissioned a 'workshop', which was developed and delivered by an external regulatory expert. As there was an open invitation to anyone who wished to attend I decided to do so in my role as a researcher. I had no views prior to attending this workshop and the workshop invite was simply 'to hear more about the regulators'. Summarising my notes from the workshop, I received it as having four objectives:

(a) To provide evidence of staff training to the regulators

(b) To manage risk during the audit –providing key messages to staff on what to/what not to say to the auditors

(c) To educate staff in the risks of non-compliance with education regulations as dictated by the regulator

(d) To promote department A as competent in their activity and provide reassurance that 'we were in safe hands' (extract from research journal 17 March 2014).

Post workshop, I spent time focusing on my thoughts, assumptions and reactions to the discussion. Wishing to understand if my interpretation of the workshop's purpose had coherence I interviewed the workshop 'expert' to better understand the intentions (see excerpt below).

Regulatory expert (April14)

Researchers questions: How did you get to work with us?

E1.	I suppose I should preface anything I say with the fact that I've worked with
E2.	Ofqual and its predecessors since 2000.I know **A** because we were
E3.	both on the Board of [name removed] and so we've known each other for
E4.	about ten years or so. **A** felt that, to protect [focal organisation]
E5.	against any 'foot in mouth' moments.

Researchers question: In the workshop I experienced phraseology and messaging as informing those present about how competent **Department A** were at defending, protecting, doing good stuff on behalf of the rest of us. Was that intentional?

E6.	Nope. That must have been just because I believed it to be true
E7.	If I hadn't felt that, I wouldn't have let that impression come across,
E8.	I don't think, but I think that was part of the attempt to be reassuring,
E9.	that people haven't got to be terrified that Ofqual would come in in a
E10.	weeks' time and close the place down because there's a team of people
E11.	who've got their finger on the pulse and they know what they're doing,
E12.	I did deliberately try to get the message across that it's no small task to gain
E13.	the confidence of Ofqual.

Researchers question: I also got a sense that you were trying to instruct us on what we should and should not say to the auditors, was that an objective?

E14.	**A** focused in quite strongly on the fact that she was concerned that there
E15.	would be people, who were relatively new, wouldn't have very much
E16.	understanding about what Ofqual was, let alone about what the
E17.	implications of Ofqual coming to do a visit were, and so she felt that, to
E18.	protect against any, you know 'foot in mouth' moments when Ofqual
E19.	people turned up, this piece of work ought to be done. We both knew that
E20.	Ofqual have taken it upon themselves, not only to turn up anywhere
E21.	unannounced if they choose to, although they rarely do it because they
E22.	don't have the resource to do it, but also to decide to break out from the
E23.	programme for the day on the two days or the three days that they've
E24.	booked themselves in and just whizz off through corridors and into offices.
E25.	We both knew that from the past and so we were both concerned that,

E26.	whilst, if at all possible, the Ofqual visitors would be contained and
E27.	controlled in a room with chosen people, it was not impossible that they
E28.	might… one of them might just go off and one of the things they need to
E29.	look for, for example, was blank certificates of the Awarding Body lying on
E30.	tables and things so that anybody walking through could just take a handful
E31.	and go away and then print on qualifications. So, we know that they've done
E32.	that in the past. So that was another part of the anxiety that if there was an
E33.	Ofqual visit due, we needed to be sure that not only were the people who
E34.	legitimately might be called in to speak to these people understood the
E35.	whole business, but even those on the fringe of that who might be one of
E36.	the ones in the corridor when the Ofqual person walked past ought to have
E37.	some kind of understanding. So it was on the basis of that that she asked
E38.	me if I would do that piece of work.

The interview provided some confidence in the credibility and trustworthiness of my interpretation of the workshop objectives. Specifically, the expert confirmed that one purpose of the workshop was a conscious intent to provide direction on the discussions with the regulator. The interview conversation also served to reiterate what was potentially an unconscious presentation of the high regard the external expert had for the team in terms of understanding regulatory processes and procedures and preparing for the audit. As such they were creating a rhetoric that although it could be 'terrifying' and 'no easy task' to meet the needs of the regulator, the organisation didn't need to worry as they were in safe hands with a team who 'have their finger on the pulse'.

This was not the only time that the rhetoric of *A* having a competent team was used. For example, during the incident, *A* arranged for *B* to speak with a regulatory expert (see below interview excerpt):

Researcher: 'I understood that as part of this process *A* got you to directly interface with an ex-Ofqual regulator?'

B: 'Yeah we had an hour with him and just kind of talked through the scenario and tried to understand what his perspective would have been if he'd been coming in and was looking into the conflict of interest question. He was, I'd say, a little bit non-committal. He said he needed to know much more about the scenario and the background before he could really give us any direct feedback. He did also say that we are in very safe hands from a regulatory point of view provided [**A**] is in charge.'

Parallel to but independent of the workshop, I interviewed a senior manager who drew my attention to an organisational narrative around the consequences of regulatory breach. They presented an understanding that if there was a regulatory breech there were some considerable consequences at a personal and organisational level:

> **Senior Manager** *'In a sense,* **A** *is owner of the kind of regulatory side. In fact, there's a great responsibility on* **A**. *We always hear they could go to prison'.*
> **Researcher:** *Can I just check that you are saying that you have been told that if someone does something that didn't meet regulatory standards* **A** *would go to prison?*
> **Senior Manager:** *That's the ultimate message we get given. That's the end story, but yes, I mean it's the one thing we all fear. We would hate to put* **A** *in prison. That would be a nightmare, wouldn't it? [Laughs] But no, we'd hate to have [regulator] coming down on us and putting serious financial penalties in as well.' [F]*

I have been unable able to locate where this myth first started but have referenced it with five other organisational actors, some directly involved in this area of work and some not involved at all. They all concur that they have heard the narrative and appear to accept it at face value. No wonder, therefore, that those involved in regulatory activity are so keen to comply with instructions from *A* and their team in this 'terrifying' and 'risky' regulatory environment.

5.2.4. Section summary

In this section, we have heard about the incident which occurred when *B* in the view of *A*, incorrectly used data to promote a new product. I highlighted two contextual activities going on within the focal organisation at the same time, both of which have a time-bound 'moment of truth' for the two protagonists who may be operating within a culture of '*self-preservation'*. One is experiencing a personal time-bound threat to role and has an immediate need to deliver a task force requirement relating to profit generation. The other is bound by role definition to protect the regulatory compliance of the organisation and has an imminent inspection. I position these two examples as having the potential to shape how the protagonists experience everyday life and influence their intentions. As an example, in the event, the outcome of the audit was positive with the organisation receiving a 'Notable Recommendation' ['*A*' April 14] for very good processes policies, procedures and control systems. You will see

that in the subsequent interview with **A** they use this outcome, as a power mechanism to reinforce their position and requirements of others. From an alternative perspective, you will hear that the added sensitivity around the audit has impacted on **B**'s ability to be successful in their role and how this has been used as a reason why the CEO taskforce cannot be successful, suggesting the mutual exclusivity of meeting regulatory compliance and commerciality.

5.3   Protagonist Narratives

In this next section, I present how the two protagonists experienced and made sense of the incident and each other's actions and responses to it, in their own words. In the following pages, I provide extracts from the interviews focussed around four questions:

(a) What happened?
(b) What's the problem?
(c) What's the case for regulation?
(d) What are the consequences of regulation?

5.3.1 'What happened?'

	Actor **A**
A16.	An email went out to suspended members encouraging them to maybe pick
A17.	up studying again by using our e-learning. The email went out and I wasn't
A18.	aware of it. And I can understand why that happens.
A19.	That's not necessarily an issue. But it came to my attention because,
A20.	unfortunately, one of the people it went to was an ex-student of one of the
A21.	study centres, whose whole business model is based round distance
A22.	learning, and what she brought to our attention and challenged us, both
A23.	through data protection, which I think is a red herring on her behalf, but
A24.	also, and she was right, from a regulation perspective, i.e. Ofqual, that we
A25.	had privileged information that under different circumstance they would
A26.	never get hold of. What I mean by that is that we, as we know, have one
A27.	central database, whether it's awarding body, whether it's general business
A28.	use, whether it's what we call our internal study centre. If we're operating
A29.	truly independently and transparently and possibly in different buildings,
A30.	the awarding body would have a database and **B**, in a business in their
A31.	own right, would have a database of their customers, … the awarding body

A32.	then has the due care and attention of any student that comes via the
A33.	awarding body, i.e. to take a qualification. So, there'd be a complete
A34.	segmentation of that. And there'd possibly be a third database for us and
A35.	that would be about members. So, I… hypothetically, once you've qualified
A36.	as a student, you tip over into the member database because then you're
A37.	not studying, you are there as a member of the community and therefore, if
A38.	you like, they're game to any marketing, selling to that member, providing it
A39.	doesn't contravene data protection issues. When I was talking to **B** about
A40.	what the issues or concerns were that they struggled with, was sort of
A41.	drawing that scenario. The reality is we don't have that. So, we have
A42.	everybody in one place. So therefore **B** is seeing the students that belong
A43.	to competitors, i.e. study centres, and therefore they have privileged access
A44.	to that information to be able to sell them something. And I guess when
A45.	this incident came up, whilst it was only one person that complained, and it
A46.	was very interesting in terms of the logic when I was talking to **B** they
A47.	seemed to be more concerned about the number of people that complained
A48.	and therefore, dismissed it rather than really understanding the logic and the
A49.	regulatory requirements we have legally; as if to say well it was only person,
A50.	that doesn't really matter. So, what is the magic number when it becomes
A51.	a problem? The reality, if you've breached something, even if you've done it
A52.	once, you're in breach. Now, for those particular emails that went out, the
A53.	first one, I could defend that because they were suspended members and I
A54.	had no problem defending it. Where I came into a challenging situation was
A55.	the desire to send another email out, which I stopped going out, was to all
A56.	active students. And that's really when I had to put my foot down,
A57.	which was challenging for **B** because they perceive that I over-rode their
A58.	authority and that I should have asked them first. The reality was they were
A59.	not in the building. The email was about to go out. I had to make a snap
A60.	decision to stop it so I could then find the time to sit and talk to **B,**
A61.	to help them understand why, potentially, that would be a real big problem.
A62.	One of the things I'd said to **B** was I have to show that we're fair and
A63.	transparent and actually what I did…was print off our own code of conduct
A64.	and highlighted our own code of conduct about how we should operate
A65.	and I said to them okay then, so look at this another way, are you happy for
A66.	me to get all your students, all your customers and email all the contact
A67.	details out to every single one of my study centres because then you're

A68.	creating an open and fair playing field? I'm sure you can imagine what they
A69.	said [said no]. So therefore why is it okay the other way?
A70.	And one of the things which I found quite amusing, I guess, was **B** said
A71.	then well how am I meant to get new business and new customers?
A72.	And I said well the same way everybody else does. You go externally, you
A73.	buy mailing lists, you knock on doors and you have to act and behave as if
A74.	this was your business and you'd had no sight of anybody else.
A75.	And he went, oh [**A** laughs].

Actor **B**

B1	All right. So this really goes back to a conversation that started late last
B2	year, around October, November with [**A** team member], where we
B3	were getting towards, the back of, the e-learning development project
B4	and we starting to think about ways that we could leverage the asset
B5	that we got and sell into more channels than just through the
B6	[department **B**] study centre, and to corporates. So, we believed that
B7	there was an opportunity for us to sell what I would call unattached
B8	e-learning to studying students as a study support aid, just like we sell
B9	our study guides. So, we knew that we wouldn't be able to market
B10	this standalone product as part of the study centre offering, so we didn't
B11	have any services around it, it was a pure study aid for studying
B12	students. And we gained agreement from [**A** team member] that
B13	provided we used that kind of language and that we did not attach any
B14	of the services that we make available to studying students through
B15	our study centre that marketing to the student population would be
B16	okay. So, we finished the development process over the winter
B17	and got into position during February, where we started to put our
B18	marketing plans together based on the conversation that we'd had with
B19	[**A** team member] we engaged with marketing and arranged to go to
B20	market, making very sure that this did not come across as an offer from
B21	the study centre, at the same time, we made the study centres aware
B22	that they had access to this e-learning as well at a discounted rate.
B23	So, we felt that we were creating a level playing field, selling

B24	directly to end users but also making the offer available through to
B25	study centres. And we'd agreed with marketing that we would do the
B26	communication in three tranches. So, we were going to do I think it was
B27	international students first and then UK students and then the rest of
B28	the database over three weeks. It wasn't until we got a piece of
B29	feedback from a study centre, a UK study centre, who it turned out had
B30	a vested interest in us not talking to any studying students because they
B31	had their own e-learning, and they clearly saw this as a competitive
B32	threat and I think probably a bit of predatory marketing. And it
B33	was at that point that we got invited into a conversation with *A*
B34	and found out that they had stopped marketing doing any more
B35	marketing until we had had a chance to regroup and discuss how we
B36	were going to take this forward. I suppose I was troubled by
B37	this for two reasons. One is that nobody had the courtesy to inform
B38	me that they had asked marketing to stop. It was marketing that had
B39	informed me that they had been told by Awarding Body not to do any more
B40	marketing. I also felt aggrieved that they chose to put [*B* team member]
B41	in the middle of the discussion and gave them a very hard time, they
B42	and, again, still nobody came to me to get me involved in the
B43	conversation. And then clearly, we weren't going to make any progress,
B44	find any resolution until *A* and I had an opportunity to get together
B45	with CEO which we did about two weeks ago and thrashed it through
B46	and arrived at what we... what I think is a reasonable compromise for
B47	how we can market and how we segment the database. So, I'm completely
B48	on Board with the concept that we can't use our access to the main
B49	database for students to market our study centre. I can see that's a real
B50	conflict of interests. If we were any other third party study centre,
B51	we wouldn't be able to come to us and say could you please give me the
B52	list of all studying students because I want to market something to them.
B53	I get that. But what I was trying to say to *A* is that this is a completely
B54	standalone product. We want to market it like an electronic book
B55	for want of a better description, and we don't want to isolate the study
B56	centre network from having access to this resource either.

B57	So we want to open up all channels and make it fair and equitable
B58	for everybody. On that basis we agreed with *A* that we could
B59	market the product internationally on the basis that they felt
B60	there was less risk of somebody from an international study centre having
B61	either access or the will to complain to Ofqual. *A* said she felt that was low
B62	risk and that she would then work on a segmentation exercise with the study
B63	centre network of the UK to get a better understanding of who the distance
B64	learners were and once that exercise was completed, which they anticipate
B65	to take two to three months, we would then have a database of individuals
B66	that we could market to in the UK who were students but
B67	they weren't attached to a particular study centre. I can't remember what the
B68	term is on the database, but they're kind of unattached from the study centre
B69	point of view. And at the same time, what we've got to do with the
B70	international marketing is to package this with study guides. So, what we'll be
B71	seen to be doing is offering a, if you like, a portfolio of study support materials
B72	and resources and it's not specifically a promotion around e-learning
B73	So, we're okay with that.

Researchers question: I might be wrong but I think I understood that as part of this process *A* got you to directly interface with an ex-Ofqual regulator?

B74	Yeah we had an hour with him and just kind of talked through the scenario and
B75	tried to understand what his perspective would have been if he'd been coming
B76	in and was looking into the conflict of interest question. He was, I'd say, a
B77	little bit non-committal. He said he needed to know much more about the
B78	scenario and the background before he could really give us any direct
B79	feedback. He did also say that we are in very safe hands from a regulatory
B80	point of view provided *A* is in charge.

Researchers question: And how did that make you feel?

B81	It kind of made me feel that the sort of subservient nature of our activity to
B82	team *A* was reinforced. So, it's like if you've got any questions go and see the
B83	person that's in charge [lengthy pause]
B84	And it gave me some comfort that the advice and direction we're
B85	getting from *A* is not just her point of view that it comes with, you know,
B86	practice and experience.

5.3.2 'What's the problem?'

	Actor *A*

Researcher question: why were you concerned about this incident?

A76.	My first concern was my allegiance to organisation. The default mechanism
A77.	though would be the awarding body would be in breach, we would potentially
A78.	have reputational damage because any non-compliance that's registered
A79.	by a regulator is openly available on the Ofqual website. So, there's
A80.	reputational damage there. That sanctions could be implied, which could
A81.	restrict the way we operate; which could, for example, say that we have to
A82.	stop people being a member while they're studying because that's what
A83.	they would call bundling. We've bundled a product or service with a
A84.	qualification, which is what we do. We make someone become a member
A85.	before they take their qualification, so that's deemed as bundling. And I
A86.	keep a low profile on that because there's a tiny bit of the regulation gives
A87.	me little bit of wriggle room. And then the third thing for us is a potential
A88.	fine, and that fine, in terms of business risk, is highly unlikely to ever happen
A89.	at the highest end but the highest end is 10% of our global revenue, which
A90.	is what, £2.2 million or something ridiculous. The chance of never getting it I
A91.	know is high but there are proportionate fines in-between.

Research question: Are you saying that your concern is if we get too visible to the regulator, for whatever reason they may come in and have an interest in some other stuff that we are doing which may not meet the regulatory requirements?

A92.	That's exactly it, which is always the risk and the balance I have about
A93.	having to adhere to regulation, but equally I think I'm possibly
A94.	the only senior member who has a role that is both revenue generating
A95.	and also has to protect public good and standards. So, I have a very
A96.	interesting role, a dual role that I think most people don't have.
A97.	They're either very purist out and out revenue generating or they're purist
A98.	support function and perhaps look at things more objectively.
A99.	So, it is always a very challenging time in my head when I replay things
A100.	constantly back that I'm not being so purist in terms of the awarding
A101.	body, that I'm having to step back, take a deep breath and say okay

A102.	then, consider the risk profile of that. In other words, do you make
A103.	everything a big drama or do you say you know what, that's a really small
A104.	risk of that happening? Not that we would purposely do anything wrong,
A105.	but with all regulation there's normally a bit of wriggle room there on
A106.	interpretation. So, I have been saying to the senior team, as you'll know, I
A107.	don't know how many years, there's always a risk of Ofqual telling us to
A108.	decouple membership and qualifications. Ofqual's gone as far as saying if
A109.	you want to be an awarding body now you cannot package.
A110.	So, knowing that and knowing I've got a little bit of wriggle room, I'd
A111.	certainly try and keep a low profile and what I wouldn't want Ofqual
A112.	to do is come in heavy on something that actually we probably could have
A113.	found a more creative way of dealing with it and then they look into
A114.	everything else.

Actor B

Researcher question: why do you think *A* reacted as they did?

B87	I think they *A* are conscious of the external perspective that people have.
B88	I think they are also very sensitive to the regulator, who has quite an appetite
B89	around conflicts of interest. In fact, it's one of the six things that I called
B90	out to be looked at in some depth at the forthcoming [Ofqual] audit.
B91	So, I think there's a heightened sensitivity around us risking being pulled
B92	up by Ofqual for something that is kind of within our control to
B93	manage and mitigate the risk.

5.3.3 'What's the case for regulation?'

Actor *A*

Researchers questions: Do you ever ask yourselves why are we regulated?

A115.	Constantly. I do, all the time and I've weighed that up many times and there
A116.	will be a tipping point when the benefits of being regulated outweigh the
A117.	nuisance of being regulated. Interestingly, and this is really rather bizarre, in
A118.	the UK, aside from any funding that's available for students to take our
A119.	qualifications, we could overnight not become regulated in the UK. Our
A120.	presence here since 1932, our reputation, and the UK being a mature market

A121.	understands this, would accept on face value and wouldn't give two hoots
A122.	about it. The bizarre thing that's driven all this actually is our international
A123.	expansion and the fact international markets need to be satisfied that we're
A124.	not a charlatan. Because there are so many different institutions. And
A125.	therefore how can international markets distinguish legitimate
A126.	institutions that have a public good mandate and that were there to make
A127.	money to do things and not do things to make money, as opposed to what I
A128.	would call a cheque book institute, which is there for one thing… behind this
A129.	façade of the word institute, there's a limited company with people wanting
A130.	to make profit. In South Africa, what drives individuals is not getting a grade
A131.	of membership, it's getting a qualification. Different markets have different
A132.	drivers, and in South Africa, in fact the whole sub-Saharan Africa, it's that
A133.	piece of paper, and that has the currency that that student perceives will give
A134.	them a better opportunity of being successful in their career. But in South
A135.	Africa particularly, in order for, therefore, a corporate to pay out money they
A136.	want a qualification. To have a qualification recognised and to get funding in
A137.	South Africa, our qualification has to sit on SAQA, which is the South Africa
A138.	Qualifications Framework… or Authority actually, and the one way we can get
A139.	on there is because we're regulated back in the UK. So, therefore, SAQA
A140.	have taken our own application and a part of that process, in terms of due
A141.	diligence, will be okay, you're Ofqual regulated, therefore we can ignore all
A142.	that bit, in terms of quality assurance and integrity and all the other processes
A143.	that we go through for our regulator they're deemed a given because of the
A144.	fact that we're regulated.

Actor *B*

Researchers questions: Do you ever ask yourselves why are we regulated?

B94	It's important to us. I've heard that we could survive without Ofqual
B95	potentially, but for the time being, we've decided that [Ofqual is the regulator
B96	we want to align ourselves with. And that if I was to put our compliance at
B97	risk by creating a conflict of interest, a perceived conflict of interest, I could
B98	be responsible for [focal org] not passing an audit or having corrective actions
B99	to do, which could threaten our future. If it was considered to be a serious
B100	breach and one that we failed to correct, we could have our awarding body
B101	status removed, which would mean our qualifications wouldn't sit on the
B102	framework, which would mean that may have some consequences in the

B103	market for the attractiveness of our qualification, particularly internationally.
B104	It feels to me, I get it. I get the benefits of being regulated. I understand the
B105	threats of not being compliant from a business point of view.

5.3.4 'What are the consequence of being regulated?'

Actor *A*

Researcher Question: Do you think the rest of the business sees being regulated as a business benefit?

A145.	Interestingly, I think [CEO] does internationally. Because he's got so much
A146.	more exposure now internationally, I think he recognises, because he and I
A147.	have often had that discussion where I've said to him, one day I'm going to…
A148.	I will probably have to come back because we will hit a tipping point to decide
A149.	what we're going to do. And he's quite adamant he wants us to remain
A150.	regulated, as long as it is feasible to do so because he understands the
A151.	international benefit to the business and the benefit to reputation and brand…
A152.	In that in almost counteracting the sometimes criticism we get with
A153.	being too commercial. And guess what, even if we weren't
A154.	tomorrow, I would not change one iota of the quality assurance processes we
A155.	do because they're bloody good, which is why on our recent audit, we've had
A156.	a notable recommendation verbally. All that really good stuff
A157.	we should be doing and if we don't have those processes and policies,
A158.	procedures and systems in control, the institute can never grow. We're never
A159.	going to get to 100,000 or 200,000 exams. If we don't have processes in
A160.	place, so that's… I'm just talking about the importance of having that quality
A161.	assurance. What I mean was what those policies and processes made us
A162.	think about a lot of quality assurance and it means that because of the
A163.	volume we do we've chosen to use qualifications in a certain way on
A164.	our database. We've outsourced the activity to a third party.
A165.	We've done things in a certain way one, because we recognise the up-
A166.	risk in terms of volume. And also, because we recognise it's good practise,
A167.	there's lot of benefits of having done it that way, rather than trying to manage
A168.	the risk of having exam papers all over the place. It could be doctored. It
A169.	could be lost. And so, what… they're the sort of lessons I think we have learnt
A170.	over the years.

Researcher Question: How do you experience being regulated?

B106	I guess I look at it as a little bit of a hindrance for my part of the activity
B107	'cause I feel that because we're in-house, we sometimes get… it feels like
B108	we're getting an unfair level of scrutiny from Awarding Body. So, through
B109	an audit process they might tolerate some activities from private study centres,
B110	colleges, universities, etcetera, etcetera, I think there's an added layer of
B111	scrutiny on us because we're internal. There is a nervousness around conflict
B112	of interests. There's an interest around mitigation or eliminating a conflict of
B113	interest from the regulator. So, I feel like it's a bit of a burden that gets passed
B114	down to us in the way that we operate. If we were not regulated the
B115	difference would be there's no regulatory impact. So, would we be prepared
B116	to take more of a risk if we weren't regulated because there's not so much to
B117	lose from a regulatory point of view? So perhaps *A* would swing
B118	a little bit more in our favour because, you know, the ultimate sanction of
B119	being unregulated wouldn't exist.
B120	I don't think it's caused extra work until now. What I now realise is that if we
B121	really want to turnaround the study centre and grow it back to where it was
B122	three years ago, I've got to invest in creating a marketing list that we can
B123	market and sell to that is going to cost money and it's going to take time to be
B124	able to develop that database, which is actually sitting there and could be
B125	used free of charge. But I get the potential conflict of interest [of that]
B126	I think that when we're marketing study centre services, I can see very clearly
B127	that we are one of 70-odd in the UK, at least that's how *A* perceive us to be,
B128	and that for us to have access to student data, who are students of other
B129	study centres for us to market directly to, is using a competitive advantage
B130	that other study centres don't have and we could therefore be accused of
B131	having a conflict of interest. So, I get that. But then there is a range of
B132	services that sit outside of our study centre, like course books, like e-learning,
B133	perhaps like e-books, that we might want to develop in the future
B134	which are available to our study centre at an internal transfer cost
B135	and are available to all other study centres at a transfer cost, and should be
B136	available I think, directly to any studying students as a learning support
B137	resource. But if one of those students was to come back to us and said yes,
B138	I want to buy the e-learning but could you help me with a bit of revision or
B139	could you help me with registering for my exams those calls would be handled

B140	by a customer service team and they would then refer that individual to the
B141	study centre web page where they're free to decide which study centre they
B142	want to buy their services from. So, I thought from the perspective of our
B143	study centre and from the perspective of having some products that were
B144	unattached but of potential value to students, we had our bases covered.
B145	I said to *A* would it help if we gave marketing of unattached e-learning to
B146	Bookshop so not attached to our study centre in any way, shape or form and
B147	that we even realigned the budget for standalone e-learning to somebody
B148	else's budget, so I had absolutely no study centre interest, other than wider
B149	organisation interest to make sure we leverage the asset. And the feedback
B150	that I got was it doesn't matter because it's the public's perception that
B151	matters, not how we're organised internally.

Researcher question: You use the word 'sell' which isn't something I hear used, what's your thoughts on why that might be?

B152	No, I don't hear it a lot actually. I hear the word 'marketing' quite a lot
B153	because we do a lot of marketing but I don't hear a lot of people talking
B154	about selling, which is the… you know, it's the transactional part of what we
B155	do to earn money. But to me it's very much part of our reality and something I
B156	think a lot of people are actually conditioned not to talk about. Because the
B157	myth is that our customers don't like to be sold to by us. But for me
B158	it should be part of our everyday vocabulary. So, you know, I would
B159	like to bring somebody on to sell the services of the Study Centre, not passive,
B160	not in a just do a good marketing campaign sense, but get somebody on
B161	the phone and we have somebody face to face and we try to sell to them. But
B162	I also get that we need to be cautious of not overstepping some of the
B163	boundaries that we need… that we've created for ourselves for good reason.
B164	So, I think you have to have checks and balances in place to make sure you
B165	don't stray into a potential conflict of interest. The risk is that we end up
B166	portraying a fairly fragmented image of what our total capability is because
B167	there are bits of it that we can only talk to a certain audience about and there
B168	are other bits that we clearly can't talk to any part of the student audience
B169	about it. So I'm worried that it may appear to be clunky and that, even worse
B170	than that, we might have to organise ourselves around that clunkiness to
B171	make sure that we preserve those borders and those barriers that we've got

Researcher question: You have objectives about growing, revenue and margin. Do you think the CEO understands the implications being regulated has on this?

| B172 | I don't think he does. I think the conversation I had with him a couple of |

B173	weeks ago, helped to put those risks into some perspective.
B174	And I think the one thing that *A* does for us all is coach us very clearly on what
B175	the risks are. I think they have their commercial hat on when they do that.
B176	So, when we were actually able to sit down and talk about it like adults,
B177	they were actually quite practical and commercial and giving us some pointers
B178	about things that we could do, where the risk was minimal and things that we
B179	ought not to do until we've done a bit more work to mitigate some of the risk.
B180	And I think those kind of conversations certainly helped me but I think it
B181	helped CEO to understand the context that we were working within. What
B182	I've still got to do with CEO now is to help them understand that with this
B183	constraint, which is like having at least one hand tied behind your back, we've
B184	got work to do to define how do we now market the Study Centre as broadly
B185	as we possibly can, knowing that a part of that offering we kind of have to
B186	keep secret from some people.
Researcher question: You previously used the phrase 'when A got commercial' are you suggesting that they are not always 'commercial'?	
B187	I think that when *A* is dealing with me or my team, I get a more rigid
B188	application of the regulations. When we're sitting in front of CEO, it tends to
B189	get a bit moderated. And that's when I say it moved to a more commercial
B190	application of risk. I think *A* sees that they have ultimate control of
B191	authority about how those regulations are applied. And when she's with CEO
B192	it's a different kind of relationship. It's more adult to child, whereas with CEO
B193	it's more… it's parent to parent [laughs].

5.3.5 Narrative Summary

Below is a summary pen-picture of the narratives of the two protagonists – here is what I hear them say 'in a nut-shell'.

[A]

The business strategy says that we are going to be increasingly global. To protect our international activity in education we need to be regulated to be recognised as a credible and legitimate education provider.   The CEO agrees that being regulated is important to protect our brand and the international activity. This matter because my job is quite unique, as I am the only one required to protect the public good and be commercial. I need you to know that I have the support of the boss behind the work that I do.

*Staying regulated is a really difficult thing to achieve, just look at **B**, they have just got it wrong and I had to step in to defend pubic good. The regulations are difficult to understand and the regulators are powerful - if we do anything wrong we could face big fines and I could go to prison. However, you don't need to worry because my team and I are here and have our fingers on the pulse and know what we are doing. It's not just me saying this, the regulator and other regulatory experts are saying it too. My allegiance is to [organisation] and I am willing to risk my freedom for it. I can help you to understand what you need to do. I am willing and able to protect our public good activity from the evils of commerciality'*

[B]

'I totally get the importance of being regulated for [the organisation] for now but I don't necessarily think this is a permanent thing. I think that we are over sensitive to the regulator and that we could make more practical and commercial interpretations of the regulations if we wanted to. I know that I have a role to protect our regulatory compliance and I do this for the greater good of the organisation, not because I think it helps me in my role. In fact, it makes being successful in my job more difficult. It can feel like a burden and it is even counterproductive to achieving my objectives because it means I have a complex clunky structure, which makes things slower and more expensive than if we were not regulated.

*I am not sure my boss understands how constraining it can be but he may have to as I am not sure I am going to deliver what is needed in the P&L taskforce and I may lose my job if I don't make a profit this year. I am not sure that **A** understands how difficult it can be and I wished that they would make it a little easier for me sometimes. I feel that we have a more rigid application of the rules and a greater level of scrutiny than other study centres because we are an internal department. This doesn't feel fair but I don't always feel empowered to negotiate with **A** in an adult-to-adult way. I know that **A** is knowledgeable and good at trying to get us to understand the risks but sometimes it comes across as them*

*telling us what to do which can feel a bit insulting and disrespectful. This time I had to get the boss involved because **A** wouldn't hear me and by involving the boss they become less rigid in their application of what we can and cannot do and we were able to reach a compromise. I tend not to get this if I don't involve the boss.'*

5.4   Interpretation

The previous section contained extensive passages from interview transcripts. In this   section I provide my interpretations of what I heard and observed.   In alignment with the central research question, this section develops around themes of rhetoric and symbolism, politics and power, and structure.

5.4.1 Use of Rhetoric and Symbolism

I experienced much persuasive and emotive rhetoric around this incident, yet some of it seemed lacking in sincerity or meaningful content. For example, in lines A124-127 **A** presents being regulated as symbiotic with a public good mandate and being judged as a legitimate institution. This is a common strapline from **A** that I have heard many times over the past 10 years I have worked with them, normally used to emphasise their commitment to the logic of 'public good'.   However, the lack of articulation of what constitutes (good) 'things' means that the sentence lacks meaningful content and has become an empty vessel, symbolic rather than material in nature, within a hybrid positon [see chapter 4, section 4.2.3 for more on this issue]. Moving even further towards a commercial logic, in lines A131-136, A149-A153 and A162-170, we see **A** surrender regulation to the purposes of business benefit, brand, market demand, growth and as a defence against the charge of being too commercial.   A more credible commitment to public good would have perhaps been expressed through commitment to removing barriers to learning and giving greater access to those in developing countries through reduced costs and/or the benefits of cost reduction being passed onto learners.

Similarly, **B** signals an acceptance of the importance of being regulated '*for the time being*' [B102], signalling a belief that being regulated is not a fixed state and exists more for a commercial than moral reason. Meeting the needs

of the regulator is nevertheless presented as *'terrifying'* [E9] and *'no small task'* [E12-13]. This provides powerful discursive resources that have resulted in widespread myths among lower-middle job grades regarding the personal risk of imprisonment to **A**, should a regulatory breach occur. Actors within the organisation appear to unquestioningly perpetuate this myth, it has become a defining narrative that socialises and sanctions behaviours. Even at senior leadership team level, there is a strong sense of personal responsibility for the catastrophic consequences of non-compliance:

> *'If I was to put our compliance at risk by creating a conflict of interest, a perceived conflict of interest, I could be responsible for [focal organisation] not passing an audit or having some corrective actions to do, which could threaten our future… I understand the threats of not being compliant from a business point of view'* [B101-B112]

B perpetuates an equally powerful myth of personal consequences. Using serious humour, they create a discourse among more junior staff that they are at personal risk of losing their job if they fail to meet the objectives of the 'keeping me in a job project'. In doing so, they elevate the importance and necessity of commercial behaviours and goals. Though the starting points of their rhetoric differ insofar as **A** adopts a public good and **B** adopts a commercial rationale, the core substance of their argumentation is shared in that regulatory compliance is ultimately positioned as a symbolic means to achieve commercial ends.

5.4.2 Politics and power

Being regulated appears to have utility to **A** as a political power resource in that they use it to 'police' behaviour in other departments [lines B106-114] by connecting it to public good through protecting standards, codes of conduct and providing legitimacy [lines A62-64, A124-130] and commerciality through mitigating business risk from fines, reputational damage and ultimately closure [lines A78-80, A87-90, B99]. By positioning themselves as an authoritative, expert resource who should be consulted [lines A17-A18], **A** presents their role as being to 'help others to understand' [line A60-61]. This presentation is accepted to some degree when **B** comments that 'the one thing that **A** does for us all is coach us very clearly on what the risks are' [lines B181-B182]. Yet, in

contrast to this espoused motive, combatant terms are adopted such as 'defending' [A53]; 'challenging' [A54], 'putting foot down' [A56] and having an 'allegiance' [A76]. This positions *A* as 'at war' with others and there did not appear to be any sense of being apologetic for '*overriding*' *B* [line A57] or that there is any other way of interpreting the incident. Rather, there is a sense of *A* being aggrieved that *B* did not take the issue seriously and dismissed the severity of the potential regulatory consequences [A46-A49], despite *B*'s belief that they had in fact 'covered the bases' around any potential conflict of interest [B31-44]. Additionally, a degree of amusement about *B*'s needs and their approach to meeting these needs [lines A70-A75] was expressed. In turn, *B* speaks of being '*troubled*' [line B43] and '*aggrieved*' [line B47] by *A*'s action to stop the marketing without consultation, acknowledging that this is because *A* sees that when dealing with *B* or their team they have '*ultimate control of authority about how those regulations are applied*' and as such *B* at times feels 'subservient' to *A* [line B88].

Within this power play, both protagonists draw on the CEO to reinforce their position. *A*, for example, brings the CEO into their narrative to emphasise their (CEO) commitment to regulatory status. Through declaring that the CEO is '*adamant that they want us to remain regulated*' [line A149-A151] they seek to persuade others that they (*A)* are doing an important job. In addition and through the use of external experts, *A* presents themselves as being competent to meet this important but difficult task [see lines A171-A173 where *A* cites the regulator as giving them a notable outcome, endorsing their competence; E12-13 where they use external experts to reaffirm their capability; B86-93 where *A* arranged a direct interface between *B* and a regulatory expert]. Conversely *B* arranged for a direct interface between him, *A* and the CEO in order that the CEO 'moderate' A's application of the regulations [B194-196]. Whilst *B* notes *A*'s belief that they '*have ultimate control of authority on how those regulations are applied*' [Line B197-B197] *B* uses the CEO to mediate and move *A* into a position where they provide a more practical and commercial application of risk [B196] than they (*B)* was able to achieve independently.

The notion of 'wriggle room' in the regulations presented by *A* and the compromise reached in the meeting involving the CEO suggests a degree of agency and awareness about how *A* interprets, expresses and applies the

rules, depending on who they are interacting with. The regulatory compliance discourse has been developed as an important power resource or political tool because of its utility in transcending commercial and public good logics.

5.4.3 Structure

Actor *A* presents their role as unique in comparison to the rest of the management team, in that they are *'the only senior member who has a role that is both revenue generating and also has to protect public good and standards'* [see lines A93 – A104]. Within protagonist *A*'s narrative, we see them appropriate department *B*'s structural status as an independent business [lines A30-A31] as a core reason for the conflict of interest due to gaining competitive advantage over external study centres [lines A42-A44, A65-A75]. We equally see *B* show great sensitivity to and awareness of the implications of this status and the measures taken to mitigate a conflict of interest [lines B4-B28; B47-B56; B128-144]. One solution suggested by *B* to *A* was that the activity perceived by *A* to be causing a conflict be moved to a department within the focal organisation so the internal study centre (and wholly owned trading subsidiary) had no 'interest' [lines B145-149]. Paradoxically, despite structural status initially being used as the source of the conflict by *A*, they responded to *B*'s proposed structurally based solution by stating that this was a matter of public perception and not how the organisation is organised internally [B149-151].

B further suggested that as an internal study centre, they experience a higher (and unfair level) of scrutiny from the awarding body (Department *A*) [see lines B106-B114] that the focal organisation's products and services appear *fragmented and clunky* [lines B157-163], and that they are required to keep a part of their offerings '*hidden'* [line B171-175] and *'secret'* [B193] to avoid conflicts of interest. They describe a sense of *'working with one hand tied behind their back'* [B190]. It is noteworthy that there is no requirement based on charity law for the internal study centre to be a separate trading entity from the focal organisation, as the activity they undertake is in direct furtherance of the parent organisation's charitable and charter objects. Yet, the complexity caused by this structure appears to provide the basis for ambiguous treatment of study

centre activity and a reduction in its status given the primacy afforded to the awarding body and its regulatory compliance.

5.5   Chapter Summary

This chapter provides an appreciation of how two protagonists with conflicting agendas use structure, discourse, politics and other influential actors to negotiate and persuade. For example, we have seen how one protagonist uses regulatory compliance and external regulators to create an acceptance of their expert position, how both use myths to persuade others and socialise the behaviours and priorities they desire and how both use an elite actor to negotiate different logics and reach compromise. Compromising involves crafting an acceptable balance between competing logics by conforming to minimum standards of what is expected within each (Scott W. R., 1983) and/or bargaining with institutional referents so that they alter their demands. Its ability to at least placate diverse constituent groups is described as a viable strategy for organisations facing institutional complexity (Kraatz & Block, 2008; Oliver, 1991; Pache and Santos, 2011). Compromising is not without limitations, however, and may result in 'antagonistic practices' (Greenwood et al, 2011) that can be challenged on legitimacy, legality and lack of transparency.

In this incident, the compromise solution has some incongruence to the stated benefits or case for being regulated. In their narrative, *A* presents being regulated as critical to international business, as it provide the organisation with legitimacy and credibility [lines A73-A91]. However, the compromise was to market the product internationally on the basis that *A* felt there was less risk of somebody from an international study centre having either access or the will to complain to Ofqual [lines B54-57]. This signals the symbolic nature of regulation and positions it as a way to avoid other international bureaucratic processes rather than being values driven as a means to achieve public good and perhaps also highlights game playing by elite actors who appropriate particular logic values to pursue their own interests.

This concludes the first incident findings chapter and I now move onto the second, which explores the nature of institutional work undertaken to bring in a change to the bonus structure

Chapter 6 – The Bonus Setting Process

6.1   Chapter introduction

I used this critical incident to get a greater understanding of the role of logics in shaping bonus schemes and the institutional work of actors in both advancing and resisting the case for changes to the scheme. In this chapter, I explore the bonus schemes in place over the terms of two CEOs, arguably affiliated to the different logics of public good (CEO1) and commercial (CEO 3). Through this incident, I explore the institutional work undertaken by CEO 3 to bring in a formal bonus structure, aligned to a commercial logic, and the challenges they faced from protagonists (namely Trustees) who appear to identify with a public good logic. In doing so, the chapter responds to the central research question of how organisational actors deal with the presence of multiple institutional logics and what implications this has for the nature of organisation, with additional emphasis on the sub-question of what happens if 'insiders' do not see the dominant logic as legitimate. Please refer to the methodology chapter for detailed information of the fieldwork underpinning this incident.

I confess that prior to analysing this critical incident I had a rather simplistic view of bonus schemes, perhaps borne out of my days as a HR manager with responsibility for their deployment and management rather than creation. During this DBA research my appreciation of the significance of bonus schemes and the complexity of beliefs and assumptions that lead to the development, implementation, acceptance and rejection of them deepened. I would now position bonus schemes as a vehicle used to negotiate and embed logics within an organisation, but would also suggest that bonus schemes are underpinned by an affiliation to a particular logic and therefore present bonus schemes as representational of actor's belief systems. In making this claim, I accept the argument of Argryris (1973) and Davis et al. (1997) that management systems are reflective and consistent with the assumptions of those that have designed them.

6.2   Précis of incident

In this chapter, I explore the institutional work undertaken to bring in (and resist) a change to the bonus policy. Whilst the catalyst for identification of the incident was a Trustee meeting in May 2015, I very quickly discovered that this tension was not new - a similar challenge had previously resulted in the introduction of a new governance committee responsible for approving remuneration policies some seven years previous (referred to as Pay Committee). I have therefore extended the timeframe of documentation included in the analysis of this incident, which incorporates contextual material from 2008 to 2016. The detailed focus of this critical incident research is nevertheless February 2015 - May 2016.

6.2.1 The incident

This incident first came to my attention during an annual pay-setting process in 2015. Table 7 below provides a timeline of events.

Table 7: Incident timeline

Ref	Date	Activity
1	September 2014	Pay Committee (which was formed in 2008, to monitor and approve executive pay) was disbanded and its terms of reference transferred to newly formed Finance Committee (responsible for overseeing financial governance, of which pay is one element).
2	19 May 2015	Finance Committee requested a briefing on how pay and incentivisation was managed as part of the budget setting process.
3	1 July 2015	CEO initiated work activity to make a proposal for a change to the existing bonus scheme. Initiation occurred by way of meeting with CEO, me and Head of HR.
4	22 July 2015	Email sent by Head of HR to CEO, expressing their concern about the proposed change to staff bonus.
5	24 July 2015	The process of writing the 'Proposal for Amendment to Pay and Reward Policy' for Finance Committee's approval begins.
6	20 August 2015	Meeting of Finance Committee discussed 'Proposal for Amendment to Pay and Reward Policy'. Committee unwilling to approve the proposal and asked for it to be tabled at a full trustee meeting.
6	8 September 2015	Meeting of the Board of Trustees discussed the proposal. Proposal was approved after much discussion but only on the condition that a full review of all pay and reward was undertaken to ensure appropriateness. No timelines set for the review.
6a		Board of Trustees accepted a recommendation for the re-instatement of Pay Committee (disbanded September 2014 - see ref 1 above) stating that the remit of Finance Committee as too large and there was a need to separate out Pay and Reward to a separate committee (reformed Pay Committee).
7	31 October 2015	Head of HR exits the organisation citing 'cultural differences'.
8	11 December 2015	Announcement of new bonus scheme to staff.

6.2.2 The wider external environment

The timing of this incident is perhaps significant as it comes shortly after the National Council for Voluntary Organisations (NCVO) Inquiry into Charity Sector Executive Pay, a subject which has come under scrutiny in recent years following some '*high profile media articles into charity executive pay*'. (NCVO, 2014, p. 6)   The task of the inquiry was presented as '*to assist charity Trustees in exercising their responsibility for setting the pay of their senior executives*' (NCVO, 2014, p. 6).   The regulator (UK Charity Commission) is on record as supporting the Inquiry's findings and report (NCVO, 2014, p. 3).

The objective of the NCVO inquiry was to explore the relationship between salary levels and public trust and confidence in the charity sector, and the arguments about what are appropriate levels of pay for charity senior executives and how these levels should be arrived at.   The outcomes of this report included '*definitive guidelines for charity trustees, informed by a broad debate on the issues involved, to consider when setting salaries*'.   In terms of the focal organisation there are some noteworthy principles, recommendations and statistics published from this inquiry (NCVO, 2014, pp. 4-10):

1. Charity law binds organisations registered as a charity (and thus the focal organisation as it is by legal form a charity)

2. Charity law is firmly founded on certain values. Central to those is the requirement of exclusive public benefit

3. All charities accordingly share some common characteristics that must be observed by trustees when they consider pay. They must be completely independent in formulating their policy and decisions, and their decisions must be reached solely based on the best interests of the charity and its beneficiaries

4. Trustees exemplify the voluntary nature of the charity and are thus themselves unpaid, except in the rare cases where remuneration is authorized.   (The   focal   organisation   obtain   special permission/dispensation for the CEO to also hold trustee status).

5. The inquiry summarized four main viewpoints on high pay in the charity sector, 'all of them strongly held and vigorously expressed':

   (a)   that nobody who works for a charity should ever be paid;

(b) that pay for a small, top tier of managers is acceptable provided as many other people as possible are volunteers;

(c) that working for a charity is a special vocation and salaries are subject to a 'charity discount', making them lower than comparable roles in other sectors;

(d) that charities should be well run on efficient business lines – and if that means high pay at the top, then so be it. (CEO3 echoed this view on the assumption that to run as an 'efficient business' there was a need to remunerate highly to attract and retain staff).

6. The inquiry noted the following profile of the charity sector:

(a) There are almost 161,000 registered general charities in England and Wales, with an annual income of just over £39 billion;

(b) Almost half this income went to just 533 major charities, each with annual revenue of over £10 million. (The focal organisation's revenue is over £22 million);

(c) Of all registered charities, 91% have no paid employees, the remaining 9% provide jobs for around 800,000 people. (The focal organisation employs 149 staff);

(d) Less than 1% of charities employee a member of staff earning £60,000 or more. (Almost 11% of staff in the focal organisation earn £60,000 or more - see Table 8 below).

Table 8: Emoluments of senior staff in focal organisation (taken from annual report and accounts).

£	Nov 09 – Oct 10	Nov 10 – Oct 11	Nov 11 – Oct 12	Nov 12 – Oct 13	Nov 13 – Oct 14	Nov 14 – Oct 15
60,001-70,000	4	4	3	2	1	6
70,001-80,000	0	5	5	1	4	5
80,001-90,000	3	2	1	2	1	1
90,001-100,000	0	0	3	3	0	0
100,00-110,000	0	2	3	2	3	0
110,001-120,000	1	1	1	2	2	5
120,001-130,000	0	0	1	0	2	1
130,001-140,000	0	1	0	0	0	
140,001-150,000	0	1	1	1	1	
170,001-180,000	0	1	0	0	0	
190,001-200,000	0	0	0	0	0	
200,001-210,000	0	1	0	0	0	
220,001-230,000	0	0	1	1	1	
230,001-240,000	0	1	0	0	0	
260,001-270,000	0	0	0	0	o	1
Total staff £60,000 +	8	19	19	14	16	19

6.2.3 The changing nature of the scheme

In this section I explore the bonus schemes in place over two CEO's terms. From the analysis in chapter 4 (positions) I present CEO 1 (2001-2008) as coming from a public good logic and CEO 3 (2008-2017) from a commercial logic. There was a rapid turnover of CEO in 2008 and CEO 2 was in post for a short time so made no changes to the bonus scheme. My analysis in this section involved a review of the bonus schemes in place since 2007. A summary of the changes made to the scheme is provided in Table 14 (see page 120), which has been developed through documentary evidence in the staff handbook, minutes of trustee meetings, general staff communications (staff updates, messages on the intranet) and historical HR files. Through the documentary review process, I noted four key changes to the scheme since the start of the current CEO (CEO 3). These can be summarised as: introduction of pay scales; move to individualistic performance and reward; move to high power distance schemes[2] and; change of performance criteria:

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[2] High power distance relates to scale of differences in status and how it is displayed for example in terms of job descriptions, decision making levels, salary etc.

(a) **Introduction of pay scales and pay bandings.**

A new structure was introduced in 2012 to '*create a coherent pay and benefit policy, which supports the management of pay across the organisation*' (Focal Organisation, 2012)*.* This resulted in the creation of pay bands and an annual performance and pay review process and was a foundation for the introduction of the high distance bonus scheme that followed (see b).

(b) **Move from a scheme rewarding team (collective) results to one that rewards individual performance and supports high power distance.**

There were two changes that have prioritised individual performance and reward over team performance and reward:

    i.   **Moving from a shared bonus to individual bonus**. This change first came about in 2010 with the introduction of a separate leadership bonus. It was further reinforced in 2015 when bonus payments changed from a shared central pot to a percentage of base salary for all staff. See Table 9 below for an example of the impact of the 2015 changes.

Table 9: Bonus values

Bonus value - November 2014 - October 2015 [shared pot]	Bonus value - November 20015 – October 2016 [individual pot]	% increase
Entry level job (band E) = £569	Entry level job (band E) = £747	+31.28%
Middle manager job (band C) = £569	Middle manager job (band C) = £1,399	+245.86%
Senior manager (band A) = £569	Senior manager (band A) = £2,133	+374.86%

    ii.   **Introduction of individual 'great rating'.** This initiative (November 2010) introduced additional financial and non-financial rewards to individuals with 'great performance', who overachieved on objectives. Initially the Key Leadership team were excluded but in 2015 they became eligible for this bonus. I thought that it would be informative to get an appreciation of what is determined as 'great' performance within this context and therefore read associated policy procedures and the testimonials of individuals who achieved 'greatness'. The basis of this bonus lies in the performance management system, which has three categories of performance (see Table 10 on following page).

Table 10: Performance ratings ((Focal Organisation, 2012)

Great performer: The Staff Member shows consistent performance against the Personal Qualities and Behaviour Framework for their level. This is a mandatory criterion for great performance but great performer rating cannot be given for this item alone. The Staff Member has achieved and exceeded their agreed objectives, demonstrating, good, sound, sustainable performance and positively supports and influences achievement of goals outside of and in addition to, their own role
Good performer: The Staff Member shows consistent performance against the Personal Qualities and Behaviour Framework for their level. This is a mandatory criterion for good performance but good performer rating cannot be given for this item alone. The Staff Member has achieved their agreed objectives, demonstrating, good, sound, sustainable performance consistently throughout the appraisal period
Under performer: The Staff Member fails to show consistent performance against the Personal Qualities and Behaviour Framework for their level. Even if a Staff Member's work is of good quality but this descriptor is valid, the Staff Member must be rated as an under performer, and / or   • The Staff Member has failed to achieve their agreed objectives, and / or has failed to demonstrate good, sound, sustainable performance. An insufficient amount of critical activities are completed in a timely manner and line manager / task supervisor are not kept informed of work issues, alterations and status, and / or Staff Member shows: • Circumvention of established procedures, resulting in unnecessary expenditure of time, money or customer dissatisfaction; • Reluctance to accept responsibility; • Incomplete understanding of one or more important areas of the field of work.

Individuals who have been rated 'great' are subject to a peer group 'calibration' process whereby the line manager making the recommendation has to defend and evidence their assessment to their peer group. The peer group will endorse or reject the assessment. This process occurs at three levels of the organisation each one rolling up until the final list reaches the CEO for ultimate approval. So just what is recognised as 'great'? To answer this question, I obtained the testimonials for those staff members who have achieved a great rating for the previous 3 years (a total of 17 awards). I present these narratives in Table 11 (next page) as an illustration of the dominance of commerciality in what is deemed 'great'.

Table 11: Great Citations

Revenue growth	'[O] had a fantastic year, delivering above and beyond what is expected in their role. O achievements include: • smashing their sales target and bringing in an additional 80% of revenue • selling three [product name removed] • using [system name removed] effectively to record opportunities and build good relationships with the wider sales community • supporting the team with a successful telesales campaign to support the launch of the [product name removed]'
Profit growth	'[S] has excelled in all areas of their role and surpassed all targets and objectives set... Their dedication is un-questionable and their contribution is well recognized. It is however, their contribution to cost savings and efficiencies for cost reduction and scalable delivery that has directly contributed to the outstanding achievement of achieving positive NFR for the first time. S's efforts this year have seen them achieve savings well in excess of 200k which exemplifies their deep knowledge of delivery costs along with the innovative and dedication to 'make it happen'
Supporting globalisation	'[B1] was rated Great this year for her work on the finance Project which was the Group Finance Team's biggest adventure in the last 20 years I believe, and excelled at taking the challenge of integration and implementation forward through to a successful Phase 1 Go-Live…At times, B1 has needed to be strong in her approach to ensure controls are adhered so that we continue to maintain financial stability and transparency globally, which I believe continues to work in our favour'.
Reducing dependency on suppliers [3]	'[W] led the project to launch a new facility for students which now delivers a high quality high-end product where students can self-serve a significant amount of support which has reduced the amount of work on support staff. W's creativity has ensured the development of new and better content, in order to move away from suppliers and increase own our own IP.'
	'Development of our owned IP and taking direct responsibility for tutor resourcing and programme quality assurance are game changers for [focal organisation]. In pursuit of these objectives A1 has applied their considerable knowledge, skills and experience to create a student centered delivery capability where cost, quality and agility are driving significantly improved levels of performance and will contribute towards eliminating £1.35 million of losses from the P&L in FY15.'
Developing brand	'This year, Y day job expanded to include Events and leading the embedding of a global PR strategy which delivered the highest AVE (Advertising Value Equivalent) we have ever seen, at £33million. But on top of all that Y has managed and delivered a complex tender, which has resulted in the move to [supplier name removed]. It's pretty difficult to move away from a supplier that has been in place for 18 years, and with whom you have built up a strong relationship, but Y was unflinching in their commitment to using this opportunity to make a step change for [focal organisation]'
Campaigns	'This year C1 has led on two key projects with Great Results. Project Liberty is the work that we have done with the [name of external organisation removed] on the anti-slavery agenda. To support that, C1 led on the delivery of the Ethics test, which many of you here have undertaken. Project Eagle is a strategic initiative with [name of consultancy house removed] on providing the [product name removed] [product supports risk reduction] to our corporate contacts.'

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[3] The focal organisation has a legacy of working with suppliers owned intellectual property (IP) (products). Where there is a reference to creating focal organisation owned IP this refers to creating products that are owned by the focal organisation and not the supplier.

(c) **Changes of performance criteria**. Again, there were two changes to the definition of good performance, both of which positioned financial results as the key criteria.

    i.   The following table 12 summarises the bonus criteria. I position November 2007-October 2008 as being driven from behaviour criteria (means) and November 2015-October 2016 as driven by financial outcome (end) criteria.

Table 12: Bonus Criteria

Bonus Criteria November 2007 – October 2008 [all staff]	Bonus Criteria November 2015 – October 2016 [all staff]
1. Work ethics and respect 2. Working practices 3. Customer Care & quality 4. Use of ITC 5. Financial 6. Marketing	1. Net financial return

    ii.   **Introduction of sales commission** for those roles deemed to be linked to generation of revenue in November 2009 signalled the assumed primacy of revenue generation, increasing the total reward opportunity for sales roles by 20% more than any other role.

(d) **Changes in presentation and communication**

There are notable differences in the way that the bonus schemes were constructed and communicated within the organisation by the two CEOs. Here we look at the structure and symbolism of the respective bonus schemes, which illustrates the different logics underpinning the approach of CEO1 and CEO3. The next table (13) provides a summary of the two bonus schemes and their communication to staff.

Table 13: Bonus criteria: communication to staff

2007-2008	2015-2016
CEO 1	**CEO 2**
Communicated by CEO verbal update at bi-monthly staff briefing and supported by a printed handout	Communicated through the Pay and reward policy on internal intranet [4], Finance Director update at quarterly staff briefings and final bonus payment communicated by CEO at December end of year staff briefing
Achievement of the following objectives by all staff will trigger a bonus payment of £150 per person. The criteria are based around several areas relating to the institutes targets and how we need to operate to achieve those goals.	These Scheme rules are for guidance & are non-contractual. They replace in their entirety the previous rules & guidance regarding the payment of bonuses as set out in the document 'Global Pay & Bonus Policy' [Focal organisation] may in its absolute discretion pay staff a bonus of such amount, at such intervals & subject to such conditions as may in its absolute discretion determine from time to time. Any bonus payment to staff shall be purely discretionary & shall not form part of the employee's contractual remuneration. If [focal organisation] makes a bonus payment to staff in respect of a particular financial year, it shall not be obliged to make subsequent bonus payments in respect of subsequent financial years.
Eligibility	
Section not covered	Eligible staff for the FY15-16 non-contractual bonus must meet the following criteria: • Employees on permanent or fixed term [focal organisations] contracts, and; • Rated as at least good at the end of year appraisal for the qualifying period, and; • Who were on the payroll during the qualifying period, and; • Who are on the payroll at the time that any bonus payments are made even if they are not currently at work due to maternity, sick or some other approved absence.

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[4] The intranet is a private computer network accessible only to an organisation's staff.

2007-2008	2015-2016
CEO 1	**CEO 2**

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Work ethics & respect

- Respect & understanding for all work colleagues, providing support & advice wherever possible, without the need for management prompting
- No-blame method of working with colleagues – no rivalry or disrespect between teams
- Accept responsibility for quality of output & quality of relationship with colleagues
- Language & behaviour to all colleagues to be professional & respectful at all times
- Standard of dress & personal appearance to be smart & professional at all times
- Demonstrable understanding & acceptance of different cultures, personalities & beliefs – accept & respect petioles differences
- Understand that whilst entertaining & socializing either with customers or work colleagues that you still represent as an organisation.

Working practices

- Constant interface with colleagues in cross-functional groups to ensure efficient & best use of resources
- Self-motivated involvement in seeking & sharing information
- Adhere at all times to institute polices & procedures
- Proactively seek information – don't wait to be told
- Abide by the principles of Ethical code in all dealings with suppliers
- Abide by the requirements of the various business principles & practices
- Understand the risk mitigation process & procedures & bring risk management to the forefront of your minds
- Customer care & quality (The word customer is used as a generic term & refers to everyone for whom you provide a service – internal colleagues, customers, members, suppliers etc.)
- Meet the needs of our customers in a high quality & professional manner
- Treat all customers equally
- Provide a 'corporate' image to all our customers representing the whole of [Focal organisation] at all times, not just one particular part – we must all act as Ambassadors cross-functionally
- Go 'the extra mile' to ensure customer satisfaction – demonstrate commitment to the 'customer first' philosophy
- Recognise that systems & procedures – as they are enhanced & designed – are there to assist customer care. Do not try to fit customer service provision around our systems/processes
- Be aware of the need to 'manage' distressed or frustrated customers in a sensitive manner
- Ensure you understand the variety of engagements a 'customer' may have across the whole of the Institute& keep colleagues informed

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The table below provides the summary of standards that must be met to trigger bonus payments.

Activity	Target
Revenue	£26.638 million

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(2007-2008m CEO 1 Cont.)
Use of ICT

- Effective use of systems – ensuring they are used as business tools as well as an operational system
- Maintain quality data & take 'ownership' of the data on systems
- Activity contribute to enhancements & the development of systems
- Consultation about data collection & the use of data before making commitments – no 'independent' databases
- Continued commitment to enhancing & growing our IT network & infrastructure
- Actively follow & support the various IT polices & procedures to maximise the efficiency of the systems
- Consult & include the IT team prior to developing/enhancing/changing business processes in your own area
- Use of the telephone system as an aid to customer service – not as an aid to easier working at [location removed]
- Maintain familiarity with the content & layout of the website – understand & maximise the benefits of using the website as an internal source of information & business information tool
- Contribution to the website, with strong commitment to keep the website at the forefront of the brand image
- Actively utilize & support the development of the intranet, ensuring information is relevant & useful. Ensure your accept responsibility for keeping the intranet up to date & relevant

Financial

- Abide by the requirements, policies & procedures relating to the Institutes financial transactions
- Consult with the Finance Team before committing to contracts with differing payment terms
- Actively support the Institutes efforts to reduce debtors days by strong client management
- Maximise savings & proactively think about the cost of doing things before going ahead (i.e. do you need a colour copy?)
- Manage wastage – both staff time & materials

Marketing

- Commitment to supporting the brand image in the market place
- Commitment to supporting the Corporate image & style in all correspondence/printed matter/ presentations style. Help colleagues, particularly those new to understand & abide by these rules
- Active consultation with the Marketing Team at the initial stages of a project to utilize the expertise appropriately

And, the following table (14) provides a consolidated summary of the changes discussed above.
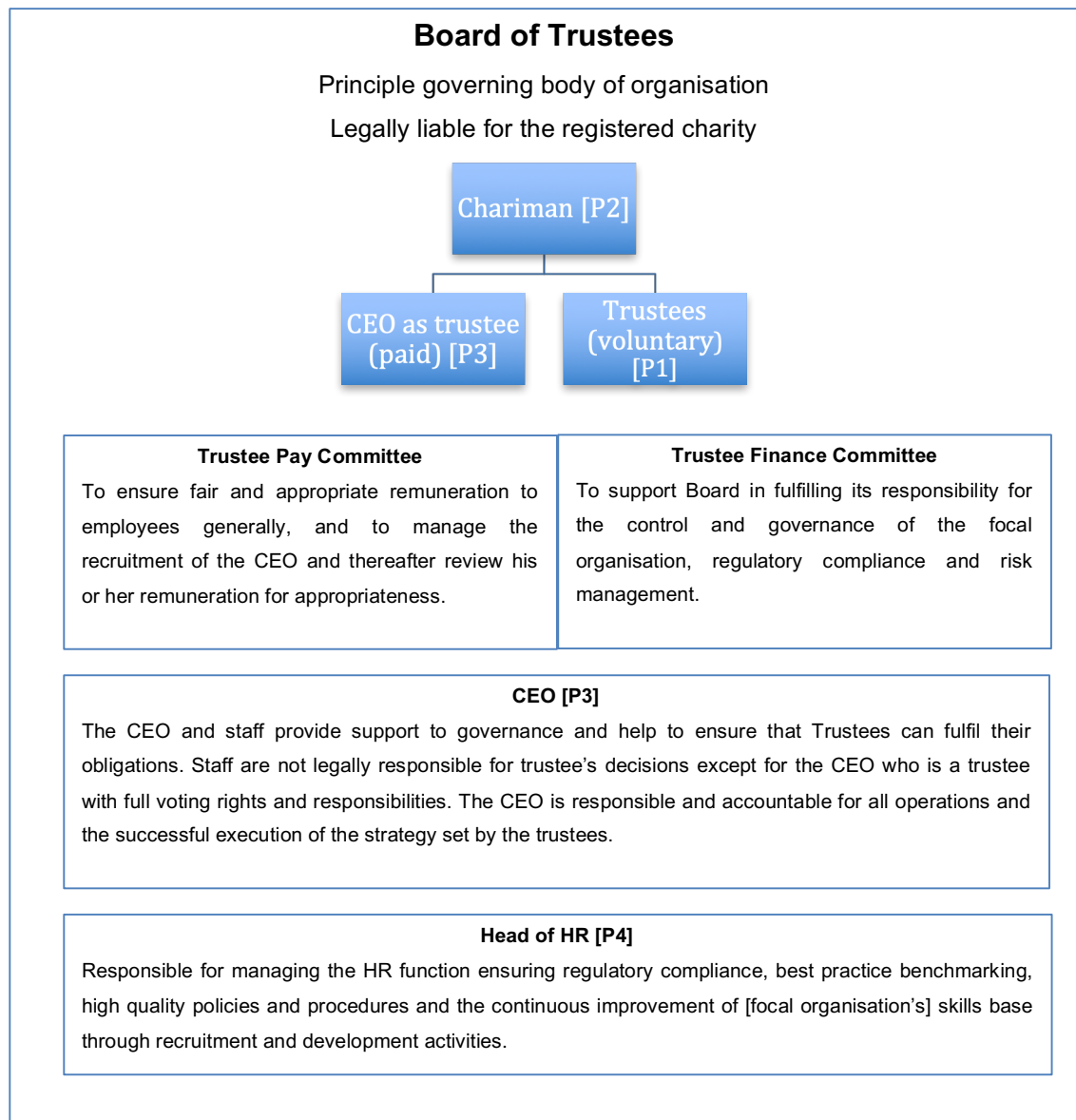
Table 14: Summary of bonus scheme change

CEO	Period	Governance	CEO	Leadership Team	Regional Director	All staff (excluding 1,2,3)	Sales Team
CEO 1	1 Nov 07 – 31 Oct 08	**CEO**	**Collective bonus scheme in place** All staff bonus – linked to share of bonus pot. Pot size dependent on 5 criteria. 1 of which is financial. Size of pot capped by a figure determined as appropriate by the CEO				
CEO 2	1 Nov 08 – 31 Oct 09	**Pay Committee**	**No change**				
	1 Nov 09 – 31 Oct 10	**Pay Committee**	**New bonus criteria –** move from 5 criteria to financial surplus performance and customer satisfaction scores. All other details remain the same				
	1 Nov 10– 31 Oct 11	**Pay Committee**	**Change to bonus scheme.** All staff bonus – removal of customer satisfaction scores as performance criteria.				**New** Sales team bonus – linked to revenue. Capped to 40% of salary – cap determined by CEO
CEO 3	1 Nov 11 – 31 Oct 12	**Pay Committee**	**Introduction of high distance schemes, which bring in 4 schemes depending on job role.**				No change
			Bonus capped at 33% of base salary. Linked to performance – 2 of 6 criteria being financial	Bonus capped at 13% of base salary. Linked to performance – 2 of 6 criteria being financial	25% of base salary linked to financial performance	Remain on previous scheme but addition of Individual 'great' performance bonus linked to appraisal rating capped at 5% of base salary [cap determined by CEO]	No change
	1 Nov 12 – 31 Oct 13	**Pay Committee**	**New salary bands implemented**				
				Bonus cap increased to 20% of base salary	No change	No change	No change
	1 Nov 13– 31 Oct 14	**Pay Committee**	No change	No change	No change	Maximum value removed	Individual commission implemented
CEO 3	1 Nov 14 – 31 Oct 15	**Finance Committee**	CEO separate scheme removed and merged with leadership, this change] increased the value of the CEO base salary commensurate with the reduction in his bonus. No change to leadership scheme		No change	No change	No change
	1 Nov 15 – 31 Oct 16	**Pay Committee**	**New scheme introduced** – 3 tiers, meeting budget, exceeding and individual great as before. Main change is the link to salary for all staff and the introduction of the enhanced payment – when financial results exceed targets the overachievement will be 'shared' 30% to staff and 70% to organisation. 30% pot shared based on % of salary bill. Maximum value not capped. **The implementation of the of the additional enhanced scheme subject to Trustee challenge**				
			Meeting budget 10% of base salary linked to 3 financial objectives Enhanced budget (see above). Expansion of individual great to Leadership			Meeting budget 3.5% of base salary linked to 1financial objectives. Enhanced budget (see above)	Removal of team bonus. Commission remains

6.2.4 The protagonists

In this next section I provide an overview of four protagonists generating an interplay of intentions where different organising principles, beliefs and practices (or logics) compete and contest. The figure below provides and overview of the relationship between the protagonists and their roles.

Figure 14: Protagonists – Bonus setting process

Board of Trustees

Principle governing body of organisation

Legally liable for the registered charity

Chariman [P2]

CEO as trustee (paid) [P3]

Trustees (voluntary) [P1]

Trustee Pay Committee
To ensure fair and appropriate remuneration to employees generally, and to manage the recruitment of the CEO and thereafter review his or her remuneration for appropriateness.

Trustee Finance Committee
To support Board in fulfilling its responsibility for the control and governance of the focal organisation, regulatory compliance and risk management.

CEO [P3]
The CEO and staff provide support to governance and help to ensure that Trustees can fulfil their obligations. Staff are not legally responsible for trustee's decisions except for the CEO who is a trustee with full voting rights and responsibilities. The CEO is responsible and accountable for all operations and the successful execution of the strategy set by the trustees.

Head of HR [P4]
Responsible for managing the HR function ensuring regulatory compliance, best practice benchmarking, high quality policies and procedures and the continuous improvement of [focal organisation's] skills base through recruitment and development activities.

P1 Board of Trustees – Whilst acknowledging the potential over-simplification of presenting a group of individuals as unified in their approach, overall the Board appeared to come to this incident from a public good logic founded on

their position as legal Trustees of a charity. There are 12 Trustees in addition to the CEO who are responsible for:

- governance and management including strategy setting and decision making;
- prudent financial management, setting of annual budgets and levels of financial reserve;
- implementation of the strategic plan and performance measurement;
- setting these Regulations for the operation of the organisation and mechanisms to ensure compliance. (Governance TORs 2012, pp. 7-8)

The incident interfaced with two trustee sub-committees (see Table 15). Pay Committee was founded in 2008 with a discrete purpose around executive pay. Pay Committee was dis-banded and merged into the Finance Committee in 2015 but after a short period of time the Pay Committee was re-instated.

Table 15: Summary of roles of Trustee sub committees

Pay Committee	Finance Committee	
Initially formed in 2008, disbanded in September 2014, re-formed September 2015	Formed April 2015, re-positioned in September 2015 when Pay Committee was re-instated	
to ensure that the organisation has in place appropriate policies and procedures to ensure fair & appropriate remuneration to its employees generally, and to manage the recruitment of the CEO, thereafter reviewing his or her remuneration.	The Committee is a sub-committee of the Board of Trustees, which supports the Board in fulfilling its responsibilities for the control & governance of the Institute, regulatory compliance & risk management	
• The committee comprises three members. The Chairman of the Board of Trustees, who acts as chairman & is supported by two other Trustees. The purpose is to: • Review & approve [focal organisations] employee remuneration policy & package for its relevance & appropriateness • Review & set the remuneration package for the [focal organisations] CEO, including any bonus scheme. • Review & approve the CEO's recommendations for the remuneration of the Leadership Team (Governance Regulations, 2012, p. 15)	The role of Finance Committee is to monitor, review & report to the Board of Trustees on: • The Institute's policies for internal financial control & reporting • The external audit arrangements • The Institute's compliance with external regulators • The Institute's risk management procedures • The staff remuneration & pension policy. (Governance Regulations, 2012, p. 15)	The purpose of this committee is to monitor, review & report to the Global Board of Trustees on: • The Institute's policies for internal financial control & reporting, including the process for setting the annual budget parameters • The annual audit of the group accounts • Compliance with financial regulation key financial risks (2015, p. 15; Focal Organisation, 2015)

The Chair of Finance Committee and one other trustee expressed concerns relating to both governance (and decision making) and appropriateness (of a decision) within the context of the organisation as a charity:

> *'Concern was expressed regarding the bonus proposal, including its fairness, transparency, level of increase, and impact on the fixed cost base… A concern was raised regarding how the targets had been set, and it was emphasized that the bonus should be linked to achieving a series of targets and not solely to achieving NFR' (Focal Organisation, 2015)*

P2 – Chairman of the Trustees. Structurally, the Chairman should act from a public good logic as trustee of a charity but in practice, I suggest, approached this incident from a commercial logic in that, within this incident other Trustees present P2 as with failing to act collectively with the trustee group, instead acting in isolation in approving the new bonus.

P3 – CEO. 'The CEO is responsible and accountable for all operations and the successful execution of the strategy set by the Trustees:

- The CEO works closely with the Chairman of the Board to ensure that the charter and charitable objectives are being pursued, that the strategic plan is being progressed and that the financial and other targets set by the Board are being met.

- Is line-managed by the Chairman who will set the CEO's KPIs and conduct regular appraisals.

- Must identify to the Chairman any potential conflicts of interest between his role as an employee and as a trustee and withdraw from any Board discussions where this might influence the Board's decision.

- Will maintain a staff of qualified Directors capable of delivering the strategy and budget set by the Trustees, and is responsible for establishing and maintaining an appropriate organisational structure'. (Governance Regulations, 2012, p. 20)

I posit that in a structural sense, acting as both Trustee and CEO of the organisation, P3 might normatively be expected to prioritise a public good agenda. In practice, P3 approached this incident seeking to position maximization of financial rewards to staff as a '*moral right*'. This argument is likely driven from assumptions of economic man (Homo Economicus)

(Doucouliagos, 1994, p. 877), maximising individualist behaviour, emphasising personal goals over group goals and short-term status orientation (Davis, et al. (1997, p. 35) and which thus aligns to commercial logic:

> *'Increasing profits although required for [known liabilities] and growth investment, should morally go to staff making the growth… [focal organisation] is a business as well as a charity and must attract the best talent to sustain its strong growth. Our charitable status does not allow equity in the business through share options' (Focal Organisation, 2015)*

P4 – Head of HR.   A relatively minor actor in this incident, nevertheless, their perspective and actions are important in responding to the question of what happens if insiders do not see the dominant logic as legitimate. P4 sought to express concern about the negative impact the bonus scheme proposal may have on internal credibility (legitimacy) – given the organisation's purported public good purpose – and unable to resolve the conflict, left the organisation:

> *'As part of my remit I feel that it's important to make you aware that I believe that we have strayed from your original intention for the bonus policy and believe that it is important that I bring this to your attention now. I fully support what you are trying to achieve and believe that 'sharing success' is a great message. However, I do not believe that the proposed arrangement as it currently stands will achieve this objective. Money is very emotive. Studies have clearly shown that staff look primarily at internal equity when assessing whether or not they feel they are paid, and treated, fairly. If we get this wrong, I am concerned that repercussions for the organisation could be both long term and serious and may ultimately affect the credibility of senior management' (Focal Organisation, 2015)*

6.3 Protagonists Narratives

In this next section, I review organisational documents and records of meetings to surface the protagonist's narratives and construct the incident from initial drafting of the proposal through to approval and communication to staff.

6.3.1 The proposal for change – the drafting process

The Finance Committee held its first meeting on 19 May 2015. As part of its review into the previous year's annual accounts an enquiry was made into the value of the salary bill, which had seen an increase from £6.1million to £6.9 million over a twelve-month period. A committee member, who works for the Public Sector, [Trustee 1] challenged this as being *'high compared to headcount'* (Focal Organisation, 2015, p. 3 (c)) and a request was made for a briefing to take place at the next meeting (August 2015) on how pay and incentivisation was managed within the focal organisation.

In preparation for the budget approval process for the period 1 November 2015 to 31 October 2016 a request was made by the CEO (P3) to Head of HR (P4) to prepare a proposal for change under the banner of 'Sharing Success'. The basis of Sharing Success was that P3, as leader of the organisation, felt:

> *'It was fundamentally wrong for the organisation to be making significant profits and not distributing some of these back to staff'* (HR email to CEO, 22 July 2015).

During the drafting process P4 challenged the underpinning assumptions of P3's decision making:

> *'[The proposal is] likely to disengage our staff by communicating a culture of elitism… as the proposal would see circa £184k of profits go to 8 individuals and £132k going to the remaining 150 staff'* (Focal Organisation, 2015).

As part of this challenge, P4 presented an alternative proposal which instead of exacerbating the power distance by increasing the leadership bonus disproportionately to the rest of staff, looked to reduce it by freezing the leadership team scheme and implementing an enhanced scheme whereby the rest of the staff had the opportunity to achieve a bonus equal to 5% of their salary. This challenge was made in writing (by email) to the CEO (P3) who took

exception to this approach, informing me as the line manager of P4 to inform her that it was not appropriate to send this type of email to the CEO and that if they wanted a discussion they should come and speak directly. When asked why they sent the email, P4 responded that they wanted to have their concerns formally on record. The CEO did not respond to P4's email. Ultimately the drafting process of the proposal resulted in a period of sick leave and eventually resignation from the organisation for P4 who cited cultural differences. As line-manner of P4 I was requested to finalise the proposal, which was duly presented to the newly formed Finance Committee (Focal Organisation, 2015). Effectively in presenting the proposal for change the CEO:

- provided a response to Finance Committee's previous request (19 May 2015) which asked for reassurance that the salary bill was not disproportionate to the head count, and;
- presented a proposal for amendment to the existing policy which effectively increased the salary bill by an additional £250,000.

6.3.2 The approval conversations

The approval conversations took place during two formal meetings. The first of which was at the meeting of Finance Committee (Aug 2015) and the second at the Board meeting (September 2015). It was not the norm for me to attend Finance Committee meetings but on this occasion, I did so for two reasons - the absence of the Head of HR and to provide additional support to the meeting as the Financial Director, who was responsible for the administration of the meeting, was not able to attend due to ill health.

The proposal for changes to the bonus scheme was received with much discussion and cumulated in members of Finance Committee stating that they were unwilling to approve the proposal and asking for it to be taken to the full Trustee meeting in September 2015. The first excerpt below is from the formal the record of the meeting and the second is an extract from my research diary made on the day of the meeting, which is somewhat longer than the formal minutes.

> *'Following discussion it was agreed to endorse the proposal for cost of living increases and to note the proposed amendments to the staff bonus scheme, further discussions to be at GBT.' (Focal Organisation, 2015, p. 5)*

Train journey post 20 Aug Committee meeting The FD attended by phone as they were on sick leave. I was asked to attend in person to support the Head of Finance. I experienced the CEO as seeking to manage the Chair of the Committee (Trustee 2) – a person who he had found challenging in the past.

Trustee 2 and another trustee (Trustee 3) were late (Trustee 3 will become Chairman of the Board in two months' time and knows Trustee 2 well as they went to university together). Trustee 2 and 3 were involved in a personal conversation as they entered the room and had identically branded cups of coffee in their hands signalling to the meeting that they had met up in advance. There was no apology for their lateness.

During the meeting, Trustee 2 challenged the numbers and the way that they were presented – they made frequent reference to 'how they do it in their organisation (it is a large charity), they mentioned NCVO and charity regulations (SORP) frequently; almost I felt to exert their competency and knowledge over the FD. Trustee 2 opened the agenda item relating to pay / bonus expressing disagreement on the level of the proposed pay increase (2.5%) but readily accepted 2% almost as if it didn't matter what the increase was as long as it was not the original proposal.

The biggest issue was around the level of bonus and whether as a charity, it was acceptable even to have one. The CEO had arranged for the current Chairman of the Board (P2) to dial into this part of the meeting. This was unusual as P2 was aBoard on holiday. P2 was asked to attend as P2 argued that the bonus scheme 'was an operational issue' and therefore not one for the Board (or Finance Committee). P2 confirmed that he had approved the proposal and was in full support. What then followed was a conversation around the detail of the formulae and what should or should not be included. I interpreted this as the Trustees (1, 2 and 3) trying to make the triggers of the bonus scheme un-attainable and of a lower value. Both the CEO [P3] and P2 showed their frustrations by raising their voices, speaking over each other and disagreeing with Trustee 2's comments. At one point P2 suggested that Trustee 2 was challenging their integrity and competence. In response, Trustee 2 stated that Finance Committee would not be able to endorse the proposal and that it should go to the full Board of Trustees.

Post meeting and on the train back I called the FD who told me that Trustee 2 had sent him a private email (before the meeting) asking if he believed in the numbers and what he thought about the bonus. The FD declined to comment but informed P3 (CEO) of the email and he understands that P3 raised a grievance against Trustee 2 as it was inappropriate and questioning their competence. That might explain some of the heat of the conversation. I understand that Trustee 2 apologised to P3 about the email to the FD after the meeting.

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Following on from 20 August 2015 meeting of the Finance Committee, the proposal for pay and bonus was brought to the Board meeting 8 September 2015. I attended this meeting to present the proposal. The following is an extract from the minutes:

> *'A debate was held regarding the proposed changes to the bonus scheme, the criteria around payment of the bonus and the link to margins and GNFR (internal reference for profit). Concern was expressed regarding the bonus proposal, including its fairness, transparency and impact on the fixed cost base. It was suggested that input should be sought from an external lawyer. In addition, there should be a six-month checkpoint during FY16 to ensure Trustees were comfortable with the bonus position when considered against the pension deficit. Trustees requested that three-year targets be circulated before the end of September and emphasized that the bonus scheme must feedback into the CEO's objectives. Further detail was also requested on the status of pension review (it was acknowledged that further work was required to address payment of the deficit) including an updated action plan/timetable. A comment was raised regarding the percentage increase in bonus payment. Concern was expressed regarding the level of increase and that this should feed into the CEO and leadership objectives. In addition, a concern was raised regarding how the targets had been set, and it was emphasized that the bonus should be linked to achieving a series of targets and not solely to achieving NFR.*
>
> *Following lengthy debate, the Board of Trustee AGREED but [trustee name removed] requested it be recorded that they were not in agreement with the approach regarding Staff bonus.' (Focal Organisation, 8 September 2015, p. 6.2)*

Below is an extract from my research log written during the meeting, which I attended in my job role. I provide this, as an overview of my record of the detailed conversation of the 'lengthy debate' referred to in the minutes above.

8 Sep 15. My first instinct was that there had been a lot of lobbying prior to the meeting and you could see that there was a divide between those that supported the proposal and those that did not. It came across as two conflicted teams – those that supported the CEO and the proposal and those that supported the Chair of Finance Committee (Trustee 2); I felt as if the issue being discussed had become personal and that Trustee 2 did not trust P2 or P3. There was a lively conversation with most Trustees giving a view and some raised voices and waved hands as they spoke. This appeared to me an emotive discussion broadly around two questions

a) Is it appropriate that we should have a bonus scheme?

b) Are the bonus triggers (objectives) suitable?

The phrase 'Don't let the leadership set the homework and mark it themselves' was first mentioned by Trustee 3. This expressed a view that it was the Trustees' role to test assumptions and ensure that the leadership team were not setting an environment up where it was easy to be successful – with an inference that it is possible to 'dumb down' the objectives so that the maximum trigger would be achieved. As a member of the leadership team I found this quite insulting and showed a lack of trust in my personal integrity. Both P2 and P3 responded showing their frustration and suggested that the Trustees 'were showing a major lack of trust'. Trustee 2 responded that 'this is not about a lack of trust but just a facet of good charity governance'.

Another trustee (Trustee 4) who is a lawyer by profession jumped onto this conversation stressing that the Trustees must not take things at face value and that they have personal responsibilities and must be led by good practice to mitigate the risks. They cited the very recent collapse of 'Kids Company' as an example of 'what could go wrong'.

At the very end of the conversation Trustee 2 referred to the pension paper and 'un-sized pension liability' – it became apparent that this had not been circulated to the wider Trustee group and some felt that this had been a deliberate omission. I am not sure if the timing of this point was deliberate – I think it may have been presented in a deliberate way almost to suggest a lack of openness and therefore a reason not to trust. It was defended by P3 saying 'it was an operational matter' and would come to the Trustees in due course.

The conversation ended with P2 (Chair] stating that they had made the decision to approve the bonus proposal and did anyone disagree. They said that at the end of the day it was down to the Trustees to decide 'how we feel about the plan'. They said that by all means take guidance from Finance Committee but in doing this we must recognise we have a competent set of people running [focal organisation] and that 'we have a duty to question the leadership but also to trust them'. In the end there was some grumbling, some Trustees were overt in their support – only Trustee 4 asked for it to be recorded that they were not in agreement.

This event continued to occupy thoughts, leading to the following musing a month later.

September 2015 - Motivation for challenge?

One question has perturbed me and that was why Trustee 2 after arguing against the bonus previously, accepted it at the Board meeting, apparently without explicitly recording their disagreement in a similar manner to Trustee 4 who asked for the minutes to record they were not in agreement. In exploration, I returned to an initial interview with Trustee 2 where I asked what would make them leave the Board:

'If the executive didn't listen to the feedback that the Trustees give. If I felt that my views weren't aligned with the other Trustees. I'm not commenting on who's right and who's wrong. For me, if I was seriously concerned about the risk and infrastructure of the charity and their ability to honour their charitable status or if it became no longer palatable for me to be a trustee because of work or locations or something else. [Trustee 2 October 2014]'

Potentially Trustee 2's motivation to remain on the Board helped them to accept the views of other Board members over her own. Alternatively, Trustee 2 may like to be a catalyst for debate and enjoys the interplay and reaction they can illicit from others. Finally, maybe they have a longer-term aim and the commitment to reviewing the measures and ensuring that the value of the bonus is reflected in the CEO's objectives enabled them to accept a compromise.

The bonus scheme proposal was therefore approved for implementation. It is not without consequence, however, as there were requests for additional financial modelling to support the HR budget submission and a full review of the Pay and Reward Policy (Focal Organisation, 2016). This was supported by the Board of Trustees and a work-activity was set up in May 2016 with the purpose of a full review of the rewards strategy to ensure its affordability, governance and appropriateness:

> *'The Chairman has agreed to hold a half-day session at a future trustee meeting (scheduled from June 2016) to scope out and agree the criteria for the bonus with an instruction to have a balance of financial and public good objectives.' (Focal Organisation, 8 September 2015)*

6.3.3 Disrupting power and authority

Following the August meeting of Finance Committee, P3 voiced concerns about the purpose of the Finance Committee arguing that the remit was too wide and they had effectively become the Board but did not have full representation of the Board. A case was made by P2 and P3 to divide the remit of the Finance Committee and to reinstate the Pay Committee. A proposal was written to change the remit of the Finance Committee to remove all elements of pay and reward and reinstate the Pay Committee . The rationale for change was presented to the Board 8 September 2015:

> *'The GBT Chairman advised that the Finance Committee was to be re-formatted and its terms of reference redefined. Whilst acknowledging the Finance Committee's input to date, in particular with regard to the Draft Budget and Operational Plan, its scope was considered too broad. In future it would focus on reviewing the annual accounts and considering key financial risks. In addition, the Pay Committee would be reinstated.' (Focal Organisation, 8 September 2015, p. 5.2)*

> P2 (Chair of the Board) stated to the Meeting: *'We formed the Finance Committee and we have made its agenda quite large. This has unintentionally created a smaller GBT but they may not be fully representative of the full GBT. We have therefore identified a need to reposition the Finance Committee .' [Extract from my research log 8 September 2015.]*

6.3.4 Narrative summary

In this section I summarise the narratives of the four protagonists, the tensions and disagreements and the interplay of intentions centred on bonus scheme change. I observed disagreement on three levels: the appropriateness of having bonuses in a charity; the value of the scheme and; the governance process of setting and approving bonuses. Furthermore, I suggest that divergent logics are at the very heart of the disagreement with protagonists – primarily – P2, P3 who advocate commerciality and Trustee 2 who advocates public good. Below is a summary pen-picture of my interpretations of protagonist narratives – here is what they are saying 'in a nut shell':

[Trustee 2]

I am an experienced trustee as I have been a trustee for many (some very big) charities. As a trustee, I am personally responsible for ensuring good governance of the charity and I take this responsibility seriously. The Trustees should make sure the charity's doing what it said it was going to do when it was given charitable status and to make sure that you don't abuse that status, that you don't spend money on things you're not supposed to spend money on and that you don't go bust. The charity does not exist for the staff and they have chosen to work for a charity – in the charities that I have worked in we didn't get a bonus.

[Chair of the Board]

As the Head Trustee [culturally if not legally] I am responsible for the management of the CEO, I don't need to consult with the Board on matters that I consider operational and my primary role is to support the CEO in making operational decisions. I think that the Trustees should stay out of the operational detail and let the CEO run the organisation.

[CEO]

I have been employed to run this organisation and I am making it successful and the Trustees should leave me to run the business. I have built a team of good people who are making the business successful. People are motivated to do their best through financial rewards and we must therefore pay well to keep the best talent in order to sustain our growth. Morally our increased profits should go to staff who are making the growth possible. If I do not continue to increase their pay they may leave.

[Head of HR]

It is my job to make sure that our HR practices are morally and legally sound. I am not able to reconcile the expressed values that want to reward staff for a good job with the behaviour of making the highest paid even better paid. I am worried that if we implement the proposals it will look bad on me professionally and also, I cannot sign-up to it personally. This is causing me more stress than it is worth so I am going to leave and then I do not need to be a part of it or associated with it in any way.

Exploring the interplay of divergent logics is the focus of the next section where I summarise my interpretations of how the protagonists dealt with multiple and conflicting belief systems, assumptions and practices regarding the bonus scheme.

6.4   Interpretation

In this section I develop three core and interrelated interpretations of how protagonists sought to deal with the presence of divergent logics within this incident:

1. through the bonus scheme, the CEO constructs, communicates and reinforces the values and behaviours that underpin their preferred logic and as such bonus schemes are used as a negotiation tool to legitimate and reinforce the preferred logic;

2. the current scheme has been achieved by an 'edging strategy' eroding the boundaries of the previous schemes rather than attempting an absolute break from previous (2008) to current (2015) practices;

3. the Trustees' attempt to use organisational structures as a mechanism to resist and control elite management actors. Paradoxically those very actors are concurrently shaping organisational structures to minimise the Trustees' ability to do so.

6.4.1 Symbolism and Rhetoric

There are three noteworthy symbolic and rhetorical differences across the two schemes. First, the ways in which the scheme is communicated differs. For example, in scheme 1 the communication is primarily a verbal update given by the CEO with minimal documentation - a single sheet of documentation was handed out at a CEO briefing and only to those who attended. Assessment of the performance is made by the CEO and announced also at a CEO briefing. In my experience (I attended these briefings) this was done in an understated manner, rhetorically de-emphasising the role of monetary motivation. This contrasts with the bonus scheme of CEO 3, which is communicated to all staff in a formal Pay and Reward policy – some 22 pages – for which there has been legal guidance. The Finance Director reports progress through management

accounts and at 'town hall meetings' (the term given to staff briefings) that are held four times a year thus giving greater prominence of 'finance', 'performance' and 'bonus' rhetoric under CEO3's scheme. The end of year bonus value is announced by the CEO at a December town hall at the same time as the 'great' staff members are recognised. The formal town hall meeting is followed by a Christmas party (meal, drink, and entertainment) which is provided free of charge to staff as a way of celebrating success.

Second, such rhetoric has important symbolic and behavioral implications insofar as the divergent performance triggers across the two schemes cue and reinforce very different messages about what constitutes appropriate values and actions. In scheme 1 there is a strong connection between means and ends - how we do things is of equal importance to what we do. Here, work becomes a moral project and the bonus scheme is designed to reward ethical behavior. In scheme 2, the bonus trigger criteria become a single financial measure and there is no consideration for how this is achieved. As per previous discussions, this again suggests that money has become the end in itself rather than the means to achieve a social purpose.

Third, I experience both CEOs using the pay and reward structure to legitimate their activities to other organisational members and as a mechanism to negotiate the adoption of certain logics. For example, the 07-08 bonus is input orientated focusing on behaviours, emphasising working practices of accountability, professionalism and respect in a way that suggests that doing the right things and things right has greater priority over financial returns.

This contrasts with the current bonus scheme (CEO 3) which is output based. The single performance criterion of financial performance signals that the only thing that matters is making money. The financial value of the bonus has considerably increased in recent years and constitutes an additional 3.5% or 10% of your salary (depending on seniority), arguably seeking to motivate individuals into prioritising financial activity with a direct relationship to personal gain. A further example of how the current bonus scheme reinforces the preferred logic of CEO3 is in the current scheme's individual 'great' bonus which I discussed in detail above. In reviewing the documentation and citations I noted that out of the 17 great awards, I interpreted only one as being linked to charter objectives of developing the profession and achieving public good (see

final row of Table 11, titled 'Campaigns' on page 115). However, even within C1's citation there are examples of commercial language like 'corporates', 'clients' and the adoption of names like 'project Eagle' for the projects, which is somewhat of a norm in large organisations. I interpret the absence of examples of great work attributed to 'public good' as a possible indication of how little activity is now being undertaken in this area and/or a lack of value attributed to this type of activity. I posit that a similar scheme within an environment that is underpinned by a strong public good as a dominant logic would have an alternative profile, likely to prioritise and recognise impact on the public it represents as opposed to financial outcomes (as per the criteria of the previous bonus scheme). Not everyone was able to reconcile the change of direction of the bonus and its overt connection to rewarding 'money making'.   See 6.3.1 for a detailed discussion on how one protagonist chose to leave the organisation because of not being able to reconcile the direction and my musing below (8).

Musing 8

February 2017   Reflexivity in action:

I was acutely aware as I progressed through this chapter that the focus could be received as critical of the belief system of elite actors and highlights internal conflict, which had the potential to be censored. Nevertheless, I attempted to adhere to the tenets of interpretative, reflexive research by sharing the account with those familiar with organisational life but not directly involved with the sensitive incident itself. In doing so I still sense-checked my interpretation for sensibility but did not seek feedback from those directly involved in the incident due to the political sensitivities and my employment role within the focal organisation.

Within this incident my work role and research role had the potential to overlap. I am aware that on several occasions I disagreed with the direction being taken and adopted a position of challenge to the CEO but then agreed to accept the proposal and commit to making it happen. I must confess to a level of admiration for P4 in that they were unwilling (or unable) to compromise their views and left the organisation but my life requires me to earn a wage and I resolved the issue in my mind in that by making the approach transparent and ensuring that it went through the necessary channels, I had met the requirements of my role. The outcome is one that I personally benefit from financially but it is not one that would keep me at the focal organisation and to some degree has created a level of objective dissatisfaction in the direction we are taking.

6.4.3 'Edging strategy'

A further observation is about the nature of institutional work undertaken during the transition from CEO1 to CEO3's bonus scheme. The current scheme has evolved using what I term an 'edging strategy'. In using this strategy, the boundaries of the original scheme have been gently eroded over a period of seven years (see table 14 on page 120). Potentially this edging strategy could be experienced as a conscious decision not to have a dramatic break from the previous 'successful' CEO, as if CEO3 was testing organisational members' readiness to adopt a new approach. An alternative perspective is that by making small incremental changes the approach is less likely to be noticed and thus challenged. Finally, maybe the CEO is a 'cultural dope' (Garfinkle, 1967) and past experiences and alignment with economic man makes him immune to any suggestion that there are alternatives. Irrespective of the nature of the change – consciously planned or not – it has served CEO 3 well in that it reinforces the internal adoption of a commercial logic which positions and legitimizes profit growth as 'the end game'. It is not however without its critics and once other actors become aware that the apparently benign changes were representative of an ideological change which prioritises money making over social impact, internal actors challenged the actions. We have seen previously how they reacted at an individual level (by leaving the organisation) and in the following section I discuss how Trustees used structure as an attempt to curtail the CEO's ability to make such changes.

6.4.4 Structure, power and control

The Trustees arguably attempted to use organisational structure as a mechanism to resist and control elite internal actors. Specifically, the Trustees introduced a new governance sub-committee responsible for financial oversight of the organisation including approving remuneration. I interpret the introduction of this Finance Committee as seeking to reduce the informal powerbase of the CEO and Chairman by removing the ability for the Chairman to individually and independently approve changes to the pay and bonus policy. Paradoxically the Chariman and the CEO (the very actors who Trustees are seeking to control) concurrently shape structure to minimise the Trustees' ability to do so. Specifically, this occurred through a frequent change to the Terms of Reference

of the sub-committees which meant that at the precise time of the proposal there was no active sub-committee overseeing remuneration in place. As a default position, the proposal for change was approved by the Chairman.

It became apparent to me during the research into this and the next incident (see chapter 7) that Trustees are using structure as a control mechanism in the arena of pay setting and the approval process. I suggest the Trustees' attempt for control is thwarted by two things. First, the design of the focal organisations internal regulations (as defined in the terms of reference to committees and roles) is showing a corporate logic privileging the role of the Chairman as an independent yet representative voice, which suggests an assumption that you can invest power in a single person as permissible in a corporate context.

> *The Chairman of the Board of Trustees is the head trustee of [focal organisation] the charity… hires (and may dismiss) the CEO and acts as [CEO] line manager (Focal Organisation, 2014, p. 13)*

Charity law however is based on collective action and decision-making and therefore no single trustee (including the chair) should have any more power than any other. An example of how this played out in practice was at the 20 August 2015 Finance Committee meeting where the proposal for change was first made. In this meeting P2 (Chair of the Board) argued that the bonus scheme 'was an operational issue' and therefore not one for the Board (or Finance Committee) but also confirmed that he had approved the proposal and was in full support. This statement contains inherent contradictions – in adjacent sentences P2 says that the bonus scheme is an operational issue and not one for the Board and that he (as Chair of the trustee Board) had approved it. Second, the evolving nature of the committees in terms of structure and members who serve a relatively short term arguably gives the CEO greater permanency at the strategic apex of the organisation, better able to implement long-term plans and 'wait-out' Trustees who do not see the dominant logic and associated practices as legitimate. In the following chapter (Governance setting) I discuss how the CEO resists changes to the tenure of Trusteeship despite significant challenge and suggest that such a response indicates that the short-term nature of the tenureship is instrumentally valuable to the CEO.

6.5   Chapter Summary

This chapter uses a critical incident surrounding changes to a bonus scheme to get an understanding of the interplay of intentions in relation to a shared event. We get a perspective of how four protagonists with conflicting agendas and divergent logics use structure, discourse and other influential actors to negotiate and persuade. I illustrated how one protagonist uses their identity as an experienced trustee to influence others and how one relatively junior member of staff uses personal power to exit a situation where they were unable or unwilling to accept the CEO's preferred logic as legitimate within the context of her framing of the organisation.

I thus get an appreciation of how alignment to different logics plays out in a practical situation and how differing values and assumptions become evident symbolically and rhetorically travelling over time and through an edging strategy from a frame that values teams over individuals and means over ends to one that privileges individuals over teams and positions financial growth as the end game. I get a sense through a work activity (great award) of how much a specific logic has been adopted and how reward of desired behaviour is used to reinforce the dominant logic. I explored how the interpretations of regulations reflect the different values and assumptions (logics) of individuals – the example being the role of Chair having an intent of being a co-ordinating role but which in practice is utilised as a tactic to reduce the degree of consultation with the wider Board of Trustees. In addition, I get an appreciation of how the different actors attempt to use structure to control and thwart others' efforts for control. Finally, I saw how a compromising strategy is adopted by a vocal trustee who has championed the discourse against the proposed bonus '*as a matter of good governance'*. An alternative interpretation is that the discursive practice of said trustee and the CEO could indicate game playing or organisational mischief by two elite actors who appropriate logics to pursue their own interests.

This concludes the second incident chapter but I return to the themes of structure, rhetoric and edging in the next chapter which consists of the third and final incident exploring an evolving governance structure.

Chapter 7 - The Governance Setting

7.1   Chapter Introduction

The purpose of this final findings chapter is to consider the role of logics and institutional work in evolving governance structures to both advance and resist control. I examine the institutional work undertaken to bring in changes to the governance structure from 2012 and the interplay of challenges that took place. In doing so I respond to the central research question of how organisational actors deal with the presence of multiple institutional logics and what implications this has for the nature of organisation, with emphasis on governance structure and processes.

This incident was identified through my attendance at several trustee meetings. The catalyst for identification of the incident was a trustee meeting in June 2016 at which a challenge to the role of a governance committee was made, I quickly discovered that this tension was not new and that a narrative of challenge had been present at several meetings. I also became aware of a growing awareness of frustrations between the CEO and a group of Trustees which resulted in an internal rhetoric around *'that woman'* and the need for conversations and documents to pass 'the (name of person) test'. At the heart of this incident, was a female trustee – 'that woman' – challenging unilateral decision making by the CEO and Chariman of Trustees; over-attention to commercial performance and lack of attention given to 'good governance'.

Due to the political sensitivities surrounding the incident and my employment role within the organisation, specifically the fact that I am line managed by the CEO a central actor in this incident, I did not provide drafts of this chapter to the review group. Recognizing that this may limit my sense-checking ability (resonance, creditability) I paid attention to ensuring that at the end of each meeting, I recorded my reflections, thoughts and feelings in my research journal. These entries were used in discussion with my supervisor to develop my interpretations and as part of the reflexive process to identify assumptions I may be bringing to interpretations.

In the same format as pervious incident chapters, this chapter consists of three sections; the first provides a précis of the incident; the second the narratives of the protagonists, primarily the Trustees, supplemented by internal

actors involved in governance activities; finally, I conclude with a summary of my interpretations.

7.2   Précis of incident

This incident is situated within the context of evolving governance structures and processes in the period 2012-2016 (see section below on regulatory changes).   Specifically, the incident relates to a challenge to committees, authority and processes.   See diagram below for a pictorial representation of the groups.

Figure 15: Pictorial representation of group (based on diagram in Regulations (Focal Organisation, 2014, p. 5)
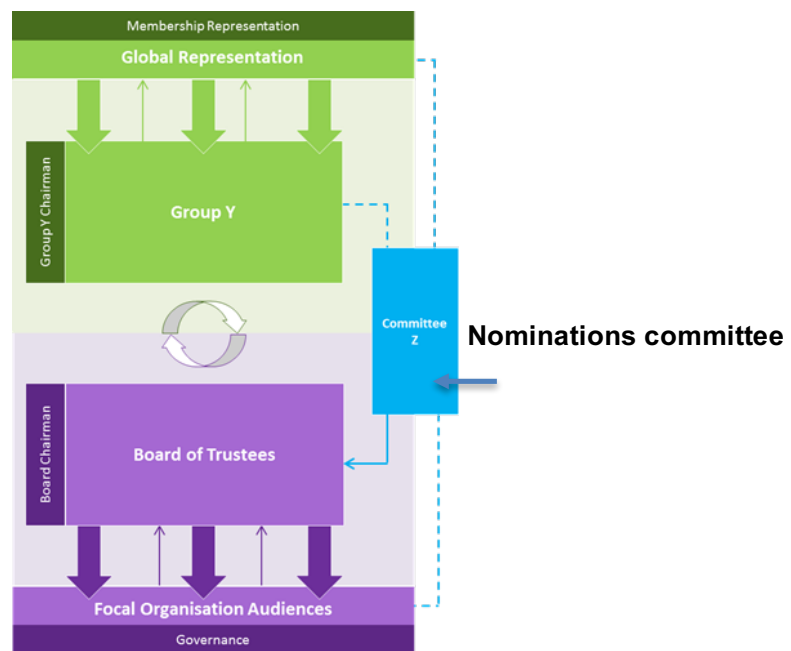
This incident is considered central to shedding light on the research questions guiding this thesis insofar as it appears to be driven, at least in part, by the interplay of competing (commercial and public good) logics. Specifically, the current CEO's desire to have delegated authority to make autonomous decisions, on occasions with backing from the Chairman, is somewhat at odds with charity law (and public good logic) which situates ultimate legal responsibility for organisational decision-making and action with the Trustees, who must act collectively. This level of accountability is arguably designed to compel Trustees to want to feel in control of what decisions are made and how they are made as stewards of the charity's assets.

So just where does accountability (or perhaps power) sit in the focal organisation?   The regulations outline the roles and accountabilities of the numerous groups as:

(a) **Nominations Committee** is responsible for the selection and removal of the Trustees and the overall performance of the Board.

(b) **Group Y** is responsible for holding Board accountable against charter and charitable objectives, values and ethos. Group Y can request an extraordinary general meeting at which they can hold a vote of no confidence against the Board of Trustees or individual Trustees

(c) **The Board of Trustees (Board)** is accountable to both Nominations Committee   and Group Y

(d) **The Chairman of the Board** acts as the CEO's line manager and is responsible for CEO hiring, firing and performance management

(e) **The CEO** is accountable to Nominations Committee (as they are a trustee) but also to the Chairman as they are the CEO.

(f) **Finance Committee**, a sub-set of Board - responsible for financial and audit oversight

(g) **Pay Committee** (sub-set of Board) – responsible for setting CEO remuneration and approving the remuneration policy for all staff.

Figure 16: Accountability Structure

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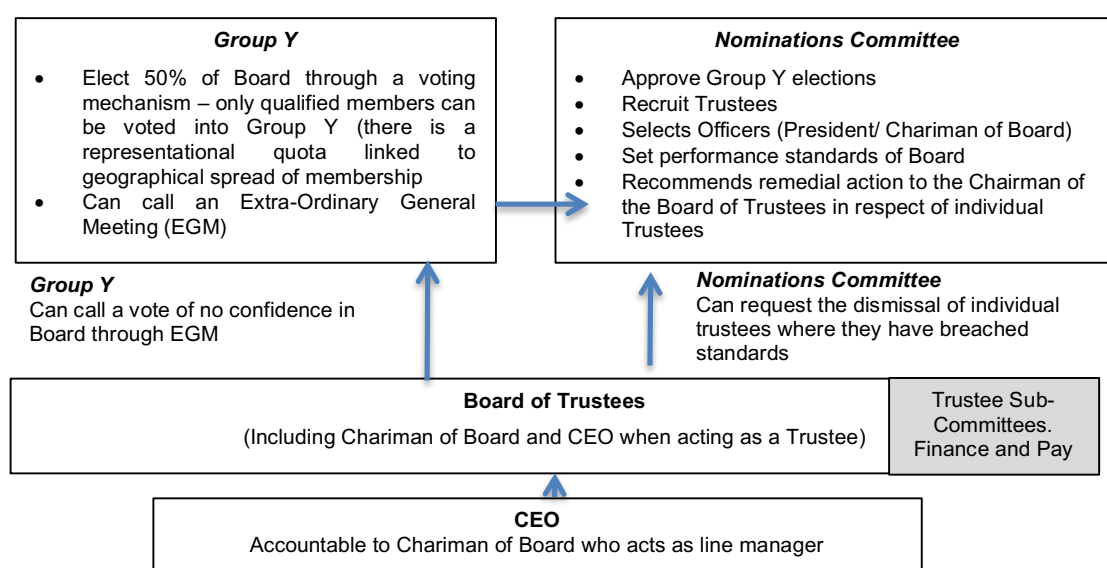
Through reading and analysis of regulations, phase one interview transcripts and participant observation at Board meetings, I identified a complex and often contractionary accountability structure. This structure highlights the hybrid nature of the organisation and the challenges emerging from divergent public good and corporate logics. I posit that it also allows for a degree of vagueness of accountability and delegated responsibly which I suggest creates an environment where it is difficult for individuals to be held accountable.

(a) The Trustee Board (including CEO) is accountable to the charity commission under charity law[5]

(b) The Trustee Board (including CEO) is accountable to Group Y

'[Group Y] is the Institute's representative and advisory body, elected from the global membership…. [it is] …the 'conscience' of the Institute…holds the Board of Trustees accountable[6] against our charter and charitable objectives, values and ethos (Focal Organisation, 2014, p. 6)

(c) The Trustee Board is accountable to the Chariman of the Board as '*Head Trustee'.* (Focal Organisation, 2014, p. 13) Whilst this structure may be how a typical 'corporate' works, this is divergent to charity law which places the Chair as a coordinating role who has no more power/authority than any other trustee.

(d) the CEO is accountable to the Board of Trustees

'As leader of the staff the CEO is responsible and accountable for all operations and the successful execution of the strategy set by the Trustees' (Focal Organisation, 2014, p. 24)

(e) the CEO is accountable to the Chariman of the Trustees

'The CEO works closely with the Chairman of the Board of Trustees to ensure that [focal organisations] charter and charitable objectives are being pursued, that the strategic plan is being progressed and that the financial and other targets set by the Board are being met. The CEO is line-managed by the Chairman who will set the CEO's KPIs and conduct regular appraisals.' (Focal Organisation, 2014, p. 24)

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[5] see https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3/the-essential-trustee-what-you-need-to-know-what-you-need-to-do)
[6] the mechanism of holding Trustees accountable is through an EGM at which a vote of no-confidence of the Trustees may be tabled

7.2.1 The incident

The incident relates to a Board challenge of Nominations Committee's legality, authority, process and recommendations:

> *'The Board agreed:*
> *(i) To request that external legal advice be obtained to confirm the role of the Nominations Committee in appointing Trustees and whether Board had the power to block the recommendation from the committee and if so, on what grounds;*
> *(ii) To request an Extraordinary Board meeting be convened at the earliest opportunity, to which the Chairman of Nominations Committee would be requested to present an update detailing: (a) the process and procedure undertaken, and (b) the rationale behind the committee's decision to appoint each of the named individuals' (2016)*

This challenge was made alongside a challenge to the CEO's voting authority:

> *'[Board requested] the implementation of clear rules relating to the authority and voting rights of the CEO (in his/her capacity as a trustee) to avoid potential conflict of interest.' (Focal Organisation, 2016)*

7.2.2 The protagonists

I experienced two protagonists within this incident. One perspective is that they are peer to peer trustee roles. If, however, you accept that not all Trustees treat the CEO as a trustee: '*I don't receive him [CEO] as a trustee*' [Interview H; October 2014 – phase 1 research] there is another perspective in that one is a trustee and one is the CEO. See below for a summary of roles.

Table 16: Protagonists' roles

Trustee 2	A member of the Board which is the principal governing body of [focal organisation], legally liable for the organisation as a registered charity. As such they are (jointly with the other Trustees): • legally responsible for ensuring [focal organisation] acts in fulfilment of Royal charter and charity obligations • responsible for the governance and management of [focal organisation], including strategy setting and decision making • responsible for prudent financial management and setting of annual budgets and levels of financial reserves • responsible for strategy development, implementation and annual review • responsible for regular risk assessments and management • responsible for the operation of [focal organisation] and mechanisms to ensure compliance against regulations (Focal Organisation, 2014, p. 9) Trustee 2 is also the Chair of a Board sub-committee for finance which is responsible for monitoring, reviewing and reporting to the Board on: financial control and reporting; external audit arrangements; compliance with external regulators and risk management procedures (Focal Organisation; Focal Organisation , 2008)

CEO	The CEO is responsible and accountable for all operations and the successful execution of the strategy set by the Trustees. The CEO:
	• works closely with the Chairman to ensure that charter and charitable objectives are being pursued, the strategic plan is being progressed and that financial and other targets set by the Board are being met.
	• is line-managed by the Chairman who sets KPIs and conducts appraisals.
	• must identify to the Chairman any potential conflicts of interest between his role as an employee and as a Trustee and withdraw from any Board discussions where this might influence the Board's decision. (Focal Organisation, 2014, p. 24)

7.2.3 The environment –The changing nature of governance

In keeping with the spirit of ethnography and to consider the incident in situ, it Is important to contextualise it against a series of small, seemingly benign changes in the governance structure over recent years, since CEO 3 (current CEO) joined the organisation. My analysis in this section firstly consisted of a review of the Regulations which identified a significant change in the governance structure in 2012, followed by apparently minor changes in 2014 and proposed changes in 2016 (see Table 17, p.145 for a summary of the changes). Notably, there were no amendments to the regulations and structures between the period 1992-2008 followed by two amendments and a proposed amendment within a four-year period under the current CEO. Seeking to understand how internal actors made sense of the changes and acted to influence these changes I conducted semi-structured interviews with four actors:

Actor 1	Member of the Senior Leadership Team. Employed in the organisation some 17 years prior to the incident.
Actor 2	Senior manager and member of the governance change team. Employed in the organisation some 16 years prior to the incident.
Actor 3	Works in the CEO office. Employed by CEO 3 and joined at the time of the Board structure change
Actor 4	Previous Chairman of Trustees.

In the remainder of this chapter I sequence my data and interpretation narratives around the governance structure changes outlined in Table 17(below) to explore how identification with different – and at times opposing – logics shaped the evolution of governance structures and the utilization of these structures to both advance and resist control or accountability mechanisms. In doing so, I draw attention to the nature of institutional work undertaken to (de)legitimate structures and processes, by whom and the associated political, symbolic and rhetorical dynamics that ensued.

Table 17: Changes to Governance Structure

Role / Time	Recruiting Trustees	Trustee Group	Representation of profession	CEO	Financial Oversight	CEO Remuneration Oversight
1992-2007 (CEO 1)	Nomination Committee exists to identify key officers for posts of the focal organisation: • President, Vice-President, Chairman & Deputy Chairman • Members of the Board of Management • Membership of the committee (Y1) itself	• 47 Trustees, 13 of these recruited by Committee Y1 & remaining elected by the membership • Principal governing body legally liable for the focal organisation as a registered charity • Sub-group of Trustees (Board) elected to provide operational oversight. Board made up of 10 people recruited by Committee Y & 3 elected from the trustee group	Membership branches	Employee, line-managed by the Chairman of trustee Board	Board	Board
2008 (CEO 2)						New Board sub-group to oversee remuneration
2012 (CEO 3)	Nomination Committee.	• Smaller executive Board of Trustees • Trustee Board chaired by the Chairman of the Institute • Performance of each trustee will be evaluated & managed by the Trustees as a group • Principal governing body legally liable for the focal organisation as a registered charity • Total of 13 Trustees, 6 elected by Group Y, 6 recruited by Nominations Committee & CEO	• Previous trustee group became representative group (Group Y) • Membership of 62 • Responsible for holding Board to account through EGM mechanism & by electing 50% of the Trustees from Group Y	CEO becomes an ex officio trustee		
2014 (CEO 3)					New Board sub-group to oversee Financial governance	Removed to finance committee then reinstated
2016 draft (CEO 3)			Proposal to remove ability to call an EGM being considered			

7.2.3.1   Changes to the Board of Trustees

Figures 17 and 18 below provide an overview of the structure before and after the 2012 changes, which saw:

(a) the Board of Trustees (n=47) become the membership for a newly formed representational group (Group Y, n=62). Whilst this group of previous Trustees lost trustee status they were given powers to 'hold the Board of Trustees accountable against charter and charitable objectives, values and ethos' (Focal Organisation, 2014, p. 6 (3.1.1));

(b) the formation of a new, smaller Board of Trustees (n=13) and;

(c) the CEO gaining trustee status and ability to attend nomination committee meetings
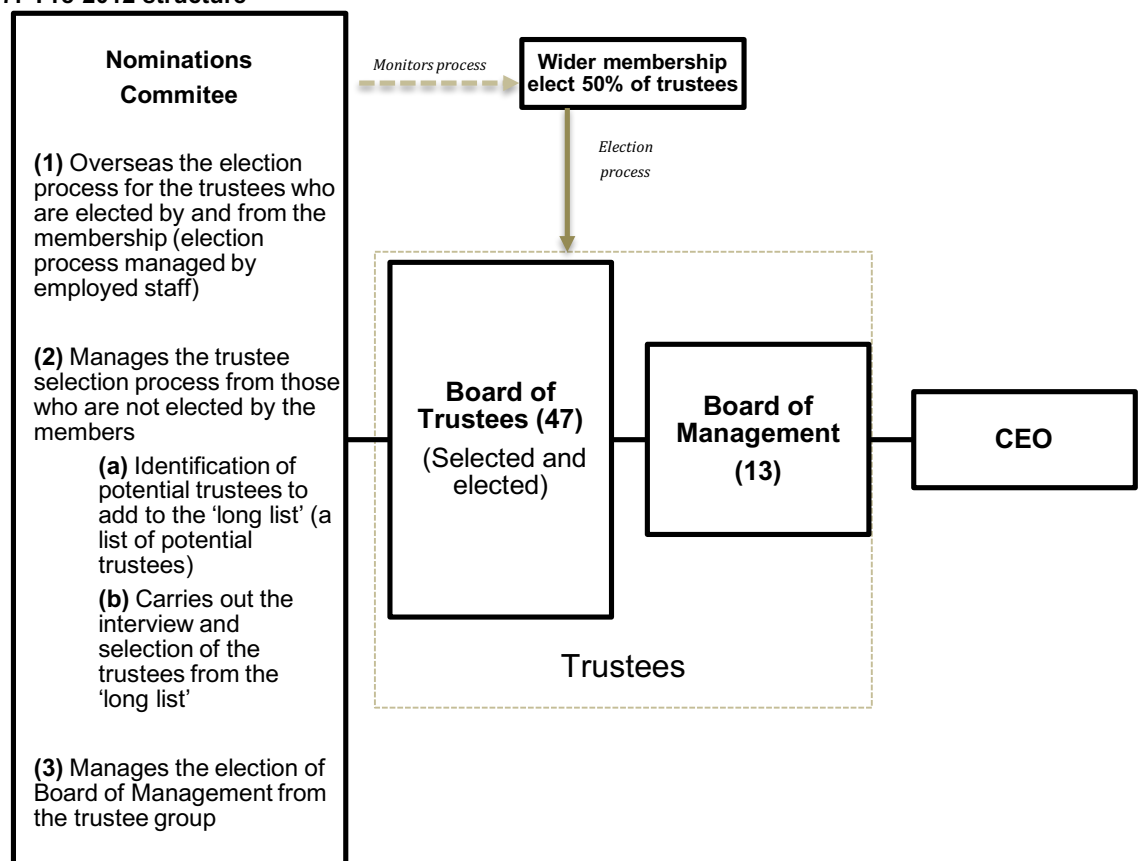
Figure 17: Pre-2012 structure

Figure 18: Post 2012 structure
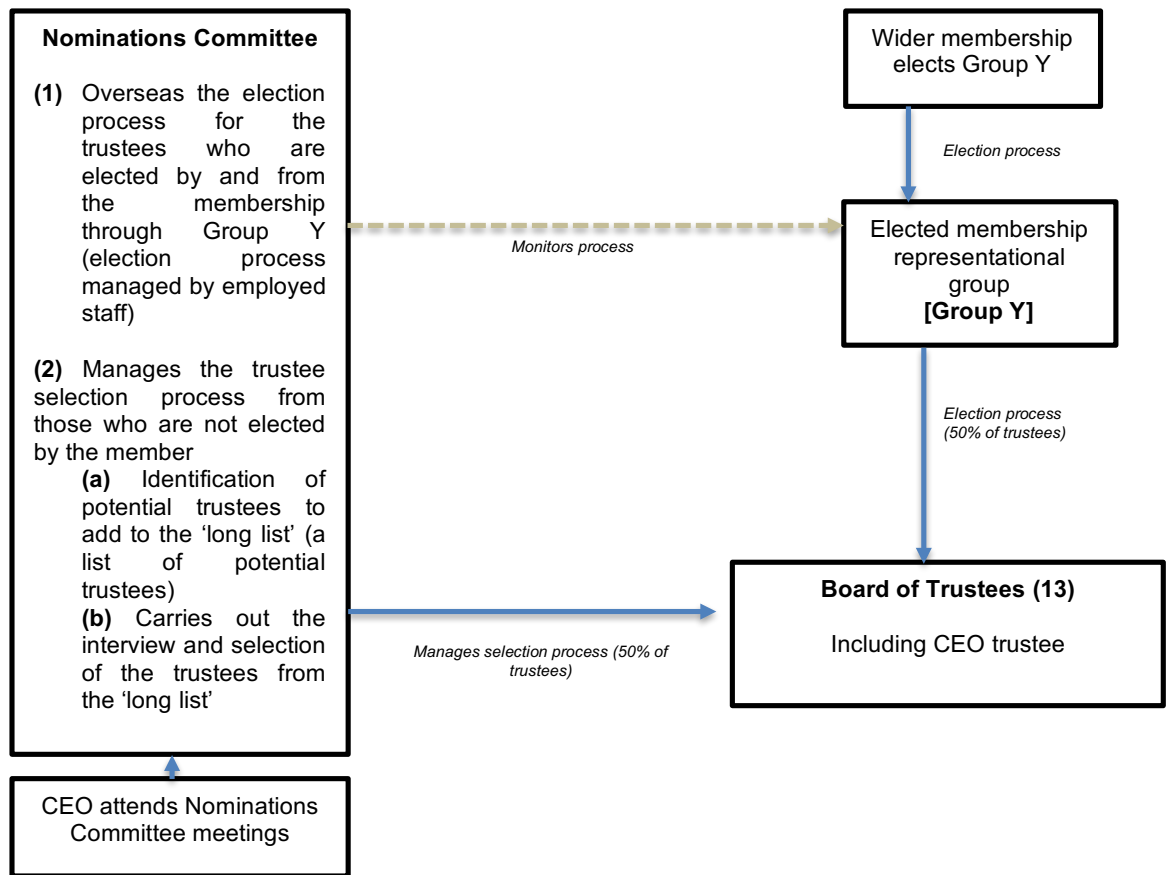
Of note in the 2012 structure is the reduction in the number of Trustees (from 47 to 13) and the removal of a sub-group of Trustees responsible for 'operational management. I posit that the reduction of the number of Trustees and the removal of the 'operational oversight' trustee sub-group enabled the CEO to reduce trustee scope to influence daily activity and thus increased their (CEO) ability to make autonomous decisions.

When asked what had driven changes in governance there was a consistent representation that it was a result of the *'new CEO'* with a *'new ideology'*, as illustrated in the excerpt below:

> *'Suddenly the pace quickened… Mainly [due to] getting into the corporate market [because of] the new CEO having a completely different ideology. And that was… the market that he understood... And I think as the business grew, you know, there was...there was greater need for more formality in how we did things around here and a whole lot more professional. …CEO 1 (The previous CEO) didn't find the need to change, but of course the organisation was a lot smaller then. Everything was running centrally anyway. I think mostly to do with the fact that [the current CEO3] wanted... cover's the wrong word but it's the only word I can think of…. [that] he had a body a people to go to and turn to. I think [he] certainly wanted a higher calibre of people on the*

Board. I mean, don't forget Carole, we went from a trustee of 40-odd people, and the majority of these were voted on by the members from their branches. We kind of inherited them as they were voted on by members who we represent. So, from that perspective you are only getting [reference to profession removed] type of people. Whereas [current CEO's] approach was to select people who are more rounded and are more business people I think. You know, so you've got Big business people.'   [G]

In this narrative, the previous Trustees are positioned as being more representative of the profession (of the focal organisation) and by association of *'lower calibre' than 'big business people'*. Another interview makes similar points around the agency of the CEO and the drive to make the organisation appear like a '*conventional business'*,

'That [2012 change] was instigated by an incoming new CEO who's first look at everything was that there is some dysfunction here. And there was a perception of a complete lack of trust between the [committee name removed] which was the large trustee body and the Board which was the smaller executive body…. there was a perception of mistrust on both sides of the secretariat so it was a very unholy triangle of conflicting powers; conflicts which were perceived to be leading to a kind of paralysis. So that was the drive behind the change to the new system. So that you have something that looks much more like a conventional business and you've got a small Board comparatively speaking.' [interviewee L]

Meanwhile, another actor highlights the CEO's desire for autonomy and preventing 'intrusion' as the driving force for the changes:

'I had just joined at that point [2012] so I am not sure on all the background but I have always assumed it came from [CEO] when he arrived, thinking that the decision-making structure wasn't autonomous enough [for him] …I remember thinking it was very odd when I first came here there was no audit committee. But maybe that was just because of what I'd been used to. And I know he was very anti it those days, because I remember mentioning it. My view is that he is more of a commercial kind of person who wouldn't perhaps embrace audit and all these, what... he sees as red tape and things to stop him doing the things he wants to do. He resents the intrusion. [D1]

When asked about the reason for forming Group Y (member representation) out of the previous trustee group, an actor presented this as a deliberate act to remove the power of the group:

> *'There was a further dimension in that [these changes mean] your member element is transferred to being an advisory body. So, it has no powers whatsoever. It's purely advisory. So, it's the sounding Board…that's where we look if we want member's views. They have no ability, directly, through any sort of voting or other mechanism to influence what happens at the Board. So, the… current scenario…in what happened in 2012…the direction to me was get rid of this huge body of Trustees, get me a small Board and a small Board made up of people who know what they're doing in business terms. 'Business people' was the phrase used 'business people'. [L]*

This is a noteworthy representation as during the 2012 changes the Terms of reference for Group Y presents them as being the '*conscience of the institute*' with the ability to influence and guide the Trustees and to hold the Board of Trustees accountable. The primary formal mechanism through which Group Y can hold the Board of Trustees accountable is through the instigation of an Extra-Ordinary General Meeting (EGM) at which the Trustees can be held to account and/or a vote of no-confidence can be raised. Notably, there is a current (2016) proposal being driven by CEO3 to remove the ability of Group Y to request an EGM and thus vote of no confidence which I interpret as a further attempt to reduce the number of stakeholders to which they (CEO) are accountable and further increase the CEOs ability to make autonomous decisions.

In terms of the nature of work undertaken to implement structure change, an internal actor who was responsible for managing the process described the use an external party and '*independent voice*' to validate the view that change was needed:

> *'Although it was never publicly stated here as the dichotomy between the internal and external messaging, the internal messaging was 'we know what the problems are, but if we as the staff tell the Board and the Trustees, they're going to not accept any of it…' I think at that time we weren't bold enough to say we know what the problems are and here they are. We wanted a third party to come along and say…here is what the problem is and here are some of the solutions that you might consider'. If you get a well-respected, independent expert to come and say yes, these are your problems, that transfers that role to somebody else in a safe way. So, you then haven't got an argument between the*

staff, the Board and the Trustees. That is your fault, no it's your fault. You've got an independent person coming in and saying 'this is how it looks to us' and it's more acceptable getting that message from a stranger who was looking at it cold. And that was quite interesting, but we already knew what the key result was going to be before we saw it…. [the output report] didn't say how are you going to get from here to there? [L]

Furthermore, the interviewee described careful management of perceptions regarding selection of the review group and a conscious decision to employ '*enthusiastic volunteers*' from the previous trustee group to ensure that there was no challenge of manipulation:

So that's when we put together the review group…. We chose people from the Board, particularly, who had already shown an interest and engagement in the whole process. So, they would have contributions to make and talk about governance. You could tell who on the Board was interested in governance and who wasn't. … And we asked for volunteers from the [previous Board], which was interesting because you had a diverse group. And the thinking was, don't try and engineer that group so that the [previous board] feel that they have been manipulated or that we cherry picked the ones we thought would agree with us. So, you had some members of that group that were very vocal and critical of the Board and staff. Others who simply didn't grasp some of the principles and had to be coached quite a lot to understand the issues, but that's how we put together that first group… The majority were enthusiastic volunteers as opposed to people who could actually contribute much to it'. [interviewee L]

7.2.3.2   CEO as Trustee

The second key change in 2012 was the CEO taking a dual role as CEO and Trustee.   This is not the norm for charities and requires additional permission through Byelaws and Regulations within the organisation and permission from the Charity Commission as regulator due to the potential for conflicts of interest. It became apparent during a phase 1 interview that the volunteer Trustees may not be explicitly aware of or in agreement with the CEO's trustee status:

*'**Researcher: … the CEO has a dual role, acting both as a Chief Executive and a Trustee.**
Interviewee: I've never seen that before.
Researcher: Do you see any tensions or challenges from that [dual role]?
Interviewee: Yeah, I don't know. I mean, I've never seen it before so it's genuinely not something… I don't know how you're allowed*

Researcher: When you have [CEO] at the Board, in what role do you see them?

Interviewee: They should be at the Board but I thought they were there as a Chief Exec. I didn't know they were a Trustee. I don't receive them as a Trustee' [Interviewee H]

This dual CEO-trustee status is central to this incident and something I return to throughout the chapter.

7.2.3.3 A new oversight committee

Following the substantive changes of 2012, a smaller scale change occurred in 2014 with the formation of a trustee sub-committee responsible for financial oversight. As an internal actor not directly involved in financial activity I was aware that the formation of such a committee had been mooted by various Trustees for several years but nothing had materialised. Keen to understand what had happened to finally bring about this new committee, I began to explore.

All four interviewees presented a picture of the CEO resisting but then submitting to the formation of a new financial oversight committee. On reading the interview narratives, formation of the new committee was presented as both a symbolic gesture, enabling the CEO to signal '*good [governance] practice',* and a tactical action, enabling him to remove conversations and attention to financial governance from Board to a smaller group to stop Board 'wasting' their time:

'We'd had a few problems with... one of our subsidiary businesses, particularly in [country removed], where we had an horrendous year end. We were pulled over the coals by our audiences, local audiences as well as our group auditors. At that time, there was also a partner change at [Auditors name removed]. The incumbent partner retired and the new guy came in and he was very surprised that an organisation of our size and status, particularly being a charity, did not operate an audit committee... It was good practice to have an audit committee. We had... fought...well, not fought, but we hadn't encouraged it for a number of years. It had been mooted several times. A lot of organisations have various committees, one of which is the audit committee. And we tried to shy away from that, principally because of the way the business was structured in as much that there would have to be counsel and representatives on those committees. We didn't have any qualified accountants or anything like that or anybody that had any accounting

background to actually serve on those committees. Now, of course that changed when we moved to a smaller Board and we got a higher calibre of people on the Board. And we then had the likes of qualified accountants. The problems in [country removed], the recommendations from the auditors and the introduction of people like [Trustee 2] onto the Board… I think at the end of the day he [current CEO] bowed down to pressure, but he could see the logic of having those people in... because it... they could deal with matters as a subset of the Board. We weren't then wasting the Board's time, Carole, in discussing audit issues, appraisal and all that sort of stuff.' [G]

[The committee] Came about as a result of further concerns about finance. They [CEO] was resistant to the idea of an audit committee for a very long time. Their [CEO] view was if we're a competent group of managers here, we shouldn't need one. Their [CEO] main fear was that they would deep dive into detailed financial stuff from the position of lack of knowledge, lack of understanding of how the business operated… And he didn't want them to be getting that deep into detail. They [CEO] believes it's their job, their decisions, their responsibility to make sure that the business continues to operate. Where they [the trustee] were very successful in their approach was in frightening the other Trustees into doubting themselves, doubting whether or not they were equipped to have the oversight role that they're supposed to have, not really knowing where the boundaries were of that and also picking up on this undermining of [internal] staff ability to know what they were doing. So, by saying constantly 'I'm a finance expert' and 'I'm looking at this and I'm telling you it's not being done properly', that's quite a powerful statement to make. We wanted someone who was an expert in those areas who would take a critical look and advise us what we needed to do to get our act together. And that happened big time. [Laughs].' [L]

I think that [the introduction of the committee] was pressure from [Trustee 2] to a point. They [trustee 2] was challenging them [CEO] at all the meetings – challenging them [CEO] at every turn regarding the financial stuff. And I think they [Board of Trustees] were getting that bogged down with the annual accounts at the meeting, and it was taking so long it was getting very convoluted, they [Board of Trustees] were getting very tied up with it. And I think that was the catalyst for, well, shouldn't we have like a sub-committee that would just deal with it. [D1]

In a similar but slightly different presentation of events leading up to the creation of a new sub-committee, a previous Trustee [Trustee 5] positioned the creation of the committee as a way of managing 'the conflict':

I think the pressure from the Board...Well, let's put it another way. I think [CEO] was brow beaten by [Trustee 2]] Because I think it got to a point where there was so much pressure about the need to understand the accounts by people like [Trustee 2], that they scare mongered the Board, who were previously quite content with the ratification of the accounts... But were suitably concerned

*by the comments of [Trustee 2], to the point where it became…
[Trustee 2] now became our authority on the accounts. No. the
FD's the authority on the accounts, with CEO. Trustee (2) has a
slightly more focused view of what it actually means, and can
maybe raise one or two questions. When it got to the point where
we had half a day on ratifying the accounts, at that point it was,
well hang on.. this point is getting nowhere fast. Where's the
strategy of the discussion. We've got half a day gone with the
fiscal discussion. We're getting challenge after challenge of the
FD. We needed to formalize something outside of this Board
meeting to give us that confidence that we're right. Hence, the
[Finance] committee [when we came to a head with [Trustee 2] It
came to a head with (Pause) the conflict…. I observed [Trustee 2
using their advanced knowledge of charity law, compared to the
other Trustees, to create a burning platform and a position of fear'
[Trustee 5]*

In this narrative, whilst Trustee 2 is presented as having the ability to
influence other Trustees   this agency is depicted as negatively motivated.
When asked why Trustee 2 would wish to create fear to achieve influence, the
response from Trustee 5 attributed the behaviour to a desire for personal gain,
disruption and sensationalisation over ensuring that their trustee obligations
were met:

*'I think it comes back to people's agenda on the Board. And I'm
going to be quite blunt here. There are people who put their
names forward to be on the Board to enhance their CV. There
are people who put their names forward to partially enhance their
CV and have this desire. They want to do something and be
involved and make a difference. I've got people who put their
names forward because they want to make a difference. And it
might not be a surprise for you to learn that I feel I'm in that latter
category. We want to work with the organisation and find ways to
overcome obstacles or issues that present themselves. But there
are people...and it never ceases to amaze me, and it will never
ever change. There are some people who just love conflict…
And, as I said before, who like to make a mountain out of a
molehill, and like to sensationalise. And actually, this is really
awful to say, but it's true, I'm afraid. There are some people that
don't want to actually have the ultimate objective achieved.
There's got to be an obstacle in the way. They've got to be the
person that finds the reason why we cannot achieve it, why we
cannot do. And that is [Trustee 2].'*

I found this an interesting presentation, on an emotional level I felt as if Trustee
5 was seeking to demonise Trustee 2's motivation and therefore the legitimacy
of the challenge. I suggest that a person from a public good logic might receive

Trustee 2's challenge as a legitimate challenge to governance practices. Remembering I had interviewed Trustee 2 during my phase 1 research ('pre-conflict'), I revisited this transcript and experienced them as being driven from a charity governance perspective – see the except from their interview transcript below:

> **Researcher: What do you see as the role of the Trustees?**
>
> *I think the Board are actually a governance trustee group. I mean, the Charity Commission requires you to have an independent Board of Trustees to make sure the charity's doing what it said it was going to do when it was given charitable status and to make sure that you don't abuse that status, that you don't spend money on things you're not supposed to spend money on and that you don't go bust. So that is our corporate governance role. For a charity, the advantage of having a team of individuals as Trustees from a variety of backgrounds is that they bring in expertise and, frankly, a contact book as well that will enable you to get free consultancy advice to help inform and develop the strategy and to seek their advice on how to execute'*
>
> **Researcher: What if anything would make you leave the Board?**
>
> *'If the executive didn't listen to the feedback that the Trustees give. If I felt that my views weren't aligned with the other Trustees. I'm not commenting on who's right and who's wrong. For me, if I was seriously concerned about the risk and infrastructure of the charity and their ability to honour their charitable status or if it became no longer palatable for me to be a trustee because of work or locations or something else.' [H]*

This pubic good logic was re-iterated during a Board sub-committee meeting when Trustee 2, in their role as chair of the sub-committee, and one other Trustee expressed concerns of both governance (and decision making) and appropriateness of the decision within the context of the organisation as a charity:

> *'Concern was expressed regarding the bonus proposal, including its fairness, transparency, level of increase, and impact on the fixed cost base… A concern was raised regarding how the targets had been set, and it was emphasized that the bonus should be linked to achieving a series of targets and not solely to achieving NFR' (Focal Organisation, 2015).*

And again, during a subsequent Board meeting where they stated:

> *'This is not about a lack of trust but just a facet of good charity governance.' [See extract 2 from Research Journal September 2015 page 129]*

7.1.4 Section summary

In the section above, I have outlined the incident and the environmental context at the time of the incident. I have made use of documentary analysis and interviews to get an understanding of how different actors make sense of the changes. Collectively these narratives imply that internal actors associate the changes with the CEO's 'corporate ideology' and associated desire for 'autonomy' in decision making and drive for professionalization by introducing 'big business people' almost as if this on its own would make the organisation more successful.   Furthermore, the actors present the introduction of a new committee [Finance Committee] as being in response to one particular trustee who was able to use their personal power to frustrate, frighten and undermine confidence in internal operations.   It is suggested that despite '*fighting and resisting'* this structure for a period, the CEO ultimately *'bowed down to pressure'.* Interestingly, the rhetoric of the CEO downplayed the significance of the new committee, presenting it as a way to stop the Board *'wasting time'* on such [trivial] matters.

Against this organisational context, I now move to the incident which challenged the status of the Nominations Committee and the CEO in respect of process, accountability and conflicts of interest. In the following section, we look at the protagonist's perspectives on the role of Nominations Committee and Group Y and the power of the CEO.

7.3   Protagonists perspective

In section 7.2.2 above I provided an overview of the two protagonists, namely the Trustees (and specifically Trustee 2) and the CEO. I have previously presented them as coming from opposing commercial and public good logics respectively (see chapter 4 for commentary on the CEO's logic identification and 7.2.3.3 above in respect of Trustee 2).

To get a greater appreciation of the interplay of these logics as it relates to the challenge to the Nominations Committee and the CEO's trustee status, I used minutes of meetings (namely Board and senior executive meetings) and my research journal, where I attended meetings as a participant observer, as the key information sources. By reviewing the minutes of trustee meeting that took place between December 2014 and September 2016 I identified that, in the eight meetings which took place, a concern about trustee selection or term of office was raised at all but one (see summary table 18 below). I noted that whilst the concerns were presented in general terms, in September 2016 the narrative became more focused in that it directly challenged the legitimacy of the Nominations Committee, raised for the first time the potential for conflicts of interest in respect of the CEO and suggested that there was a deliberate delay to the governance review process. I found this interesting and wondered if the Trustees had been setting the scene for some time using an arguably benign and un-emotive structural discourse as a vehicle to introduce much broader issues of situated power within existing structures and processes in respect of their own grouping vis-à-vis Nominations Committee and CEO. Furthermore, I noted that the challenge was made at what would be the final meeting for Trustee 2 (who had been vocal on the matter of good governance and trustee tenureship) as their tenureship came to an end after the September meeting. I could not help but think that they had set the stage for a challenge that would last beyond their time as a trustee.

Table 18: **Narrative at Board meetings**

Narrative	Raised at meeting							
	Dec-2014	Mar-2015	Jun-2015	Sep-2015	Dec-2015	Mar-2016	Jun-2016	Sep-2016
Need for greater transparency of trustee selection (Nomination Committees process, criteria and decision making)	✔		✔	✔		✔	✔	
Clarity of process for electing chair of Nominations Committee						✔		
Challenge to the legality of Nominations Committee								✔
Rejection of proposal for a trustee							✔	
Challenge to the trustee selection process								✔
Request for extension of term of office for Board Chairman from 2 to 3 years	✔	✔					✔	
Ability for Trustees to serve two terms of office	✔	✔				✔		
Concern of a disconnect between the Board and Committee Y	✔	✔				✔		
Challenging the time, it has taken to conduct a governance review								✔
The appropriateness of the CEO being a trustee as he had the potential to misuse his voting rights								✔

This documentary review set the scene to enable me to get an appreciation of the activity undertaken by the different protagonists to make and defend against challenges. In the next section I further consider and break down the two key areas of challenge namely Nominations Committee and CEO trustee status.

7.3.1 On Nominations Committee

I begin this section by providing relevant extracts of the regulations as they relate to the Nominations committee. First, the committee is position as an independent body responsible for the integrity and efficiency of the process for electing and selecting Trustees

> *'The Nominations Committee is an independent body responsible for the integrity and efficiency of the process for electing and selecting Trustees' (Focal Organisation, 2014, p. 15 3.4)*

Second, trustee selection decisions will be made against agreed and published criteria.

> *'[The committee] sets and publishes the recruitment criteria for Trustees... validates candidates for election or appointment to the Board of Trustees against those criteria to ensure that Trustees have the commitment and competence to discharge their responsibilities' ((Focal Organisation, 2014, p. 15 3.4.1)*

Third, detailed records of meetings and decisions will be kept and made available to the Board of Trustees:

> *'accurate records will be kept which will be available for scrutiny to the Trustees'. (Focal Organisation, 2014, p. 17 3.4.4 vii)*

And finally, the CEO is positioned as having little role in trustee selection:

> *'[the CEO] will attend meetings of the Committee by invitation to identify any specific expertise that would be of benefit to the Trustees. The CEO shall not participate in shortlisting or voting, or recommending a preferred candidate, either for Trustees or for the Nominations Committee itself' (Focal Organisation, 2014, pp. 16 3.4.2 v-vi)*

The four statements above are pertinent to this incident from two perspectives. Firstly, the Board raised concerns about the lack of proficiency of the Nominations Committee (Focal Organisation, 2016, p. 7 (e)); *a 'disconnect and lack of visibility'* (Focal Organisation, 2016, p. 7 (a)) and; the '*lack of transparent processes and criteria for compiling the list of candidates for appointment to Board and fairness and transparency of such appointments*' (Focal Organisation, 2016, p. 7 (d)).

Additionally, whilst the regulations position the CEO as having no ability to influence trustee selection, in practice this does not appear to be the case. Instead, the CEO is presented as having an '*extremely powerful input to the selection process'*. See for example the extracts from interviews where trustee selection is presented as an incestuous process without many [governance] safeguards and involving power plays and politics.

'Oh yeah, that's [recruiting Trustees] a black art (laughs) … through the long list, the short list, the secret list... So, some people have said it's a very incestuous... ...old boys network... that's okay, as long as it's not abused. How could it be abused? Well, quite simply. You know, the CEO could be awarded a rather substantial salary, which is out of kilter with normal practice benchmarked against other similar organisations.' [G]

'It's a curious one because it can be quite incestuous and there aren't many safeguards in there… So, the chief executive has an extremely powerful input to the selection process for the next chair. The next chair is the line manager of the CEO and will set his KPIs and his remuneration and any bonuses that result. That, therefore, gives both parties a very strong vested interest in managing that relationship to both of their benefits. So, there's always a concern there. There really is always a concern… So, if you're a chair of the Board and your role up to now has been pretty inward looking, you actually want to make an external name for yourself and you wanted to do the next spread in a magazine, it's in your interest to give a favourable report to your CEO and approve his remuneration and approve any bonuses and give him a glowing testimonial. Quid pro quo. There are no checks and balances in that process.' [Interviewee L]

'The transparency's not there, is it… if I'm honest, it's all a bit, if you're in my pocket, kind of thing… You wouldn't get in that position without knowing the people that you know, would you... I can see a flaw in... the whole system… whereby the chairman of the Board is also …the chief executive's boss, who sets his salary… The whole thing is this circle of this old boys' network again. In my view, it's improving now, but it isn't and hasn't been fair and transparent.
I think that our regulations leave a bit to be desired, to be honest. Because if it were in the regulations what their remit was, in a...in a more structured definite way...our regulations are very woolly in my opinion. I come from a background where we had a constitution, and there was a committee's terms of reference and it was very clear what that committee was allowed to do... The benefits of having...having that was that there was transparency. Everyone could see. You've got something to back you up if you said, no. Why do you think we haven't got it then? I don't know. I mean it's...it's...it's very democratic, isn't it? And I suppose where I came from it had to be very democratic, whereas here we don't have to be that democratic. Should a charity be democratic? In my opinion, yes. Yes, it should. But again, we're a charity when we want to be and we forget that we are when we don't want to be...' [Interviewee D1]

The CEO… he's got a lot of influence [in the selection of the long list], is my perception, I know he has…well, he tells me he sits at the back [of the selection interviews] and says nothing... But he coerces…. On the selection of the Chariman of the Board… so, it's a nice cosy arrangement isn't it. Yeah. Who's going to allow me [CEO] to prosper … well, it's you scratch my back and I'll scratch yours, isn't it?' [Trustee 5 September 16]

Arguably this presentation shows how agentic actors (namely the CEO) use informal power and relationships to circumvent formal regulations and decision making structures that were intended to prevent abuse and ensure good governance. I specifically note the reference to the CEO's ability to influence the Chariman of the Trustees who in turn had the ability to influence the CEOs remuneration package - a 'cosy', '*quid pro quo*', '*you scratch my back I'll scratch yours*' situation open to '*abuse*':

7.3. 4   On the CEO being a Trustee

As part of the 2012 governance structure change the CEO was given a dual role of CEO and Trustee, such a role did not exist prior to 2012. The presentation of a potential for conflicts of interest is the argument that has been made, apparently for the first time, at the September 2016 Board meeting, where the Trustees asked for:

'The implementation of clear rules relating to the authority and voting rights of the CEO (in his/her capacity as a trustee) to avoid potential conflict of interest, specifically in the event of a split vote' (Focal Organisation, 2016)

Whilst this point was muted by Trustee 2, arguably an adversary of the CEO

'their [trustee 2] whole persona was the antithesis of [current CEO]. And that was the problem. It was a clash' [Trustee 5]

they were not alone in having this view. Interviewing a previous trustee who, based on my observations over several years I position as an advocate of the current CEO they also shared the view that there was potential for a conflict of interest:

[On whether the CEO should be a trustee] 'I'm not sure about how important that really is. What would I prefer? Probably for him to be impartial and objective. I'm not saying he shouldn't be a trustee… I don't see why they have to be a trustee. I don't see the benefit of them being a trustee. There's possibly a conflict. There's certainly a perceived conflict. I don't see the need for them to be a trustee. I don't see they brings any value as a trustee. I think, if anything, he's possibly too conflicted. [Trustee 5]

Being able to coerce other Trustees through their trustee role does appear to be a factor in the CEO seeking trustee status and with it voting rights. One internal actor presented the motivator as the CEO wanting the ability to use the formal structure to informal influence other Trustees.

'The number one…the internal logic, which wasn't the external logic…was so that that trustee could have a vote and could…if things were delicately balanced would have a vote and that some Trustees would be highly influenced by the way in which that person voted. So, sheep Trustees or the jackal Trustees and the sheep Trustees are going to wait and see how the chair of the Board votes and wait and see how the CEO votes and we'll vote according to that because they want to be seen to be good, sporting Trustees. I'm over simplifying this. They are not that passive by any means, but I think that's the sort of essential thought process. I think…I don't really know what I think about this, I want to see what [Chairman of Board] and [CEO] are saying, they're argument sounds sensible to me, I'm going to agree with them. I think that's how it works. Then you've got the ones on the other side who I'm going to argue with this no matter what because I feel like arguing today. Some of them may genuinely believe what they're saying, some of them I think just like to argue. And so, the sort of…the slightly more subversive Trustees are going to go in that camp, but the majority are going to want to be seen to be good Trustees.' [L]

Not all actors however see having Trusteeship as a conflict, one actor expresses the benefits of CEO Trustees as being directly accountable for their actions:

'I don't see any tension in it… you know, I can't see how you can have someone running an organisation, a CEO, who... there's a term they haven't got any skin in the game, yeah? And basically, he could have done what he wanted really, to a degree and there'd be no consequence to him personally. Whereas if he's a trustee then he has to be mindful of the fact that any decision could come back to haunt him, bite him, all the rest of it, 'cos he could end up being sued or accused of misrepresentation or malpractice or whatever.' [G]

April 2017 Sadly, earlier this year and during the final drafting of this thesis the current CEO died after a short and unexpected illness. We will therefore never be able to see how the challenge to the CEO's Trustee status played out. I note that the person specification for the new CEO makes it clear that they will not be a trustee as this is perceived to be a conflict of interest. An inference can perhaps be drawn from that position in that whilst they did not challenge it with the one individual the Trustees did not see the CEO having trustee status as generally acceptable.

7.3 Interpretation

At the heart of this incident, I suggest, is a 'battle' between the CEO's desire to have autonomy which they see as efficient and driving business growth and the Trustees' defence against such autonomy which they considered poor practice [lacking checks and balances] and self-serving [you scratch my back I'll scratch yours] unfitting of a charity.

In this section, I discuss my core interpretations of how protagonists sought to deal with the presence of divergent logics within this incident. These interpretations are interrelated and consist of the use of structure, informal power and rhetoric. Specifically, through this incident we see how Trustees' attempt to use organisational structures as a mechanism to resist and control the elite management actors. Paradoxically those very actors are concurrently shaping organisational structures to minimise the Trustees' ability to do so.

7.3.1 Structure, power and control

A result of the battle between divergent logics is the governance structure (see figure 15 page 140). From an external, un-informed perspective this diagram presents a picture of a governance system with several '*checks and balances*' yet the internal narrative is that this presentation is of '*very symbolic relationships*' *[Interviewee D]* to enable the focal organisation to display conformance to the accepted norms and legal requirements of a charity. Its existence is to legitimate status and to '*say to the outside world, we have a committee that does this*' but what it does not show is the '*extremely powerful influence of the CEO*' *[Interviewee D]* positioned at the apex of all

conversations; influencing the selection of Trustees, committee members and ultimately the Chariman of the Board.

Through this incident, I identified what I consider a dysfunctional relationship between CEO and several Trustees. This dysfunctionality driven from divergent logics and beliefs of what it legitimate behaviour, has resulted in a stalemate with the Board of Trustees challenging the legitimacy of the current structure and the appropriateness of CEO / Trustee duality. In response, to such challenges the CEO accepts 'trivial' changes to the Board (such as the Finance Committee), almost as if seeking to appease some Trustees. But at the same time as shown by the minutes (see table 18 on page 147) and interview transcripts the CEO stalls firstly the introduction of the finance sub-committee and secondary a full review of the governance structure, arguably, waiting out some Trustees until the end of their tenure and therefore, potentially the end of the discussion.

Additionally, through this incident, I observe how informal power could be used to circumvent formal decision making structures and enable the CEO to have an 'extremely powerful input' into decision making. Specifically, I remind you of the perceived ability of the CEO to influence trustee selection despite the formal structure explicitly stating that the CEO '*shall not participate*'. Another example is how the CEO can influence '*sheep Trustees*' through voting behaviors thus ensuring they (CEO) get the outcomes that they required. I suggest that the CEO values the symbolic nature of the governance structure for its very ability to support informal power and enable him to remain at the apex of all conversations whist giving the perception of 'good governance' and democratic trustee decision making.

7.3.2 Rhetoric

I noted differences in the way that the need for governance was constructed and communicated. This reminds me of Lok's (2010) study which reported how 'everyday talk' reinforced identity cues enabling actors to translate logics in particular ways. Look how the protagonists use language to push forward their claim for change and simultaneously defend against change. For example, in 2012, the CEO created a narrative around the need for greater formality and restructuring to be more like '*a conventional business'*. In this

narrative, the CEO promotes a need for a smaller group of Trustees '*who know what they are doing in business terms*', and a structure would enable the CEO to be subject to less scrutiny and to have greater autonomy.

In parallel and in resistance to the identity cues of a commercial logic, see how Trustee 2 puts the case for 'good governance' using their previous experience to give themselves a sense of coherence and distinctiveness by positioning themselves as an expert in governance.   They make use of objective examples and references from the Charities Regulations to underpin the consequences of bad governance practices in such a way to encourage other Trustees to form and adopt behaviors and identities of charity Trustees with ('*making sure that the charity's doing what it said it was going to do and it not abusing its status, and that it doesn't spend on things it should not spend it on'*). Note also how, in a counter-attack to Trustee 2 other Trustees who are arguably aligned to the CEO form a narrative that seeks to undermine Trustee 2's. This narrative seeks to delegitimize Trustee 2's by demonizing them and position them as 'sensationalists', the 'antithesis' of the current CEO, and motivated by a love conflict and look to put obstacles in the way.

> *'Trustee 2 is the antithesis of [current CEO], and that's the real problem… there is a clash… There are some people who just love conflict… And, as I said before, who like to make a mountain out of a molehill, and like to sensationalise. And this is awful to say, but it's true, I'm afraid. There are some people that don't want to have the ultimate objective achieved. There's got to be an obstacle in the way. They've got to be the person that finds the reason why we cannot achieve it, why we cannot do. And that is [trustee 2]' [except from Trustee 5 transcript]*

7.5   Chapter Summary

This findings chapter uses an incident to get an understanding of the interplay of intentions in relation to the governance structure. We get introduced to an apparent 'perfect' theoretical structure before we understand the imperfections and flaws brought about through individual actors which result in a distortion of practical reality against the espoused reality.   In getting this understanding we again get an appreciation of the power of intentions and how the interplay of different actors can support or thwart.

What the incident shows is that the elite are vying for control and power through different strategies. Actors on the Board are attempting to gain and assert authority through formal structure (because that is their available resource) - they thus prioritised structures and systems - while the CEO (and those in the 'in group' such as the chair) are doing it through informal relationships and conversations which circumvent the structures – prioritizing inter-relationships and actor agency. Rhetorical strategy of formal structure is used as vehicle to introduce real issue of trust in CEO and collective decision making (as per charity law).

(a) We get a picture of how the Board seeks to resist a role of a governance committee and how individuals use tactics to assert their position of knowledge, discrete legitimacy and narratives that subtly suggest conflicts of interest resulting in poor recommendations being made.

(b) As time goes by without resolution we experience the 'temperature' go up and challenges become more personalised until at the very last moment a departing trustee questions the personal integrity of the CEO.

(c) We see how the CEO uses tactics of personal relationships, role definition, timetabling of work and simply not responding as strategies to resist or defend against such challenges. Is something as simple as their ability to 'wait-out' the Trustees their biggest power-resource after all?

(d) Finally, through the evolving state of the governance structure we get an appreciation of how alignment to different logics plays out in a structural conversation and how nuances of the governance structure can be used to facilitate activities that align to one logic over another. As an example, we see the activity being planned to reduce a power resource of Group Y thus making them less able to hold the Board accountable to delivering to the social agenda and therefore I posit give more freedom to embrace commercial logic without censor.

Musing (Nov 16) As I was finalizing the draft of this chapter I came across a news broadcast. Whilst I am not suggesting that the focal organisation has the potential to cause a war on the size of the Iraq war I was drawn to Chilcots reference to the power of advocacy:

'the former Labour Prime Minister's 'sheer psychological dominance' of his Cabinet meant that few ministers challenged him …Chilcot was asked if trust in politics had been corroded …He replied: 'I think when a government or the leader of a government presents a case with all the powers of advocacy that he or she can command, and in doing so goes beyond what the facts of the case and the basic analysis of that can support, then it does damage politics, yes.' Chilcot added that he 'can only imagine' it would take a long time to repair trust. (Huffpost UK, 2016)

The acknowledgement of the power of advocacy of an elite actor resonated with me and I returned to the interview of L who described why the CEO sought trustee status which was I suggest as a vehicle through which to advocate a particular course of action. 'The number one…the internal logic, which wasn't the external logic…was so that that trustee [CEO] could have a vote and could…if things were delicately balanced would have a vote and that some Trustees would be highly influenced by the way in which that person voted. So, sheep Trustees … are going to wait and see how the chair of the Board votes and wait and see how the CEO votes and we'll vote according to that because they want to be seen to be good, sporting Trustees' [L]

The parallel between the Chilcot and the interviewee accounts is that by definition of their role, elite actors can advocate particular outcomes.

(1) A sub group of the Trustees is implying that the CEO is using his voting rights as a way of advocating outcomes, additionally they [CEO] is using informal relationships (with committee members) to sponsor and promote

(2) Interview L is confirming that the CEO values having trustee status and therefore voting rights for its utility in backing, sponsoring, promoting or opposing outcomes

Does this suggest an inherent conflict of interest in the CEO having voting rights – possibly. Does the materialisation of said conflict require the interplay of intentions - almost definitely in my view.

Chapter 8 Discussion

8.1   Introduction

The research question guiding this study asked how organisational actors deal with the presence of organisational hybridity (multiple institutional logics) and what implications this has for the nature of the organisation - structurally, politically, symbolically and rhetorically. Through the research, I found a complex, inter-related, diachronic, often messy picture of institutional work than that typically presented in institutional literature, which paints a rather binary, linear, rational and conscious picture of both actors and change (Schatzki, Knorr-Cetina, & von Savigny, 2001; Suddaby & Hinings, 2002Thorton, Ocasio, & Lounsbury, 2012; Gawer & Phillips, 2013)

Grounded in the analysis and interpretation of the data presented in chapters 4-7, I suggest here that two categories of internally focussed work are central to institutional work in the focal hybrid organisation. First, work undertaken by senior managers to encourage other actors to identify with a preferred logic (commercial/public good) but within the existing organisation mission, which I term *Identification Work*. Second, work undertaken by organisational actors to promote adoption of practices that are congruent with their preferred logic by other actors, which I term *Practice Work.*   I found that such work is undertaken over time, is mutually reinforcing and often overlapping. The forms of work and their inter-relationships are illustrated in the diagram presented in Figure 19 on the next page   and then unpacked throughout this chapter. Throughout, I will emphasise how these findings challenge and extend current theorisations of institutional work in hybrid organisations.

Figure 19: Categories of internally focussed institutional work within the focal hybrid organisation
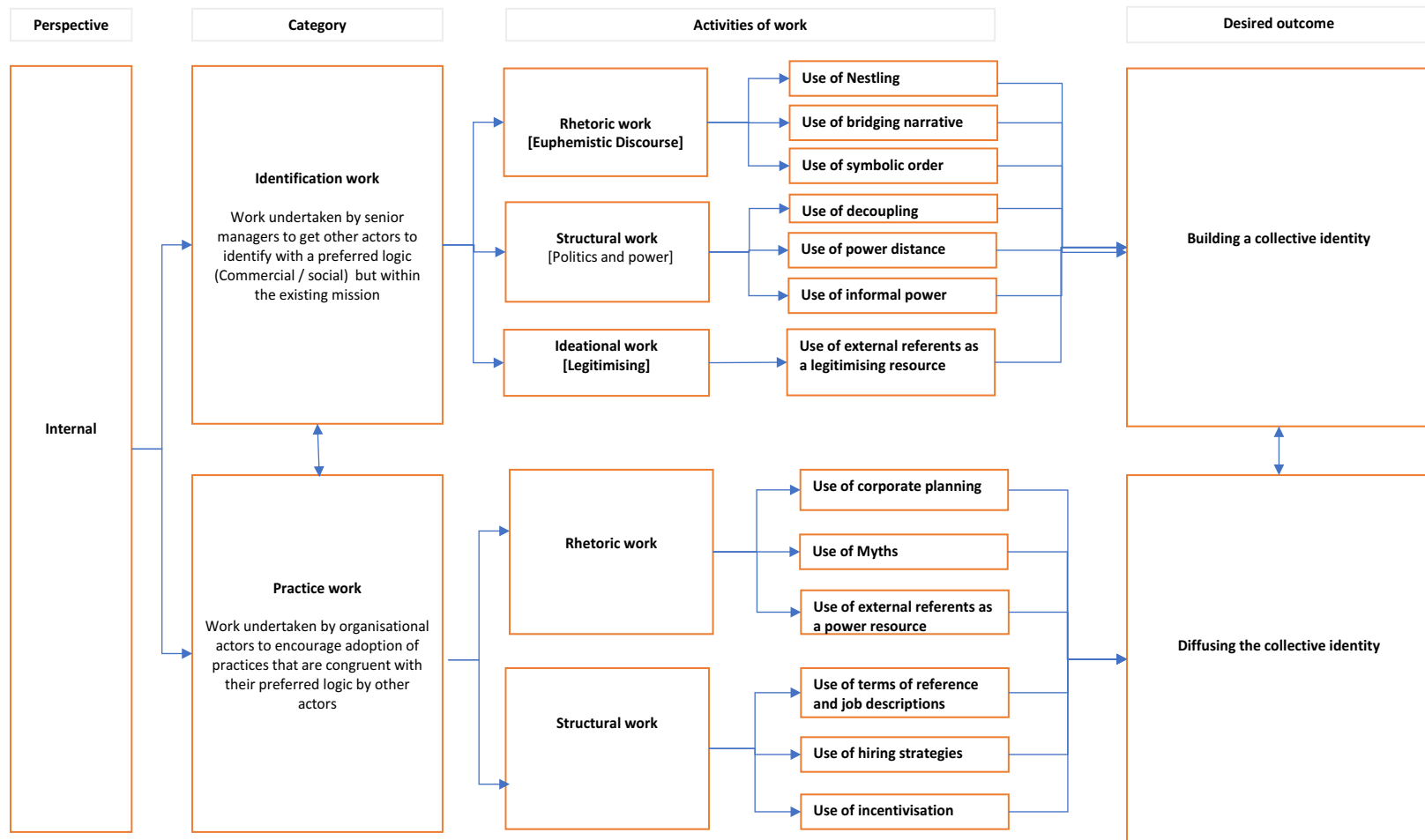
8.2   Identification work

Identification work refers to institutional work undertaken by senior managers of the focal organisation to encourage individual actors to identify with a given logic (namely commercial or public good). Such work takes place at an ideological level and aims to ensure widespread acceptance of a system of ideas and ideals within the prevailing mission of the organisation, which might normatively appear contradictory or illegitimate. The intent of identification work differs from Gawer and Phillips's (2013) 'identity work' in that their emphasis is on activities carried out to change actor's perceptions of the organisation's identity from one 'type' of organisation to another. Indeed, accounts of institutional work which attempt to shift organisations or organisational actors from one prevailing logic, identity or purpose *to* another are relatively commonplace within the literature (Coburn, 2004; Lawrence & Suddaby, 2006; Powell & Colyvas, 2008; Battilana & Dorado, 2010; Turco, 2012; Gawer & Phillips, 2013). Scant attention, however, has been given to the types of work concerned with influencing actors' acceptance of a new frame of ideas and ideals (or logic) within an existing and prevailing organisational mission. In addressing this neglect, this study offers a rare longitudinal account of the processes used to encourage actors to gain ideological allegiance to an alternative (commercial) logic, and subsequently think and behave in ways that are congruent with that logic, through legitimating its appropriateness within the prevailing public good mission of the organisation. Specifically, as elite actors in the focal organisation aimed to increase its commercial success, they attempted to convince other organisational actors to accept a commercial logic as legitimate within the prevailing context of being a public good organisation governed by charter status and charity law.

I developed three sub-categories of identification work from my analysis: (1) rhetorical; (2) structural work and; (3) ideational work, which are now discussed in turn.

8.2.1 Rhetorical work

Rhetorical work involved the elite actors within the focal organisation developing a euphemistic discourse (Turco, 2012) to persuade actors to identify with their proffered logic. Euphemistic discourses are those which are used to make messages inoffensive to their audience. At the ideological level, I interpret elite actors as consciously using euphemistic rhetoric as an identification resource. Specifically, the rhetoric *'we make money to do more things/ further the institute…'* features as a process through which staff are encouraged to accept (and identify with) the creation of profit as a legitimate goal for the organisation.   I make three core observations regarding the use of euphemistic rhetoric at the identification level: (1) elite actors gave protection to an existing symbolic order to provide an underlying structure of meaning (2) the use of a nestling strategy enabled new ideas to be fitted to prevailing normative scripts thus giving them moral legitimacy; (3) the evolution of an existing discourse was used to create a bridging narrative.

(a) Protecting the existing symbolic order. Like many of those I interviewed (see chapter 4), when I first joined the organisation, I was inducted into a symbolic order that prioritised public good (under leadership of CEO 1) with an accompanying *'we make money to do more public good'* rhetoric. Within this narrative, making money was purposeful but only as 'oxygen' for the organisation's survival and not as an end in and of itself (refer to p.57-58). The conditions of public good were explicit (helping individuals and organisations in the profession, representing the profession and delivering improved methods). A notably abbreviated version of this phrase is still prevalent today *'we make money to do more stuff/for the further benefit of the institute'* (see pages 59-60). Critically, the statement has retained the opening **'we make money to do…'** which has a high degree of acceptance with long standing internal actors inducted under the narrative of CEO 1 in that money is positioned as a purposeful resource. However, the narrative has reduced the major premise (Green, Yuan, & Nohria, 2009, p. 25) that defines the use the money is put to, namely to achieve public good as defined by the charter objectives. Today, the end of the strap line either provides an opaque, unspecified account of what represents 'good use' or

'more stuff' or moves the focus to being in the service of the instituteitself rather than the profession it serves. Furthermore, by removing the link to the charter, the purpose for which funds are generated becomes eroded, enabling space for a new 'purpose' narrative (of making money) to be developed. See, for example, the interviewee accounts in chapter 4 p.61 which suggest that the maximisation of net financial return has become the main end game in the organisation.

(b) **Use of a nestling strategy.** Elite actors then capitalised on the space they had created by the absence of specified 'public good' through nestling new ideas, such as profit sharing, (see chapter 6) which would likely be received as offensive by individuals connected to a public good logic. In other words, if the commerciality of the 'stuff'/'good uses' was explicit, those organizatonal actors who identify with a public good logic may find the message offensive, self-serving and thus illegitimate within the context of a charity/chartered organisation. However, in a context where 'the further benefit of the institute' has become a legitimized end goal, profit sharing becomes naturalized and uncontroversial. Arguably it is more likely to be accepted as (morally) legitimate:

> *'it is fundamentally wrong for the organisation to be making significant profits and not distributing some of this back to staff' (email, 22 July 2015 – see page 115)*

(c) **Evolution of an existing discourse**. Potentially a benefit of introducing vagueness into exactly what constitutes 'more stuff', 'good use' or 'further the institute' is that it allows for development of a bridging narrative. Battilana and Dorado (2010, p. 1420) promote a logics combination approach whereby a common belief e.g. ***'we make money to further the institute'*** is developed. The purpose of the bridging narrative is to strike a balance with the intent of preventing subgroups and schisms coalescing around the competing logics within the organisation. In this way, institutional action is enabled (Green, Yuan, & Nohria, 2009) as actors from the divergent public good and commercial perspectives can imbue the message with cognitive meaning for themselves:

'money is our oxygen, that we have to make money to survive and create a surplus to do more things in order to be able to deliver public good. [CEO1]

'I see it as a charity that needs to generate income to deliver its core purpose'' [H]

'We are a not for profit organisation…. the benefit of being not-for-profit is we don't have shareholders. We don't have partners in a consultancy. We don't have an individual owner, who is trying bankroll his villa in wherever. So, we don't have those individuals as such, so therefore what we're doing is we are providing, you know, the money we make, we can put to good use….' [D]

'As long as that money is used for the further benefit of the Instituteand the resources we can offer then that's great' [I]

'We're a not-for-profit organisation…. Now that doesn't mean we don't need to make the money to do things with that money. So, are we commercial? Of course, we're commercial, and I don't think there's anything wrong with being commercial' [D]

'Increasing profits although required for pension liabilities and growth investment, should morally go to staff making the growth….' [extract from proposal for amendment of pay and reward policy – July 17]

'as long as we make sure we're selling, we'll be doing the charity work; that'll happen….' [C]

In addition to using euphemistic discourse, arguable to make the commercial message palatable to some stakeholders, rhetoric also involved catastrophizing – creating a causal relationship and sense of danger to encourage acceptance of the need to become more commercial. For example, elite actors communicated a sense of urgency and danger, with the organisation facing 'significant challenges with the continuing effect of global economic downturn'. (Focal Organisation, 2013), the answer to meeting these challenges being presented as being 'more professional, big business-like, and money-making activity' which linked to the ideology work (see chapter 7 pages 146-148 for detail).

In summary, rhetorical work undertaken by the focal organisation's elite used an approach that looked to build on an existing narrative *'we make money to further the institute'* and through euphemistic discourse (Turco, 2012)

introduced softened innocuous and transferable phrases whilst at the same time, creating a sense of urgency of the need to adopt new practices to ensure reduce the imminent threat to the organisation. In making this observation, this study contributes to the understanding of how rhetorical work is used within a hybrid organisation. Specifically, it:

(a) Identifies the elements of rhetorical processes that took place over time in the focal organisation, as depicted in the following figure (20).

Figure 20: Process of rhetoric transformation at the identification level

Protect
- **Protecting enduring symboloic rhetoric.**
  - *'we make money to do more things <u>to achive public good as defined by the Charter</u>'*

Reduce
- **Create a discourse gap**
  - Remove critical discriptors
    - 'we make money to <u>do more things</u>'

Introduce
- **Introduce ambuigity**
  - Reduce discomfort through euthamistic discource
    - '*We make money to <u>further the institute</u>'*

Redefine
- Redifine/introduce new criteria which is deemed to further the institute
  - **'it is fundamentally wrong for the organisation to be making significant profits and not distributing some of this back to staff'**

(b) Builds on Turco's (2012)   study by providing an example of how euphemistic discourse was used by elite actors to reduce discomfort (of the money-making agenda) and aid adoption of a new logic as opposed to the case in Turco's ethnographic study of Motherhood, Inc. where internal discourse was used by employees to defend against a change of logic

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(c) Builds on Battilana and Dorado's (2010) study by showing how an established hybrid (as opposed to a newly created hybrid in Battilana and Dorado's study), could create a bridging narrative accessible to constituents of both the public good and the commercial logic. Notably it was the absence of clear descriptors of the use of the money made that became the bridging narrative. In this way, individual actors could legitimise the reason for making money against their specific logic.

8.2.2 Structural work

Structural work is the second form of identification work. It refers to work undertaken by elite actors to change the structure of the organisation (committees, governance and entity structures) to privilege those structures that align to a specific logic. Such structural work is contained at the ideological level with the purpose of gaining widespread acceptance of a system of ideas and ideals, which might normatively appear contradictory or illegitimate within the prevailing mission of the organisation. I elaborated two sub-categories of structural work taking place within the context of this study namely: decoupling 'charity' from 'everyday business' and; power work (formal and informal) which I discuss in further detail below.

(a) **Decoupling 'charity' from 'everyday business'**. Decoupling is a structural process through which an organisation takes on several distinct forms and in doing so projects legitimacy to stakeholders (Pache & Santos, 2010, p. 972). In the context of this study, the focal organisation (which is a charity by legal form) created a sub-charity (Foundation). Additionally, it was agreed that the focal organisation would donate a percentage of its annual profits to the foundation annually. Through the creation of the sub-charity (Foundation), which has branding, financial systems, charity reference, staff and governance structure separate to the main focal organisation actors sought to separate out, or decouple, 'charity' from core business; positioning it as an activity rather than the core being of the organisation. I note two outcomes of this structure within the organisation.

  i. Charity is narrated as being *'a small part of what we do'* and not something we are. Arguably therefore, only those staff who are

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directly involved/employed with the Foundation should behave in a way that aligns with a public good logic and others are expected to behave differently (or corporately)

ii. Through the funding mechanism elite actors are using the annual donation of money to the Foundation as a mechanism to legitimate commercial activity and refute claims from internal constituents of being 'too commercial'. I suggest that this supports the bridging narrative previously discussed as an example of the 'good stuff' that we can do because of being commercial.

Furthermore, I observed that the structure of parent organisation and philanthropic Foundation is one that aligns with commercial organisations and not one typically seen within a charity. Arguably, there is no need for a charity to own and operate another charity serving the same profession.

That is not to say that 'charity' is not valued by the 'business', but that it seems to be valued and utilised for certain commercially focused reasons. For example, the *'tax exemption benefits'* are readily acknowledged as a benefit, as is the ability to differentiate the organisation from *'charlatans' and other 'check-book' (money orientated) institutions (see page 96).* Within this context, I experience 'charity' as being used as a **Trojan Horse** (Pache & Santos, 2013) selectively coupled with other activity to give it higher moral status as the organisation competes with other 'commercial' organisations (see chapter 4, page 71-73). This creates something of a paradox in that whilst elite actors aligned to the commercial logic use structure to side-line and reduce the level of influence and presence of 'charity' [Foundation], they simultaneously recognise its value to differentiate the organisation in commercial conversations. This suggests that it is something that is valued for its moral legitimacy to specific audiences, but for the purposes of competitive advantage.

(b) **Structure as a power resource.**   Through this study, I got an understanding of the power work carried out by elite actors to maintain their dominance. Drawing on the three critical incidents I identified four activities of power work undertaken, which I now discuss in turn.

i. First, the CEO responded through a change of governance structure to diminish the threat of substitution. For example, this was achieved though the reduction of the number of other actors who could hold the CEO accountable for their performance and who could control the CEO's use of resources. See chapter 7 – Governance Setting and specifically table 17 (page 145) and figures 17 and 18 (pp 146-147) for an overview of the nature of the structure changes.

ii. Second, the Board of Trustees responded to the CEO's desire to diminish their control by asserting their control. For example, this was achieved through the introduction of a new sub-committee responsible for financial and audit oversight.

iii. Third, the CEO sought to develop and utilise informal power relationships when under threat. For example, I discussed in the incident relating to bonus setting (see chapter 6) how the Chairman of the Board unilaterally approved the CEO's proposal.   At an ideological and governance level this action was challengeable as it was outside the scope of the role in that the Chair was acting as an independent privileged voice rather than as part of the collective trustee group. I posit that this approval was sought as the CEO knew that the proposal would face challenge if it went to the full Board.

iv. And finally, the CEO sought to use informal power to assert his influence.   For example, I turn to the interview notes of an organisational actor involved in the application for the CEO to become a trustee:

> *'So, sheep Trustees or the jackal Trustees… the sheep Trustees are going to wait and see how the chair of the Board votes and wait and see how the CEO votes and will vote accordingly to that because they want to be seen to be good supporting Trustees…' [see page 150]*

The meaning I took from their narrative was that their desire for the CEO to become a trustee was in part based on an intended outcome of managing the trustee group through informal power, specifically through the CEO using the action of voting to indicate to the Trustees how they should respond.

In summary, I propose that elite actors instrumentally used structure and power to transform and defend their logic position. This study therefore contributes to a better understanding of the nature of structural work at a micro level within a hybrid organisation. Specifically, it:

i.   **Identifies how decoupled structures were used to signal desirable behaviours within different areas of the focal organisation**. I posit that this study builds on Skelcher and Rathgeb Smith's (2014) suggestion that strategies are used by non-profit hybrids to enable them to manage the relationship between two logics. In their paper 'Theorizng hybridity' they categorised logics in segmented hybrids as being comparmentalised by units but remaining within one organisation. This differers from segregated hybrid organisation where the different logics were more isolated from each other by virtute of being located within distinct but interconnected organisations. In the context of the focal organisation I observed a formal segregated structure with isolated brand, staff and governance. However, through selective coupling (see next point) it was also used to reinforce organisational rhetoric.

ii. **Identifies the nature of selective coupling.** I experienced the focal organisation as selectively coupling the public good logic with the commercial logics in two ways.   The first is to reinforce the organisational rhetoric – '*we make money to do* stuff'. I propose that by using the Foundation as an example of the 'stuff' for which money is made, elite actors sought to reassure those aligned to the public good logic and legitimate money making. The second is by selectively coupling charity activity with other activity to give it higher moral status as the organisation competes with other 'commercial' organisations (see chapter 4). In this context, I perceive 'charity' as being used as a *Trojan Horse* in a similar manner as that identified by Pache and Santos (2013, p. 2). In their study, Pache and Santos propose that when lacking legitimacy in each field, hybrids use a *Trojan horse* strategy.   Through this strategy organisations selectively couple various templates in which they are embedded in order to gain acceptance in a field where they have low legitimacy. In

doing so Pache and Santos report organisations can combine logics to create a competitive advantage

iii. **Identifies how structure is used as a power resource**. Through this study I provide explicit examples of micro-processes that were used with political effect to influence others and or exert control. For example, I discussed how elite actors sought to maintain and transform governance structures, committee purposes, voting rights, and informal relationships in ways that enhanced their status. This resonates with Currie et al.'s in depth case-study (2012), which discussed the work carried out by elite medical professionals to maintain professional dominance in the face of external threats to their privileged position. Examples in their study included activities such as delegating routine tasks and maintaining existing resources and control arrangements which I equate with the delegation of representational activities to a membership representational group which reduced the power of a previously elite group (see chapter 7 page 168) and, the establishment of a financial oversight committee as the Trustees sought to maintain control and the CEO becoming a trustee which was arguable was a strategy by the CEO's to maintain control.

8.2.3 Ideational work

Ideational work is the third and final form of identification work. It refers to institutional work aimed at the creation of alternative ways of thinking through the specification of abstract categories and elaboration of chains of cause and effect (Lawrence & Suddaby, 2006; Currie , Lockett, Finn, Martin, & Waring, 2012). Creating alternative ideals that reflect a logic change is not enough (Gawer & Phillips, 2013), organisational members must be convinced that the new ideal is appropriate and this is the role of ideational work.   Ideational work therefore is undertaken to encourage other actors to accept as legitimate the ideas and beliefs of a specific logic.   I now summarise the two sub-categories of ideational work within the context of this study, namely recruitment and use of external independent experts, in turn.

(a) Recruitment. In chapter 7 I discussed how much change was attributed to a new CEO who had a 'completely different ideology'; one that needed more formality and 'a whole lot more professionalism':

> *'suddenly the pace quickened… Mainly [due to] getting into the corporate market [because of] the new CEO having a completely different ideology. And that was… the market that he understood... And I think as the business grew, you know, there was...there was greater need for more formality in how we did things around here and a whole lot more professional. …CEO 1 (The previous CEO) didn't find the need to change, but of course the organisation was a lot smaller then. Everything was running centrally anyway. I think mostly to do with the fact that [the current CEO3] wanted... cover's the wrong word but it's the only word I can think of…. [that] he had a body a people to go to and turn to. I think [he] certainly wanted a higher calibre of people on the Board. I mean, don't forget Carole, we went from a trustee of 40-odd people, and the majority of these were voted on by the members from their branches. We kind of inherited them as they were voted on by members who we represent. So, from that perspective you are only getting [reference to profession removed] type of people. Whereas [current CEO's] approach was to select people who are more rounded and are more business people I think. You know, so you've got Big business people.'* [G]

Contained within this narrative is a theorisation that 'big business people' represent a 'better' type of person (more rounded, more business-like, more professional) and that big business people would make the organisation grow and be less '*dysfunctional*'. From this theorisation, the CEO was able to influence the future governance and organisational structure making it become '*more like a conventional business*'.

I suggest that underpinning the CEO's theorisation was an assumption of logics as being rationally bound (Friedland & Alford, 1991), and actors as being cultural dopes (Tolbert & Zucker, 1996) and logic carriers (Greenwood and Hinings, 1996; Zilber, 2002), able to represent and import into an organisation the meaning and norms of logics to which they have been primarily exposed - in this case 'big business' (Greenwood, Raynard, Kodeih , Micellotta E, & Lounsby, 2011). By surrounding themselves with individuals who brought to the decision-making process similar interpretations the CEO looked to reduce challenges, reduce the likelihood of
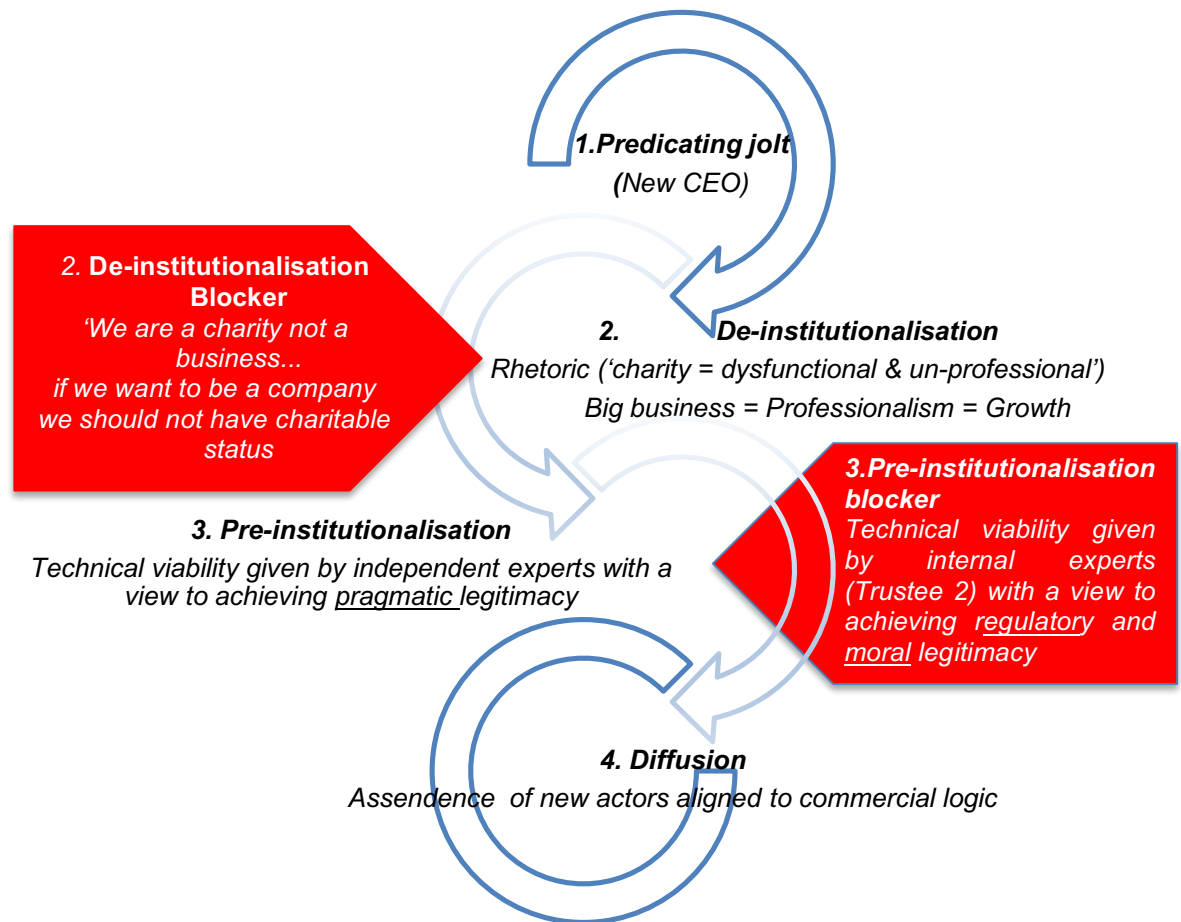
disparate ideological coalitions emerging and signal to other actors that this world view (commercial logic) was legitimate.

(b) **Use of external experts**. In the critical incident 'The Governance Setting' (see chapter 7) I described how the organisation made active use of other professionals outside of the organisation who were relatively powerful within their governance consultancy and best practice sphere. Within this incident, I reported how the focal organisation co-opted these external experts to engage in institutional work aimed as transformation of the governance structure. For example, see page 149 for an interview excerpt where an institutional actor descried how they used a '*well-respected, independent expert'* to further legitimate the need to change prevailing institutionalised models and structures. This was achieved through the provision of technical validation and justification to the CEO's theorisation that the current structure was 'dysfunctional' which gave a pragmatic legitimacy (Suddaby & Hinings, 2002) to the new CEO's abstract concept of '*big business'*.

In summary through the incidents I provide tacit examples of how elite actors sought to firstly de-institutionalise existing ideologies and promote commercial logics through the abstract concept of *'big business'*, theorised as legitimate and pragmatic thorough 'external experts' and endorsed through new elite actors. Rather than a single linear process shifting from one steady state (logic) to another, I observed several similar events occurring in tandem and creating arenas of contradiction in the underpinning ideals of the organisation.

I posit that it is the interplay of these events that has significant implications for the focal organisation and for our theorisation of change within hybrid organisations. For example, Trustee 2 presenting the ideals of Charity as the organisation's reason for being and the CEO presenting the benefits that being a charity brings to financial/commercial endeavours. As such, the two logics were often contradictory and contested. The interplay often resulted in interruptions to discourse around organising principles and control of work which made decision-making inefficient and often warlike (Kerr, 1963) as opposing coalitions aligned to commercial and public good logics formed. See figure 21 below for a depiction of the interplay of intentions

Figure 21: Interpretation of the stages of ideational change at the focal organisation

1.Predicating jolt
(New CEO)

2. **De-institutionalisation Blocker**
'We are a charity not a business...
if we want to be a company we should not have charitable status

2. **De-institutionalisation**
Rhetoric ('charity = dysfunctional & un-professional')
Big business = Professionalism = Growth

3.Pre-institutionalisation blocker
Technical viability given by internal experts (Trustee 2) with a view to achieving regulatory and moral legitimacy

3. Pre-institutionalisation
Technical viability given by independent experts with a view to achieving pragmatic legitimacy

4. Diffusion
Assendence of new actors aligned to commercial logic

This above theorisation is problematic for and extends current understandings of the nature of change in hybrids, undermining the presentation of institutions as being organised around a shared practical understanding, sets of material practices and symbolic systems (Friedland and Alford, 1991; Schatzki, Knorr-Cetina, & von Savigny, 2001; Greenwood, Suddaby & Hinings, 2002; Lok, 2010; Thorton, Ocasio, & Lounsbury, 2012). Whilst the findings of this research offer support to the idea of agentic actors, able to activley mediate and manipulte lgoics (Coburn, 2004), it undermines the linear shift from one logic/steady state to another depicted by current theorisations (Meyer, Brooks, & Goes, 1990; Suddaby & Hinings, 2002; Tolbert & Zucker, 1996; Gawer & Phillips, 2013. Also see chapter 2, pages 16 -17 for further discussion on this issue).

8.3 Practice work

In this section I discuss how organisational actors used institutional work to promote adoption of practices and behaviours that are congruent with specific logics among other actors. Such work takes place at the level of policies, procedures, processes and systems and aims to diffuse the system of collective ideas and ideals through rule setting, monitoring and sanctioning. To put it another way, it is the work undertaken to develop, implement and encourage adoption of practices that reinforce the dominant logic as useful, meaningful and legitimate (Gawer & Phillips, 2013, p. 1054). Specifically, within the context of this study it relates to the work undertaken to align practices to the new emerging commercial logic and to defend and retain practices aligned to the institutionalised public good logic. I developed two sub-categories of practice work from my analysis: rhetoric and structural work which are now discussed in turn.

8.3.1 Rhetorical practice work

Much time and effort was spent internally by senior managers through spoken and written word to influence the adoption of new commercial practices. I interpret these activities as seeking to influence the level of intensity of actors' connectedness to new practices (through frequent exposure to messaging that reinforces particular logics) and, the degree of pervasiveness of new practices (through the degree to which actors were connected to sets of messages in multiple, interlocking and overlapping ways) (Coburn, 2004).

Specifically, I experienced practices relating to the commercial logic were messaged and reinforced in the following ways:

(a) *Corporate planning:* Activity was undertaken to clarify how new practices fit with the overall objectives and a new plan and set of objectives were published every year as an outcome of the strategy setting process. Key performance indicators included commercial logic, globalisation, creating critical mass and a 'financial war-chest' but failed to define what public good might look like and was absent of any public good measures. Such was the presence of commercial measures of success that the strategy was experienced as being about *'maximising net financial return and make that*

as much as we can' as this was the only measure *'recognised by the boss'.* [G – page 66].

(b) Town hall meetings: Quarterly 'town-hall' meetings were implemented to report on progress against objectives and these supplemented the circulation of monthly financial reports to all staff.

(c) **Bonus scheme:** A rhetoric around the 'moral right' of staff to share in the success of the organisation underpinned the new bonus scheme' (see chapter 6 – the bonus setting pages 123 and 189)

(d) *CEO sponsored 'corrective' activities:* High profile CEO task-forces were set up in areas where performance was not as expected. These were sponsored by the CEO to give them an 'elite status' and often resulted in resources being redirected to the task-force and away from other activity.

That is not to say however that the commercial rhetoric was uncontested. A notable example was the interplay between two elite actors where one actor positioned themselves as the 'protector' of the public good, 'defending' against commerciality and conflict of interest (see chapter 5 Public Good vs Commercial for in-depth summary). The 'defender made use of:

 i. **Moral authority***:* Within this incident, the *'defender'* of the public good positioned themselves as the moral authority, unique to all other elite actors as they were the *'only one with a public good mandate* and as such the only one with such a *'terrifying' and difficult role.*

 ii. **Expert authority***:* they made use of external referents (consultants, audit outcomes and independent regulatory experts) to reinforce and legitimate their authority, expertise and significance. Training was implemented to reinforce the complexity of their role and a regulatory audit was given high profile in a way that draw attention to the importance of the activity and to the technical competency of the team responsible for the activity.

 iii. **Catastrophizing:** Furthermore, an internal myth *'I will go to prison in the event of a regulatory breach'* was created and perpetuated across the organisation. This myth acted as a powerful discursive resource used to signal a higher moral purpose for the individual, their team and activity than the commercial activity. With this expert authority and morally superior position asserted it was used as a power'

resource to counterbalance, disrupt, dismiss and ridicule commercial activity as inappropriate, lacking in integrity and damaging to the public good logic.

In response, however, the way that the *'defenders'* messages were received by other internal actors was interesting. For example, I experienced the strategy and associated documents (budgets, project plans, performance indicators) acting as normative pressure (Scott W. , 2001), putting forward ideas about what internal actors should do specifically about business growth and making money. In contrast, I experienced the messages given by *'the defender'* as using rule setting, monitoring and threat of sanctions as pressures to behave in certain ways, specifically around standards, integrity and professionalism. As such the messages felt regulatory in nature and thus less voluntary and more mandated. In making this observation I am reminded of Coburn's study (2004) of teachers and the classroom which reported that actors (teachers) were: 'far more likely' to connect to normative than regulative pressures; less likely to adopt regulatory pressures and, less likely to make consequential changes to existing practices because of regulatory pressures. Additionally, when faced with regulatory pressures, actors were more likely to respond by de-coupling new practices from existing ones to give a perception that they are conforming but without seriously attempting to implement new practices (Scott, 1983; Meyer and Rowan, 1997; Coburn, 2004; Cooney, 2006).

I suggest that Coburn's presentation of lack of connectedness and adoption of new practices driven through regulatory pressures resonates with the actions of the other actor in this incident. For example, they reflected public good as a hindrance to *'money-making'* but suggested that the public good drivers were temporal and only for *'the time being'* as it met current need (see chapter 5 – data sharing pages 97 -103). Additionally, they alluded to a strategy of segregation to enable them to continue to *'do business'.*

> *'The risk is that we end up portraying a fairly fragmented image of what our total capability is because there are bits of it that we can only talk to a certain audience about and there are other bits that we clearly can't talk to any part of the student audience about it'* [lines B172-B178]

Another example of how discourse was used to resist new practices is located in the critical incident around bonus setting (see chapter 6). In this incident, the CEO was driving a proposal for a change to the bonus structure which had an underpinning discourse around creating an '*ethos of sharing success*'. Concerned that the proposal being developed was not true to the given message of '*sharing success*' but would instead create '*a culture of elitism*' (in that the executives would receive a considerably bigger bonus than other staff) a staff member challenge the CEO using the CEO's stated discourse of '*sharing success*' to resist the proposed practice.

> *'When we first spoke about this, you clearly advised me that you wanted to introduce a scheme in which all staff get to share in the financial success of the Organisation. …. You felt that the current staff bonus scheme does not drive this ethos of sharing success… As part of my remit I feel that it's important to make you aware that, under this proposed new arrangement, c£164k of profits go to 8 individuals in this Organisation and the remainder of the workforce would not really see any tangible benefit from this new scheme... I believe that we have strayed from your original intention …. I believe that 'sharing success' is a great message. However, I do not believe that the proposed arrangement as it currently stands will achieve this objective… I am concerned that repercussions for the Organisation could be both long term and serious and may ultimately affect the credibility of senior management.' (Focal Organisation, 2015).*

The ability for rhetoric to be turned against logic change was the subject of a paper by Turco (Difficult decoupling: employee resistence to the commercialization of personal settings, 2012) which discussed the ability for actors to resist and undermine commercialization strategies. Specifically, in the context of the case study organisation (Motherhood Inc.) Turco reported how, actors can 'turn-around' and use espoused messages to resist new practices when they experienced a lack of congruence between espoused message and enacted actions of a commercialisation strategy. This is how I experienced this response from the internal actor in the focal organisation

In summary, through the incidents, I provided examples of the nature of rhetorical practice work within the focal organisation. I experienced an intensity of rhetoric reinforcing the desired behaviours and asserting the causal links between activity and money-making in a way that related to and reinforced the identification '*we make money to further the institute*' message. A strategy of

catastrophizing and creating a sense of danger was used to promote pragmatic adoption of practices – with the CEO creating a need to meet the '*significant economic challenges ahead'* and moral adoption of practices through a myth of personal risk. As with identification work at the ideological level, independent experts were used at this practice level. However, at the practice level they were used to legitimate practices (as opposed to ideas and ideals) and validate the technical competence of individuals and teams asserting the need for others to do as they say (as communicated in rule setting and threat of sanctions) to keep the organisation 'safe'.

Challenges were made to rhetoric that did not appear congruent and I summarised an incident where a stated rhetoric was used to resist new practices that were perceived to lack congruence. In making this observation I am aligning with Turco's (2012) observation of how, actors can 'use espoused messages to resist new practices when they experienced a lack of congruence between espoused message and enacted actions thus highlighting both the agentic nature of a relatively junior internal actor and the need to ensure congruence between messages and practices.

I noted with interest how messages that appeared to be regulatory (and thus involuntary) in nature were received at an almost superficial and temporary level and did not necessarily result in serious adoption of practices, indeed on occasion teams acknowledged how they worked to give a perception of conforming without seriously attempting to implement new practices (Scott, 1983; Meyer and Rowan, 1997; Coburn, 2004; Cooney, 2006).

8.3.2   Structural practice work

The second form of practice work refers to work undertaken by actors to align the structure of their sphere of influence (teams, jobs, committees) to a specific logic. Examples of structural work during this study included: (1) uses of terms of reference and job descriptions; (2) hiring strategies and; (3) incentivisation strategies. As previously, I will consider each one in turn.

(a) **Terms of reference (TORs):** The focal organisation used terms of reference to define the purpose and structure of committees (e.g. governance), the task it is responsible for and the basis for making decisions. I posit that the TORs were used to ensure adoption of practices

that were aligned to a logic. For example, in 8.1.4 I discussed how the CEO looked to surround themselves with individuals who brought to the decision-making process similar interpretations of priorities and outcomes.

(b) Job descriptions. At the individual job level, but in a similar way to TORs, the focal organisation used job descriptions to define the purpose and structure of a specific job role, its task responsibility and the basis for making decisions. However, unlike the content of the governance terms of reference, which was facilitated by the organisation, whilst a central template was provided by the central HR team, the content authoring process of the job descriptions was decentralised. For elite roles in that the job descriptions were written by individual role holders.   I suggest that an outcome of this authoring process was that job descriptions became an external expression of the individual author's sense-making (logic) rather than a guiding frame for the role's purpose. For example, I discussed in chapter 5 (Public Good vs Commercial) how two specific job descriptions (one aligned to a public good logic and one aligned to a commercial logic) approached the activity of product development with a different logic of developing standards and maximising profit and increasingly market penetration respectively. Furthermore, these job descriptions were then used as if they were an independent guiding frameworks to legitimate and validate the behaviour of actors.

(c) Recruitment.   Recruitment work within the focal organisation was influenced by the CEO's abstract theorisation of 'businesses people' and the belief that by recruiting actors who previously worked in 'big business' it was possible to develop a collective commercial identity by surrounding themselves with individuals steeped in the commercial logic. For example, there was an instruction to develop a Board of 'business people who knew what they were doing' and this resulted in the trustee selection process being modified to prioritise individuals with a 'business' background as opposed to the previous process that prioritised individuals from the professional and / or with a not-for-profit background or with trustee experience.

In a similar fashion the recruitment practices of internal actors was orientated to attract business people. New senior roles were created that were focused on sales activity and recruitment advertising practices were changed to move away from self-recruitment on the organisation website (and therefore likely to attract people who were searching this type of organisation) and use of not-for-profit recruitment agencies (such as TPP https://www.tpp.co.uk), to new recruitment agencies that had more of a commercial focus (such as Hays www.hays.co.uk and Odgers www.odgersberndtson.com/en-gb). In the event this assumption did not prevent divergent coalitions and challenges to decision making occurring and there were notable examples of challenge from both elite Trustees (chapter 7) and relatively junior actors (chapter 6).

I posit that using recruitment practices to build and maintain a collective identity has its limitations and recruiting for capability/expertise does not always have the desired impact of ensuring a similar decision making process and removing challenges. My interpretation resonates with that of Battilana and Dorado's (2010) study which found that using recruitment processes in isolation to build a collective identity is not enough. In their study which explored how two hybrid micro-finance organisations developed and maintained their hybrid nature they reported that the '*evidence suggests that crucial early levers for developing a collective identity amongst organisational members were hiring and socialisation polices.'* However, they also highlighted limitations in this approach.   In this comparative study, Battilana and Dorado reported on one organisation (BancoSol) using the approach of recruiting individuals from the different logics (finance and social) to represent the nature of both logics. This approach appeared to fail in that despite the intention to blend the different perspectives (on organisational position), significant internal tensions emerged with those aligned to the social goal (accessibility to funding for disadvantaged) was prevented by the rules and procedures enforced by the technical team driven by the financial logic. The other organisation (Los Ande) instead recruited individuals without work experience and thus not steeped in either logic and thereafter used socialisation practices to teach and reinforce desired values of both logics. Los Ande reported that acclimatising new

recruits into the organisation was easier than trying to frame the organisation's work within existing logics. This resulted in a recruitment practice that prioritised candidates socialise-ability and not capability citing the organisation's ability to hire 'people it can manage' (p. 1429) as a key success factor. This study also highlighted the need for other socialisation practices to teach and reinforce the desired values and behaviours in hires. One such socialisation practice was that of incentivisation and this is the subject of the section below.

(d) **Incentivisation work.** I position incentivisation work as work through which organisational actors seek to encourage desired outcomes and enable the diffusion of a collective identity. I discussed in detail (see chapter 6) how CEO 3 implemented changes to move from a previous shared *'thank you'* bonus to one that introduced several incentive plans which strengthened a power distance between the lowest and highest paid actors thus creating a 'culture of elitism' which is typical within a commercial logic. I posit that new incentive practices were implemented to persuade actors to engage in new money-making practices and imprint teach and reinforce desired values of money-making.   Such a belief I suggest aligns to a commercial logic of economic man (Doucouliagos, 1994, p. 877) and is an example of how the commercial ideology encompassing the *'moral right'* to distribute profits to staff, is translated to a concrete practice of increased salaries, personal bonus, commission schemes and individual financial rewards for exceptional (commercial) activity.

(e) **Stimulating the need for change.** As previously discussed (see chapter & - the Governance setting) the focal organisation made use of independent external experts as message carriers. Specifically, they carried out a review process which required the Trustees to complete quantitative surveys and the outcome of the review was fed back to the group in a way that said *'what the problem is''*.   Through this process, the existing Trustees were managed into self-declaring a need for change in a manner that made the internal actors appear as passive facilitators of a process.

(f) ***Innovating new governance practices:***   In conjunction with presenting the outcomes of the self-assessment the independent experts gave some 'suggestions' of *'the solutions that might be considered'.* A review group

was set up to take the suggestions forward and develop the new practices and structure.   This group was made up of 'enthusiastic volunteers as opposed to people who could actually contribute much to it'.   In putting the group together, internal actors were cognisant of the need to ensure a suggestion of impartiality and reduce the potential for challenges of manipulation and as such 'didn't try and engineer that group'.

(g) **Enrolling members to engage:** Following the process above of 'self-diagnosing (the problem) and self-prescribing (the solution), the review group then started to build momentum of acceptance.   This occurred through the development of new terms of reference which were promoted and endorsed by the review group though a few activities such as meetings and targeted communication, and which culminated in an acceptance 'vote' for regulation changes.   What is interesting here is how by using external actors and 'enthusiastic volunteers', the internal actors were able to obtain the changes they desired in a benign and safe manner.

(h) **Contested structure.**   Whilst initially the new structure and terms of reference appeared to be accepted by all, it was not long (approx. 10 meetings) until the new governance structure began to contest elements of the new practices as they were not considered to be 'good governance'.   I identified a specific challenge (see chapter 7 – Governance setting) where a new trustee (who became a trustee after the new practices were implemented) suggested that the current structure and terms of reference were designed to limit the powers of the Trustees (and thus increase powers of the CEO)   through the short tenureship of Trustees which enabled organisational actors to 'wait out' Trustees who did align to the same decision making process or hold similar interpretations of priorities and outcomes as the CEO. The process of contesting involved:

  i. **Challenge to technical validity:** Citing personal experience and expertise in public good regulations and logic's challenges were made to the structure in that it was not a 'facet of good charity governance' as such undermining the legitimacy of the structure. This challenge went so far as to insist that 'external legal advice be obtained' to confirm the legal remit of a governance group and the validity of its decision-making process.

ii. ***Challenge to moral legitimacy:*** alongside the technical challenge, a personal challenge was made to the CEO's trustee status and ability to manage conflict of interests, amendments to the terms of reference for the CEO's voting rights were requested and as such the ability for the CEO to influence other elite actors was limited by the very means that they had used to increase their influencing ability.

iii. **Catastrophizing:** The case for *'good charity governance'* was presented by several Trustees as necessary to meet their *'personal responsibilities'*. A recent collapse of a charity (Kids Company) and the personal liability of the Trustees was cited as an example of *'what could go wrong'* if Trustees *'took things at face value'* and ignored *'good practice'*. I suggest that this statement coming after the challenge of poor practice was effective at building momentum for challenge by other Trustees.

iv. ***Use of formal meeting records as message carriers:*** Again as discussed in chapter 7, against a back-drop of end of trustee tenureship, Trustees mobilize the formal records of meeting and requests for actions. In making statements and requesting actions (such as the implementation of clear roles for CEO voting, and obtaining legal validity of a structure) they were ensuring that the challenge continued in their absence.

v. **Counter-contest of challenge.** The responses to the challenge to the structure were dismissed by elite actors who attempted to undermine the credibility of the change by discrediting the motivations of the individual (who had made the initial challenge) as being self-motivated by a desire to disrupt and sensationalise rather than to support and ensure that their trustee obligations were met.

In summary, and through the incidents, I provide explicit examples of how organisational actors sought to bring in and resist new practices in their attempt to diffuse a new collective commercial identity. I provided examples of how similar strategies (theorizing causal relationships, use of external referents to endorse technical legitimacy, use of rhetoric to reinforce ideas and ideals

(including catastrophizing and myths) and structure) were used at both the practice and identification levels. Whilst at times boundaries between the two levels blurred, the intent behind practice work was not to create a collective identity, rather it was to use processes, incentivisation, sanctions and socialisation practices to reinforce a particular logic and through the intensity and persuasiveness of the multiple and interlocking messages contained within the practices sought to promote adoption of new practices and the desired collective identity.

These findings echo findings on socialisation and practice adoption findings of Battilana and Dorado (2010), and studies into the relationship between changing ideas and changes to practices (Turco, 2012, p. 231) and institutional work undertaken as logics shift (Gawer & Phillips, 2013). I have a difficulty however accepting the representation of actors as entirely rational and conscious of activities and intents. This is not how I always experienced the interplay. At times, I suspect that actors chose to disrupt or resit new practices from an individual perspective, motivated for example by a desire to maintain personal power, or just to enjoy a debate and conflict. Whilst the interplay between rational actions and personal motivations provides for a rich research environment at an organisational level it created a war-like feel (Kerr, 1963), with areas of contraction, overt tension, challenge and power-plays with only symbolic adoption of practices. Arguably this state reduces technical efficiency and ultimately prevents a collective identity from forming, leaving the organisation in a constant state of flux and internal conflict.

8.3 Chapter summary

My research question asked how organisational actors dealt with the presence of multiple institutional logics, what implication it had for the nature of the organisation and the nature of institutional work undertaken. I found that the focal organisation was a hybrid, attempting to combine a public good logic which places delivering to the charter objectives as the 'end game' and 'money-making' as the 'oxygen' to fund public good aims with, a commercial logic placing money-making as legitimate in its own right positioning the public good agenda as the means to a money-making end. I found two kinds of internal work were central to understanding how actors dealt with the presence of

multiple logics, namely ***Identification work*** – work undertaken by senior managers to encourage other actors to identify with a preferred logic within the <u>existing</u> organisation mission and; ***Practice Work*** - work undertaken by organisational actors to promote adoption of practices that are congruent with their preferred logic by other actors. These forms of work interplayed in a way that was complex, inter-related, diachronic, often messy and inefficient with its competing and contradictory aims. These forms of work and their relationship is illustrated in figure 22 below.

In making this depiction I seek to show the level of interplay at the levels of identification and practice work but also within the types of institutional work. Whilst I have drawn identification work at the top of this picture and practice work at the both I am not suggesting a sequential order, rather I interpreted them happening sometimes chaotically and at the same time, interdependently and overtime.

Figure 22: Forms of institutional work, their interplay and their interdependent relationships

Identification work: Work undertaken by senior managers to get other actors to identify with a preferred logic (Commercial / social) but within the existing mission

Rhetorical work
Spoken and written word used to persuade actors to identify with their proffered logic

Interplay & interruption

Structural work
Work undertaken by elite actors to change the structure of the organisation to privilege those structures that align to a specific logic

Interplay & interruption

Ideational work
Work aimed at the creation of alternative ways of thinking

Interplay & interruption

Interplay & interruption

Rhetorical work:
Spoken and written word used to influence the level of intensity of actors' connectedness to new practices

Interplay & interruption

Structural work
Work undertaken by actors to align the structure of their sphere of influence (teams, jobs, committees) to a specific logic.

Practice work : work undertaken to influence and reinforce actor's commitment and adoption of specific logics. Such work takes place at the level of policies, procedures, processes and systems and aims to diffuse the system of collective ideas and ideals through rule setting, monitoring and sanctioning.

Edging strategy: an approach to logic change that uses subtle and apparently benign changes that eventually break down previous boundaries and create new schematics of meaning and sense making at the ideological and practice level.

Chapter 9 Conclusion

9.1   Introduction

This concluding chapter builds on the preceding chapter (which encapsulated the main findings of the study) by defining its contributions to theory, methodology and practice. Additionally, it outlines the strengths and limitations of this study and presents suggestions for further research into hybridity. This chapter, and specifically the practice contribution, is supported by appendix 5 which is an executive report, providing an executive summary of the research and recommendations for the focal organisation.

The research question guiding this study asked how organisational actors deal with the presence of organisational hybridity (multiple institutional logics) and explores the nature of institutional work undertaken to navigate and manipulate institutional logics and, who undertakes (and interrupts) such work. Through long-term participation in, direct observation of and purposeful conversations about the processes of institutional work this study contributes to the emerging micro perspective of institutional theory whereby individual agentic actors can shape organisations; an area which has had little attention or focused research (Lawrence, Suddaby, & Leca, 2009, p. 8).

By providing explicit real life examples (see chapters 5-7), this study gives a nuanced account of life in an enacted organisation where actors can 'actively mediate logics' (Coburn, 2004, p. 212) and offers greater understanding and appreciation of the complexity, interconnectedness and temporal nature of the different forms of work undertaken to maintain, change and resist logics within a hybrid organisation. Additionally, the study reveals the chaotic multidimensional and often highly contested context in which institutional work takes place which is somewhat different to the deterministic linearity favoured by the extant literature. Finally, I show how agentic actors can promote and resist activity through everyday talk (Lok, 2010) and question the presentation of actors as either heroic change agents or cultural dopes (Lawrence, Suddaby, & Leca, 2009, p. 1) and unwitting victims of coercing pressure and symbolic violence (Oakes, Townley, & Cooper, 1998).

9.2   Contribution to knowledge

This study makes four key contributions to theory which builds on understanding of: forms of institutional work; processes of change, the role of actors and finally methods of research. I now discuss each one in turn.

9.2.1 Forms of institutional work

First I develop a map showing the forms of institutional work, their interplay and their interdependent relationships (see figure 22 in the preceding chapter) that could be generalizable to other similar hybrids (e.g. professional associations). By providing explicit real life examples (see chapters 5-7), this study gives a nuanced account of life in an enacted organisation where actors can 'actively mediate logics' (Coburn, 2004, p. 212).   It offers greater understanding and appreciation of the complexity, interconnectedness and temporal nature of the different forms of work undertaken to maintain, change and resist logics within a hybrid organisation thus responding to the need for 'tougher' conceptual frameworks to move away from the value, normative polemic conversations, to those that increase theoretical understanding of hybrid organisations and the implications for policy and practice   (Billis, 2010)

Through this study, I identify two forms of institutional work in the context of hybridity. The first, which I term *identification work*, is undertaken by senior managers to encourage other actors to identify with a proffered (commercial) logic but within an existing (social) mission. Such work takes place at an ideological level and aims to ensure widespread acceptance of a system of ideas and ideals within the prevailing mission of the organisation, which would normatively appear contradictory or illegitimate. The second, referred to as *practice work*, is the work undertaken by organisational actors to promote adoption of practices that are congruent with the proffered logic by other actors. Such work takes place at the level of policies, procedures, processes and systems and aims to diffuse the system of collective ideas and ideals developed through identification work.   Importantly, whilst I present *identification* and *practice* work as independent constructs I found that such work is inter-related, mutually reinforcing, often overlapping, inefficient and messy, often undertaken in a contested and conflicted, war-like environment (see figure 19 on page 168 for an illustration of the inter-relationship, also see chapter 5 – data sharing, for

a detailed discussion about one part of the organisation 'protecting' itself from another).

I observed actors using *identification* and *practice* work to influence how actors make sense of ideas and ideals and to nudge others into adopting practices (Battilana & Dorado, 2010, p. 17). For example, in the incident surrounding the bonus setting (see chapter 6) I described how elite actors aligned to a commercial logic had a pervasive belief in 'economic man', and in accordance with this belief sought to build a bonus scheme to maximise 'man's' financial gain using a rhetoric around employees' moral right to share in the financial success of the organisation to persuade others to adopt this idea and implement practices that support the ideology. In response actors, aligned to the competing public good logic, sought to mediate the pressures and their responses (Coburn, 2004, p. 234) to challenge the appropriateness of the 'self-serving' proposal within a public good logic. Those unable to align to the proposed ideology and practices sought to modify, disrupt and ultimately reject the proposal using tactics such as delaying decisions, escalation of the approval process, individual formal recording of non-acceptance at a governance meeting and one staff member who was unable to reconcile the proposal with the espoused values of public good, ultimately chose to leave the organisation.

9.2.2 The processes of change

Second, this study reveals the chaotic, multidimensional, often highly contested context in which institutional work takes place, which is somewhat different to the deterministic linearity favoured by the extant literature (Tolbert and Zucker, 1996; Suddaby & Hinings, 2002; Pache & Santos, 2010; (Greenwood et al., 2011). Rather this study found that there is no big bold act but rather there is an ***edging process*** over time. In previous chapters (4–7) I refer to a tactic that I term 'edging strategy' to 'edge in changes'.   I conceptualise ***edging strateg***y as an approach to change that uses subtle and apparently benign changes that eventually break down previous boundaries and create new frameworks of meaning and sense making. This process happens incrementally over time in a way that mitigates the risks of insiders seeing the changes as illegitimate and allows the instigator to test and respond

to the reactions of stakeholders. See section 6.4.3 on page 138 and the discussion in section 6.5 on page 140 for further details on how the edging strategy is used by making small incremental changes and uses rhetoric to theorise a need for change, often catastrophises the impacts of not adopting proffered ideas and practices and involves some form of external validation, to increase the persuasiveness and intensity of connectedness (Coburn, 2004) and therefore adoption of the proffered logic.

The presentation of change that I make problematises current understandings of institutional work in hybrid organisations in several ways. First, it highlights the 'messiness' of institutional work in hybrid contexts in ways that challenge the appropriateness of both the linear binary presentation of logic change (Meyer, Brooks, & Goes, 1990; Suddaby & Hinings, 2002; Tolbert & Zucker, 1996; Gawer & Phillips, 2013. Also see chapter 2, pages 16 -17 for further discussion on this issue) and the presenation of cleanly delineated forms of institutional work that dominate the literature (Friedland and Alford, 1991; Schatzki, Knorr-Cetina, & von Savigny, 2001; Greenwood, Suddaby & Hinings, 2002; Lok, 2010; Thorton, Ocasio, & Lounsbury, 2012).

9.2.3 The agents of change

Furthermore, this study shows the important and powerful role of agentic actors. Placing the interest of individual and groups of organisational actors at the heart of institutional logics this study highlights the ability of everyday actors to envision, enact or resist change. As such I reject the account of the heroic institutional entrepreneur (Lawrence, Suddaby, & Leca, 2009) and posit that there is no big bold act (Suddaby & Hinings, 2002) but rather there is an edging process over time. By making this statement I contribute to the growing critique (Glynn, 2000; Zilber 2002; Coburn, 2004; Lok, 2010; Turco, 2012; Coule & Patmore, 2013; Coule and Bennett, 2016) that challenges the view that only resource rich, elite institutional actors are agentic (Lawrence, Suddaby, & Leca, 2009, p. 1) and non-elite actors as cultural dopes and/or unwitting victims of coercing pressure and symbolic violence (Oakes, Townley, & Cooper, 1998).

9.2.4 Understanding the complexity of institutional work within a hybrid organisation

Finally, and relatedly, understanding the complexity of institutional work within a hybrid organisation is a long-term endeavour, involving significant time in the 'waiting room' (Mannay & Morgan, 2015) and requiring observation of the actual processes of institutional work over time. I present embedded ethnography as particularly valuable in its ability to allow for deep understanding of the topic. Through my 'innovative use of 'incidents' (Dick, 2017) I look to contribute to research methodology and posit that the prevalent retrospective accounts of institutional work collected at a single point in time are likely inadequate for developing rich understandings of the role of 'everyday talk' (Lok, 2010) and sense making in a hybrid organisation or the practicalities of change efforts. Specifically, I offer my use of incidents as an alternative to the commonly adopted thematic presentation of data; certainly it served as a useful mechanism to guide the focus of data collection and writing up the findings. Furthermore, it was invaluable in providing multiple perspectives and opportunities to examine micro processes (Fine, Morrill, & Surianarain, 2009) and actor-context relations (Yanow, Ybema, & van Hulst, 2012).

9.3   Contribution to practice

As part of my research contract I committed to providing a 'findings report' to the focal organisation. An anoymised copy of this is provided at appendix 6. The central finding relates to threats to the organisation's survivability, primarily through the presence of two sets of logics (namely public good and commercial) which are underpinned by different and often opposing assumptions, values and beliefs. I suggest that whilst the recommendation are centered around the focal organisation, they are likely relevant to other professional associations that hold charitable / charter status that have begun to pursue highly commercial strategies and practices.

Significantly, this study found that rather than individuals constructing a single framing of the organisation they simultaneously constituted the organisation in multiple ways. Arguably this makes it, more difficult to have sets of organising principles, material practices and symbolic systems that meet individual's assumptions, values and beliefs.   In the absence of a single

internal identity the organisation continually faces divergent sub-groups and reforming (Battilana & Dorado, 2010) and are susceptible to a depleting capability to solve complex problems (Jay, 2013). As such having to negotiate the rules of the game in multiple contradictory games has become a daily reality, complexity and dysfunctionality has become normalised. I posit such tensions present a serious challenge for the survivability of the organisation over time (Friedland & Alford, 1991; Scott, 2001; Scott & Meyer, 1991; Turco, 2012; Skelcher & Rathgeb smith, 2014). For example:

(a) In chapter 5 (data sharing) I described how one director used a structural argument to 'defend' and 'protect' the integrity of the organisation, preventing a fellow director accessing areas of activity and resources necessary for their role. In this instance, the organisation was presented as fragmented and clunky (inefficient) and subject to additional and un-necessary complexity and costs.

(b) In chapter 6 I discussed the challenge to a CEO proposal for a new bonus scheme. In this instance, Trustees questioned the appropriateness of the proposal within the context of being a charity (public good) organisation. Ultimately the trustee sub-committee refused to endorse the proposal requiring it to be escalated to a full trustee meeting, in doing so undermined the legitimacy of the commercial logic and importantly the appropriateness of the CEOs beliefs and assumptions and from elite actor's perspective, extended and complicated the approval process more than necessary.

(c) A further example pertains to the Governance setting where the Board challenged the legality and authority of a sub-group resulting in significant tensions between divergent sub-groups over a period of at least 22 months (it was not resolved by the time my research was concluded). It resulted in: (a) changes being made to the format and purpose of trustee sub-committees which caused confusion and additional activity (linked to drafting, approval and publishing) and delays in approving proposals (e.g. bonus scheme, new Trustees); (b) a challenge being made to the CEO integrity and ability to manage complexity and; (c) undermining an established trustee recruitment process.

It is for that reason the key recommendation was that:

> *'the organisation finds ways to represent itself structurally, practically and rhetorically that are attractive to all staff irrespective of their proffered (public good and/or commercial) logic. It is critical that this representation is congruent with the organisational activities or discerning staff will reject any practices and behaviours that are not deemed to be authentic or legitimate'.*
> *(Bain C. A., 2017, p. 10)*

Contained within this report were two practical recommendations which I discuss below. It is noteworthy that, after the submission of the report, a review of the 'foundation' and its relationship to the main charity was commissioned by the interim CEO and a draft proposal to further enhance the bonus scheme was abandoned because it was felt to be inappropriate for a chartered organisation by the Chariman of the Board.

9.3.1 Creation of a bridging identity.

Firstly, I recommended the creation of an **internal (bridging) identity** that does not present public good and commercial activity as rivals. In making this recommendation I am building on the work of Battilana & Dorado (2010, p. 1420) whose work on micro-finance organisations argued for the need for 'logic combinations' to reduce potential for conflicting coalitions and acknowledging the work of Jay (2013) who promoted logic combination as enabling hybrid organisations to innovate and cope with change. Specifically, I suggested that the organisation sought to:

a. position money making as a powerful and purposeful resource to enable public good rather than an end game in its own right

b. consolidate the formal structure to bring together all mission related activity thus reducing the ability for political gaming.

c. refine hiring practices to include a consideration of individual's ability to cope with hybridity (complexity) in addition to technical capability and experience (Battilana & Dorado, 2010)

d. review the purpose and content of job-descriptions (role profiles) with a view to reinforcing interdependencies and inter-relationships of money making and public good activity and removing the sense of rivalry and exclusivity of each activity.

9.3.1 Governance and operational congruence

Secondly, I suggest that performance measurements be realigned to recognise and reward the purposeful use of money-making in such a way that reduces the view that making money is all that matters. In making this recommendation I am acknowledging that a key problem of hybridity is that it suffers from 'fundamental and distinctly different governance and operating principles' (Billis, 2010; Cornforth & Spear, 2010; Gawer & Phillips, 2013) and the ablity of diserning actors to reject organisational practices that are not congruent with the given identity (Turco, 2012). Specifically:

a. I suggested that: the bonus programme is reviewed to ensure alignment with the organisations hybrid nature e.g. to include value / behaviour standards in addition to financial performance

b. I recommended against any further increase to the financial value of individual bonus in recognition of the not-for-profit and charity nature of the organisation

9.4   Personal development

In terms of my own professional practice this study has significantly changed my worldview (see appendix 1) and my technical appreciation of several practices for example purpose and impact of bonus schemes (chaptex6), hiring polices (chapter 7); job descriptions (chapter 5) and organisational structures (chapter 4). As events evolved during the write up of this thesis I became increasingly aware of practices that I considered to be motivated for individual gain (e.g. access to power relationship, amplified control of resources and decision making process) and the volume of these activities resulted in an intensified inability to resolve tensions. This situation was exacerbated by the unexpected death of the CEO. Unwilling to work within such an environment and be associated with such dysfunctional working I chose to leave the organisation in June 2017. Whilst the process itself was quite horrendous I feel that the skills, knowledge and personal insight that I have gained through this research journey puts me in good stead for the next stage – whatever that may be.

9.5   Limitations and strengths of this study

Ethnography is not without its limitations and perhaps the biggest limitations are the susceptibility to researcher basis and its lack of enumerative generalizability. However, I counter these limitations by arguing that this study has enabled long-term participation in direct observation of and purposeful conversations about the processes of institutional work. Understanding the complexity of institutional work within a hybrid organisation has been a long-term endeavour, requiring observation of processes unfolding in real time and over time. This approach has enabled a rich understanding of the role of 'everyday talk' and sense making in hybrid organisations or the practicalities of change efforts not normally achieved through a retrospective and/or snapshot study. I also suggest that the findings and issues discussed in this thesis (and the organisational recommendations in 9.3 above) are likely relevant to other professional associations that hold charitable/charter status that have begun to pursue highly commercial strategies and practices.

9.6   Suggestions for further research

This study included an innovative use of incidents and protagonists as a means to both guide fieldwork and write-up the research account. Specifically, through this approach I could draw a picture, not only of the main characters, but also of the setting in which they worked and the structures, systems and rhetoric that impinged and influenced their sense making and action. This was valuable as it allowed me to get an appreciation of the complexity and inter-relatedness of the different organisational framings that were used simultaneously and interdependently. It would be interesting to undertake further research into the applicability of using incidents as a means of identifying areas of interest within an ethnographic study and secondly to further understand how a protagonists approach could be used to get a rich and holistic view of the main characters involved in critical incidents (Perry, 1997; Webster & Mertora, 2007).

Additionally, a future study might usefully consider the role of human resources (HR) activity in the maintenance, disruption and or transformation of logics. This study highlighted several internal HR processes that were used to communicate and to encourage the adoption of particular logics. Specifically,

job descriptions (chapter 5); bonus schemes (chapter 6) and recruitment strategies (chapter 7) were presented as examples of institutional work intended to encourage adoption of practices and behaviours aligned to particular logics. Such a study might consider the role of HR within an organisation and may question how HR practices and processes might navigate multiple logics and support the survivability of a hybrid organisation. Such research would contribute to the theorisation of socialisation practices within a hybrid context and enable the focal organisation to frame their HR practices and processes in a way that appeals to internal actors in diverse ways to support organisational sustainability.

Finally, this study has concentrated on understanding how internal actors deal with the presence of, navigate and manipulate multiple institutional logics. A further study might approach the question from an external actor perspective. For example, the focal organisation is a membership organisation, existing in terms of charter to develop and represent the profession it serves. I previously discussed (see chapter 4 page 75) how during a budget setting process 'members' were presented as consumers. I suggest that this perspective aligns to the commercial logic, positioning membership as a transactional process through which members can access certain resources and events free of charge or at a discounted rate. An alternative perspective may be where members consider themselves to be part of a community of practice (Lave & Wenger, 1991;Hoadley, 2012), sharing a passion for the profession and assuming responsibility for its continual development. Within this perspective, members may consider their fees to be a donation to support the development of the community of practice. A fruitful line of further research would be to explore how members make sense of their membership against the hybrid nature of the focal organisation. Such research would contribute to the theorisation of hybridity and to practice work, enabling the focal organisation to position 'membership' in a way that appeals to external actors who may frame their membership in diverse ways to encourage growth in membership and therefore advance charter objectives.

End of thesis. Word count before appendix and references: 70,180

Appendix Section

Appendix 1 – Focal Organisation Overview

How it all began: In the 1920s 15 companies set up a management research group with a stated purpose to 'discuss topics of mutual concern'. By the late 1920s several sections were created one of which focused on the function (profession) represented by the focal organisation today. In the early 1930s, seven individuals decided to evolve the research group section into a British Association. A constitution was drafted, membership fees set and the first general meeting took place. Membership stood at 100 and this association was to become the foundation of the focal organisation.

1940 – 1970: Keen to be recognised as a professional association work was undertaken to introduce elements of an education scheme (run jointly with another association), a journal was published and an annual dinner and national conference was held all of which felt to be the central elements of an association. During the, 1950's and 1960's, topics of conversation became more international in scope and steps were taken to evolve the education programmes into specialist programmes (run independently); membership reached 5,000 and membership branches and specialist interest groups had increased to 43 both in the UK and overseas.

1970 – 1990's: In the 1970s discussions began about how to increase both the profile of the institute and of the profession it represented and it was decided that it was necessary to achieve Chartered status. Achieving this took 20 years (it was finally awarded in 1992 at the institutes golden jubilee) and required the institute to evolve its education programmes to degree level programmes, introduce member's grades (linked to education and professional achievement) and develop and promulgate a code of ethics against which all members were bound. A new market index was launched (which is today used by the Bank of England in setting inflation rates) and active membership recruitment programmes were launched. This saw membership rise to 17,500, primarily caused by 'a hugh growth' in overseas members as global companies sought to get its staff qualified. The stated objects of the Charter were:

(a*)* to promote and develop for the public benefit the art and science of [profession name removed] and likewise to encourage the promotion and development of improved methods of [profession name removed] in all organisations;

(b*)* to promote and maintain for the benefit of the public high standards of professional skill, ability and integrity among persons engaged in [profession name removed];

(c) to educate persons engaged in the practice of [profession name removed] and by means of examination and other methods of assessment to test the skill and knowledge of persons desiring to enter the Institute.

Following the achievement of Charter status, the focal organisation become a registered education charity. Whilst the internal narrative was that the reason for becoming a charity was for tax benefits, the external stated aims were:

- Educating individuals engaged in the profession
- Promoting and maintaining high standards of professional skill, ability and integrity amongst its professionals
- Promote and develop techniques and encourage their adoption

In 1995, the first three-year business plan was approved with measures to judge how effectively the organisation was achieving its charter objects and included aims of membership growth, knowledge development, and qualification volumes. Progress was monitored by a Board of Trustees of 47.

2000's: In the mid 2000s a new CEO took over. Recorded as the first CEO to come from a business background (all the others had come from a professional institute, charity or not-for-profit background), arguably this CEO introduced a professionalisation agenda seeking to shape the institute to become 'more like a business' (e.g. less like a charity/not for profit). For example, one of the first activities undertaken was to introduce a linked charity to separate out charity activity from commercial activity. This was received by some as a defence mechanism against the challenges that the organisation had 'become too commercial' and by others as a segregation mechanism to ensure

that the 'charity aspects' did not influence the business activity. Additionally, a governance restructures took place to reduce the number of trustees to make it 'more business-like, trustee recruitment was revamped to source trustees from 'big business' and aware from its previous voltmeter membership source. Along with this came a change in performance criteria - some would say the changes moved the conversations away from how effectively the organisation was achieving its charter objectives to how efficient it was as a business (revenue growth, profit maximisation, market penetration, globalisation) and heralded the first commercialisation of the organisation.

Current day: At the time of writing this thesis (2014) there are several 'offerings' (products / services) offered:

Membership (networking, conferences, branches). Membership is published at '65,000 in 150 countries'. Membership branches and special interest groups remain but have become more virtual in format. See chapter 4 (4.3.2) where membership was positioned as an important revenue stream somewhat different from the original position where the organisation was positioned as giving people opportunity to discuss matters of mutual concern. The ethics code remains and has been complemented by an ethics test and ethical organisational kite mark, the annual dinners have expanded to include annual awards and the national conference includes several regional conferences (Africa, Australasia, Middle East, Singapore and UK) as does the graduation ceremony

Education The education programmes had continued to evolve with over 70,000 assessments undertaken each year. The education function is considered by some organisation actors as 'the most important function and at the heart of the institute' but by others as just another activity. There is tension around the priority and influence of the internal education team and this is discussed in detail in chapter 5.

Knowledge Following from its inception from a research group, it is my understanding that there has always been a 'knowledge team'. When I first joined the organisation, this team was positioned at the centre of conversations, setting the agenda of many conversations and included many special interest groups and sponsorship of four academic chairs. In 2010, this agenda changed and the knowledge team was positioned as a revenue centre, its direction was

changed from knowledge development to 'knowledge harvesting' a term which resulted in the outsourcing of the knowledge function to 'knowledge associates ' typically consultancy house who are giving access to publish on the organisations website. Examples include how to guides, books, and subscription access to other information. Funding for academic chairs was removed as it was deemed to be a luxury and non-profitable.

Benchmarking. Developed since 2000, there are several 'tools' provided to benchmark organisational functions as they rate to this profession in a similar way to Investors in People. Organisation that buy this provision are audited, have a development plan (where needed) and receive a status award depending on the outcome of the audit (bronze, silver, gold etc.). Additionally, they may also enter an annual awards ceremony where they could be further recognised. This type of provision is attractive to the Middle East market where most of the activity takes place.

Training There is a small prevision of face to face and on-line short training courses. These do not result in a qualification but obtain an attendance type of 'badge'.

Commercial sales (selling to corporate customers). The corporate strategy was first introduced in 2002 and was a small team responsible for selling the organisations services in a way that enabled organisations to have a co-ordinated bundle of different services. For example, at its inception there were two sales people and a team of eight responsible for managing programme delivery. In their 2013 strategy the CEO stated that this area was the future of the organisation and it was expected to double its revenue year by year for over five years. As a response, a new directorate was set up, sales teams in the UK and overseas were established and development of the corporate market became the focus of conversations (as shown by presentations, key performance indicators, staff bonus and projects). Furthermore, it was stated to be the primary reason why the focal organisations turnover has grown from, £10million (2005) to £25 million (2015) and staff had grown from 78 (2005) to 158 (2015). The reported sources of revenue show a movement from what was broadly 50/50 split between membership subscription and education income (examination fees) to approximately 30% membership, 20% education and 50% corporate revenue.

Appendix 2 - Researchers Pen-Picture

'It doesn't have to be an either / or'

Wife, mum, and empowered working woman, my rock in life is my family, my fascination is the human element and how to accept the perfect imperfections of everyday life.

A lifelong learner I have progressed from school through the UK education ladder – stopping for breath at almost every step. Qualifying with my masters in 2006 I thought I had had enough, but 6 years ago I decided that I needed to quieten down the chatter in my head that was constantly asking 'how can just one person make everything turn on its head?' and this brought me to my current journey - learning to understand the role of actors, agency, assumptions and beliefs in every day working life.

Initially 'inducted' into work by the UK military I was in hindsight, the stereo-typical positivistic manager, adopting the neo-institutional 'one best way, cause and effect approach', benefiting from elitism and the 'status' of my job-role. Nowadays, partly through this research, partly through meeting the love of my life and partly, just getting older, I enjoy and embrace the complexity that lies in each one of us. At times, I am delighted, fascinated, frustrated and perplexed by the very nature of messiness of every-day intentions and interactions of us human actors –sometimes I even feel all those things simultaneously.

What I do believe now that differs from my early career, is that there is very rarely, if ever 'one best way', there may be some ways that are better than others but that depends on the definition of success. And there lies the colourful rub – there are probably multiple definitions of success in every conversation, initiative and work activity. I try to remember and embrace that in my hectic life, and sometimes I even succeed, much to the frustration of my manageralist co-workers.

Appendix 3 – Research Notice (Bain C. , 2012)

Wednesday, March 12, 2014

Dear All,

As some of you may be aware, [focal organisation] is sponsoring me on a Doctoral research programme. I am currently researching organisational identity and image, traditions, practices and the dynamics of meanings and how they are interpreted to develop, maintain and change organisations. I am delighted that [CEO] and the [Trustees] have agreed that I may use [focal organisation] as the basis of this research.

This research is really exciting for me and forms the second half of my studies – I have already completed a two-year taught programme which I have enjoyed very much. With a lot of hard work, I hope to complete my research in the next couple of years and the rest of this letter outlines how I intend to do this and what it means for you.

About the study: The research is concerned with the nature of the work undertaken by [focal organisation] to maintain and transform its own practices and those of the profession. From a research perspective, this is a complex issue and not something that can be dealt with in a short interview or questionnaire and my proposal is that I undertake a field work study which will allow me to study culture and processes within [focal organisation]

The nature of my study means that much of the research will be undertaken in parallel to my role of [job title]. It will involve me observing key events and having formal and informal discussions with staff and volunteers such as the Trustees and yourselves. These will help me to explore the rationale for the work and activities we undertake. I aim to keep this activity to a minimum and not disturb daily work significantly. At the end of my study (approximately 2016-17) I will produce a written business report for [CEO], which will summarise and report on the observations made. I will also use the outcomes as the basis of my Doctoral thesis which will result in a formal written academic document. In time, I hope that this will also translate and support academic papers.

Confidentiality and consent: I understand that this research might feel sensitive and you may have concerns about how I will use this information in my role as [job title] and I want you to feel you can talk to me in full, and frankly. In order to do this, you need to know that your data and the things you say will be protected and will only be used for the purposes of the study. The name [focal organisation], its location and any other identifying features will be made anonymous; as will your own name and any details that will make you identifiable. Nowhere in the research records will your name ever be entered; a reference will be used to record anything you say. Whilst I cannot guarantee full confidentiality as the research is likely to be published, I will ensure anything said by you as part of the research has any trace of your identity removed from it to protect your anonymity, whilst allowing you to speak honestly and openly as part of the research. The research records will also be kept in encrypted files, and in compliance with all data protection requirements. I will give you a copy of the notes of our discussions and my reflections and you will have the right to withhold any information you choose, to opt out of the research altogether, or to withdraw from being a part of the study at any time.

Next steps: If you would like to discuss the research in more detail, or would like to opt out of the research, please feel free to contact me by emailing Carole.Bain2@shu.ac.uk or calling me on either internal ext. [number removed] or [number removed]. If you would prefer to contact my Director of Studies for any further information, [name removed and chair reference], can be reached at [email address removed]

I look forward to meeting you and hope that you will enjoy the opportunity to have your views considered as part of the research.

Yours sincerely

Carole Bain

Doctoral Candidate, Sheffield Hallam University

And

[job title and focal organisation removed]

Appendix 4 – Profile of interviewees / reviewers

	Role level			Relationship with focal organisation				Years in role	Role description [as by team position in organisation]				
	Senior	Middle	Other								Commercial	Regulated	Services
	Strategic leader or trustee	Accountability for a function	Team leader, administrator, graduate placement	Volunteer	Previous employee now retired	Employed	Consultant		Trustee	CEO	Responsible for revenue and profit	Responsible for setting standards and / or regulated by an external regulator	Cost centre providing services to organisation such as finance / HR / governance]
	1			1				5	1				
	1			1				2	1				
	1					1		6		1			
	1				1			10		1			
	1					1		8			1		
	1					1		6			1		
		1				1		2			1		
			1			1		3			1		
	1					1		10				1	
			1				1	5				1	
		1				1		6				1	
	1					1		23					1
		1				1		21				1	
		1					1	6					1
		1				1		5					1
		1				1		8					1
			1			1		5					1
			1			1		3				1	
			1			1		3					1
Total	8	6	5	2	1	14	2	137	2	2	4	5	6

Interviews [n= 19]

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Reviewer profile

Reviewers [n = 3]	Role level			Relationship with focal organisation				Years in role	Role description [as by team position in organisation]				
	Senior	Middle	Other								Commercial	Regulated	Services
	Strategic leader or trustee	Accountability for a function	Team leader, administrator, graduate placement	Volunteer	Previous employee now retired	Employed	Consultant		Trustee	CEO	Responsible for revenue and profit	responsible for setting standards and / or regulated by an external regulator	Cost centre providing services to organisation such as finance / HR / governance]
		1				1		21				1	
		1					1	6					1
		1				1		5					1
Total	0	3	0	0	0	2	1	32	0	0	0	1	2

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Appendix 5 – Example of Internal Reviewers Feedback

Making sense of a hybrid organisation – some thoughts

Sections are numbered just for ease of reference, thoughts are in no particular order.

1. It is interesting to consider how the twin nature of [focal organisation] institutional logic is manifested in the choices we have made in choosing our vision and mission statements and our corporate strapline. In my view, in choosing the words we want to identify us to our stakeholders, we have made a conscious decision to emphasise lofty public good imperatives and de-emphasise commercial business success to form a construct which (we believe) will better meet the desires and preconceptions of our external stakeholders. So, we could posit, are we being authentic (is this really the aspiration) or are we signing up to something that we know ticks all the right boxes to legitimise [focal organisation], but that we know does not fully match our experience of reality where public benefit is an almost intangible outcome or even an accidental by-product whereas business outputs can be measured and quantified?

2. I definitely recognise your account of the tensions between competing tracks of public benefit and commercial success, and I would say with the benefit of a 25-year view of [focal organisation] that the balance between them is fluid and changes over time. We have moved from being focused on membership and education with members as our primary customers in the 1990s – when we had just got our charter and did virtually no marketing or PR activity (because advertising was a dirty word for a chartered professional body) and did very little promotion to organisational customers – to one where corporate revenue has become king and we are now actually pleased that we are reducing our reliance on qualifications and membership fees as a source of revenue, which we now see as a potential source of vulnerability. It seems to me there have been three main reasons for that change:

    a) Success in the charter application was wholly dependent on presenting a convincing message on public good. Everything we did at that time was geared towards orienting the institutetowards the public good agenda, the submission to the Privy Council was wholly

predicated on justifying our credentials as a public interest body. Financial success was only a factor in that it was the fuel to support sustainability and corporates were only important because they paid for exams and fees. The Privy Council looks for evidence that the new chartered body is financially stable and will remain a going concern, but otherwise has no interest in how much money we make. We repeated the public good mantra so often at the time it became our mythology. This imperative characterised the launch of the new chartered body and influenced its culture for more than a decade thereafter.

b) The 2009 SPADA report on UK professional bodies and the CCPMO report (earlier, can't recall the date) into the value-add of professional bodies both identified that the professional landscape was changing dramatically and no professional body could assume it had a right to exist just because it had been around for years and claimed to serve the public good. Bodies had to stay relevant, be more commercial and sell themselves to their stakeholders. So, the move towards a more commercial mind-set was a necessity, a long-term survival strategy. There was a general movement in the professional body world over the last decade to become more business-like in response to the threat of losing relevance, so it has been a defensive move to some extent.

c) The third factor has been the professionalization of [focal organisation] itself. When I joined, most senior posts (other than the educationalists) were held by retired service personnel or others who had moved out of London and were looking for a quiet wind-down to retirement. Very few members of staff had master's degrees or professional qualifications. Crucially, until around 1997 the CEOs of the institutewere non-business people, they were interested in the professional body but not the business per se. My perception is that it is only really since 1997 when we started to have CEOs with commercial backgrounds and we started to employ managers with business qualifications and private sector backgrounds that the multiple identity of [focal organisation] has really become apparent.

3. I think perceptions of [focal organisation] as charitable or commercial or both depend almost entirely on where a person sits in the organisation and what their KPIs are (bearing in mind that people who have been here longer tend to be more resistant to moving towards a commercial model because they have the corporate memory from the award of charter). The face of [focal organisation] that you first see and interact with forms your world view. So, I

understand the comments from one director that they are the only director wearing both hats. When you think about it, everyone should wear both hats but if you drew a spectrum from charity to commercial enterprise and asked everyone to a) mark where on the line they think [focal organisation] sits and b) where on the line they think their job sits, there would be a wide variation in where all the dots were. It would be interesting to see where the [focal organisation] dots were and how they related to where the individual sits.

4. The comments about the Foundation are revealing and ring true. For me, they confirm that for some people the Foundation has become a handy repository for all the charitable values. By hiving off the charity aspect to somewhere clearly identifiable as being for the public good, it is almost as though some people feel this box is now ticked and the rest of the organisation can now be more overtly commercial. Before we had the Foundation the mix of charitable and commercial was more complex and subtle because it wasn't possible to draw absolute lines between public benefit and business activities. There is a risk that people will over-rationalise in a desire to simplify things and decide that everything that isn't the Foundation is, by exception, commercial. I fully recognise your conclusion that the Foundation is for some a symbolic and low priority activity which ticks the charity box, freeing them to concentrate on making money.

5. Reading your section on the effects of charter on the ethos and organisational logic of [focal organisation] I agree that the charter objectives do themselves create ambiguity and create the paradigm for a hybrid organisation. There are 3 objects; two are for the public benefit, one isn't. The objects talk about the public, about organisations and about individuals, and they aren't prioritised. So that already sets up a level of complexity and of internal competition even before we overlay the infrastructure of charitable entities and limited companies. How can we then be expected to rank those competing but co-existing objectives, and decide where should we focus our efforts? Structurally, the limited companies are subordinate to the main body so it would be legitimate to view them as engines to deliver fuel to the parent. But then, the Foundation is also subordinate to the main body, and the main body itself engages directly in commercial activity. No wonder people struggle to pin down what kind of organisation they are working for.

6. You are right to identify that people often repeat the received wisdom (to justify revenue generation) that [focal organisation] makes money to do things that deliver our charter objectives, but then struggle to articulate what that means. In practice, all but a small proportion of our revenue in spent on

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keeping the wheels turning, NFR is relatively small and we hold on to a lot of it in reserves. So, demonstrating that we reinvest what we earn to deliver our charter objectives more effectively is hard to do and I agree that people tend to fall back on this as a way of legitimising expansion plans without thinking through what this means. For example, for me there is a dichotomy between what we say the purpose of international expansion is and with what we task it with delivering. We set up the outposts to be commercial, they are not set up or positioned as not for profits, they are commercial companies which are to all intents and purposes sales offices where even membership is a product with a price tag. We measure their success on revenue and net profit. They are treated as net contributors to [focal organisation] coffers (and if they don't contribute cash they are judged to be failures). Yet we say, without any sense at all that this is disingenuous, that they are some sort of standards outpost carrying the [focal organisation] banner for the greater good. For me, this is the fundamental problem for our international offices, we set them up, staff them and evaluate them as commercial enterprises but somehow expect them to fulfil the public benefit agenda and deliver the mission.

7. But this is also true of [focal organisation]. The metrics are all about money and absolute numbers. We do not include softer measures based on the charter objects. When setting strategy, the Trustees and its predecessors have asked us time after time to have a public good theme and to measure how well we are doing on these softer issues. We don't do that because it is just too difficult to measure things that can't be easily quantified and commentaries are largely meaningless if scrutinised. But as long as measurement, success and reward is based on commercial metrics the essential dichotomy at the heart of [focal organisation] in its current form is irreconcilable. This will only change, in my opinion, if we split the professional body/awarding body from the commercial arm and maintain the professional body at zero profit/zero cost.

8. I think the Trustees discomfort at the new bonus arrangements is a good illustration of the tension between what the Trustees think should be the end game and what the business leaders (well, most of them) think should be the endgame. [Name removed] strongly believes that financial success and financial reward is a major motivator, they bring that sensibility from their previous life, it is a strong driver for him personally, and it is shared by other Directors who have come from the same background. To be fair to them, they also see it as a way of celebrating and sharing success and cultivating a loyal and hardworking team. Those of the Trustees who objected did so because the idea of commercial-rate cash rewards for staff of a charity didn't sit well with their view of themselves as voluntary Trustees taking no reward

for their services to the profession. This contrasts with their own business lives where they would feel no inhibitions about seeking maximum remuneration for their expertise. So, it is their sense of what kind of organisation [focal organisation] is, and what its end game is, that conditions how they view the remuneration policy – not whether [focal organisation] can afford it. You could argue that the Trustees should be the check and balance that prevents [focal organisation] tipping entirely towards the commercial end of spectrum and losing sight of its public benefit aims. However, this is in itself in tension with their fiduciary responsibilities as Trustees to ensure the charitable entity is financially viable and continues to generate surpluses to fund its mission. This is why they are so concerned about the financial status of the subsidiary offices and have never once, as far as I know, asked for a measurement of whether or not they are also delivering the public benefit agenda. So by virtue of being a charity and a charted body the Trustees are legally obliged to balance two competing imperatives: financial sustainability versus public benefit mission. Thus, our own governance structure mirrors and perpetuates the internal dichotomy.

9. Looking at the kind of language your respondents have used to describe 'doing more things', I recognise the difficulty people have once you get beyond a certain point in the argument. It is very difficult for anyone to identify a specific, quantifiable, public good outcome. The language gets fuzzy and imprecise. The problem is that the reinvestment model is circular and virtually perpetual – we have never arrived at the end. So, we earn money and then invest in in activities which generate more money which in turn we invest in more activities that earn more money, and so on. As you have identified, it is the absence of any shareholders and the need to declare dividends that not only allows this to happen but also creates a self-fulfilling pattern of corporate behaviour to which is almost impossible to say 'stop'.

10. You talk about both sensibilities being diluted, noting that people who are naturally more commercial or public minded, depending on their role in the organisation, show awareness of the other point of view and its place in the culture. That does chime with me too. People do seem to be sensitive to a need to move from antithesis to synthesis if [focal organisation]is to continue to prosper as a unitary structure encompassing both commercial and public benefit aims. It is almost as if we are moving towards the other end of the pendulum swing, a realisation that we have almost gone as far as we can towards commercial logic and if we go much further those core values could be under threat and as a result we could lose our rights to the higher ground.

Appendix 6 – Focal Organisation Executive Report

Interplay of intentions:

An ethnography of institutional work within [focal organisation]

How do organisational actors (staff and Trustees) at [focal organisation] deal with the presence of multiple institutional logics and what implications does this have for the nature of the organisation structurally, politically, symbolically and rhetorically?

Carole Bain,

June 2017

Acknowledgement

Contents

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'The challenges faced by us as a non-profit organisation are considerable and tensions between making a sustainable income and staying true to the mission are inevitable. We recognise and embrace the rival metaphors of mission and business; our driver remains 'to make money to do more things to deliver to our public good agenda' (Strategy 2013, p. 6)

I am writing this forward at the end of what has been a long journey which started in 2011 as I embarked on my first day as a Doctoral student and is ending in the summer of 2017 as I begin my final two weeks as an employee at [focal organisation].

This report has been written to provide an overview of my research programme which explored the nature of work undertaken within the organisation as individuals attempt to make sense of what can appear as competing objectives. This report includes my key findings and a summary of some things that [focal organisation] may wish to consider.

Carole Bain, 18 June 2017

Research context

This research considers organisations as patterns of logic activity routed in material practices and symbolic systems underpinned by assumptions, values and beliefs by which individuals and organisations produce, reproduce and make sense of their lives. Within this context there is a type of organisation termed a hybrid, - hybrid organisations are presented as having more than one set of organising logics, thereby facing challenges of having to 'negotiate the rules of the game in multiple contradictory games and having to be so many different things to so many different people that it must, of necessity, be partially at war with itself'. This **war** is often experienced through the emergence of subgroup identities that exacerbate tensions between logics with the potential of making the combination untenable. As such, some theorists suggest that hybrids are at risk of become arenas of contradiction, unlikely to survive over time because they become blocked or dysfunctional from an inability to resolve tension between competing logics.

Specifically, this research looked to understand how individuals dealt with the presence of a public good logic and a commercial logic and what implications this has structurally, politically, symbolically and rhetorically. Taking place between April 2014 and August 2016 a total of 26 in-depth interviews (14 - current employees); 1 previous employee; 2 Trustees and 2 consultants) were recorded resulting in 350 pages of transcripts, 98 documents (2853 pages) including charter, strategy and plans, meeting minutes and website were reviewed and 25 meetings were observed.

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Central to an organisations survivability is how it can best unleash and enable human potential and capability. [Focal organisation] **on a whole tends to have an emphasis on processes, performance, systems and measurement***; this is not surprising given the CEO's commercial background and the relative ease of measuring commercial outcomes over social impact.*

Many staff and Trustees come to [focal organisation] because they have clear personal values around not-for-profit and giving something back. At an organisational level, they work to make the world a better place through education. At an individual level, **staff want to feel they are stewards of the organisation, valued, trusted, and empowered to make a difference, they want opportunities to 'do the right thing', to develop themselves and being a part of a team matters.**

Yet what many of them feel is that **making money is increasingly all that is valued with very little regard given to the purposeful use of this money***. The culture is described by some as being* **elitist, individualistic** *and* **self-serving** *(growing personal financial rewards, maximising power base) with little consideration or time given to how we are delivering to the public good agenda. By some it is depicted as one of self-preservation with individuals seeking to modify their behaviour to be more commercial as* 'it's the only thing that it recognised and valued'. *By a small group, it is presented as a great place to work because of the* **'lack of shareholders'** *and individual owners* **'trying to bankroll his villa in wherever'** *which means there is greater ability to* **'put it [money] to good use'** *although just what this good use was appears open to individual interpretations.*
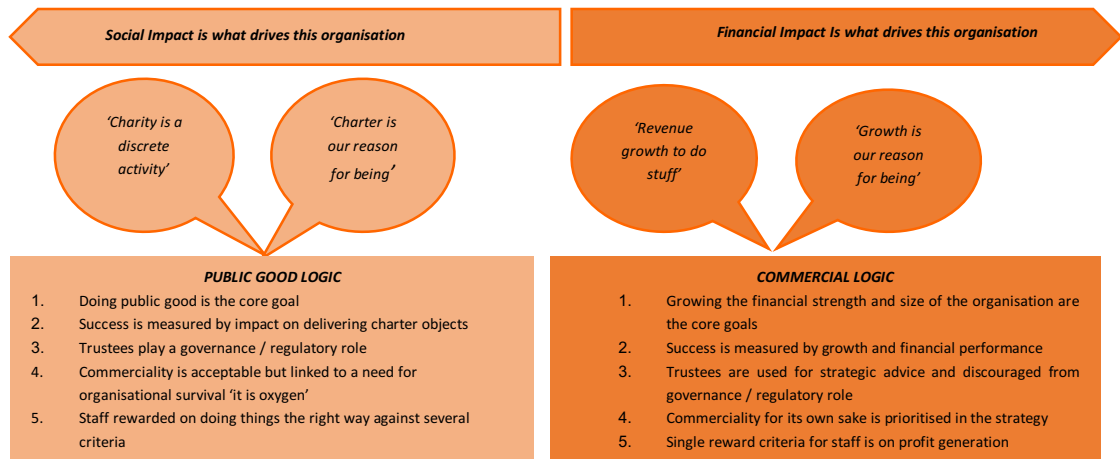
When asked to describe the organisation, there were four main perspectives which I termed:

(a) Charity *-* 'We are a charity devoted to supporting those who struggle to get into, and further themselves within, the profession'
(b) Charter *-* 'We have got a royal charter, we are here to do public good and it explains in the royal charter the four ways it's supposed to do it.'
(c) Hybrid *-* 'We need to be commercially focused. However, it's about maybe not being too commercial. We need to be aware of what we are and what we stand for and not forget that'
(d) Commercial *–* 'The end game …is to maximise the net financial return and make that as big as possible'.

From these framings come sets of material practices and symbolic systems (logics). Specifically, I identified two sets of logics namely **public good** *and* **commercial.** *Both are underpinned by different and often opposing, assumptions, values and beliefs through which individuals produce, reproduce and make sense of their work.*
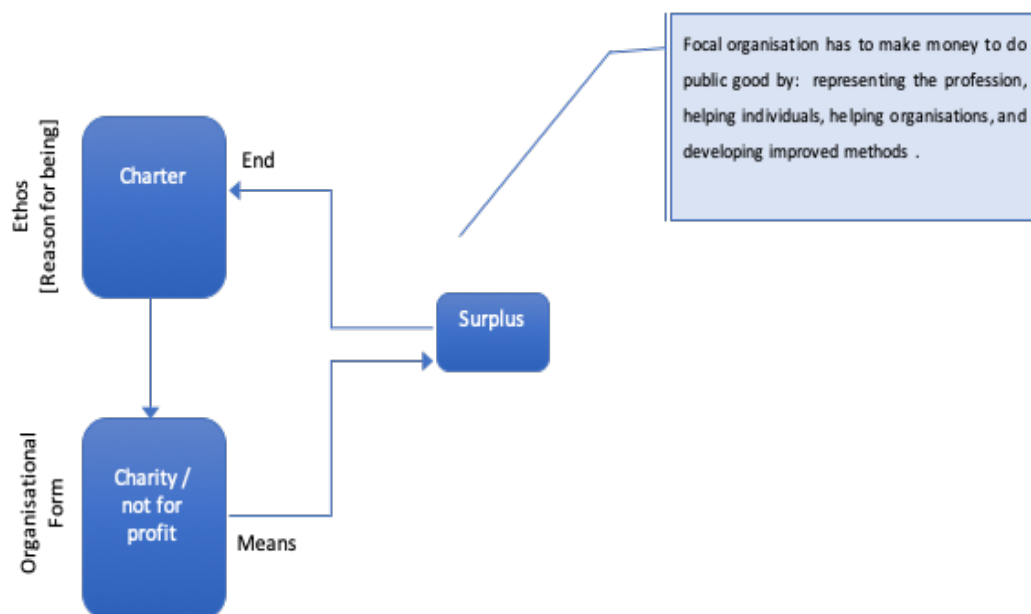
Significantly, rather than constructing a single framing of the organisation staff simultaneously constituted the organisation in multiple ways resulting in multiple sets of organising principles, material practices and symbolic systems. (See figure 1 on page 5).

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| Social Impact is what drives this organisation | Financial Impact Is what drives this organisation |

'Charity is a discrete activity'

'Charter is our reason for being'

'Revenue growth to do stuff'

'Growth is our reason for being'

PUBLIC GOOD LOGIC
1. Doing public good is the core goal
2. Success is measured by impact on delivering charter objects
3. Trustees play a governance / regulatory role
4. Commerciality is acceptable but linked to a need for organisational survival 'it is oxygen'
5. Staff rewarded on doing things the right way against several criteria

COMMERCIAL LOGIC
1. Growing the financial strength and size of the organisation are the core goals
2. Success is measured by growth and financial performance
3. Trustees are used for strategic advice and discouraged from governance / regulatory role
4. Commerciality for its own sake is prioritised in the strategy
5. Single reward criteria for staff is on profit generation

Within the **logic of pubic good** delivering public good is positioned as the raison d'être and the 'end' it exists to achieve. Decision making is based on contribution to public good and measurement of performance is aligned to this goal. 'Commerciality' has a place in the institutional narrative but its purpose is to generate surplus to invest back into public good activities. As such there is a circular relationship between commerciality and public good; charter objectives are privileged and guide what is deemed to be legitimate activity. Strategic conversations focus on activities' potential to deliver on the public good agenda.

Focal organisation has to make money to do public good by: representing the profession, helping individuals, helping organisations, and developing improved methods .

Within the **commercial logic** the organisation is positioned as a global business. Strategic discussions are focused on the impact of decisions on growing financial returns and making the organisation unassailable. There is emphasis on presenting the organisation as 'a business' where the growth agenda is the main objective and an acceptance, to varying degrees, that institutional growth and financial strength, is, in its own right a valid way to deliver public good. The charter has become the means to serve economic or financial ends.

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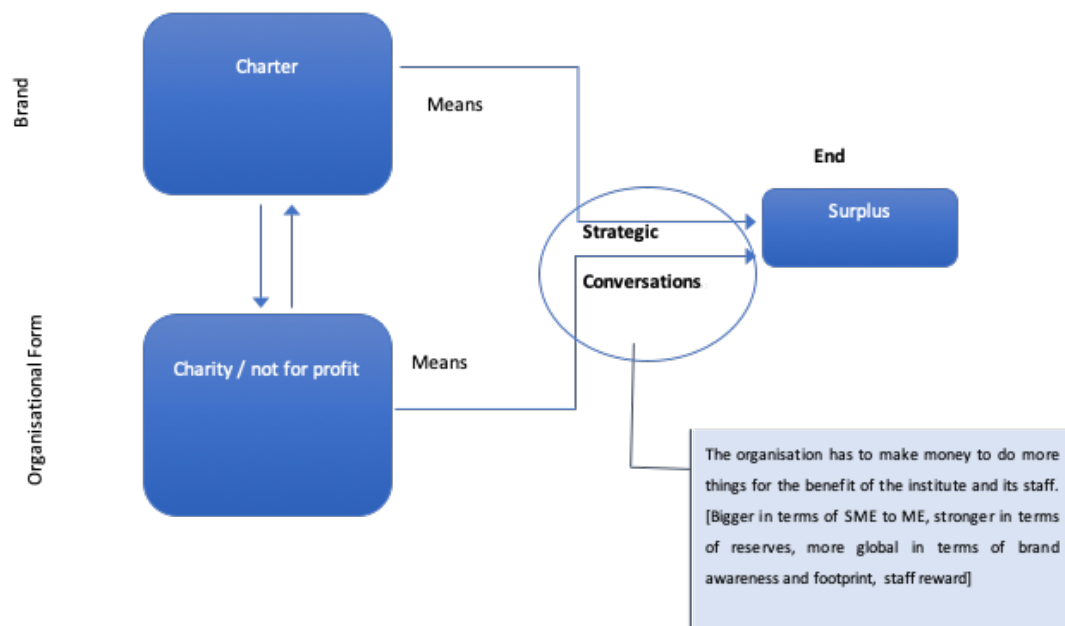
Balancing the needs of making money and staying true to the social mission (Charter) does seem to be problematic for the organisation. Through this **research I found a complex, inter-related, diachronic and often messy picture where individuals were unable to resolve tensions between the competing logics, often resulting in arguments, disruptions, additional cost and, on occasion stalemate**.   In the following section I give examples of how this tension played out.

Structure and power

Through this study, I got an understanding of the power work carried out by elite individuals to maintain their dominance through structure.

Being able to coerce other Trustees through their trustee role does appear to be a factor in the CEO seeking trustee status. One internal actor presented the motivator as the CEO wanting to have an ability to influence other Trustees during a voting process.

'The number one…the internal logic, which wasn't the external logic…was so that that trustee could have a vote and could…if things were delicately balanced would have a vote and that some Trustees would be highly influenced by the way in which that person voted. So, sheep Trustees or the jackal Trustees and the sheep Trustees are going to wait and see how the chair of the Board votes and wait and see how the CEO votes and we'll vote according to that because they want to be seen to be good, sporting Trustees'

The use of informal power enabled by the close Chairman / CEO relationship was used to subvert challenges which caused concerns to be raised about the Chairman's impartiality. For example, when the proposal for a new bonus scheme was not initially approved, the CEO and Chairman of the Board unilaterally approved the CEO proposal outside of a Board meeting. This action was challengeable in that the Chair exceeded their authority in that they acted as an independent privileged voice rather than as part of the collective trustee group.

Structure is used to protect and defend. As a charity by organisational form [the focal organisation] has always had ring-fenced funds (e.g. Frank White Fund) which were used to give

financial awards to students (e.g. best marks). In 2011, these funds were allocated to a new Foundation, set up as a linked-charity with a Board of Trustees, separate branding, material practices and symbolic systems to the 'core' organisation. During interviews, individuals made sense of this structure as (a) protecting the previous funds from becoming 'lost and mismanaged in the main organisation' *(b) enabling [focal organisation] to respond to challenges that it has become* 'overly commercial' *and (c) enabling the 'core' to not be overly concerned about its social impact.*

> The implication of moving this activity to a separate structure is that, the notion of charity is decoupled *from* the 'core' and positioned as a discrete activity. As such, charity is expressed as an organisational form, reduced to a function rather than expressed as a set of organisational values or ethos. For many, charity has become symbolic and something 'we do' rather than something 'we are'.

Furthermore, [focal organisation] has a trading arm 'Corporate Services Ltd' *(CSL), developed to facilitate the creation of revenue from activity not directly connected to furtherance of the charter objectives (e.g. consultancy register, recruitment service). Whilst these activities have mainly ceased CCSL continues to be used as a contracting vessel when [focal organisation] is delivering activity to corporate customers (such as an in-company qualification or training programme).*

> The implication of this practice is that commercial activity is effectively ring-fenced, expressed as an area of the organisation that has less integrity, driven by financial activity and not concerned by the public good agenda.

Decision making

The hybrid nature of the organisation means that decision-making and action often occurs in a contested field of tensions where actors appropriate the organising principles and symbolic systems of the proffered logic to exert power over organisational outcomes. The resulting challenges to legitimacy, authority and identity, often lead to serious disquiet amongst organisational members and on occasion has ended in stalemate.

In one incident one director described how they 'defend and 'protect' *the integrity of the organisation by preventing others accessing areas of activity and resources. During interviews relating to this incident, the organisation was presented as* **fragmented** *and* **clunky**, *subject to* **un-necessary complexity, additional costs** *and* **reduced ability** *to offer services to some of members.*

> The impact of this incident was such that one director acknowledged that in order to symbolically meet the regulatory conditions they are required to keep a part of the offering hidden and secret.

In another incident related to the bonus setting process Trustees reacted strongly against a proposal, **questioning the appropriateness of a bonus within the context of being a charity** *(public good) organisation. This positioning of the organisation of a charity diametrically opposed the CEO's positioning as a business underpinned by an assumption of the* 'moral right' *of staff to share in the financial success. Whilst the proposal was finally approved it:*

- *involved several additional approval conversations;*
- *resulted in the re-forming of a Remuneration Committee to ensure trustee over-sight and remains a topic of conversation with the Trustees who are*

seeking to ensure that said scheme does not prove to be self-serving or undermine the public good identity.

- *Furthermore, it contributed to the departure of one member of staff who felt the proposal was inappropriate and one trustee asked for a formal record refusing to be associated with the approval.*
    A further example pertains to the

Governance setting. *In this example, Trustees and CEO were simultaneously seeking to* **increase their authority, control and ability to influence governance structures**. *I observed the Trustee / CEO interactions over a period of*

at least 22 months (it was not resolved by the time my research was concluded) bringing about:

- *several changes to governance sub-committees;*
- *challenges to legality and appropriateness of CEO Trustee status*
- *Board refusal to approve recommendations for new Trustees.*

The impact of these skirmishes detracted the Trustee's ability to govern the organisation and resulted in an unhealthy Trustee / CEO relationship.

Communication

There are many communication activities undertaken by managers in the organisation to socialise staff to specific logics. Examples include corporate planning, staff briefings and CEO Taskforces.   Another example is the creation of rhetoric of burning platform, personal danger and war-like speech.

'We need to be more professional, big business-like, and have money-making activity to meet the significant challenges with the continuing effect of global economic downturn'.

'Essential to our ongoing growth is a [financial] war chest' for potential acquisitions' [Strategic plan FY14-16 p11-12]

'The ultimate message is that *** will be put in prison if we don't do what they say'

Whilst much time and effort was spent internally by senior managers through spoken and written work to influence the adoption of proffered logics such was the intensity and frequency of the commercial logic that the measures of the organisations success were experienced as

'Having   nothing to do with measuring how we performed against the charitable objectives.'

And all about

'Maximising net financial return and making that as much as we can'

Furthermore, it was commented that even when individuals are talking about a public good objective (e.g. number of individuals developed) it was often 'disguised' as a financial indicator as a 'self-preservation thing' as that is the only thing recognised and rewarded 'by the boss'.

*Rhetoric work (the art of effective or persuasive speaking or writing) is considered by scholars to be an important socialisation process enabling individuals to make sense and therefore adopt (or not) new practices.   In this study, I noted one phase '**we make money to…'** being used in several contexts. When interviewing staff who had been at the organisation more than 10 years they represent the phase as used by a previous CEO*

'We make money to do more public good and the way that we do public good is defined in the charter'.

In this context making money is purposefully but only as the oxygen for the organisational

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survival and not an end in itself. Another presentation, typically used by those who had been recruited more recently was 'we make money to further the institute'

*Critically, the statement has retained the opening **we make money to** which has a high degree of acceptance with long standing staff in that money is positioned as a purposeful resource. However, the narrative has reduced the major premise that defines the use the money is put to (namely achieve public good as defined by charter). In more recent use, the strapline either provides an opaque unspecified account of what represents 'more stuff' or 'good use' or moreover the focus to being in the service of the instituterather than the profession it serves.*

Furthermore, by removing the link to charter, the purpose for which funds are generated becomes eroded, enabling space for a new 'purpose narrative' or indeed no purpose other than to make money.

> An implication of money making being experienced as the key objective is a disconnect between the organisations espoused and enacted values. The greater the difference between espoused values and enacted values the greater likelihood for dissatisfaction and cultural problems

Hiring and incentivisation to encourage adoption of proffered practices

*Since 2011, **recruitment** was focused on attracting 'big-business' people as 'big business people' represents a 'better' type of person (more rounded, more business-like, more professional) and that big business people would make the focal organisation grow and be less 'dysfunctional'. Underpinning this approach was an assumption that by surrounding themselves with individuals who had similar interpretations of priorities and outcomes as themselves the CEO would reduce challenges, prioritise and legitimate the commercial logic. In the event this strategy does not appear to have prevented challenges or coalitions forming and notable examples are the resignation of one individual who was recruited from 'big business' (who did not agree with the approach to incentivisation) and the sustained challenge from a group of Trustees (all from big business) who disputed the legality and appropriateness of several practices and structures.*

*One specific practice considered in this research was that of **incentivisation**. In 2010, the bonus structure was one of a notional 'thank you' to the 2015 incentive structure that was based on the 'moral right' of staff to share in the financial growth. Under the 2015 structure bonus became individual (rather than a collective), based on achieving a single financial target of profit (rather than on work ethics and respect, working practices, customers care and quality, use of ICT and financial performance used previously) and the typical value grew for a senior manager grew by over 300% (from £500 to £2,100).*

Making changes

In my thesis, I refer to a tactic that I term 'edging strategy'. I conceptualise 'edging strategy as an approach to change that uses subtle and apparently benign changes that eventually break down previous boundaries and create new lgoics of meaning and sense making.

This process happens incrementally over time in a way that the risks of insiders and outsiders seeing the changes as illegitimate are mitigated and allows the instigator to test and respond to the reactions of stakeholders. Typically the edging strategy firstly makes use of rhetoric to theorise a need for change (creation of a burring platform) , involves some form of external validation of the theorisation

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(e.g. independent experts such as pay and reward specialists) and often catastrophized the impacts of not adopting proffered ideas (I will lose the best staff) and practices to ensure adoption of new ways *of working (increase the value of financial reward, develop celebration events where 'great' individuals are recognised).*

Specifically, in the context of [focal organisation] I observed the edging approach being used to make changes to governance settings and changes to incentivisation policies.

Findings summary

Through the research I experienced coalitions and silos occurring as staff attempt to defend and privilege their proffered logics. This results in significant tension, interruption and sabotaging of activity which was deemed illegitimate by particular subgroups. Such behaviour led to agnostic practices, organisational inertia and entropy.

Recommendations

Significantly, this study found that rather than individuals constructing a single framing of the organisation they simultaneously constituted the organisation in multiple ways, making it more difficult to have sets of organising principles, material practices and symbolic systems that meet individual's assumptions, values and beliefs.   In the absence of a single internal identity the organisation continually faces the potential of divergent sub-groups forming and reforming. As such having to negotiate the rules of the game in multiple contradictory games has become a daily reality, complexity and dysfunctionality has become normalised making organisational survivability more difficult.

This is not sustainable and it is for that reason the key recommendation is that

[Focal Organisation] find ways to represent itself structurally, practically and rhetorically that are attractive to all staff irrespective of their proffered (public good and/or commercial) logic.

It is critical that this representation is congruent with the organisational activities or discerning staff will reject any practices and behaviours that are not deemed to be authentic or legitimate.

In the reminder of this section I make practical recommendations on how this can be achieved. Importantly however, in making the recommendations below, I am not suggesting that each should be undertaken in any sequence or in isolation from each other, rather that they should be undertake in a mutually reinforcing way.

(1)   Internal identity

Many staff and Trustees come to [focal organisation] because they have personal values around not-for-profit and giving something back yet they feel that making money is all that matters with very little regard to its purpose. Increasingly people feel that making money has become an end in its own right and this is causing a disconnect from espoused values and enacted behaviours.

> There is a need to create an internal identity (that is congruent with the external identity) which does not present public good and commerciality as rivals.

I suggest that retaining the 'we make money to do' rhetoric would be helpful as it has a high degree of acceptance <u>but</u> that there is a need to have clarity on what it is that we do with this money

The impact of this is that *money making is positioned as a powerful and purposeful resource to enable public good rather than an end game in its own right.*

(2) Structure

I suggest that the current structure is un-necessarily complicated and used by various sub-groups to marginalise both purposeful commercial and charitable activity.

Focal organisation should consider restricting the use of

Corporate Services Ltd to activities that do not serve in

furtherance of the charter and

Review the presentation of the Foundation being divorced

from the core business.

There is a dichotomy in the current structure that facilitates a perception of conflict of interest where none exists which enables commercial activity to be marginalised and presented as lacking in integrity. It also enables charity and public good to be marginalised, reduced to a function rather than a set of organisational values or reason for being.

(3) Performance measurement

Currently finance is presented as the only measure of success 'recognised by the boss', serving to undermine the great work being undertaken for example educating people, building a community of practice, and developing and disseminating knowledge.

[Focal Organisation] should consider developing a

methodology to measure social impact whilst retaining money

making as an important and purposeful resource).

Consideration should be given to the various formal communications to ensure alignment against what matters the most rather than what is easiest to measure / talk about. Care should be taken to link reported activity to the strategy which in turn should be explicitly linked to the charter objectives and at the same time continue to present commerciality as a critical purposeful resource.

(4) Hiring and incentivisation practices

During the research the representation of 'big business people' being a 'better' type of person was prevalent as the CEO sought to make the organisation 'more like a conventional business'. By surrounding themselves with individuals who brought to the decision-making processes similar interpretations of priorities and outcomes the CEO looked to reduce challenges to proposals and opportunities for disparate ideological coalitions emerging and reduce opportunities for coalitions emerging. I suggest that this was an over simplistic approach as it failed to take into account the myriad of life experiences, assumptions and values that make up an individual's 'world-view'. It is no surprise therefore that the strategy did not achieve its objective. It is for this reason that I recommend that:

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In doing the organisation should become resourced with individuals who are able to bridge commerciality and public good narratives. Additionally, other scholarly work reports on the ability of individuals without significant work experience to bridge different logics (e.g. they do not experience two competing logics, rather one blended or bridged logic) and this might be a consideration for entry jobs which might for example suit new graduates and apprenticeships.

Job descriptions are being under-utilised and argue that they can be a useful resource in that they can reinforce the interdependencies and inter-relationships with other roles.

In this research, I found that most job descriptions privileged one or other logic and rarely demonstrated a logic combination. This created an 'either / or' scenario perpetuating the perception that public good and commerciality are rivals. I therefore recommend that job descriptions are reviewed to reinforce the mutual dependency and inter-relationship.

Bonus programmes should be modified to include value / behaviour standards in addition to financial performance

Alignment of delivering to public good and personal recognition matters to staff but, the current bonus schemes are misaligned in that they are based solely on making money. This is leading to staff feeling compromised and forced to behave in certain ways merely to achieve a bonus.

'We are measured, we are rewarded on certain metrics, so you know sales revenue is clearly an important tone… there are things that I do purely because it will get me my bonus'

'I didn't feel I had any choice but to lower the standards [of an award] because of the commercial pressures'

Furthermore, I suggest that bringing in a team based bonus may be helpful as being in a team matters to staff. I also suggest that whilst the bonus scheme is not uncompliant it does not conform to societal expectations of a not-for-profit / charity and therefore suggest that:

Further increasing the financial value of individual bonuses would be unhelpful against the backdrop of the non-for-profit and charitable status.

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Appendix 7 – Focal organisation definition of terminology

Central Definitions used in this thesis

Term	Researchers definition
B2B	Business to Business. A term used when the focal organisation is providing a service for a business / organisation.
B2C	Business to Consumer. A term used when the focal organisation is providing a service to an individual.
Board of Trustees	Also, referred to as 'The Board', 'Board' or 'Trustees'. These are the legal Trustees of the focal organisation governed under charity Law
Chartered Organisation (The focal organisation is a chartered organisation).	A form of organisation regulated by government (Privy Council) which signals that the organisation works for 'the public interest'. A royal charter is a way of incorporating a body that is turning it from a collection of individuals into a single legal entity with no single owner. A body incorporated by royal charter has all the powers of a natural person, including the power to sue and be sued in its own right. New grants of royal charters are typically reserved for 'eminent professional bodies or charities, which have a solid record of achievement and are financially sound'. A body applying for a charter is expected to meet several criteria. In the case of professional institutions, the main criteria are: *(a) the institution concerned should comprise members of a unique profession, and should have as members most of the eligible field for membership, without significant overlap with other bodies.* *(b) corporate members of the institution should be qualified to at least first degree level in a relevant discipline;* *(c) the institution should be financially sound and able to demonstrate a track record of achievement over several years;* *(d) incorporation by charter is a form of Government regulation as future amendments to the charter and by-laws of the body require Privy Council (ie Government) approval. There therefore needs to be a convincing case that it would be in the public interest to regulate the body in this way;* *(e) the institution is normally expected to be of substantial size (5,000 members or more).* http://privycouncil.independent.gov.uk/royal-charters/applying-for-a-royal-charter/ *sourced 13 Jan 16*

Commerciality:	Commerciality is described by institutional actors as: becoming bigger in terms of organisational size (move from SME (small enterprise) to ME (medium enterprise) stronger in terms of financial reserves, more global in terms of brand awareness and increasing the 'footprint' though new offices, the size of the community engaging with focal organisation, and the sharing of success with staff
Elite actor	An actor within the focal organisation who can decide on the value, size and allocation of resources and determine the type of activity being undertaken by organisational actors. Examples include Trustees, CEO, Directors, Heads of departments or functions
The Foundation	A sub charity of the focal organisation positioned as a separate charitable entity with its own brand; revenue is generated through donations one of which is an annual donation from the parent charity. The foundation directly employs staff and has a separate governance structure to the main charity, which reports to the main Board of Trustees in terms of regulatory compliance.
The National Council for Voluntary Organisations (NCVO	NCVO champions the voluntary sector and volunteering as essential for a better society. A charity with a mission "To help voluntary organisations and volunteers make the biggest difference they can". Seen as representing the voluntary sector and volunteering to government – using the best research, we demonstrate their true value and help influence policy-makers. *https://www.ncvo.org.uk/about-us/our-vision-mission-values*
Net Financial Return (NFR):	Within the focal organisation making a profit is described as making a positive net financial return. There is a general narrative that "we can't use the term profit because we are a charity"
P&L	Reference to profit and loss account – each area of the business is classed as a revenue generation (profit) or cost (loss) centre
Public interest	Also, referred to as public good and social impact. Used to describe the organisations public good agenda.
Surplus	Also, known as Net Financial Return. See above

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