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Making sense of management with logics

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**Copenhagen
Business School**
HANDELSHØJSKOLEN

Making sense of management with logics

An ethnographic study of accountants
who become managers

Frans Bévort

Doctoral School of Organisation
and Management Studies

PhD Series 17.2012

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Frans Bévort

PhD-fellow,

Doctoral School of Organization and Management

Copenhagen Business School and Deloitte Denmark

Kilen, Kilevej 14, 4.

Frederiksberg, 2000 F

Denmark

fb.ioa@cbs.dk

frans@bevort.dk

Supervisors:

Associate professor, **Per Darmer**, Copenhagen Business School

Professor, **Flemming Poulfelt**, Copenhagen Business School

Professor, **Roy Suddaby**, Alberta University Business School

Frans Bévort
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The Doctoral School of Organisation and Management Studies (OMS) is an interdisciplinary research environment at Copenhagen Business School for PhD students working on theoretical and empirical themes related to the organisation and management of private, public and voluntary organizations.

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*To the late Bernard Bévort who passed on to me,
his personal and professional obsession
with understanding the life of people in organizations*

ABSTRACT

Management in a professional service firm such as Deloitte is suspended between a range of different fundamental concerns and ways of thinking. There is a market in which client needs are to be met, competitors matched and outperformed. There is the general public in which accounting firms such as Deloitte increasingly have become the object of critical scrutiny in their role as guardians of the common rules of accountability and legislation on accounting. There is a very strong professional culture and ethics, stemming from being a part of the professional community of a profession which creates unique ways of organizing and managing. And there is a growing concern about how to run the continually growing accounting-based advisory organizations (or professional service firms) in a way that efficiently utilizes the aggregated resources, which again creates a focus on management as a distinct issue.

It is primarily the contradiction and dynamics of the latter two ‘internal’ concerns that the study of the dissertation is about - seen as institutional logics of

professionalism and, or versus, bureaucracy. While the focus of most research into professional service firms has been on how general structural changes affect this unique species of organization, this study investigates how these contradictions affect the way accountants live and work performing roles as managers; how do accountants who become managers make sense of these contradictory logics?

The dissertation treats this question theoretically by applying extant literature dealing with institutional change and logics with a special emphasis on recent research that focuses on the micro-processes which are the foundations of institutions and concretizes how institutional logics affect the action and sensemaking of actors. The dissertation contributes to this research by applying sensemaking theory and symbolic interactionism. The study is based on a 3-year ethnographic study in which managers at all levels have been interviewed and observed. Actual management processes and management training have been observed, via shadowing and participant observation. Relevant archival material has been included in the analysis. All these sources have been recorded and systematized in order to create a point of departure for the analyses of the dissertation.

The main findings of the study point to:

The institutional changes described by the Professional Service Firms research can be identified at the micro- or actor level in terms of ideals, systems, way organizing and structures which use a logic of bureaucracy and among which the development of a new middle-management role is a critical feature. These changes seem to have important consequences for the basic psychological contract between the professional and the organization in professional service firms.

The changes, as they are found in the case, are more complex and laden with conflicts than otherwise described in the literature about professional service firms. This is based on the way the actors ‘draw on the existing logics’ and the conditions they have for doing this locally. This points to the importance of

investigating the interaction of actors in order to understand how the new management practices are institutionalized/structured.

The changes towards a new model of management, found in the study, are based on the ability (and will) of the managers to navigate the contradictory logics in such a way that they can establish a meaningful identity as managers, and that they can mobilize other actors who support a new way of understanding management and that they are able to create space for the conversational reflection upon their behavior as managers and management. The ability (and will) of the managers is in its turn dependent on local conditions and interaction enabling these steps of sensemaking.

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Preface and acknowledgments

Creating a dissertation is probably always part great pleasure, part deep professional inspiration and part personal purgatory. The process of producing this particular dissertation has not been all that different from that description. Migrating from being an academic professional to becoming a professional academic has also been a part of the excitement and challenge of the quest. The sometimes painful process of identity-verification, for professionals who become managers in the dissertation, as well as managers, like me, who become academic researchers, is all important for the performance of professional practice. An important aspect of all human development is social interaction. Looking back at the research process, I wonder from where the cliché of the lonesome journey of the PhD-student emanates. While, of course, the responsibility of independently performing a decent piece of research is ultimately the burden of the researcher, the research-process is essentially a joint effort made possible by an extended web of people around the project. I will attempt to mention all who in important ways made this work possible and express my gratitude for the help you have gifted me with.

At Copenhagen Business School I have been endowed with a good humored and astute team of supervisors. Per Darmer who, while always supportive, was able to point to the lack of garments, as the boy in the ‘Emperor’s new cloth’, when I tried to cut corners or lost my way in intellectual obtuseness. Per made many subtle and inspiring suggestions, of which I hope I have realized some of those with the strongest potential. Flemming Poulfelt has, with his strong network and vast experience within research of management and consultancies, been a constant inspiration and conversational partner in relation to the field I study in the dissertation. Persistently, but with rather mixed results (entirely my fault I am afraid), he has tried to appeal to the ‘industrial’ aspect of my PhD. At the end of the day, not a single time have I left the many supervision sessions with Per and

Flemming in a worse mood than when I came – I am grateful beyond expression! But even before that, Henrik Holt Larsen, repeatedly urged me to endeavor into the world of research through the industrial PhD-program he originally was involved in developing and by being a beacon of the nascent Danish HR-research for the last 30 years, inspiring me and many others and was the first practical aide in the business of getting this project started at CBS.

In the very last minute, Chris Mathieu descended as a saving angel and read and commented on the manuscript. Everybody who has been in my situation will appreciate the magnitude of that help – there is no end to my debt to Chris for this. And to my mother for, incredibly, plowing through the manuscript to reduce the inevitable errors and typos considerably. My once student colleague, now ‘Dr. Sus’, Susanne Boch Waldorff, did a great job in reading and commenting pieces of the work and by taking notes and giving feedback at my, very important, second ‘Work-in-progress’-seminar. She was a great travel companion and a mean ski buddy during my visit to Alberta University, but that is another story. Ann Westenholz, who after challenging my intellectual laziness in the very beginning as a Director of the doctoral school, became a distant but nevertheless important mentor of my project, inserting key references in my process and encouraging the way my theoretical work led me. Eva Boxenbaum, our young spearhead of neo-institutional theory, started out scaring the shit out of me, because she bluntly questioned how one with my ‘industrial’ origin could do proper research, but ended as a major source of inspiration, encouragement and care, as I gradually became accepted into ‘the institutionalist club’. She famously challenged me at a PhD-course: ‘Well, you can obviously complete your dissertation, the question is, can you write a *good* dissertation?’. I was deeply inspired by Renate Meyer’s enthusiasm about the phenomenology of institutionalism and her supportive comments to my early papers. Thanks also to Jan Mouritsen for good conversations which helped calibrate the scope of the project.

Among the PhD-students, I have - in spite of standing out as somewhat odd and ancient - had good companionship in the important identity work as a researcher in the making which is sometimes the greatest challenge of the process. Lærke, has become my institutionalist buddy and conversation partner, giving me feedback on papers and discussing general issues we had in common. Karin, has been the most consistent and caring travel partner in the PhD-process and we have spent lots of time finding out what our research was about and who we were in the process and elsewhere, reading papers, participating at WIP-seminars – thank you for that. Gabriela, Anne R., Didde, Jane, Anne, Rune, Kristian, Anja, Marie, Mette, Kirstine, Cecilie, Anders, Naima and Sofie; you have all contributed to the social environment of becoming a researcher, by listening, small-talking and most of all by being fellow-travelers to reflect upon and with on the journey (although most of you left for parental leave in the process). May you all land where you want and where it serves you best! Among the many delightful helpers in the administration, I will highlight Pia, Dorrit and Katja who, especially in relation to my visit to Alberta University, did an invaluable job.

At Deloitte, I must thank the former HR-director, Peter Leth, for his willingness to harbor the project and letting me into the organization. Dorte Queck, formerly HR-consultant at Deloitte (now in a Manager position), has been my fellow internal observer of management at Deloitte and we have had numerous inspiring conversations about the core-issues of management in Deloitte and my dissertation. I have also had the great experience of working with Dorte professionally in the process and learn from the way she works. Lotte Bay was my industrial PhD-soul mate because she had graduated as one herself with Deloitte as her ‘field’. She was my empathic and always sweet coach and supervisor in the first years at Deloitte. Also great thanks to Morten and Danny from the HRD-team for good discussions and good company. I send my gratitude to Kirsten Torp, HR-director of Deloitte, who kindly inherited the trouble of having me despite the

work load of entering such a HR position in a large complex organization, and took her time to partake in valuable and enthusiastic conversations with me. Liv Tellervo was an always kind and great support with all the practical matters related to the administrative aspect of my program at Deloitte.

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During my stay at Alberta University Business School in the fall 2010, Roy Suddaby accepted to change his relation to me from contact/host to auxiliary supervisor and co-author. You have been a great inspiration. This alone, made the trip to remote Edmonton worthwhile. Mike Lounsbury commented on my project several times and shared his state-of-the-art thoughts on logics and the micro-foundations of institutions. Dev Jennings constructively strengthened my analysis of the changing organization of work in my case. David Cooper shared his vast experience of research into accounting organizations and his insight into the research community. My fellow PhD-student, Lianne, contributed to the study by

suggesting several ideas for my final empirical research design. The rest of the PhD-guys didn't have too much time to spend on a strange senior PhD-fellow, but we had some good times in the class room and elsewhere. Thank you, as well.

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Beside the Copenhagen and Alberta groups, I have taken advantage of some Boston people as well. First of all May Ann Glynn and Ryan Raffaelli, Boston College, gave me very thorough feedback on an early paper and we had a number of conversations that had direct impact on the project. We also did a symposium together on institutional leadership at the Academy of Management meeting, 2011. Julie Battilana, Harvard Business School, threw in some very important inspirations at a late stage of the project. Frank Dobbin, Harvard University, commented on an early paper and shared his network in Boston. Thank you, to the rest of the people in Boston who I enjoyed inspiring conversations with.

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Thank you everybody!

Frans Bévort, Frederiksberg, 1st of February 2012

Introduction

WHY IS IT IMPORTANT TO STUDY MANAGERS IN AN ACCOUNTING FIRM?

In my working life as a professional member of and student of organizations I have always been mystified by the way that organizations with many professionals or knowledge workers seemed to defy most established wisdom of ‘good management’ and to some extent even basic administrative common sense. By a stroke of good fortune, I approached Deloitte in Denmark in 2007, which seemed to be inspired by the same thoughts, and wanted to study the conditions for developing new ways of managing in the context of a professional organization. In the process, I have had been gifted with the grand opportunity of studying the way managers at all levels felt, thought and performed management over an extended period of time on a daily basis and on location. This dissertation is thus the result of many years of wondering and more than three years of hard work and research into this mystery.

Before entering the main argument of the dissertation it is helpful to contemplate the role and historical situation of organizations in modern society.

The paradox of organizational complexity, interdependence and different professional mindsets

In modern society, organizations are the prime arena in which and by which we create the products and services – be they human, symbolic or material – on which we base our livelihood, wealth and welfare. Reflecting a society that demands outputs which are ever more sophisticated and complex, the technologies, the competencies, the management methods and organizations needed to produce it have become increasingly complex (Perrow, 2003; Stacey, 2007).

While the above may be a relatively trivial statement, it seems today less acknowledged that the organization is also is an arena of very different conflicting

attitudes, values and world-views. In postwar organizations there was a ‘pluralistic’ consciousness which focused on industrial relations, based on the differences in interest between workers and employers – trade unions and employer’s organizations etc. In the early 21st century, even in the highly unionized Nordic countries, the awareness of this pluralism has tended to dissipate. Even though at the turn of this century there has been a greater management focus on issues like diversity management and corporate social responsibility, much debate takes for granted an almost unitary or corporative identity and culture of single organizations in coping with these issues.

This is despite of the fact that most of us intuitively know, in a profound way, that complex production is based on very complex social relations. A case in point from my own professional career: In an organization the HR/training department wanted to establish a systematic way to manage training. The main business IT-system was planned to be substituted with an entirely new one that would, one way or the other, change most roles in the organization. But the exact design of the new roles was not projected to be determined before the late phases of the implementation. Therefore, the HR/Training department proposed to develop an administrative system which should be able to manage data on every employee in terms of existing skills and development plans. The – in the view of the department – completely reasonable argument was that if the organization didn’t know what the future would bring, it could, at least, map the present skill base in order to be ready to train the employees to adapt to the changed world of the new system. Well into the process, the project-responsible (HR-professional) manager realized that this argument wouldn’t fly; the employees wouldn’t register their data and were apprehensive towards central registration, the different professionals want different skill taxonomies that couldn’t easily be supported by the system, the managers objected to the extra administrative burden, time consumption and the homogenization of practice that they saw as an encroachment of their

jurisdiction, and finally the top-management couldn't understand what they saw as all the red-tape and excess time-consumption involved: "Job-descriptions? I never needed any job-description in my life". The HR Training manager realized that 'the grand vision' of an organization-wide system would never be accepted in its totality. If at all possible, they would have to sell the system in 'bits and pieces' with different arguments and emphasis targeted to motivate each group involved. The implementation would have to take into account the different mindsets in the organization and accept that 'the full story' only really worked in a 'HR-Training Logic' and should preferably be kept low-profile outside the department.

The example is a case in point that highly competent professionals and managers usually have very little respect for the intricacies of bureaucratic management of organizations as a whole. Accordingly, it seems to be hard to accept that production in large complex organizations demands specific professional competencies - and mindsets - other than specific technical competences like finance, medicine, law, or accounting etc. Competencies and roles dedicated to address the complexity of the organization itself. This was incidentally one of the key-elements of Weber's (1922) description of the ideal bureaucracy; that bureaucracy is based on managers trained as 'office managers'. As a result, the understanding of what goes on in an organization is often restricted to be seen from the point-of-views of the specific historical logics which evolve around the tasks, technology, skills and identity of the individuals and groups who addresses it. In the example, the HR-people were, of course, as biased by their own professional point-of-view as the rest, even though they were a proxy for a 'holistic' view of the organization here.

Most professional organizations contain a large proportion of rather similarly trained and independently working professionals, and who are, according to the points above, somewhat skeptical of management as something distinct from professional work. Thus traditionally, especially professional organizations have

been led by technical experts, frequently professionals without any professional interests or training in management as such (Hinings, 1999). Professional organizations are interesting in the way that they, as mentioned, less than most other organizations, have integrated what may be seen as generally accepted aspects of bureaucracy and management. This is, following the points above, arguably because they are dominated by specific professional disciplines that have been able to preserve their way of looking at how organizations should be run.

However, in spite of the apparent apprehension of professionals towards the dysfunctions of ‘bureaucracy’, it seems as if bureaucratic ways of organizing remain an almost unstoppable force (Perrow, 1970, 2003), advancing in rather direct proportion with the rising complexity of technology, globalization of markets, sophistication of customer/client demands, social responsibility, sustainability, pollution, work-life balance and health issues like stress-related conditions etc. While non-bureaucratic organizations may be attuned to creative product development and open-ended search for new technologies and knowledge, it seems as if efficient management of the modern complex organization – under whatever guises it may come – is some kind of bureaucracy (Perrow, 1970, 2003). And that includes the management of professional organizations as accounting firms.

At the end of the day, we have a situation in which most organizations will have to cope with the complexity of a vastly increased need for professional competence and knowledge, and at the same time the need to run efficient bureaucracies in complex organizations. This applies to professional organizations as well. The present dissertation is about how this conflict between a professional and bureaucratic logic takes place in a large accounting organization in Denmark, Deloitte. Being a deeply professional organization, Deloitte dared to challenge the established wisdom and asked: “How can we develop a system of management which gives us a more efficient *internal* organization?”, and started initiatives to

that effect, of which a minor one is the present project. The scope of the thesis is to understand how management is understood by the members of the accounting organization. The basic assumption is that if the basic elements of bureaucratic management are not (made) sensible to the professionals who deal with management, it is not very likely to become an efficient organizational practice. Especially, the professionals who become managers are exposed to the conflicting worldviews of what I call the professional logic and the bureaucratic logic. The question is then: How do these managers make sense of the conflicting logics of management?

But why should we really care specifically about what happens within professional service firms like Deloitte? In the following I will shortly summarize a number of points as to why professional service firms are important.

Professional service firms and the case company as a venue for conflicting logics

Deloitte is the largest professional service firm¹(PSF) in Denmark. In 2010 Deloitte employed 2400+ employees of which the vast majority was professionals. Deloitte is one of the Big4, accounting based global advisory firms. This kind of firms, alongside other knowledge intensive firms, have become of growing importance in the modern economy. According to Big4.com, the Big4 companies employed 600.000+ staff worldwide in 2010. PSF's employed 16.7 million employees out of a total of 138.8 million (non-farm employees) in US in 2004 (Greenwood, Suddaby and McDougal, 2006).

¹ Excluding engineering. A comprehensive definition of PSF-category is: Law-firms/attorneys, accounting firms/auditors, management consultants, technology consultants, engineering consultants, insurance brokers, investment bankers, marketing and PR-services, advertising agencies, architects, personnel and actuarial services, suppliers/sub-contractors delivering computer designs and software to the large computer manufacturers, management information systems and computer science consultants, specialized designers delivering firm specific design of all kinds – e.g. computer systems, graphic, and industrial design (Løwendahl, 2005, p.23-24).

Knowledge work, generally speaking can be assumed to be still more prevalent following the rise of universal technical and academic training. Henceforth, as implicated above, the professionalism vs. management clash (Raelin, 1985; Ejler, Poulfelt & Czerniawska, 2011) affects a much larger number of organizations than just the PSFs.

Management of professionals (Raelin, 1985; Parsons, 1949) or knowledge workers has recently attracted much interest. Researchers have discussed management of ‘primadonnas’ and ‘cat herding’ (Von Nordenflycht, 2010) to point to the challenge of motivating and controlling very independently minded and resourceful employees. Combined with ‘talent’ shortages and changes in work morale of the generation ‘Y’ (‘X’, ‘Z’) commentators have argued that management of knowledge workers apparently has become all but impossible.

In professional service firms like Deloitte it happens every day with impressive results. Thus, Deloitte is interesting as an example of management of knowledge workers and of professionals in its own right. In addition, Deloitte has gone through a gradual change in people management during the last 30-40 years which is an exciting example of how an organization responds to the imperatives of the professional and the bureaucratic mindsets.

Overall, combined with the initial emphasis on the tension between rising organizational complexity and professionalism, the study of the managers and management of professional service firms are likely to create findings of interest for everybody interested in managing modern organizations.

Research question

As touched upon above, the main view of the dissertation is that professional service firms as Deloitte are in a development, which makes bureaucratic management thinking (or logics) challenge the formerly dominant professional logics. The focus of the dissertation is how this development becomes real within the organization and that is why I have chosen to focus on a new manager

category, ‘department managers’. This category is new in two senses. It is a relatively new category and the content of the role is gradually changing towards a full-fledged manager role. This manager is seen as fundamental for a change towards a more complex (bureaucratic) organization. The way the managers interpret and act in response to the demands of the new organization is therefore an obvious place to look in order to understand how this change takes place.

Thus the research question of the dissertation is:

‘How do professionals who become managers in a professional service firm make sense of contradictory logics’

Conceptually, the question contains three different theoretical elements which the dissertation applies in order to answer the research question. At the same time the three elements together embody the analytic strategy of the dissertation – the basic argument.

‘Contradictory logics’ – the changing social context – the ‘why’

The context of professional service firms and the managers I study are changing (Cooper et al., 1996). I conceptualize these changes as logics which are not easily compatible (Friedland & Alford, 1991). This institutional context I see as the content that the managers use to make sense with is theorized as the logics of professionalism and bureaucracy (Freidson, 2001). In the dissertation I analyze this institutional context in order to create a conceptual frame to understand the social context in which the managers are embedded and which, in part, explain the changes taking place.

‘Managers’ – management behavior - ‘the what’

This study is about professionals who become managers. I see this process as a change of management behavior reflecting the way the changing constellations

of logics change (Goodrick & Reay, 2011). This is the role related behavior, tasks and expectations included in being a manager, which I discuss as management ‘scripts’ (Barley & Tolbert, 1997; Gioia & Poole, 1983). Thus, I restrict myself to study management and managers as I find them in my case, but assuming that management as a repeated behavior is an observable social phenomenon that is interpreted and enacted differently by different actors and thus may be changing.

‘Make sense’ – the process - ‘the how’

I see the changes in institutional logics as becoming realized through a cognitive and emotional processes taking place within and in the interaction between the actors of the organization in the study. ‘Sensemaking’ (Weick, 1995) is the concept I use to analyze when the individual manager makes sense of the management scripts with the institutional logics. This is in part the way the dissertation explains ‘how’ the change in the manager role in the case takes place.

CONTRIBUTIONS OF THE DISSERTATION

The dissertation draws on and seeks to contribute to the PSF-literature, institutional theory and sensemaking theory (symbolical interactionism). The papers and the literature review will repeat different versions and different nuances of these contributions and they are consolidated in the conclusion. Nevertheless, I have chosen to include a number of points below in order to position the dissertation up front.

Theoretical positioning of the dissertation: Institutions, sensemaking and structuration

Understanding: The context/content – institutional theory and contradictory institutional logics

Actors, like the managers in my case, do not make sense in a vacuum. There is a social and historical context that defines (most of) the social space within which the individual can understand her or himself. For instance, there is an

inventory of meaningful options an accountant can choose to invoke in order to sustain his role as ‘a proper accountant’. Skills, behaviors, norms, dress code etc. But this inventory is limited. Praying at the clients or wearing shorts, are not included. And such inventories change over time. The question is what the available inventory of logics is for professionals who become managers in Deloitte? And how do the available logics relate to each other? To investigate this I draw on recent developments in neo-institutional theory.

For a number of years central voices within institutional theory have called for more theorizing and research into the way actors ‘talk back’ to institutional pressures and complexity (DiMaggio, 1988, 1997; DiMaggio and Powell, 1991; Powell & Colyvas, 2008; Suddaby, 2010; Greenwood et al., 2011). This has been formulated as a ‘cognitive’ turn (DiMaggio & Powell, 1991) and Suddaby (2010) points to the irony that the ideational focus on ‘rational myths’ (Meyer & Rowan, 1977), ‘the role of perception in institutionalization’ (Zucker, 1977) and ‘structuration’ (DiMaggio & Powell, 1991) have all but disappeared from institutional theory. He states that the concept of meaning seems to have been lost in the process and that institutional theory has an ‘implicit symbolic interactionism’ which is not addressed or theorized (Suddaby, 2010, p. 17). Even the much applied ‘institutional logic’ concept (Friedland & Alford, 1991) has become somewhat devoid of the ‘symbolic construction’ element originally envisioned by Friedland & Alford (Thornton & Ocasio, 2008).

While a growing body of research addresses the way actors influence institutions by the way they act: ‘embedded agency’ (Battilana & D’Aunno, 2009), ‘institutional entrepreneurship’ (Hardy & Maguire, 2008), ‘institutional leadership’, (Kraatz, 2009) and ‘institutional work’ (Lawrence & Suddaby, 2006; Lawrence et al., 2009), the process in which how these actors within organizations subjectively experience and make sense of institutional pressures and changing

logics are rarely addressed in the extant literature (see however Zilber (2009) and Lok (2010)).

The behavior/cognition - management scripts

I understand the manager role is defined by expectations, skills, behaviors and action sequences (Berger & Luckmann, 1967), which people in a society general associate with management. These can be seen as ‘scripts’ – cognitive explanations of the purpose of action and conceptions of how action should be performed (Abelson, 1980; Barley, 1986). These scripts are taken-for-granted and only change slowly through history. In organizations, examples of such are for instance management scripts such as performing a development/performance interview or managing a team-meeting. If we want to understand how management changes, it makes sense to look at how these ‘scripts’ of management are performed by managers in order to investigate the logics they use to make sense of them. To what extent is it possible to detect changes in the scripts as interpreted and performed by the managers? The ‘script concept’ has been used more broadly by Goffman (1983) and more limitedly in the practice of management of services. In this context script is a way to conceptualize and study the link between institutional logics and action, meaning and sensemaking (Thornton, Ocasio & Lounsbury, 2012; Barley & Tolbert, 1997).

The process - sensemaking

New management scripts do not just descend from heaven or headquarters. They are continuously processed through the way managers interpret and act according to them (I will use the words ‘encode’ ‘enact’ and ‘revise’ to describe this below (Barley & Tolbert, 1997)). In other words, the managers make the scripts their own by adapting them to the way they understand the world. They ask; ‘how does this script fit with the way I understand myself? How do my colleagues expect me to act? What happened when I did this?’ In short, they

struggle to make (new) scripts fit into a meaningful world and the question is how they use the existing logics to make the management scripts meaningful (Weick, 1995; Weick et al. 2005).

The theoretical point is that, while the impetus for change may ultimately come from institutional pressures from outside or inside the organization (Barley & Tolbert, 1997), the extent to which this change becomes socially real is dependent on the meaning actors – in this case professionals who become managers – subjectively can attach to them (Blumer, 1969). And it is argued that the insights from sensemaking theory can provide and inspire a number of concepts that help us understand when this is likely to happen (Weick, 1995).

Logics-scripts-sensemaking

By proposing a logics-script-sensemaking framework, the thesis tries to close the gap between individual action and cognition in institutional theory by describing a possible way of understanding the micro-foundations of institutions and institutional change. This study analyzes how managers make sense and co-construct their role as managers in a situation where they are in the midst of a transformation from a context dominated by a professional logic to one with a new constellation of logics (Goodrick & Reay, 2011) including elements of a bureaucratic logic.

This is the general conceptual underpinning of the way the dissertation answers the research question. I will add that the approach to collecting data which I have chosen is ethnographic, because in my view, the best way to study the way actors understand their world is to meet them, observe them and live with them in their own world. It is necessary to understand what Garfinkel calls the “ongoing accomplishments of organized artful practices of everyday life” (Garfinkel, 1967, p. 11). Or in the words of Barley & Tolbert (1997), to understand the change of scripts we need to study and understand the way actors *encode, enact and revise*

the institutionalized scripts which guide and result from the sensemaking of management practices.

EMPIRICAL RESEARCH TRADITIONS WITH WHICH THE DISSERTATION SPEAKS

Parallel to the development of institutional theory, most research into professional service firms (Malhotra et al., 2006; Cooper et al., 1996; Greenwood et al., 1990), has focused on organizations at the field or strategic management level while less research has focused on the “micro-processes of institutional change (and (...)) To link changes in firms’ structures with micro-level analyses of changes to professional work to understand the depth of change” (Malhotra et al., 2006, p. 197). One contribution of the study is to do exactly that: To link the managers’ response at the micro-level to structural change that are part of a general institutional change affected by a bureaucratic logic.

Within the PSF literature, the study will add to the understanding of the micro processes underlying the observations of the pioneering, but somewhat abstract, ‘archetype’ studies of change in professional service firms (Greenwood et al., 1990, Cooper et al, 1996, Greenwood et al., 1999, Brock, 2006, Brock et al., 2007). This analysis expands the notion of Cooper et al. (1996) which anticipates a more dialectal process of transition from a professional logic to a synthesis of elements from both professional and bureaucratic logics; meanings as well as practice.

Opposed to the typical ‘archetype’ school study, this study is done at the interaction level, illuminating some of the processes that are underlying the observed transition and the resulting complexities. The fact that I could identify fundamental changes in the organization of work, and indeed managerial work – exemplified by the evolution of the department manager role, confirms many of the conclusions of the more macro level research. Finally, the results of this paper question the value of generalized phase-models which are not sensitive to the

impact of actors and interaction in the translation and revision of the way logics affect practice. This is, as Cooper et al. (1996) acknowledge, but do not really embrace, to take a ‘structuration’ perspective (Giddens, 1984) as proposed in this study.

AN OVERVIEW OF THE ARGUMENT OF THE DISSERTATION IN SHORT

In order to give an overview, I will briefly account for the main argument throughout the dissertation and how the paper fits into this argument. This is, at the same time, a mapping of the text of the dissertation.

In the first section I start by describing professions and professional organizations as distinct in terms of their institutional framework. This distinction makes the ‘rules’ of management for professional organizations different from most other organizations. However, these rules seem to be challenged by a more mainstream bureaucratic management form. Institutional theory offers explanations as to how such institutional ‘rules’ (e.g. institutional logics) may affect organizations. For instance, institutional theory explains how organizations copy each other within specific groups of organizations and how management in practice becomes decoupled from efficiency. Sensemaking theory offers explanations of the processes in which these institutional logics are made and changed by the actors in the organizations. For instance how the professionals who are managers try to establish a meaningful identity as manager in spite of the contradictory demands and interpretations of the role. Structuration/institutionalization theory explains the interaction between institutional logics and sensemaking in a process in which action-scripts (like management behavior) are adhered to and enacted but also defined and redefined. I show how different management scripts, e.g. when managing a team-meeting, were enacted in the case firm in ways that supported and revised the manager role in one unit and in another confirmed a ‘senior professional’ role instead

(Literature review). To understand this, I develop a logics-scripts-sensemaking framework which uses (management) scripts to connect logics with sensemaking. The managers use the available logics to make sense of their roles as managers by enacting the scripts in ways that confirm their identity, by interacting with colleagues and by actively reflecting upon their role performance. From the logics-scripts-framework I develop a scripts based research design (adapted from Barley & Tolbert, 1997) which proposes to analyze scripts as they are encoded, enacted, revised, replicated, objectified and externalized. In the study of managers in the case firm it is meaningful to study how management scripts are enacted by the managers and how they draw on the available logics in order to make sense of them. The scripts studied are: meeting scripts, interview scripts, dismissals etc. These findings are based on and documented by a long-term ethnographic study of managers in a professional service firm. By interviewing, observing and participating with members of Deloitte accounting divisions and shadowing two managers for more than five days, I have drawn a rich picture of the cognition of the change of management, producing more than 500+ pages of transcripts and 300+ pages of field notes **(Research design & methods)**. The case is described from different perspectives in order to give a rich understanding of the context in which the data-collection and analysis have taken place. That is, a fact-based perspective, an interpretation of interviews with significant actors and an impressionistic account made by the researcher himself **(Three perspectives on Deloitte Denmark)**.

The first paper; *The Bureaucratization of a professional service firm. A case of struggling logics* (Bévort, 2012a), introduces the field literature, tests earlier hypothesis and proposes the use of institutional logics analysis as an alternative to the archetype approach. The second paper; *How to study actors making sense of contradictory logics* (Bévort, 2012b) develops the analytic model used in the dissertation in parallel to the research design section. The third paper; *Making*

sense of contradictory logics (Bévort & Suddaby, 2012), investigates the way actors make sense of the contradicting logics of managerialism. It analyzes the encoding, enactment and revision of management scripts by the actors and the organization. It proposes that this kind of analysis is necessary to make institutional theory capable of understanding organizational responses to institutional complexity. The fourth paper; *The Changing psychological contract of a professional service firm* (Bévort, 2012c), describes how the changes in the management model affect the non-managerial professionals. It shows that the managerial changes potentially affect the crucial ‘producer-of-producer’ principle at the core of the professional organization by a change in the psychological contract with the accountants (**The papers**). In the conclusion I sum up the general findings in relation to the research question. The theoretical and empirical contributions are discussed. The broader implications for the study of organizations and organizational theory are also discussed (**Conclusion**).

“Sometimes I feel like we are ‘playing bureaucracy’”

HR-consultant in Deloitte, 2009

Literature review

INTRODUCTION TO THE THEORETICAL INTEREST AND POSITION

The study is based on the view that the particular accounting organization in which the empirical inquiry takes place is placed in a context that is institutionalized in a particular way. As I clearly find documented by the results of the field study, the organization is saturated with a professional mindset or logic. On the other hand, other influences are affecting the organization. The professional services that are delivered by the firm are formed by a market logic. Finally, and a central feature of the argument, the institutional basis of the organization is affected by a pressure towards higher efficiency, standardization and functional specialization – a bureaucratic logic. Below I will briefly discuss the origins and character of the professions and professional organization (Freidson, 1994; Abbott, 1988; Larson, 1977) and more thoroughly review the central research concerned with the peculiarities and development of the Professional Service Firm (see, Von Nordenflycht, 2010; for a discussion of the ‘boundary conditions’ for the category. The point is elaborated below).

After establishing an understanding of the specificity of the professional service firm, I turn to a more general discussion of institutions, isomorphism, rationalized myths and institutionalization as basic concepts in institutional theory and institutional logics, to illuminate what mechanisms can be said to be at play in the creation of the institutional aspects or character of an organization like the case PSF. How is an organization affected by institutions according to (neo-) institutional theory (Greenwood et al., 2008)? How can we establish a link

between the institutional frame and the actual practices in the organization to understand in which context the managers in the study work and act (Greenwood et al., 2011; Zucker, 1991)? The two concepts of ‘isomorphism’ (DiMaggio & Powell, 1983) and ‘rationalized myths’ (Meyer & Rowan, 1977) are cornerstones in the ‘top-down’ view of neo-institutional theory. The concept of ‘isomorphism’ underlines the way organizational actors are influenced by societal and field level institutional pressures. The concept of ‘rationalized myths’ describes how cognitive macro-influences are legitimating specific practices decoupled from functional efficiency. A more micro perspective is inherent in the concept ‘institutionalization’ (Barley & Tolbert, 1997; Zucker, 1977), which seeks to link cognition and practice to the creation and development of institutions giving actors a much more visible role in the process of creating and forming institutions. One influential way to theorize the content of institutions is to point to the *institutional logics* that link institution, cognition and practice (Friedland & Alford, 1991; Thornton & Ocasio, 2008). I describe how institutions can be said to be in a dialectical relation to the cognition and action of the actors in the organization (Barley & Tolbert, 1997; Seo & Creed, 2002; Benson, 1977). The argument being that the way actors make sense and enact institutions is critical to the understanding of the persistence versus the propensity to change of a specific organization in a specific moment in history. The actors have to make sense of and enact the roles associated with the institution in order for it to become real in the view of the actors themselves (Berger & Luckmann, 1967). As two of the neglected ‘godfathers’ of institutional theory (Meyer, 2008) Berger & Luckmann (1967) wrote:

“... we can say that, on the one hand the institutional order is real only in so far as it is *realized* in performed roles and that, on the other hand, roles are representative of an institutional order that defines their character (...) and from which they derive their objective sense.” (ibid, p. 96).

Neo-institutional theory has moved on towards a greater interest of the former direction of causation in the quotation, with a focus on concepts like institutional work (Lawrence & Suddaby, 2006), institutional entrepreneurship (Leca, Boxenbaum & Battilana, 2009) and institutional leadership (Kraatz, 2009). This, and the call for a ‘cognitive turn’ in institutional theory (Suddaby, 2010; DiMaggio & Powell, 1991) has created a focus on meaning creation, maintenance and the production of new meaning, an important process in the creation, reproduction and destruction of institutions (Powell & Colyvas, 2008; DiMaggio, 1997).

Hence, following the walk-through of central concepts of institutional theory, I will argue that the actual sensemaking processes and the conditions for them are crucial to understand the way an organization such as the case firm can change and substitute some of the fundamental institutionalized roles, routines and cognitive understandings of work and organization. I argue that the managers I study are placed on a stage on which the fundamental script is under transformation but this transformation can only be ‘subjectively real’ in so far the managers can make sense of the roles and are able to enact them (to paraphrase Berger & Luckmann (1967) above). This is partly a question of individual agency and interaction between the actors in the organization. And to this purpose I believe sensemaking theory (Weick, 1979, 1995, 2001, Weick et al., 2005) and symbolical interactionism (Blumer, 1969) are productive ways to analyze the actual meaning creating processes around the development of the new manager role in the case.

To this end I will discuss work on structuration of institutions (Barley & Tolbert, 1997; Giddens, 1984) and how institutions affect sensemaking (Weber & Glynn, 2006). Both lines of theorizing deliver practical approaches to linking institution and the production of meaning, discussing important mediating concepts like roles, identities, scripts (Barley & Tolbert, 1997) and typifications (Weber & Glynn, 2006; Schutz, 1967; Berger & Luckmann, 1967) and how these

change in the case in the process. I use the ‘scripts’ concept to connect the material practices and symbolic construction of institutional logics with the cognitive process of meaning creation and enactment in sensemaking theory. I end by proposing an analytical model sequencing logics-scripts-sensemaking to set the scene for the research design in the following section.

FENCING IN THE FIELD: THE PROFESSIONS AND PROFESSIONAL SERVICE FIRMS

Sociology of Professions – a starting point

Interest in the professions has a long history. One of the more prominent sociologists of the professions, Elliot Freidson (1994) tracks interest in the professions as an important institution in society in the English speaking world back to the political philosopher and proto-sociologist Herbert Spencer in the 19th century. Indeed, Talcott Parsons (1939) in an essay on ‘Professions and Social Structure’, tracks the importance of professions as far back as the role of the legal profession during the Roman Empire (ibid., p. 457). However, professionalization, and the rise of professionalism as a major institution in society, is primarily associated with the establishment of modern industrial society and the complementary bodies of public government (Freidson, 1994; Parsons, 1939).

How come that the professions persistently stir the interest of new generations of social scientists? The standard argument in the sociology of professions is that professions and professionals are special compared to other occupational groups in society:

“Professions were organized bodies of experts who applied esoteric knowledge to particular cases. They had elaborate systems of instruction and training, together with entry by examination and other formal prerequisites. They normally possessed and enforced a code of ethics or behavior” (Abbott 1988, p. 4).

Thus, the traditional normative idea is one of professions and professional organizations that are imbued with a superior moral quality and expertise, and

therefore cannot be measured, not to mention governed, by the same principles as can other occupations in the world of work.

The professions have been characterized by a great diversity of views in the sociology of the professions: that the professions and professionalism belong to a special calling and attract personalities with specific (e.g. altruistic vs. egoistic) motivational profiles and with specific competences (Parsons, 1939), a dominant social class or collective with a professionalization project focused at market control (part of the ruling class or a transformation of this based on knowledge instead of property (Larson, 1977)), a system of interest groups struggling to hold or expand their jurisdiction (Abbott, 1988), as groups of skilled laborers in sophisticated occupations vulnerable to de-skilling and de-professionalization (Freidson, 1994) and finally also as a specific way of organizing work in organizations (with a high level of discretion, self-organization, self-control of work (Freidson, 1994; Abbott, 1988; Larson, 1977)).

The views above are not entirely exclusive and at the same time the definition of what a profession is somewhat underspecified. Larson (1977) writes about the central differentiator of professionalism; *professional training*:

“...it is often emphasized that that professional training must be prolonged, specialized and have a theoretical base. Yet as Elliot Freidson ironically points out, it is never stated *how* long; *how* theoretical or *how* specialized training must be in order to qualify (as professional training, ed.)” (ibid., p. xi).

However, the ideas described above, i.e. the profession seen as ethically-based calling, the notion of professions as influential interest groups and classes, the image of highly skilled occupations and a specific way of organizing highly specialized work, identifies the professions as an important institution in society, with a set of specific knowledge, values, behaviors and logics. In this context the idea of the specificity of

organizing and controlling professional work has special importance (Freidson 1994, pp. 129-145) as I will describe in a general way below and return to it in the review of the literature on Professional Service Firms.

Organizing the professions or professional organizations

Whether the professions have been organized in one-man enterprises or large complex organizations, the question of how to create and reproduce professional knowledge and skill have been of critical importance. This has created a closer link to society than other occupations through professional research and training at universities (DiMaggio & Powell, 1983) and through public agencies and certifying bodies that have often set the formal limit between professional and not professional. Larson (1977) is frequently cited for the statement that professions and their organizations are ‘producers of producers’:

“The core of the professionalization project is the production of professional producers; this process tends to be centered in and allied with the modern university” (ibid, p. 49-52).

The ‘producer-of-producers’ point can in some sense be said of many organizations, most HR-people would interject. However, for instance an accountant in the case builds his skills for 10-15 years before he becomes eligible for partnership. This training is in part formal training carried out at universities etc. but it is simultaneously to a very large extent informal learning-by-doing in interaction with partners, senior colleagues and clients. When the partners at the case-firm of my study labeled their organization as partly an ‘educational institution’, they confirm the view of Larson (1977) above. With the words of Mintzberg (1979, 1983), who popularized the label ‘professional bureaucracy’ (Freidson (1994) cites Smigel (1964) for the introduction of the term), the productive core of a professional organization is the professional workers and the prime way of organizing and controlling is by organizing the training of skills, developing competence and indoctrination of these core workers. Such processes

make possible the applauded behavior of self-organizing, autonomous decision-making and a strong loyalty to professional norms and standards, that makes supervision and monitoring almost superfluous in the professional organization. The question is how to organize work in a large organization in such a professional environment.

Professional work, organization and bureaucracy

A traditional argument about the organization of professionals' work is that professionals cannot thrive and work in bureaucracies or organizations with bureaucratic style management and controls (Abbott, 1988; Larson, 1977). As mentioned, the strength of the professional work organization is the way the individual professional, the team of professionals and even managerial supervision work are organized around a norm of independent professional judgment based on collegial professional regard and cooperation and most often performed ad hoc. This is a far cry from the standardized, specialized, detail-planned, and monitored work of the ideal-typical bureaucracy (Freidson, 1994, 2001; Weber, 1922). Much management literature leads to the view that such conflicting managerial logics cannot co-exist (Benson, 1973). The consequential argument is that the drive towards bureaucratic efficiency will harness and suppress the professional way of organizing work and eventually create de-professionalization and less autonomy for the professional practitioners. Benson (1973) suggests that this view is predominantly based on anecdotal evidence and that a significant amount of empirical research shows that bureaucratic and professional logics can coexist in many organizational settings (Benson, 1973, p. 378-379, Suddaby et al., 2009)). The results of Cooper et al.'s (1996) study of Canadian law firms showed that these firms introduced a number of bureaucratic management elements without fundamentally changing the professional logics underlying the organizational set-up. The point is that even though the mindset or logics of ideal-type bureaucracy and the professional ideal of the organization may mutually contradict each other,

they can still co-exist, even productively, in an organization without the one subsuming the other. Larson (1977) quotes Parsons (1949, *ibid*, p. 207) for the observation that it seems puzzling that two social institutions that have been so intertwined in their development in modern society as the professions and the state bureaucracy, should create fundamental insurmountable contradictions. Indeed, Larson (1977) ends writing off the contradiction and placing ‘the project of professionalism’ as an aspect of the class-war in the same league with business and state bureaucracy against the working class in late capitalist society. Larson describes brilliantly the symbiotic relation between bureaucratic organization and the professions:

“At the gates of the professional world, the professional minorities who control a field do not receive an undifferentiated mass of entrants, but a super-filtered, super classified, specialized and hierarchized cohort. In the world of work, their connections with and dependence upon heteronomous bureaucratic organizations (bureaucratic organizations with a significant professional component) stratify the professions *internally* in terms of access to work-related resources, income, prestige, and vicarious power.” (*ibid*, p. 204)

However astute the analysis of Larson (1977) may seem, the professions and professional organizations, writing in the 21st century with a less macro-sociological scope than Larson’s, still creates new tensions and provide an alternative to the organization of work known from bureaucratic business organizations. Freidson (1994) makes a similar point when he writes that the discussion of the demise of the professions in the sociology of the professions, hugely overstates the point. While major changes have happened, it is by no way evident that the professions have become less important because they have been integrated within hierarchical forms of organization (Freidson, 1994, p. 9). Freidson (*ibid.*) points to the medical profession and describes how the growth of medical services and technologies of care have arguably made the medical

profession even more powerful politically as well in terms of organizational control. Closer to the domain of the case firm, the role of accounting in the Sarbanes-Oxley/Enron scandal, the world financial crises and the continuing world-wide growth and consolidation of the Big4 and the advisory industry also bear witness to a growing role of commercial organizations of one of the professions, i.e. accounting.

As many observers have pointed out (Cooper et al, 1996; Greenwood et al 1990; Freidson, 1994, Mintzberg, 1983; Cohen & March, 1996; Scott, 1965), the professional organization persistently resists conforming to a number of important characteristics of the bureaucratic organization. In reply to the researchers who predict the fall of professionalism, Freidson (1994) robustly states:

“By and large, most organizations that employ professionals deviate far more than those that do not from the bureaucratic ideal or, more generally, are more likely to violate the premise that organizations operate like rational systems concerned with maximizing efficiency.” (ibid, p. 137).

Leicht & Fennel (2002) argue that the professionalization of management and new managerial roles in modern organizations in effect undermine the power of the professionals in ‘heteronomous’ organizations. While this is an exciting new perspective, it only seems potentially relevant for certain professions. For instance within engineering, it seems as if bureaucratic organization and the professional project have merged in the sense that an engineering career very often is a managerial career (Raelin, 1985). Even in the engineering profession, the professionals as well as the managers remain oftentimes uncomfortable with the bureaucratic machinery and logics.

I will follow Freidson (1994) in the view that the power of professional workers and organizations are still intact and I don’t agree that it has been substituted by a new ‘managerial profession’. It is true that the professions have always been overlapping with and sometimes been locally synonymous with the

managerial staff. But in my view the professions and the organizations that are affected by professionals in a significant way remain a distinct social phenomenon (in accord with Freidson, 1994, 2001). The tension between the bureaucratic way of thinking and the way professionals work is, thus, a theme that has interested sociologists and management scientists for at least a century. Freidson (2001) distinguishes between three kinds of logics; the market logic, the bureaucratic logic and the third; the logic of professionalism. In the following I will contrast the consequences of a bureaucratic mindset and the professional mindset on the internal management and organization as it is materialized in the professional service organizations. But before we go on, it is necessary to define what I mean by bureaucracy.

The concept ‘Bureaucracy’ was made famous by Weber (1922) as an ‘ideal-type’ for a way of organizing the modern organization growing out of the industrial society. His ideal-type included a number of characteristics;

- fixed and official jurisdictional areas based on rules,
- hierarchy - an ordered system of super- and subordination,
- management is codified in documents,
- specialized (office-) manager roles,
- members of the staff are employed exclusively by the office,
- the office management follows (stable) general and explicit rules (Weber, 1922).

Many later formed characteristics can be added as extensions, developed by industrial managers like Alfred P. Sloan (as described by Chandler, 1962), for instance the managerial devices that are necessary to control the ‘divisionalized form’ of large scale industrial organizations; centralized accounting systems, liaison devices, planning systems, HR-policies, etc.(Mintzberg, 1979).

Today, the word ‘bureaucracy’ is best known for the dysfunctions that may follow deficient or over-done bureaucratization; ‘red-tape, rigidity, impersonality and (ironically) waste of resources (Perrow, 1970; Freidson, 2001). As Charles Perrow (1970), the sociologist who is known for his argument in favor of

bureaucracy as a key factor in the creation of modern society writes, modern efficient management of complex organizations is all but inconceivable without the use of bureaucracy (ibid, p. 59). In fact, bureaucracy can be seen as *the* fundamental constituent of modern organizations, especially when discussing the way these handle the consequences of external influences (like conflicts between the job and private life for employees) and internal efficiency (ibid.). The point of this is that most organizations in modern industrial society are more or less ‘bureaucratic’ depending on the ‘raw-material’ (be it human, symbolic or material) they process and the organizational ‘technology’ they have to apply to process it. Technology is in this context as much a psychological test, a marketing analysis as a piece of machinery. Perrow (1970) devised his classical matrix which maps the way technology types may vary the level of bureaucratization:

	<i>Few exceptions</i>	<i>Many exceptions</i>
<i>Unanalyzable search</i>	Craft 1	Non-routine 2
<i>Analyzable search</i>	Routine 4	Engineering 3

Figure 1: Technology variables (Perrow, 1970, p. 78)

The process or technology variables ‘search’ and ‘exceptions’, make it possible to group structural contexts that will support different ways of managing and organizing. Search is the degree of uncertainty the individual will have to cope with in order to solve a task. ‘Exceptions’ describe the degree of variability in the situations the individual will meet when solving tasks.

The point is that ‘bureaucracy’ seems to be most appropriate in situations in which it is possible to obtain a high degree of generalized knowledge about the production process and when the production flow (input-process-output) can be stabilized and standardized – the ‘routine’ context (4). If this is not the case, other variants will be more useful. Perrow (1970) suggests that most real life organizations will cluster around the center of the matrix because all types of situations will to a certain extent exist in all organizations – but maybe even more so 1, 2, 3 around 4, which tend to be found in purer forms in modern organizations; e.g. ‘retail banking’, ‘process-industries’. Looking again at professional work, it is clear that many professional disciplines are defined by incoming tasks (and ‘raw-material’ in Perrow’s terms) which are either unanalyzable, have many exceptions or both. But it is also clear that, for instance, accounting services contain a large extent of routine tasks which are (indeed) analyzable and holds only a small amount of exceptions. The question is whether this functional-structural explanation can account for the way specific organizations choose to organize and manage. Why do organizations seem to not conform to these technologically determined practices? In any case, it provides a structural basis for understanding why effective management of professional work is not obviously similar to the way mass-production or retail-service are led and organized and may lead to other ways of organizing. Similarly it gives tentative explanations to what may lay behind the drive towards a more intensive bureaucratization in professional organizations.

However, even though there obviously are functional practical arguments for specific organizing principles like ‘bureaucracy’ and mass-production (like the pin-factory of Adam Smith), what interests me here is the way these ideals of management become accepted as *the* legitimate way (‘rationalized myth’) of organizing a specific kind of work more or less independently of functional imperatives. The modern manufacturing operation is developed following another

logic than production in a craft-based workshop. This is crucial because it is the highly conceivable that if the logic of mass-production had not been accepted as legitimate and sensible by the operators, the efficiencies would not have materialized (indeed, it took several hundred years for British more-or-less craft-based manufacturing to develop into full-scale industrial mass-production, partly due to this, I will argue). Thus, I see the tension between the logic of ‘professionalism’ and ‘bureaucracy’ as essentially an institutional one, a tension between historically formed mindsets and meaning, rather than solely a conflict between contingently functional production systems. Anderson-Gough et al. (2002, and Grey (1998) stress a related point by claiming that for professionals in professional organizations, the building of a professional identity and learning to perform ‘impression management’ is the main goal (and a key success factor) for professional socialization and not building technical proficiency, as most would be inclined to believe. But this ‘cultural’ rather than ‘functional’ expertise is still crucial for the professional performance of, for instance, accountants. My point is, that ‘bureaucracy’ is likewise a mindset that has to be inculcated in individuals, though most of us take it for granted and don’t have any recollection of the fact of internalizing it (it goes without saying that most academics, having no real life experience with bureaucratic organizations, don’t have a clue whatsoever).

Summing up the debate of professionalization, professional work and bureaucracy

I extract a number of important points from the discussions above: The professions are a particularly institutionalized part of society that amounts to a professional logic with a specific body of norms, knowledge and ethical standards that makes them different from other groups in society. The organizations that employ these people are organized around the professional logic. A professional logic that co-exists in a, frequently, contradicting relation with a still more influential bureaucratic logic (Freidson, 2001; Leicht & Fennel, 2002). While

bureaucracy and professionals maybe always have been connected in the sense that bureaucracies tend to be run by professionals, professional work is not easily compatible with bureaucratic notions of management itself (Mintzberg, 1979; Larson, 1977). Mintzberg muses about the frequently experienced fact that staff-functions often don't apply the same management principles internally as the ones they try to implement in other parts of the organizations (ibid.). In some discussions, 'bureaucracy' seems to become *the* rational management opposed to e.g. the conservative irrationalism of professionals (Perrow, 1970; Maister, 2003). The point of view developed here is that 'bureaucracy' is as much a set of values, an ideology, a worldview, a mindset, in short what we will refer to 'a logic,' as is 'professionalism'. A logic that must be learned and accepted as legitimate if actors shall contribute to make it functional, efficient, etc. Of course, there are elements of 'bureaucracy' which seems functionally unavoidable. As Perrow (1970, p. 90) puts it: "While these ('bureaucratic', ed.) solutions have been frequently criticized by those within and without the organization, no alternative way has been found to cope with the problem of organizing large numbers of people to produce goods and services efficiently". And this probably applies to a greater or lesser extent to the organization and management of professionals, especially considering the changes in the size and scope of the professional service business are undergoing, well as other aspects we shall discuss in the next section.

PROFESSIONAL SERVICE FIRMS STUDIES AND OBSERVERS

Professional service firms (PSF) are characterized by being knowledge intensive organizations employing professional employees who provide highly specialized professional services to clients on a fee basis. This definition emphasizes the tension between the professional superiority inherent in the notion of a profession as discussed above (Anderson-Gough et al., 2002; Suddaby et al., 2009) and the need to respond to the demand of and interaction with – ever increasingly - professional clients ('Business-to-business', Maister, 2003). The extant literature defines PSF's as distinguished from other Professional Organizations (Brock et al., 1999; Greenwood et al., 1990) by this stronger client focus and dependence as opposed to, for instance, organizations providing health and education, where the power of the professionals remains less challenged by costumers. PSFs are also a subcategory of Knowledge Intensive Firms, while this somewhat wider category includes more manufacturing related R&D-businesses (e.g. Pharma and Biotech, (Alvesson, 2004)) which are not strictly speaking service providers. Løwendahl (2005, p. 21) distinguishes between 'knowledge intensive firms', 'labor intensive firms' and 'capital intensive firms', where PSF's belong to the first group together with specialized non-professional service organizations (e.g. Schools and Gourmet firms) and products (e.g. software firms). Another way of illustrating the different groups is the diagram below:

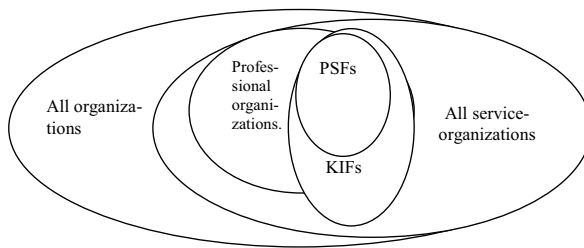


Figure 2 PSFs as a subdivision of other organizations (proportions roughly estimated (Bévort, 2009)).

In most definitions PSF's include: Law firms, Accounting, Architecture, Engineering and Manufacturing (Consultancies/R&D) firms and Management Consulting.

Without reaching any definitive conclusion observers have tried to differentiate the work of PSFs in this way:

1. It is highly knowledge intensive, delivered by people with higher education, and frequently closely linked to scientific knowledge development within the relevant area of expertise.
2. It involves a high degree of customization.
3. It involves a high degree of discretionary effort and personal judgment by the expert(s) delivering the service.
4. It typically requires substantial interaction with the client firm representatives involved.
5. It is delivered within the constraints of professional norms of conduct, including setting client needs higher than profits and respecting the limits of professional expertise. (Løwendahl, 2005, p. 22).

The foremost 'guru' of management in PSF's, David Maister (2003) points to the customization and face-to-face contact as defining elements of PSFs and Greenwood et al.(2006, p. 6) representing the Alberta School, point at the following characteristics:

Their outputs are *intangible* and encoded with *complex knowledge* and *customized* to the needs of each client.

Professionals are employed as the primary carriers, interpreters and appliers of knowledge.

Von Nordenflycht (2010) argues in his recent article that the definitions of PSFs used in the extant literature are problematic. He points out that the literature often focus on classical PSFs like Law and Accounting firms and are rather vague about the boundaries of the field in relation to other organization types. He proposes that three characteristics can be helpful to distinguish PSFs from other organizations: High knowledge intensity, Low capital intensity and Professionalized workforce. While reminiscent of Löwendahl's (2005) categories, the point that there exists a need for more clear distinctions in this research are well put. I will expand these views of Von Nordenflycht (2010) below.

Professional Service Firms are dominated by the globally pervasive Big Four (Deloitte & Touche Tohmatsu, PriceWaterhouseCoopers, Ernest & Young and KPMG). In 2011 their combined turnover was 103,6 billion US\$ and had 650.000 employees according to an industry observer ²with Deloitte as the firm that is currently the largest. The business mix is still dominated by the accounting-business while this gradually receding to give room for accounting related businesses like tax, IT-auditing, and more distant relatives like financial advice, legal advice and management consulting (Big4, 2009). Together with a huge and growing mass of local and international PSF's – the Big Four is an ever more important part of the knowledge economy³. This alone provides a case for taking a closer look at how management takes place and develops within these companies. It is also frequently noted that PSFs in a lot of ways are a laboratory for the organization of the future (e.g. Peters, 2004; Greenwood et al., 2006; Von Nordenflycht, 2010) in the sense that more and more companies are knowledge intensive, placed in competitive global markets for services and products and face the challenges of managing highly skilled professionals (Greenwood et al., 2006).

² Big Four Performance Analysis January 2012, www.Big4.com

³ Indeed, PSF's employed 16.7 million employees out of a total of 138.8 million (non-farm employees) in US in 2004 (Greenwood et al., 2006).

PSFs on the move: from Professional Partnership to Managed Professional Business

The PSF-organization is in many ways an odd one out in management and organization theory (Greenwood et al., 2006). It doesn't seem to follow the same rules as other organizations (Greenwood, 1990; Greenwood and Empson, 2003) even when it develops into more corporate forms. Therefore, there is a continuing interest in the extant literature in describing and explaining the existence, growth (indeed remarkable globalization) and qualitative change of PSF's as a distinctive organizational form. In the beginning of the 1990's Greenwood (et al., 1990) coined the term Professional Partnership (P^2) to describe this distinctive management model. The central observation was that a number of organizations that we now know as Professional Service Firms have grown in similar ways and styles of organization and management. This isomorphism (DiMaggio & Powell, 1983) was later continued in the observations of Cooper et al. (1996), in form of the Managerial Professional Business (MPB, see table 1 below). In many ways the P^2 is conforming to the ideas of the perfect world of professional workers in terms of the orthodoxy of managing highly professional workers; informal, decentralized, (quasi-) democratic, meritocratic etc. But a number of other elements are more ambiguous; the long 'serfdom' of the master-apprentice model (Maister 2003), the partnership that is democratic internally and authoritarian downwards, the lack of consistency in the internal communications and policies, arbitrary decision making about internal aspects. Concerning the aim of this study, one aspect of the move from P^2 to MPB is very important and not very often mentioned in the discussion of PSFs. It is that the partners of the original PSF (P^2) were 'naturalized' as managers and an epicenter of all management processes in the practice (confirmed by partner interviews; Maister, 2003). They were instrumental in the socialization and training of young professionals. The research of Richter et al. (2008) into the HR-practices of management consultancies in the

German speaking area in Central Europe, highlights the trend: In P² -companies 20% of Senior Consultant/partners were involved in the training of young professionals, 80% of Project Manages were involved, no P² -companies stated that they only used peers in the training. This documents the high involvement of partners in a central managerial role in PSFs within the P²-scheme. In the MPB companies in the survey, no partners were strongly involved in the training, 44% had Project Managers involved together with peers and 56% used peers exclusively in the training of junior professionals.

	Professional Partnership - P ²	Managerial Professional Business - MPB
Interpretive Scheme	Ownership and power are joined Democracy (for owners) Filling executive roles in turns Commitment to the business unit Professional knowledge Peer control Close ties to clients Dispersed authority	The owners have delegated power to the management Competition Growth Strategies Efficiency Productivity
Systems	Little emphasis on analysis (internally) Interaction: consensus decision-making Time orientation: Short Decentralized	More focus on analysis Interaction: More directives Time orientation: Short and long More centralized
Structure	Little specialization Specialization frequently based on personal preferences Little formalization of rules and processes	Medium specialization Criteria for specialization: Professional and functional More use of integrative devices: Hierarchal decision systems and cross functional teams More rules and procedures

Table 1: P2-form relative to Managerial Professional Business (Bévort, 2009, adapted from Cooper et al., 1996).

The data from the work of Richter et al. (2008) are confirmed by the results from the case study at hand. The role of partners has changed in the direction of less involvement in the people elements of management; training, being a role model, mentoring etc., as a part of the development towards MPB. This is an aspect of the specialization of the partner role. The focus is increasingly on market segments and sub-disciplines of the professional business. The effect is that the declining proximity of the partners to the professionals in their formative years creates a managerial gap. Evidence from the case indicates that the professional

employees do see the partners as authorities, but not as managers who feel responsible or who take responsibility for their wellbeing and career. This is important because the (people-) manager role is introduced and becomes critical in the PSF using the Managerial Professional Business interpretive scheme. In a sense, this is similar to the development that is well-known from the transition from a simple structure with an entrepreneur as head to the more complex bureaucracy (Mintzberg, 1979). The first level manager role is constructed and enhanced in order to alleviate the absence of the ‘partner-as-manager’ and to handle some of the people management challenges of a still more complex organization. The empirical point I extract from this process is that the development of a new middle manager role, the ‘department manager’, is exemplary for the trend towards MPB and what I will call a logic of bureaucracy. This development illustrates the tension between the professional and the bureaucratic – the ‘clash of cultures’ as stated by Raelin (1985).

Hence, on the one hand, most literature on PSFs supports the view that the professional institutional norms and values of these organizations are very deeply socialized and robust (Covalesski et al, 1998; Suddaby & Greenwood, 2005). However, on the other hand, the presence of the market at the interface with the client and the commercialization of professional work on other organizations, there is an isomorphic as well as a normative pressure (DiMaggio & Powell, 1983) to conform with the way other organizations on the market organize; organized around ideas of efficiency, reliability, standardization, regularity, quality assurance and impersonal decision making: Ideas that are the prevalent logics in the typical corporation or bureaucracy. Hinings et al. (1999), in a paper that addresses ‘the dynamics of change in large accounting firms’, describes the tensions between the two mindsets:

“...the managerial changes that accounting firms are introducing challenge values about partnership and professionalism that established groups have. Most of the new

ideas about organizing emphasize specialization for everyone and a stable departmentalization within the firm. This constitutes a radical challenge to the P² form...” (ibid., p. 150).

Thus, there is ample evidence that two different mindsets or logics are struggling in the way at least some PSFs are organized.

A status quo of the ‘archetype view’ at PSFs

In the papers of the dissertation I build on the PSFs-literature’s view that the archetype of PSFs is changing in the direction of a higher focus on managerial efficiency (Cooper et al., 1996; Greenwood et al., 1999; 2006; Brock, 2006; Brock et al., 2007). It is, however, necessary to qualify a number of basic assumptions in the archetype-theory. First, is this archetype-change at all happening in the way that the often superficial reading of the analyses suggests when the internal practices of the PSF organizations are scrutinized? Second, the direction of change has been empirically questioned or qualified (Akroyd & Muzio, 2007) arguing that the momentum influence of the professional project has far from waned. Finally, it is discussed whether the PSF-archetype at all is a helpful empirical category and how the characteristics of the PSF can be re-specified (Von Nordenflycht, 2010)?

When Greenwood et al. (1990) in their study of Big 8 accounting firms in Canada constructed the Professional Partnership form (P²) they built their findings on contrasting PSFs on an ideal-type of the corporation resembling the Sloan/M-form corporation (Chandler, 1962; Williamson, 1970). These results were supported by comparative data from other industries. However, their study was focused primarily on strategic management and control, rather than the specific organization of roles and work. In Cooper et al. (1996) the empirical focus has changed from accounting firms to mainly focusing on legal firms – still in Canada. And the focus is more detailed, dealing with more of internal management and organizing practices in the firms studied. In the first study the parameters were: ‘Strategic, marketing-financial and operational control’. In the latter, these three

are supplemented by an account of ‘interpretive schemes’ and ‘structure’ – the latter including ‘differentiation’ and ‘integration’ (Cooper et al., 1996, p. 630). The latter study gives a more fine-grained image of managerial practice in the case firms. At the same time Cooper (ibid) present a more sophisticated conception of archetype change built on the ‘sedimentation’ and ‘erosion’ metaphor they use to illustrate the complexity and vulnerability of new forms. This is confirmed by other empirical work that probes deeper in the intra-organizational consequences of the change of PSFs.

Covaleski et al. (1998) investigated the introduction of new managerial practices in (the then) Big6 public accounting firms and concluded that while these practices were only superficially implemented as observable everyday practices, the inherent ideological content of the practices were integrated in the way the managers interpreted the practices in the organization. Thus, while change didn’t materialize right away, the partners often used the techniques for their own ends, they concluded that the conception – or ideology - of management and control had been influenced, and as such had implications for future practice (ibid., p. 322). The study of Kärreman & Alvesson (2007) showed how a Swedish division of a major international management consultancy had established sophisticated HR-practices that were praised at all levels of the organization, while they were hard to identify as a part of actual practice in the work of the consultant and their managers. In Kornberger et al. (2010) an Australian division of a Big4-firm, was praised for its long-lasting efforts promoting career opportunities for women, a ubiquitous issue in PSFs. The study showed that the effect of the program, as seen from the perspective of the female professionals, was very negligible. These studies from outside the research using the ‘archetype’ thinking, shows that there is a huge variation between the management rhetoric which is used and the concrete practices that can be observed.

Later studies (Hinings et al., 1999; Brock, 2006; Brock et al., 2007) develop the archetype inventory, but develop, in my view, merely new variants of the MPB: ‘Global Professional Networks – (GPN)’, which (among others things) refers to the transnational status of the Big 4 PSFs and ‘Stars’ which refers to the ‘Boutique’ style management consultancies and architectural firms (Brock et al., 2007). While the two last mentioned represent interesting developments, they represent a return to a more macro level of description, which doesn’t add much more to our understanding of the interaction level organization of PSFs as in the original study by Cooper et al. (1996).

Another interesting critique of the PSF-archetype theory is provided by Akroyd & Muzio (2007), who based on a study of legal practices in England, show that the professional logic may rebound in what they call the ‘Reconstructed Professional Firm’. They revive the ‘professional project’ thinking of Larson (1977) in which the professions protect their dominance by monopolizing scarce knowledge (ibid, p. 744). This view argues that a reversal of the direction of change from professional to a managerial ways of organizing envisaged by the archetype theorists, is as likely an outcome empirically for PSFs as the MPB thesis. They describe how the Legal practices “retain control over their own division of labour and internal labour markets, and deploy an increasingly elongated organizational hierarchy as a buffer to protect professional privileges...” (Akroyd & Muzio, 2007, p. 741). This argument is a segment of a longer debate between the ‘archetype-theorists’ (Brock, 2006, 2008) and a researchers (Akroyd & Muzio, 2007, 2008; Falconbridge & Muzio, 2008) who, like many sociologists of the professions (Freidson, 1994, 2001), find the trend towards managerialism, within organizations dominated by professional work, rather overstated. While the argument remains unresolved (Brock, 2008; Akroyd & Muzio, 2008) the criticism underlines the original image found in the paper by David Cooper & Co. which introduced the MPB-archetype (Cooper et. al., 1996). That is, an image of a basic

ambiguity and co-presence of (at least) two struggling logics. Indeed, Faulconbridge & Muzio (2008) ask for a renewed research into the connection between organizational level change and organizational development to understand these ambiguities in the development of the PSF-organizations, a quest very related to the spirit of this study (ibid, p.152).

A final criticism of the archetype-thinking applied to PSFs I will mention here is a general methodological one, which will also serve to identify some basic characteristics of PSFs that distinguishes it from other organizations. Von Nordenflycht (2010) challenges the PSF-category as badly specified - what are the boundary conditions of the PSF category? That is, which organizations qualify for membership in the category beside the 'old' law firms and accountancies of the majority of PSF-studies? This makes the concept unable to carry an archetypical organizational form, unless it is re-specified (Von Nordenflycht, 2010). As mentioned he proposes three characteristics to distinguish PSFs from other organizations: 'High knowledge intensity', 'Low capital intensity' and a 'Professionalized workforce'. From these criteria Von Nordenflycht provides one of the most precise contemporary descriptions of the connection between professional work – management of professionals and professional organizations to define what may be the characteristics of a PSF:

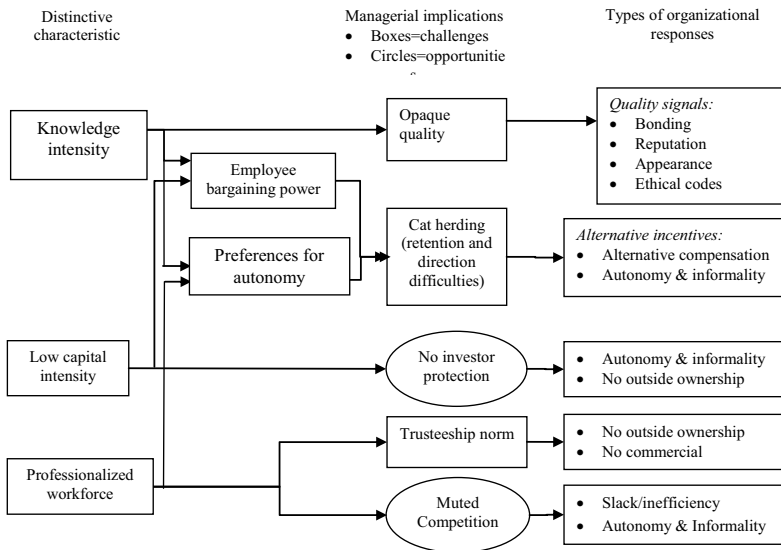


Figure 3 Model reproduced from Von Nordenflycht (2010)

Figure 3 summarizes effectively the different arguments in the PSF-literature about what makes these organizations distinctive from other organizations. From the three distinctive characteristics; Knowledge intensity, Low capital intensity and Professionalized workforce, he deduces the central nexus of the operative core (Mintzberg, 1979), the professionals themselves. As carriers of the prime means of productions, they have great bargaining power and they want maintain the autonomy given to them by their knowledge differential (Larson, 1977; Abbott, 1988). This particular power distribution leads to a number of managerial challenges; the opaque quality of the knowledge work makes accountability and control by traditional means - as performance management systems - extremely complicated and easily circumvented. The term ‘cat herding’ is a stock metaphor in the literature dealing with management of professionals. The idea is that ‘you cannot herd cats’ – picturing the professionals as individuals who are instinctively ‘anti-management’. While this is an intuitively seductive image, it might be as

problematic as the idea that leaders ‘are born leaders’, endowed with endogenous leadership skills (Perrow, 1970). My counter-point would be that the professional training and socialization in the organizations, although also at university, breeds ‘anti-management’ sentiments into their employees. Not in any political sense, but in the practical sense, that they (over-) learn a preference for working independently and an individualized competitive performance attitude. The observation remains correct, however, that the outcome is that professionals think and act independently in the way they behave in organizations. They are not accepting non-professional authority readily, quite in the same way they have learned to act when assisting clients professionally. This makes them difficult to manage, not least when they eventually become owners.

The ownership of PSFs, be it a traditional partnership (Empson and Greenwood, 2003) or variations of the model with some kind of limited owner liability, is typically based on some sort of mutuality and power-sharing between partners or senior professionals – ‘trustees’. This fact structurally emphasizes the decentralized and dispersed authority of PSFs compared to other organizations. This creates a number of characteristic challenges for PSFs. The partners are only accountable to themselves and the administrative bodies they chose to appoint. The corporate managers selected and the functional staff managers deal directly with the ‘owners’ as internal customers or employees. Obviously this is at odds with basic rules of bureaucracy described above (Weber, 1922).

The ‘organizational’ responses that Von Nordenflycht sums up in the right column of Figure 3 above, is in essence highly ‘anti-bureaucratic’ and arguably problematic in a large complex organization. General bureaucratic norms such as ‘unity of command’, ‘transparent written rules and policies’, ‘the use of trained managers’, ‘systematic adherence to rules by superiors in dealing with employees’, are violated on a regular basis. This ‘outrageous’ state of affairs, is not often questioned in the daily life of many PSFs – if you present the

observation to employees or partners in a PSF, most will shrug and say ‘so what’. As we shall see in the papers below, the apparent discrepancy between the logic of professionalism and the logic of bureaucracy is becoming salient for more and more actors in PSFs, creating a nagging doubt whether the traditional PSF-model still is the appropriate one – here represented by the Big4-case.

Summing up the main points from the PSF-literature

The PSF-literature has explored the way PSF-organizations can be distinguished from other organization. This has led to the notion of a special ‘archetype’- the professional partnership P² (Greenwood et al., 1990). However, as early as in 1996, the same set of authors (Cooper et al., 1996) begins to detect a gradual managerial or bureaucratic development of the most ‘archetypical’ of PSFs – large Law firms and Big4 accounting firms. As we saw, in the previous section, the logic of bureaucracy seems to be an unstoppable force in large complex organizations (Perrow, 1970; Du Gay, 2005). This, of course, qualifies the claimed uniqueness of the PSF-organizations, and questions whether there really is a conflict between bureaucracy and professionalism, regarded as organizational logics, and if there is, whether it will wither away as Leicht & Fennel (2002) proposed with the ultimate victory of the professional managers. However, as Akroyd & Muzio (2007) showed in British legal practices it seemed as if the ‘project of professionalism’ (Larson, 2007) still thrives and is able to renew itself. Freidson (1994), pointed earlier to the same development, that professionals seem to gain importance in many types of complex organizations and that this continues to create tensions. Finally, we have seen the recent effort of Von Nordenflycht (2010) in re-specifying the characteristics of PSFs and how these lead to specific managerial challenges and organizational responses. All this builds up to the conclusion that is impossible to neglect – that there exists a practical and symbolic tension between the way professional organizations tend to organize and the ideal of bureaucratic management. In fact, a number of these

organizational responses directly conflict with the basic precepts of bureaucracy (Weber, 1922).

We have also discussed how ‘interpretive schemes’ (Cooper et al., 1996) or ideologies (Covaleski et al., 1998) do not always match the concrete organizational practices. This underlines the fact that this is not just a functional tension between what is the best way to organize, it is an institutionalized set of meanings and practices that is only partly coupled to functional imperatives. PSFs are embedded in a professional institutional logic and struggle with an incoming institutional logic of bureaucracy. As much of the PSF-observers have done (Greenwood et al., 1990; Cooper et al., 1996; Hinings et al., 1999) I will use institutional theory to understand how and why this tension is created and give the concept of logics a theoretical foundation. In the next section I will introduce and discuss institutional theory with focus on the concepts applied in the dissertation.

INSTITUTIONAL THEORY

The use of the concept ‘institution’ has a long history within sociology, e.g. in the thinking of Marx, Durkheim and Parsons (Scott, 2008). The terms institutional or neo-institutional organizational theory are a more recent direction of research, although many of the basic points of interest remain the same. For one thing, the thought that action becomes typified in interaction patterns, is at least as old as sociology (Berger & Luckmann, 1967). Thus, it is a common experience that despite the ongoing flux of diverse influences, shocks and change of life, much social reality appears to have a quality of resilience and stability over time. As social reality becomes taken-for-granted and more or less subconscious, we don’t even question the legitimacy, appropriateness or even the truth of persistent social entities, often described as institutions (Greenwood et al, 2008; Scott, 2008). Neo-institutional organization theory has made the study of how such institutions initially become institutionalized, later are diffused between and

eventually may be changed in organizations, programmatic (DiMaggio & Powell, 1983, 1991; Scott, 2008). In this view, institutions are guiding the action of and in organizations as we have seen professionalism has guided PSFs towards a specific way of organizing and acting as organizations and actors.

Therefore, a fundamental view inherent in institutional theory is that individual as well as organizational action is not founded on objective rationality (however bounded (March & Simon, 1958)) or functional necessity (Parsons, 1949). On the contrary, most actions are based on habitualized and semi-conscious conceptions of what is thought to be the appropriate, socially acceptable, reasonable and ‘effective’ conduct – ‘the right thing to do’. Selznick (1957) describes how organizations soon drift from their original rational purpose towards other goals created by the members of the organization based on all sorts of reasons. Meyer & Rowan (1977) pointed to the fact that ‘rationalized myths’ guide much of what goes on in organizations rather than rational calculation or functional necessity. The way we legitimate action can have many forms but at the end of the day, the reasons we quote are socially constructed (Berger & Luckmann, 1967) and not optimizing (or ‘satisficing’, March & Simon (1959)) against some objective maximum state. This view emphasizes the historical and cultural origins of organizational structures and action opposed to the functional explanations found in much organization theory (Mintzberg, 1979).

I have used the word ‘logic’ frequently above, and the idea is derived from institutional theory (Friedland & Alford, 1991; Thornton & Ocasio, 2008; Thornton et al. 2012). The institutional logic concept is a way to specify societally anchored sets of meanings and practices which guide specific kinds of organizational behavior, e.g. the term logics of professionalism and bureaucracy are used in this study.

Jepperson (1991) usefully maps ‘institutionalism’ up against other major research orientations in order to provide a context to understand the basic tenets of the outlook of (neo-) institutional theory (NIT):

Featured levels of analyses

Degree to which units are socially constructed	Low order (Individualist)	High Order (Structuralist)
--	--------------------------------------	---------------------------------------

High construction (Phenomenological)	1 “Organizational culture”; symbolic interaction	2 Institutionalism
	3 Actor &/or functional reduction attempts; neoclassical economics; behavioral psychology, most neo-institutional economics; some network theory	4 Social ecology; resource dependency; some network theory

Figure 4 Lines of theory in organization analysis (Jepperson, 1991, p. 154)

While the choice and location of some of the theories might be debatable, it makes sense that institutionalism in its orthodox version is ‘high order’ and ‘high construction’ as depicted in Figure 4. Jepperson (1991) sums up what distinguishes neo-institutional theory:

“In its emphasis on multilevel causal connections and high or macroorder effects, institutionalism differs from arguments that rely primarily on aggregative processes (e.g. the collective or as largely an additive outcome of micro level states (as most mainstream economic theory do, ed.)), on ‘demographic’ depictions of structure (structural features as reflecting relative proportions of sets of subunits (...) (as population ecology, ed.)), and on causal models that largely feature single-level

explanations (e.g. microlevel outcomes associated with microlevel causes (as sensemaking theory, ed.).”, Jepperson, 1991, p. 157.

Thus, most of the now classical neo-institutional empirical studies (e.g. Tolbert & Zucker, 1983; Meyer & Rowan, 1977), are oriented towards how societal order forms behavior of organizational actors – how groups and individuals are bounded by social constraints. As a stark contrast to this is the neo-classical economics view in which a rational calculating individual follows his independent preferences (economic man). Because he contrasts the ‘single-level micro-analysis’ of square 1 with the ‘multilevel analysis’ of institutional theory, Jepperson inadvertently shows one of the uncharted spots of the theory. That is, the fact that micro-level action, agency and interest as a cause all but disappears from the horizon in the empirical accounts of neo-institutionalism. This is explained by the fact that Institutionalism was re-vitalized as a way of introducing classical sociological insights in organizational theory as an antidote to the dominating focus on actors and action in American social science (Jepperson, p. 158). However, as we shall see below, a prominent recent trend within institutional theory is going towards an greater sensitivity to ‘Low order’, ‘High construct’ explanations as well within the institutional theory ‘Big Tent’ (Scott, 2008), as towards various sorts of symbolic interactionism (for explicit versions of this Hallet & Ventresca, 2006; Binder, 2007; Hallet, 2010). In this study I sympathize with the need for balancing off the ‘structuralist’ tendency of institutional theory with a micro- and or cognitive interaction orientation. And, as mentioned, this view has become more visible recently, even within the mainstream of Neo-institutional theory (NIT). I will deal with these at more length below.

I will now review a number of concepts from (neo-) institutional theory that I use or find important to discuss in relation to the study. ‘Isomorphism’ is a way to explain diffusion of institutions (and institutional logics) within organizational

fields as for instance the PSFs. ‘Rationalized myths’ are as mentioned acquired wisdom, for instance about how actors are supposed to act in specific situations, which become decoupled from functional relevance. ‘Institutionalization’ is the process in which an institution is created or maintained, for instance the introduction and assimilation of a new role in an organization. I will, as mentioned, expand the ‘institutional logic’ concept which plays an important role in the dissertation. Finally, I will discuss the recent trend towards investigating the ‘micro-foundations’ of institutions (Powell & Colyvas, 2008) with concepts as ‘institutional entrepreneurship’, ‘embedded agency’, ‘institutional leadership’, ‘institutional work’ and ‘inhabited institutions’ which all deal with the problem inherent in the macro-position of much neo-institutional research practice of not dealing with the creation, maintenance and disruption of institutions (despite the repeated call for this in Zucker, 1977, 1991; Meyer & Rowan, 1977; DiMaggio, 1988; DiMaggio & Powell, 1991).

Isomorphism

Having won wide accept of the argument theoretically, that institutional explanations are a more accurate description of social reality than the neo-classical economists and structural- functionalist sociologists, the neo-institutional theorists went on to argue that institutional forces were in play when new practices were diffused among organizational actors and agencies (Tolbert & Zucker, 1983). DiMaggio and Powell (1983) gave this quest new impetus by theorizing different institutional sources of diffusion by three kinds of isomorphism; coercive, mimetic, and normative. In the words of the authors, they are “mechanisms through which institutional change occurs” (ibid., p. 67). One might add, change by the alignment and homogenization of practices of organizations (or other actors), not by diversification and fragmentation. *Coercive isomorphism* is affected by pressures of external agencies; direct governmental regulation or more indirectly by rules that get institutionalized or by pressures for legitimacy (ibid., p.

66-67). *Mimetic isomorphism* is the response of organizations to environmental uncertainty by ‘modeling’ other actors (presumably) in the same institutional field – not based on any idea that the copied practices will work but because it provides some reassurance to do what the other players do - legitimacy (ibid., p. 69-70). In the very same article (ibid., p. 71) they use professionalization as an example of institutionalization stating that professions are subject to both coercive and mimetic isomorphism but are a prime example of the phenomenon they call *normative isomorphism*. The authors mention two examples of normative isomorphism: The cognitive basis of formal education and legitimacy created by universities and the diffusion of norms and standards taking place in professional networks (ibid, p. 71). PSF organizations are of course exposed to isomorphism in a number of ways. The ways the clients organizes are persistent sources of mimetic and normative isomorphism, e.g. “‘Corporate academy’ sounds like a ‘must have’ for a modern organization like ours”, “we feel obliged to show our clients how we develop and treat our professionals”. Obviously the particular function social role of many PSFs (e.g. Accounting and Law) is a source of coercive isomorphism in the form of field specific regulation which also affects the internal organization and management. For this study, the important point is that the professional as well as the bureaucratic logic is (in part) driven by institutional isomorphism. The characteristics of professional work and PSFs’-organizational form is not only specific organizational answers to functional production problems (Perrow, 1970), but to a large extent a product of institutional pressures from the surrounding field, market and society (DiMaggio & Powell, 1983).

Rationalized Myths

As Meyer & Rowan (1977) stated many organizational practices are based on ‘rationalized myths’ in the sense that it is not the actual effect on practice that is important but rather the way it affects the overall meanings actors attach to the

organization. This implies that what seem irrational and redundant in an organization, can actually be important elements of the social interaction order that define the existence of the organization in the eyes of the members. Alvesson & Kärreman (2007) described, as mentioned, the HR-practices of a major management consultancy and make the observation that while all the informants were very convinced of the positive effects of these practices it seemed questionable how they were realized in practice. On the other hand they suggest that the symbolic effect of the HR-practices were considerable. Action is, in this view, legitimated in a way that is ultimately not rational or functional but instead by meaning that is objectified or institutionalized in the minds of the actors and enacted by their interaction. Berger & Luckmann (1967) link economic surplus to the fact that communities can afford specialization and eventually support roles that are essentially without any relation to subsistence – they become ‘myth-fabricators’ or ‘theorizers’ (ibid. p. 99). The point is that that justifications or sensemaking of actions becomes decoupled from the rationale of survival and becomes instead taken-for-granted assumptions shared by the members of the organization or field. Meyer & Rowan (1977) describe the professions as an example of a highly rationalized myth (ibid. p. 44) and are very emphatic about the power of rationalized myths in the bureaucratization of organizations:

“They exist in much more specific ways (than general norms and values) in the rules, understandings, and meanings attached to institutionalized social structures (...) Such elements of formal structure are manifestations of highly institutionalized myths that are binding on particular organizations (ibid., p. 44).

Two points are important for the present project. First Meyer & Rowan (1991) see both professions and formal structures of bureaucracy as rationalized myths that are highly institutionalized in organizations. This underlines the strength of the two ‘logics’ I use in the dissertation, and how persistent they may be expected to be, when stabilized in an organization. On the one hand, it is a

‘myth’ that a specific organizational practice, like the PSF-organization, is necessarily the best conceivable or most effective, but is on the other hand very effective in the sense that they become boundaries for the way organizations see themselves and their purpose and they are critical for building the necessary legitimacy for the organization (ibid). This idea is similar to the Selznick’s (1957) observation that an organization’s focus change from being a tool to become a goal in itself because it become ‘infused with value’. The point is that ‘functional rationality’ and practice are not necessarily strongly coupled and don’t need to be, as long as sufficient internal and external legitimacy is in place.

The other point is that Meyer & Rowan (1991), as also noted by Suddaby (2010) and Meyer (2008), put a very clear focus on how the meanings and understandings which constitute rationalized myths are created and changed. This emphasizes the importance of understanding how these meanings and understandings are accepted and transferred by the organizational actors. This is discussed by Hallett (2010) who discusses how the ‘de-coupling’ that Meyer & Rowan (1991) describe, may always be a possible opportunity for ‘re-coupling’ by actors in practice. The rationalized myths may be turned into practice by strong individuals and groups, who by ‘calling the bluff’ have the momentum of the legitimacy created by the rationalized myth. In HR-policies it is a staple to proclaim that ‘the employee is our most important resource’, what would happen if this suddenly becomes realized as a full-scale commitment in an organization? The point here is that the legitimizing meaning or ‘symbolic construction’ (Friedland & Alford, 1991) of a new logic like the MPB discussed above may eventually pave the way for actors who want to change practice, however gradual and erratic this may be. Suddaby & Greenwood (2005) use the concept ‘rhetoric’ to describe the how multidisciplinary accounting firms in Canada tried to facilitate (or manipulate) a merger with law firms. In this context, ‘good people management’ or ‘effective bureaucracy’ may be rationalized myths, that are

important in terms of legitimacy, but they may still be a prerequisite for a change in actual practice. The importance of the way actors create meaning and make sense is thus a prominent feature of the ‘rationalized myth thinking’ of Meyer & Rowan (Hallett, 2010).

Institutionalization

In a foundational paper, Zucker (1977) studied experimentally the effect of institutionalization on subjective experience and action. By exposing test persons to three ‘situations’, introducing the test persons to different levels of institutionalization in the fictive organizational context of the roles (not the actual instructions, which were the same for all participants), she demonstrated that the test persons with the most institutionalized ‘situations’ also reproduced the information of the experiment much more accurately than the persons with less comprehensive descriptions. The point being that the higher the degree of institutionalization, the higher the ‘cultural persistence: i.e. handing on of institutional material and conceptions to the next generation. This is a very relevant point in relation to the practices and roles studied here. I have argued that the professional organization and professional work is highly institutionalized. And in Zuckers’ sense that means that the organization is constructed in such a way that it enables the transmission of institutionalized material from the professional logic. My argument is that for the new manager roles to become a stable element of the organization the bureaucratic logics inherent have to be institutionalized in the same way.

Institutionalization has also been discussed at length by Berger & Luckmann (1967 p.p. 65-110). At the very basic level they ask: “From what does the empirically existing stability of human order derive?” and give the following answer: “The most general answer to this question is that social order is a human product or, more precisely, an ongoing human production” (ibid. p. 69). They go on to state that institutions build on habitualization of actions that become shared

‘typifications’ (ibid., p.72). It means that while humans always organize their life in habits in order to economize with resources (energy, attention, etc.) some habits become shared typifications. And institutions are made of shared typifications of habitualized actions. As we have seen with regard to professional work, the professional worker is defined by a number specified behaviors, knowledge and values that are shared by colleagues, clients, citizens and themselves – shared typifications. It is in this sense that I speak of the organization of professional work as highly institutionalized.

As an illustration, Berger & Luckmann (1967) interestingly speculate about the totally institutionalized community and the opposite. They claim that a very primitive society where all knowledge is shared would be the closest to this state and that the opposite would be the community in which only one thing is common knowledge (ibid, p. 98). Transposed to the two settings of the professional organization and the bureaucratic organization, the point would be that the professional organization is the most institutionalized and also the more constraining to the actors, compared to the bureaucracy. This is somewhat counter-intuitive in the way that one might expect the more developed community to be the most institutionalized and the same applies to the complex organization opposed to the less complex. But it conforms with the observation that the professional partnership, in spite of its decentralized organization, seems to contain less diversity in terms of roles, careers, gender distribution, than a more centralized bureaucratic organization tends to do (in terms of more specialized roles, centrally sanctioned policies, etc. See for instance Kornberger et al., (2011).

Institutional logics: Competing, collaborating and contradicting

In the literature on the professions, Freidson (2001) distinguished between three ideal-typical logics for the organization of work: Market, Bureaucracy and Professionalism. He contrasts the three logics in order to highlight their particularities: The logic of the free market where the principle of lowest cost

rules, the rational rule-based administration and division of labor of the Weberian rational-legal bureaucracy (Weber, 1922) and the monopoly of knowledge of the professional occupations. In institutional theory, Friedland & Alford (1991) have stated that there exist a number of fundamental societal logics: Market, State, Family, Democracy, Religion. Each logic contains a symbolic construction or meaning and a material practice. The State is built on logics of power distribution of democracy and of the power accumulating bureaucracy that partly contradicts each other. The Capitalist society is at the same time dependent on the Family and the Market that commodify labor and contradicts the needs of families for time and intimacy (Friedland & Alford, p. 256). The main argument in their paper is that ‘it is necessary to bring society back in’, i.e. to take into account the way broader societal logics affect life in organizations.

Friedland & Alford (1991) defines institutional logics by saying that all important institutions of the Western world have “a set of material practices and symbolic constructions - which constitutes its organizing principles and which is available for organizations and individuals to elaborate” (ibid., p. 248). The distinction between ‘symbolic construction’ and ‘material practice’ in institutional logics is central for this study in the way that it is a macro-parallel to the fact that actors ascribe meaning to action at the micro-level. The view that there is a match between specific action-scripts and specific theories, values and explanations, creates the possibility to make nuanced analyses of complex change situations where this may not be the case in concrete practice. Hence, Thornton & Ocasio (2008) define institutional logics a bit more elaborately as:

“the socially constructed, historical patterns of material practices, assumptions, values beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality (ibid., p. 101).

Thornton and Occasio (2008) also point to the way that the institutional logic concept provides a link between the more deterministic macro-concept of ‘rational myths’ (Meyer & Rowan, 1977) and the agency inherent in the micro view of institutionalization by Lynne Zucker (1977). Friedland and Alford (1991) take great pains to emphasize that the logics are both constraints as well as resources for individuals: “Under some conditions, they (people, ed.) are artful in the mobilization of *different* institutional logics to serve their purposes” (ibid., p. 254), while this point remains underdeveloped in the text and in much later literature.

In this study I will use the three logics of the organization of work (with Freidson, 2001): The logics of professions, bureaucracy and the market. The latter is in the background because focus is on organization and management and because the role of the market logic is seen as relatively stable in the time of the study. When more than one logic is at play the interesting discussion is how logics interblend, conflict and maybe overtake each other (Suddaby & Greenwood, 2005; Cooper et al., 1996; Reay & Hinings, 2009, Greenwood et al., 2011). A number of researchers (Suddaby & Greenwood, 2005; Friedland & Alford, 1991; Seo & Creed, 2002; Benson, 1977) have observed that institutions may always contain contradictory logics. Market and professional logics have been seen as contradicting each other in PSF’s (Suddaby & Greenwood, 2005). Crucially this contradiction of logics can be described as fundamentally ‘dialectical’, creating stability and co-existence at one time but will at another be the source of change when the contradictions for some reason or another surface in the organizational consciousness (Benson, 1973; 1977; Seo & Creed, 2002; Suddaby & Greenwood, 2005).

Thornton & Occasio (2008) review how a focus on ‘competing logics’ has been prominent in the empirical studies of institutional logics. Competing logics are not seen as a cause of change by themselves, but can precede or be a result of change, and it can be the reason for resistance against change (ibid. p. 118).

Goodrick & Reay (2011) in their study of US pharmacists, point out that most studies of competing or co-existing institutional logics have been of the influence of the dominant, but not non-dominant logics (ibid.). Another important observation from the study of Goodrick & Reay (2011) has to do with the segmentation with which logics may affect practice. The professionals in the study are affected differently by the institutional logics identified in the study relating to the different tasks they perform and when (ibid.).

Reay & Hinings (2009) describe how co-existing institutional logics compete and collaborate over time in a health care setting and how a professional and a managerial logic are co-managed, represented by administrators and physicians, respectively. Two of their propositions are interesting in the context of the present study. First they propose that actors will form collaborations which maintain the independence of the actors (carrying one of the logics) but at the same time support the accomplishment of common objectives (ibid., p. 645) and second they similarly propose that the different actors will maintain their identity while collaborating on mutually beneficial outcomes (ibid., p 646).

In a recent review of ‘organizational responses to institutional complexity’, Greenwood et al. (2011) describe how settings of multiple institutional logics affect the way actors behave. In setting the scene they extract the following two observations about the ways logics present themselves from the institutional logic literature (i.a., Friedland & Alford, 1991; Thornton & Ocasio, 2008):

“First, *multiple* institutional logics are available and can interact and compete for influence in all societal domains (...) Second, logics are often in conflict – that is, their respective systems of meaning and normative understandings, built into rituals and practices, provide inconsistent expectations (Greenwood et al., 2011, p. 321)”.

Instead of viewing institutional change as something that is taking place in ‘jolts’ – it is been widely accepted that institutional change-processes are a prolonged, maybe even an inherent dialectical, feature of all organizations (Seo &

Creed, 2002). The argument goes on towards the conclusion that the acceptance of the notion of the presence of continuous institutional complexity in organizations “has sparked an interest in its (i.e. multiple contradicting logics ed.) implication for individual organizations” – although they contend that progress in previous research has been modest (Greenwood et al., *ibid.* p. 323).

Institutions and the role of agency

Within the last 10-20 years, scholars have still more frequently pointed to the relevance of researching what is termed the ‘micro-foundations of institutions’ (Thornton et al., 2012, Powell & Colyvas, 2008; DiMaggio, 1988, 1997; DiMaggio & Powell, 1991).

As we saw above, the structuralist bent of institutional theory has proven its merit in providing explanations of the macro origins and the persistence of institutions. However, it has not been as adept at explaining the micro processes in which institutions are created and changed. Action is institutionally constrained, but how are these institutional pressures formed, translated, maintained and disrupted by actors and action? This has been termed the ‘paradox of embedded agency’ (Seo & Creed, 2002; Battilana & D’Unno, 2009). The paradox is created by the fact that structure and agency mutually constitute each other; an accountant is formed by the professional logic of his trade but he is also maintaining it and transforming it together with other actors in the organization and clients. But what comes first? This ‘paradox’ has been sought to be solved, or more precisely; taken into account, in a number of recent developments in institutional theory which investigates institutional actors and their practice: ‘Institutional work’ (Lawrence and Suddaby, 2006), ‘Institutional entrepreneurship’ (Hardy & Maguire, 2008, B), ‘Institutional leadership’ (Kraatz, 2009; Washington et al., 2008) reintroduced from Selznick (1957). Most these concepts were anticipated in a paper by DiMaggio (1988), but have gradually been subject to empirical investigation and theoretical development.

All of these new voices directs attention to the turn of the arrow of causation to how organizational actors affect institutions by their cognitions and actions by the ‘creation, maintenance and disruption’ of institutions (Lawrence et al., 2009; p. 7). In addition to this focus on actors, many institutional theory writers have pointed to the need for a ‘cognitive turn’ within institutional theory (DiMaggio, 1997; DiMaggio & Powell, 1991). This observation is, however, very rarely turned into empirical research (see however Suddaby and Greenwood, 2005; Zilber, 2009; Kellogg, 2009; Zucker, 1977).

Barley & Tolbert (1997) have in their seminal methodological paper dealt with these issues head on by applying the notion of ‘structuration’ taken from Giddens (1984), in which he tries to create a dynamic model of the way structure and action mutually constitute each other. I will utilize the model they develop in this study and expand on it immediately below. Barley & Tolbert (1997) specifically address the issue of the lack of sensitivity to individual cognition and institutional action of actors and see their contribution as an improvement to institutional theory (Tolbert is a significant contributor to the development of NIT).

Similar models are found within neo-institutional research, for instance DiMaggio & Powell (1991, p. 65) and Scott (2008, p. 192) to conceive of the micro-foundations of macro-phenomena like ‘field formation’ and ‘institutional creation’. Indeed, the recent discussion of ‘institutional work’ has its own model of the structuration process (Lawrence & Suddaby, 2006, Lawrence et al. 2009) and, importantly for the present study, the concept of institutional work directs a strong focus towards micro-processes and interaction. The authors define the core assumptions of the conception ‘institutional work’ in the following way. Institutional work would: “highlight the awareness, skill and reflexivity of individual and collective actors” (ibid., p. 219) and aim to generate “an understanding of institutions as constituted in the more or less conscious action of

individual and collective actors” (ibid. p. 219). This resembles Giddens’ ‘practical consciousness’ which he attributes the ‘knowledgeable’ actor in his structuration thinking (Giddens, 1984). The authors maintain, however, that the approach suggests that “we cannot step outside of action as practice – even action which is aimed at changing institutional order of an institutional field occurs within sets of institutional rules” (ibid. p. 220). The actors studied in this analysis are, as described, firmly placed within the awareness of ‘sets of institutional rules’ defined as institutional logics and the scripts derived from these logics. The authors go on “to propose three broad categories of institutional work: creating, maintaining, and disrupting institutions.” (Lawrence & Suddaby, 2006; Lawrence et al., 2009). This is essentially an actor who more or less consciously makes sense by combining individual resources by drawing on the available logics ‘in a toolkit fashion’ (Thornton et al. 2012) or by way of bricolage (Weick, 2001). A similar view is expressed by the concept ‘inhabited institutions’, (Hallett, 2010; Binder, 2007; Hallett & Ventresca, 2006) which explicitly connects the institutional logics concept to the symbolic interactionism (Blumer, 1969; Mead, 1934) and Weber & Glynn (2006) to sensemaking theory (Weick 1995; Weick et al., 2005). Suddaby (2010) explicitly addresses the ‘implicit symbolic interactionism’ in institutional theory and asks for more research focus on ‘meaning’ (a call that is answered in Bévort & Suddaby, 2012). In Hallett’s (2010) study of the ‘re-coupling’ of an accountability regime imposed by the authorities, a superintendent created ‘turmoil’ and ‘epistemic stress’ among the teachers. The point is that this actor chose to personally enact the policy that had been hitherto ignored – making the myth ‘incarnate’ as the paper is titled (ibid., 2010). With these insights, understanding the sensemaking of actors becomes of great importance in understanding in the way organizations are influenced by institutional pressures or logics (in this case arguably an instant of bureaucratic logic).

The old giant of sociological organizational theory, Charles Perrow (2000) expressed the view that NIT is one of two promising developments within the rather bleak prospects of organizational theory and states: ...with a proper role for *agency* and a bounded rationality informed by *cognitive psychology*, “(NIT, ed.) seems to me to be our most promising development” (ibid., p. 474, emphasis added). Below we will look at a line of research which explicitly deals with the process in which agents produce meaning in organizations.

SUBJECTIVE EXPERIENCE, MEANING, SENSEMAKING AS THE BASIS OF INSTITUTIONALIZATION

Another way to deal with the issues of structure and agency, is to stray into the ‘Symbolic interaction’ cubicle of Jepperson’s model above, leaving behind institutional theory proper. Sensemaking theory provides another view on how cognition and structures are intertwined. ‘Organizing’ (Weick, 1979) and ‘sensemaking’ (Weick, 1979, 1995, 2001) put action or enactment in the forefront instead of the above emphasis of structures that constrain action and cognition (Jennings & Greenwood, 2003). In his seminal book: *The Social Psychology of Organizing*, Weick (1979) states the provoking point of view that organizations enact, and thus create, their own environment. This is basically a phenomenological position in the way that individual or organizational actors act in accordance with the world they perceive based on former interpretations and observed meanings (Weick, 1979). In this view, it is futile to discuss the environment as something detached from the unique perceptions of the individual actors. These perceptions are, however, the result of a lifelong process of learning, socialization and experience of social interaction (Berger & Luckmann, 1967). In this sense, Weick’s take on the basic idea of social order is that Sensemaking and Organizing at the micro-level in some cases are transformed into macro-structures e.g. institutions (Weick, 2001; Weick et al., 2005). Weick asks the question of how this transformation takes place:

“The answer proposed here is, by concrete communicative interaction in which people invoke macrostructures to justify commitments. Thus social order is created continuously as people make commitments and develop valid, socially acceptable justifications for these commitments...individual sensemaking has the potential to be transformed into social structures and to maintain these structures. (...) This proposal suggests a possible mechanism by which structuration (e.g. Barley, 1986; Giddens, 1984), actually works” (Weick, 2001, p. 26)

And later he states his opposition to purely structural explanations: “...macro-perspectives are hollow unless linked with micro-dynamics” (ibid., p. 28). Because Weick has as his main interest the micro-processes of sensemaking (Weick, 1995), he tends to play down structural issues like power-differentials and ritualized collective behavior or perceptions (Meyer & Rowan, 1977). Weick et al. (2005, Weick, 2001, p. 159) try to formulate this link between sensemaking and institutions more sharply. The view is that sensemaking may be the ‘feedstock of institutions’ (Weick, 1995, p.36) in the sense that institutions are produced by the way actors infuse them with subjective meaning (Berger & Luckmann, 1967). But Weick et al.(2005) concede, as Weber & Glynn (2006) also propose, that the inverse may be equally true. That institutions are the ‘feedstock of sensemaking’. This view conforms to the description of ‘the substance of sensemaking’ in Weick (1995). Weick himself describes the process of using institutional material as “drawing words from vocabularies of occupations and professions and make sense through paradigms” (ibid., p. 107) e.g. taking cues that connect to institutionalized frames (ibid).

I will argue that sensemaking (Weick, 1995; 2005) is an effective way of understanding the way actors interpret and enact institutions (see Powell & Colyvas, 2008; Weber & Glynn 2006, Weick et al., 2005). Sensemaking is decidedly a ‘micro’ theory because it focuses on the way actors always are engaged in a process of making sense in interaction. This view has evolved from

symbolic interactionism (Blumer, 1969; Mead, 1934) taking the programmatic position that.

“...human beings act toward things on the basis of the meaning they have for them (...) meaning of such things is derived from, or arises out of (...) social interaction (...) and that these meanings are handled in (...) an interpretive process used by the person...” (Blumer, 1969, p. 2).

Having this focus, Weick is also interested in how sensemaking as a *process* contributes to ‘creating, maintaining and disrupting’ institutions (Weick et al., 2005). But his focus is on understanding the mechanisms of the sensemaking process rather than the institutional *content*. The interesting thing is in my view how these two aspects act together in the described co-creation of actors and institutions.

Below, I will discuss a number of terms from Weick’s vocabulary that are relevant for the analyses of the dissertation.

Cue – frame

As noted, Weick is interested in the *process* of sensemaking and only secondarily in the *substance* of sensemaking. This is logical from the point of view of the proponent of sensemaking as a theoretical framework. It is, nevertheless, something of an obstacle for the researcher trying to apply sensemaking on various empirical subjects. Weick does, however, give some suggestions how to approach such a question. First of all, he states that people make sense by using words:

“They pull words from vocabularies of occupations and professions and make sense using paradigms. They pull words from vocabularies of coping and make sense using theories of action. They pull words from vocabularies of predecessors and make sense using tradition. And they pull words from vocabularies of sequence and experience and make sense using narratives.” (Weick 1995, p. 107)

The way Weick proposes we make sense in words is by connecting more abstract words with more concrete words – ‘frames’ and ‘cues’:

“Meaning within vocabularies is relational. A cue in a frame is what makes sense. A cue in a frame is what makes sense, not the cue alone and not the frame alone.” (ibid., p. 110).

In the study I look for ‘cues’ that shows that the managers connect to different partial frames of practices, roles and identities connected to the two logics. As can be seen, the imagery evoked, is very similar to notion of actors drawing on institutional logics in a ‘toolkit fashion’ (Swidler, 1986; Thornton et al., 2012), mentioned above.

The seven properties of sensemaking and generic subjectivity

Weick presents seven properties of sensemaking that he finds important (Weick, 1995, p. 17). We create meaning to create and defend our identity – who we are, to make sense, we need to be able to reflect upon our actions afterwards and create a meaningful account of them, sensemaking is action – we have to do something to make sense – and to enact the sense we make, sensemaking is made in interaction with others – present or not – it is social, sensemaking is an ongoing process – a minimum of continuity is needed to make sense, as we have seen, we select cues to make sense of the world around us and finally sensemaking is all about credibility and plausibility as opposed to precision and factuality.

The seven properties of sensemaking (Weick, 1995, p. 17):

- Grounded in Identity Construction
- Retrospective
- Enactive of sensible environments
- Social
- Ongoing
- Focused on and extracted by cues
- Driven by plausibility rather than accuracy

By naming them properties, Weick, I think, implies that they are ‘conditions for’ as well as ‘qualities of’ sensemaking. For instance ‘retrospective’ is both a question of being able to reflect and make sense of past action as well as the fact that sensemaking is ‘retrospective’ – directed backwards in time. This is important

analytically in that it opens the possibility of discussing why sensemaking occurs in some instances and not in others and not just describing the qualities of the sensemaking process. When we analyze below to what extent the managers make sense of the managerial practices, roles and identities, we will draw on these properties. I will primarily use the three properties I describe below in my analyses in the papers: Identity, Social and Retrospective.

Identity

Weick states that an important reason why sensemaking takes place at all is because we need to know - to some degree - what and who we are. Identity is the point of departure of sensemaking (Weick, 1995, p. 18). By the construction of an identity we both create elements of the context – what are *we* (the organization) - and some important characteristics of the actors – who are we as individuals and groups - and what are we doing. In this study, it is important to be able to use ‘identity’ to contrast the different individual characteristics that actors base their identity on. We can assume that they will use notions of ‘professionalism’ to base their identity on and that they see themselves as a part of a professional firm identified by professional and other related values. Formalized management roles introduce a number of other elements on which, and opposed to which, actors can build their identity (-ies). Weick points out, with Mead, that it is too simplified to view the ‘sensemaker’ as having (or being) ‘one identity’ or ‘one self’. We are a ‘parliament of selves’ (Weick, 1995, p. 18, Mead, 1934). We discuss identity below and the point that multiple identities are a major theme in identity theory (Stryker & Burke, 2000). In relation to the managers in the study it resonates with the observation that the managers in the organization struggle with the double identities as managers and professionals at all levels of management.

Social

Another property relevant for this study is the idea that sensemaking is

inherently *social*. Sensemaking is social in the sense that ‘social process precedes individual mind’, as Weick attributes to Mead (p. 66). Weick (1995) continues:

“Sensemaking is never solitary because what a person does internally is contingent upon others. Even monologues and one-way communications presume an audience. And the monologue changes as the audience changes” (ibid., p. 40).

In a specific analysis of a sensemaking process it is therefore crucial to be sensitive to the interaction with the actual social context that takes place. Weick (1995) cautions that the social context - as for instance represented by a set of shared values – is not necessarily determining the way sensemaking takes place. This is always an interaction that leaves open the possibility for actors to act differently from each other even when they are part of the same community. One of the points I am going to make about the managers in the study is that their ability to make sense of themselves in the role is highly dependent on the cues given in the social groups in the environment – for instance the management, the employees, the team of peers in the local management team.

Retrospective

The point, which Weick borrows from the American tradition of pragmatism (Mead, 1932) and Schutz (1967), is that action becomes meaningful only in retrospect; ‘how do I know what I mean before I hear what I say’ (Weick, 1995). While this also stresses the important ‘enactment’ property, it highlights the point that sensemaking happens in retrospect – ‘post factum’. The Danish existential philosopher Søren Kierkegaard wrote famously that ‘life is lived forward, while it is understood in hindsight’. The point is here brought down to the level of everyday interaction. It is the way actors perceive the results - feedback - on their actions, that determines what meaning the actors will ascribe to the acts. This may seem slightly esoteric if you do not consider the practical consequences of the view. The point I will utilize in the study is that an organization is a context for reflection upon action. If individuals are hindered in - or do not engage in -

reflecting upon their acts, they will not be able to ascribe new meaning to or accept new action patterns (or scripts as we will later use). Combined with the importance of social interaction, retrospective sensemaking becomes more than a fundamental aspect of human existence, but also a variable that can vary with the organizational context. I will analytically use the property to explain how the introduction of new kinds of management actions are dependent upon the quality of reflection possible in the specific context in the case-analyses.

Summing up sensemaking as a perspective in the dissertation

Weick's framework is, in my view, a way of making a number of observations following a symbolic interactionist viewpoint operational in the analysis of organizational behavior. As we shall deal with at more length below, the model of Barley & Tolbert (1997) describes how meaning and action-scripts coming from institutional pressures are transformed in interaction, that is, general influences such as for instance the logic of bureaucracy, become realized (created and influenced) in action and meanings among organizational actors. The role of sensemaking theory in the dissertation, especially in Bévort (2012b), Bévort & Suddaby (2012) (and to a lesser extent Bévort, 2012c), is to provide analytical tools to understand when and how this happen. I will primarily use these three of the seven properties of sensemaking; grounded in Identity, Social and Retrospective (Weick, 1995, p. 17). The combination of sensemaking and institutional theory contributes to making organizational analyses more satisfying because they account for both structural constraint as well as the agency of individuals in interaction (Powell & Colyvas, 2008).

COMBINING THEORETICAL APPROACHES – THE LOGICS-SCRIPTS-SENSEMAKING FRAMEWORK

Combining perspectives

Combining the perspectives described above I take the position that it is necessary to take explicitly into account the recursive quality of social reality (Lawrence et al., 2009; Powell & Colyvas, 2008, Weber & Glynn, 2006; Scott, 2005; Barley & Tolbert, 1997) in order to understand how actors make sense of the world. Elaborating on the (field-) relevant case we can illustrate this recursivity: A person who chooses to become an accountant does this by fitting his own personal history and identity into to the socially created norms, values and roles of the profession. The content of the profession is drawn upon by the new accountant to create his identity as well as the resulting aggregate sensemaking of accountants to maintain and redefine the profession over time. The object of interest of this study is how to theorize and study empirically the mechanisms and processes that connect sensemaking processes with the maintenance and change of institutions. Before we go on to the concrete research design based on this view, I will discuss some important antecedents of this view.

My theoretical position is similar to the one of the ‘sociology of knowledge’ (Berger & Luckmann, 1967) that reality is socially constructed (ibid, p. 15). This implies that everything we know is relative to the social context it is located in and that a central sociological question is how the specific social phenomena we study as scientists become socially constructed. In this study I try heuristically to manage this question by combining two different perspectives; on the one hand I see the social phenomena I study as determined by social history and structural context, and, on the other hand that the phenomena are continuously constructed by the action and interpretation of actors which again are enabled and constrained by history and social structure. Thus, the actors I study are both constrained by

institutional frames and logics, but they are also using, challenging and transforming these frames in their choices of action and their interpretations.

This mutual constitution of social reality has been discussed in sociology in many ways but mostly thinkers give prevalence to one side of the ‘divide’ or the other. As we have seen above, institutional theory has primarily focused on the structural side of the divide (DiMaggio, 1988; DiMaggio & Powell, 1991) while theory that focuses on individual choice, like economic theory, prefers to focus on the agency of rational actors. This leads to the proverbial question of what came first; the hen or the egg? Can we just assume that history starts anew with every new individual or are individuals totally embedded in the existing social structures? None of these positions are usually presented in their pure form. Some kinds of qualifications are usually allowed like ‘market failures’ and ‘externalities’ in economics that socially bounds the rationality of individuals and structurally oriented social scientists leave open some leeway for the agency of the individual actor like notions of ‘embedded agency’ (Battilana & D’Aunno, 2009) or that agents sometimes are able to perform ‘strategic bricolage of institutional material’ (Swidler, 1986; DiMaggio & Powell, 1991).

A smaller group of researchers have seen structure and agency as existing in a mutual dynamic and recursive process, in which the two are mutually creating or constituting each other in an ongoing process. In their treatise on ‘the sociology of knowledge’, Berger & Luckmann (1967) describe the social construction of reality as a dynamic between subjective meaning creation and social objectification. Giddens (1984) has theorized the concept ‘structuration’ and a process-sociologist like Elias (1982) saw the constitution of individual action and society as completely integrated. As we have seen above, institutional theory (Lawrence & Suddaby, 2006, Lawrence et al 2009, Lawrence et al., 2011) has started to direct attention to a more balanced view of structure and agency in recent years. In this study I will follow the lead of researchers as Knorr-Cetina (1981); Barley &

Tolbert (1997), Weber & Glynn (2006), Weber (2006), Lawrence & Suddaby (2006) who insists on the relevance of a view that integrates the complementary process in which agency and structure constitute each other over time.

The perspective is where social psychology (Blumer, 1969; Weick, 1979; Stryker, 2002) overlaps micro-sociology (Knorr-Cetina, 1981). This is important to note because it has consequences for how, for instance, I understand actors in this perspective. Neither institutional theory nor symbolical interactionism above emphasize that actors have inherent psychological traits, agency or an ability to nurture or create meanings that can be understood as external to, or isolated from, social (inter-) action (Blumer, 1969; Weick, 1995; Elias 1982) and the interaction order (Goffman, 1974) valid in the context (or social structure, e.g. institutions). And as I stated above, no social order is objectively independent of subjective experience and meaning (Berger & Luckmann, 1967). As Berger & Luckmann states, elements of socially reality become 'objective' through the way actors ascribe subjective meaning to them (Berger & Luckmann, 1967).

If we accept that social reality can be seen as a recursive process between agency and structure or between sensemaking and institution, I think the interesting theoretical as well as empirical question is how this takes place in empirical contexts. The main angle on this task is how actors create meaning/make sense of institutional pressures and how that process is the key to understanding the persistence and change of organizations and institutions. As stated by Suddaby (2010) the concept of 'meaning' seems to have disappeared in institutional theory and that institutional theory anyhow implicitly assumes symbolic interactionism (*ibid.*, p. 17) as also discussed in relation to 'rationalized myths' (Meyer & Rowan, 1991).

Below I will develop the concepts I will use to build a model that can underpin the analysis of the ways sensemaking and institutions recursively affect each other in specific contexts. The ambition is not to address the question of

structure and agency in a general way, but to create a workable backdrop for the analytical model I will develop using elements of institutional theory and sensemaking theory. The specific point of departure was, as mentioned, to understand the processes in which the professionals of my case-organization make sense of the manager role they perform in the specific organizational and institutional context.

The structuration of contradicting institutional logics

In the following I investigate the change processes I have observed in the study by applying a number of the central concepts discussed in review above. Halfway through the study I developed the ‘working model’ below which conceptualizes the process of how actors make sense of and enact contradicting logics and how organizational and institutional change seems to emerge from this process. The model is a first step toward theorizing the way contradicting logics on the interaction level affects institutional change through the interpretations and enactments of organizational actors:

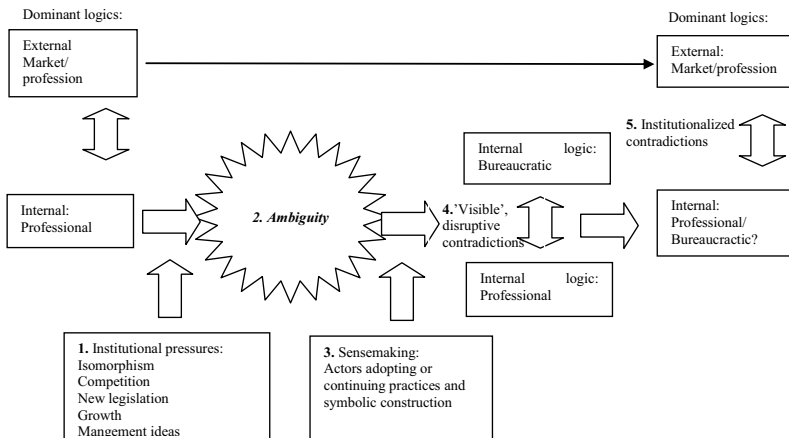


Figure 5 Institutionalization of contradicting institutional logics

Figure 5 shows how institutional pressures create ambiguity, sensemaking, visibility of contradictions and eventually new institutionalization. The model suggests a number of mechanisms in the process of de- and re-institutionalization:

1. The contradictory logics that have been institutionalized in a semi-stable state, are over time vulnerable to external institutional pressures e.g. the dominant management discourse encountered with clients, the perceived need to reduce costs and improve development of new services imposed by rivals at the market, the demand for more transparency in business processes/risk management from new legislation or the fact that organizational growth creates complexity that necessitates or makes new management principles more attractive.
2. These pressures create ambiguity. The way the phenomenon ‘ambiguity’ is understood here is a situation where “ongoing stream (of cues, ed.) supports several different interpretations at the same time” (Weick, 1995, p. 91-95). Weick (1995) also refers to ‘equivocality’, ‘paradox’ ‘high complexity’ to describe a situation where actors are overwhelmed with possible interpretations and information. Weick (1995) describes ambiguity as an essential occasion for sensemaking. In this context it means that alternative ‘logics’, ‘cues’ and ‘scripts’ become less strange and more plausible to actors.
3. While most actors will reproduce the existing logics, some will begin to adopt new sensemaking (or engage in ‘praxis’ (Benson, 1977; Seo & Creed, 2002)). Zucker (1977) states that the more institutionalized a type of action is, the less likely is it that actors will choose to act differently from the institutional practice. On the other hand, with the introduction of ambiguity, it is more likely that the degree of institutionalization becomes more varied (ibid, p. 730). When ambiguity becomes sufficiently prevalent at the interaction level, some individuals begin to make sense of their world in a different way, try new approaches and lines of action; or see themselves differently and in new roles.

4. However these micro-strategies are not visible at the organizational level before they become symbolically constructed as (a part of) organizational reality. And each individual utilizes several logics for his/her sensemaking and do not necessarily do this in a consistent manner. But at a certain point a new organizing logic become visible as a contender to the prevailing interaction regime. In our context, the PSF-case of the study, it is the bureaucratic logic that is initially introduced gradually as a practice and is eventually later beginning to be constructed symbolically at the organizational level, for instance by way of formal communication of new policies or by the introduction of global training activities.

5. When this happens the contradictions become visible and a negotiation process ensues that eventually leads to a new collective compromise – with a new constellation of contradictions that eventually become institutionalized in a new semi-stable state. And finally the process is reiterated, reflecting new institutional pressures.

Above I have sought to map a theoretical frame of the study. I see a dynamic process between interactive sensemaking among individuals and institutionalized practices and structures that constitute each other mutually. The objects of the field-study are professionals who are suspended between two institutional logics of organizing that I identify as a professional logic and a bureaucratic logic because their context is bureaucratized and they are part of that bureaucratization because they are appointed managers in the case organization. The focus is to understand the (institutional) work done by these managers defending, integrating or maybe even contesting the existing logic. Either way, I will argue this will be reflected by the way the managers interpret and enact the contesting logics that are introduced in the organization (DiMaggio, 1988; Greenwood et al., 2011). I have proposed that three cognitive mechanisms affect the way these managers experience the conflicting logics; one is ambiguity, understood as a growing salience of other possible meanings of what the appropriate way of organizing is,

the second is Sensemaking efforts to communicate and enact alternative schemes of action, and finally a process that makes the new interpretations in local interaction collectively visible and legitimate themes in the organization (at least discursively) and thus makes contradictions between logics visible. This is the cognitive meaning creation process and this is related to structural or more or less institutionalized elements in the organization. The ‘management practices’ I study I see as a set of practices that may become structured in roles and are attached to the identities (and selves) of actors. All these elements can be seen as social ‘typifications’ in the sense that they attach the specific element in question to generalizable categories (Schutz, 1976; Berger & Luckmann, 1967; Weber & Glynn, 2006). This connection between practice and self, I see as fundamental for sensemaking and a prerequisite for meaningful action (Weick, 1995). On the other hand practices, roles and identities are to a large extent institutionalized elements that are used by the self in this process.

First we see three cognitive mechanisms in the experience of the managers in the study: The presence of *ambiguity* of possible frames, *sensemaking* of cues and collective *visibility* of the alternative logics as described above. Secondly, the structural components (or material practice) are the *work practices*, the *roles* and the *identities* that the managers engage with and try to align in a sensible way in the changing context. These two sets of context will structure the analysis of the accounts of the managers below.

These elements affect each other recursively. However, the result of the institutionalization is the establishing (or stabilizing?) of practices, roles and identities. These are the ‘typifications’ (Weber & Glynn, 2006; Schutz, 1976), commonly accepted structure, knowledge and presence that constrain the options of actors. The more elaborate and fine grained they become, and the less equivocal, the more they will they determine the courses of action taken (Zucker, 1977). My suggestion is that the cognitive mechanisms may unsettle the

institutionalized patterns and lead to a new configuration of contradictions. It is exactly what I interpret from the data I have collected: That new meaning gets enacted and challenged and potentially reconfigure the existing set of contradicting logics.

This is described in figure 6 which condenses the argument with the core analytic concepts:

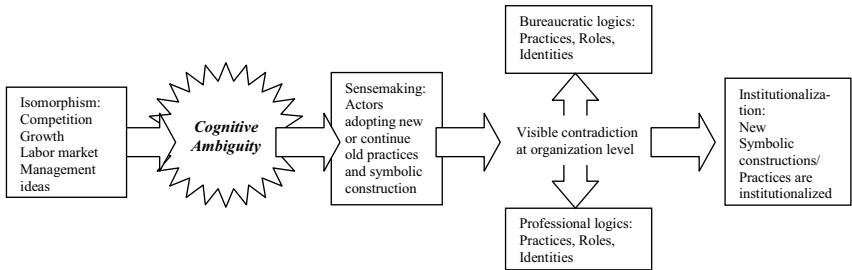


Figure 6 The institutionalization of new practices, roles and identities

In the following three notes I treat the three concepts ‘role’, ‘identity’ and ‘practice’, which are central in the model (Figure 6) and remain important ‘nuts and bolts’ in the final project, however implicit in the writing.

A note on ‘role’

The role concept has a central role in the classical thinking about institutions and institutionalization. Berger & Luckmann (1967) wrote:

“The question as to which roles become institutionalized is identical as to which areas of conduct are affected by institutionalization, and may be answered the same way. *All* institutionalized conduct involves roles. (...) The roles *represent* the institutional order (emphasis in original, *ibid*, p. 92)”

In this view roles are one of the most important representations of institutions (*ibid.*, p. 93) and that “roles make it possible for institutions to exist, ever again, as

a real presence in the experience of living individuals” (ibid., p. 92). Returning to the manager role of the study, my proposal is that the introduction of the new role represents an alternative institutional logic creating ambiguity and tension in the organization related to the existing professional logic. The extent to which this role becomes institutionalized as a legitimate role as a set of practices, behavioral norms, knowledge and values (‘a typification’ Weber & Glynn, 2006; Schutz, 1967; Berger & Luckmann, 1967), to a similar extent it can be assumed that the logics it carries become a reality in the minds of the actors. A related issue is that to enact a role, the actors have to reserve a section of their self for the role: “In other words, a segment of the self is objectified in terms of the socially available typifications (ibid., p. 91)”.

The point is that the managers I study are, as a starting point, socialized intensively by typifications based on the professional logic. A crucial point in my study is to identify to what extent the manager role – which I interpret as a typification of the bureaucratic logic – is present as a real legitimate option in the consciousness of the professionals who act as managers in the study. How is it possible for them to ‘reserve a segment of their selves’ for a role belonging to a logic that is only partly typified and which contradicts many aspects of the logic to which most other roles they play?

A note on ‘identity’

While the concept ‘role’ summarizes the institutionalized expectations and content of a specific set of practices, ‘identity’ connects the individual to the institutional framing. In its broadest understanding an individual makes sense of the social frame by ‘identifying’ i.e. discovering whether the identity of the individual can be related meaningfully to the institutional context, practices and roles. Weick (1995, p. 17) makes this point by singling ‘identity’ out as one of the most important ‘properties of sensemaking’. He says: “Depending on who I am,

my definition of what is ‘out there’ will also change” (ibid, p. 20). This is an understanding of identities as cognitive schemas: “...they are cognitive bases for defining situations, and they increase sensitivity and receptivity to certain cues for behavior” (Stryker & Burke, 2000).

In this context I am also inspired by Alvesson & Willmott (2002) and see ‘identity’ as having ‘structural’ properties as well. This means that the performance of the organization is contingent upon the body of ‘appropriate identities’ present or produced in the organization and that the organization i.e. the management will deliberately strive to maintain and enhance this body (ibid, p. 629-630). The identities are in this view strategically stabilized meanings that support the behavior needed in the organization. While I am not comfortable with the idea of comprehensive ‘identity regulation’ implied by this way of thinking (even though the authors qualify the view in the paper, I think they understate the inherent agency in identity work), I think it underlines the importance of identity creation (or work) in the realization of new roles and practices. The managers will also need to develop ‘appropriate’ identities to be able to embody and perform in a productive way. Weick (1995) discusses the idea of ‘identity flexibility’ as a way to understand the ability to embrace fewer or more distinct identities.

Identities can therefore, as roles, be multiple, and identities can intermittently or more permanently compete or conflict (Stryker & Burke, 2000). However, arguably, for the individual, the tolerance of inconsistency in identity is smaller than the tolerance of role conflicts. Alvesson and Willmott (2002) build on Giddens idea of ‘self-identity’ as they emphasize the continuous effort on the part of each individual in maintaining a meaningful identity:

“Given the accomplished and sometimes precarious nature of contemporary identity, much, if not all activity involves active *identity work*: people are continuously engaged in forming, repairing, maintaining, strengthening or revising the

constructions that are productive of a precarious sense of coherence and distinctiveness” (ibid, p. 626).

In this view everybody needs a measure of coherence and self –verification (Stryker & Burke, 2000) in order to maintain a meaningful concept of self whether or not we accept the epochal implication of the Giddens’ reference in Alvesson & Wilmott (2002). On the other hand, when referring to identity, it is as plural as the number of social groups with which one interacts (Stryker & Burke, 2002).

“To refer to each group-based self, the (identity, ed.) theorists chose the term *identity* asserting that persons have as many identities as distinct networks of relationships in which they occupy positions and play roles” (ibid, p. 286).

Thus in the identity theory inspired by symbolic interactionism, the connection between identity and roles is that “identities are internalized role-expectations” (ibid.; Stryker, 1980; Mead, 1934; Blumer, 1969).

Considering the managers I study, my point is that they are influenced by two logics. Following the accounts from the literature of the professions and professional service firms (Løwendahl, 2005; Cooper et al, 1996; Abbott, 1988; Larson, 1977) the professional logic is deeply internalized as a set of practices, role-expectations and a professional identity of the professional employee working in a professional organization. From the managers’ perspective, the bureaucratic logic seems to be much more precariously established as a number of practices, an ambiguous role and a hypothetical identity as manager that has no real or explicit precursor in the organization.

An note on ‘practice’

In this connection I refer to practices as specific sets of behaviors seen as appropriate for the performance of specific tasks. In this way practices are highly situated and thus dependent on the geographical, cultural as well as organizational context where they are located. Practices are routinized, repeated and relatively

stable; otherwise we couldn't recognize them as practices. Practices may or may not be associated with one or more roles or identities. In this study I use a yearly repeated performance/ development interview as an example of managerial practice. Practices are more than actual action in the sense that practices will not necessarily be consistently performed or even supported by actors who are expected to do both. But the specificity of behavior attached to a practice will by and large be understood by the community where it exists. Similar 'generic' practices may, accordingly, be enacted differently dependent on the context. Lounsbury (2001) describes how a new recycling policy imposed on universities in the Chicago area was seen as resulting in two distinct practices contingent on the social context. The practice concept has been developed for a number of years with a much wider scope than the one used here (Schatzki, 2000). While not embracing the scope of practice theory, I will use the notion that management is a distinct set of practices which are relevant and meaningful for the managers I study. Schatzki (2000) sums up the core definitions from practice research: "...practice theorists conceive of practices as embodied, materially mediated arrays of human activity centrally organized around shared practical understanding' (ibid., p. 11). The focus on shared skills and understanding places this definition close to the view taken in this study. In many ways the more limited and, in my view, precise concept 'script' has replaced 'practice' in the study.

Leaving the 'contradictions of logics' model behind

While the model and the concepts developed in this preliminary discussion had a clarifying role, and holds a potential I will exploit elsewhere in the future, I ended up going another way, as indicated by the logics-scripts-sensemaking framework described above. My thinking needed a better conceptualization of the dynamics and continuity between the structure and the interaction level, logics and sensemaking. The concepts 'identity', 'role' and 'practice' were important elements in my preliminary understanding of what was going on in the case but

the concepts turned out to be difficult to apply in the research design. Also the ‘dynamics of contradicting logics’ and ‘cognitive ambiguity’ (a parallel is ‘epistemic stress’, Hallet, 2010) have much to commend them as tools of understanding. However, at the end of the day I ended up settling for the in some ways less daring ‘logics-script-sensemaking’ scheme, because it offers a better way of analyzing data parallel to the very operational suggestions of Barley & Tolbert (1997). The Barley & Tolbert (1997) framework, already in part applied in Barley (1986), is by no means a mainstream approach. The paper is one of the few early voices in the neo-institutionalist tradition, which directly and in a very concrete way addresses the way structure is encoded, enacted and revised by conscious acts at the interaction level (see however also Zucker, 1977, 1991). I find that it provides a number of excellent suggestions on how to study the mutual influence of actors and organization/environment, and accordingly will apply many of the ideas as the main research design of the dissertation. In the following I will develop the model institutionalization and structuration model of Barley & Tolbert (1997) in order to pave the way for my final research framework based on an adaption of this model.

The institutionalization-structuration model of Barley & Tolbert

Barley & Tolbert (1997), develop a combined interpretive and structural approach (as also proposed by Stryker (1980) in his ‘structural version’ of symbolic interactionism). Barley & Tolbert (1997) take their theoretical point of departure in the ambition of not only using institutions as constraints but also explaining how institutions are created, maintained and changed in the way actors actively make use of them (ibid, p. 94). In this way, they arguably anticipate the recent discussion of ‘institutional work’ (Lawrence & Suddaby, 2006). The idea, that the creation, maintenance and disruption of institutions are a continual everyday processes that actors undertake by doing ‘institutional work’.

As noted, Barley & Tolbert (1997; Barley, 1986) explicitly apply the structuration concept developed by Giddens (1984) in which he describes structure and agency as mutually constituting each other. They state that they think institutionalization and structuration are covering more or less the same phenomena and processes (Barley & Tolbert, 1997, p. 100). In their description, de-institutionalization and institutionalization goes both ways (ibid.) and moreover, they separate institutions from actions and locate institutions temporally before action (ibid, p. 102). They state that while this may not be so ontologically – i.e. structure and action may be ‘nested’ or integrated in practice - it makes sense to make an epistemological or analytical distinction in order to track the way everyday interpretation and action interplay with the specific institutional framework.

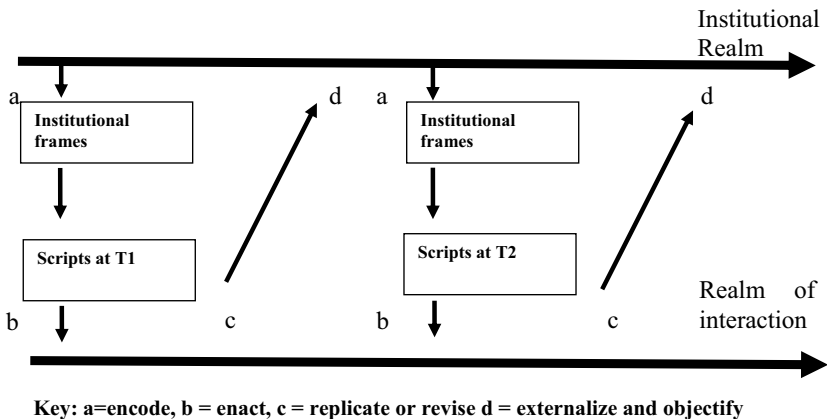


Figure 7 Barley & Tolbert's model of institutionalization(Barley & Tolbert, 1997, p. 101)

In the sequence of the model of Barley & Tolbert (1997), Figure 7, the first step is the encoding of scripts. In the context of the study used as an example, this means identifying the ways in which the management scripts are encoded in the organization. The idea of ‘encoding’ implies an individual internalization of

scripts which normally are part of socialization in the organization. Enactment of scripts is the most straightforward to discuss and observe because performance is accessible to the researcher. Indirectly, it is also possible to obtain accounts from the actors who perform the scripts even though it is necessary to be critical of these accounts (Barley, 1986). The replication and revision processes is whether a script is accepted and repeated or whether is re-interpreted and changed in a revision process. Externalization and objectification processes are the processes in which input from the interaction level become visible and influential on the organizational, field or societal level.

Scripts as links between logics and sensemaking

From these fundamental conceptions Barley and Tolbert (1997) designed a pragmatic and generic, model to study institutionalization using scripts as the concept that carries ‘institutional content’ between realms. Scripts are, according to the authors; “*observable, recurrent activities and patterns of interaction characteristic of a particular setting*’. Scripts encode the social logic of what Goffman (1983) called ‘an interaction order’” (ibid., p. 98, emphasis in original). The scripts are introduced, maintained and developed in a sequence of what I fundamentally see as a sensemaking process (Weick, 1995); encoding of scripts, enactment of scripts, replication and revision and finally objectification and externalization of scripts (Barley & Tolbert, 1997, p. 101-102).

Scripted behavior (and knowledge), in their view, is one of the key elements in institutional (or interaction) order. In their view ‘scripts’ are not merely symbolic representations of behavior (mental or in artifacts like a written standard procedure), but they describe the actual (observable) way behavior is structured in practices, roles etc. in the common understanding of the actors (ibid. p. 98). Scripted behavior becomes the mediating entity between actors and institutions through a process where scripts are ‘encoded’, ‘enacted’, ‘replicated or revised’ and ‘externalized’ or ‘objectified’.

The cognitive psychologist Robert Abelson (1981) defines ‘scripts’ as follows: “...a script is hypothesized cognitive structures that when activated organizes comprehension of event-based situations” (ibid., p. 717). The scripts are thus on the one hand a way of understanding a sequence of events. Abelson goes on to specify the behavioral aspects of scripts: “In its *weak* sense, it is a bundle of inferences about the potential occurrence of a set of events (...). In its *strong* sense, it involves expectations about the order as well as the occurrence of events (ibid., emphasis added). The notion that scripts can be weak or strong is useful when analyzing changing scripts. A weak script may be a script that is not fully institutionalized or a script can be weaker or stronger in different contexts (Zucker, 1977).

A similar concept, cognitive ‘scheme’, is preferred by Thornton et al.(2012, see also reviews of related concepts by DiMaggio, 1997; Gioia & Poole, 1984; Abelson, 1981). They see, however, ‘script’ as a kind of scheme: “Scripts in particular guide expectations of behavior by helping individuals resolve ambiguities, draw inferences, and guide evaluations (Thornton et al., 2012, p. 23).” This view of the ‘script’ concept is more cognitive (like the definition of Abelson (1981) above) than the ‘scripts’ concept of Barley & Tolbert (1997). However, they go on to say that these differing views can be reconciled by recognizing that individual scripts are invoked by socially interacted scripts and that socially interacted scripts are stored as cognitive scripts in individual memory (Thornton et al., 2012). In this context, I take the view that scripts are both cognitive and behavioral (Abelson, 1981; Gioia & Poole, 1984) and that they are created in a specific (social) interaction order (Goffmann, 1983).

Institutional logics can also be understood in both cognitive and behavioral terms (Friedland & Alford, 1991; Thornton & Occasio, 2008). I contend that logics and scripts have similar implications, although at different levels of abstraction. Or put another way, institutional logics are made concrete and

processed as scripts in interaction (Barley, 1986) as practices as well as interpretations. Scripts can be specific to local interaction orders, but scripts can also reflect and affect broader institutional logics if they are transmitted (Zucker, 1977) to other groups and organizations (or received from them).

Scripts will at times be nearly unequivocal and the sensemaking (or in Barley & Tolbert's terms; encoding, enactment, replication) affirm the existing interaction order. On the other hand, when scripts are ambiguous or diverging scripts are available, the process challenges the existing order and new scripts are produced which again affects the environment. This is the result of friction between contradicting institutional logics (Benson, 1977; Seo & Creed). To put it more concretely, for research, the point is to follow the scripts and how they seem to change though the way actors make sense of them. In the case of the professional service firm: how is the way the professionals, who become managers, act and interpret their work, changed by the new scripts which become available, infused by a bureaucratic logic?

The logics-scripts-sensemaking framework

Using the combined projects of explanation in institutional theory and symbolic interactionism I propose an analytic line like this: 'institutional logics – scripts – sensemaking', which I will briefly elaborate below:

<i>Logics</i>	Societal and field-level frameworks of symbolic constructions (meanings) and material practices (general action patterns).
<i>Scripts</i>	Typified cognitive structures and behavioral patterns of sequences (or programs) of events (specific action patterns).
<i>Sensemaking</i>	The interaction process in which actors attach meaning to individual and social action, by linking logics to scripts and contributing to new logics and scripts.

Table 2 The logics-scripts-sensemaking analytic framework

As the Table 2 show, all the three concepts contain an ideational-meaning and a practice-action component. Friedland and Alford (1991) exemplify the religious logic: The institution of the Christian church is symbolically constructed by prayer but prayer is at the same time a material practice. Confession in the Catholic Church is a religious script which contains a cognitive justification as well as a specific behavioral pattern precept (Abelson, 1981). For confessions to make sense, the individual will have to accept and actively reconfirm the link between religious logic and the confession script in relation among other things to his/her identity and social interaction and (some level of) retrospective reflection upon performing the script (Weick, 1995). This should not be surprising, because they all take their point of departure in the subjective meanings of individuals in interaction (Schutz, 1972; Berger & Luckmann, 1967). It is important to note that there is no privileged direction of causation or order between the three elements – which is in principle ‘entangled’ in a continuous process (Hernes, 2008). It is possible to conceive of scripts that trigger sensemaking, or sensemaking that trigger scripts, logic which inform sensemaking or vice versa, and scripts which can carry the introduction of new logics, as we shall see in the analyses below.

In the next section I will describe the research design and the analytic framework of the study. I will begin with some of the early studies that led to the final design but never made it to the papers. In succession, the methods and data collection approaches applied in the study will be accounted for.

Summing up the literature review

Above we have seen how the study is positioned in an institutional field defined by the professions literature (Larson, 1977; Abbott, 1988; Freidson, 2001) and the PSF-literature (Greenwood et al., 1990; Cooper et al., 1996; Hinings et al., 1999, Brock et al., 2007). We have argued for the view that these organizations – including the case-firm, are located in a historical change process in which different ‘logics’ – the logics of professionalism and bureaucracy (Freidson, 2001)

– increasingly co-exist in a way that creates tensions and new possibilities. To understand this development theoretically, we have drawn upon neo-institutional theory (Greenwood et al., 2008; Scott, 2008) in order to understand better how institutions are created, maintained and changed. We have seen how institutional theory have become increasingly interested in the logics of institutions (Friedland & Alford, 1991; Thornton & Ocasio, 2008) and to explain how organizations respond to situations of multiplicity of logics and complexity (Greenwood et al., 2011). In order to understand how organizations respond, we have discussed sensemaking theory as a way to supply a cognitive micro-foundation of the explanations of neo-institutional theory. In order to create an analytic framework based on these two strands of theory, Barley & Tolbert's (1997) approach to institutionalization (structuration) has been utilized introducing the 'script' concept as a mediating analytic concept. The review ends up arguing for the combination of perspectives in the analytic sequence 'logics-scripts-sensemaking' which will be applied in the research design below.

Research design and methodology. How to study actors' sensemaking of contradicting logics?

In the following I will account for the research process and the methodological decisions I have made developing my approach, building on the theoretical framework I have presented above. The following is structured as a successively more practical oriented description going from my emerging understanding of the field to the concrete research practice I have pursued in the thesis.

I develop the institutionalization model adapted from Barley & Tolbert (1997) which I have built the logics-script-sensemaking framework around. This is the main heuristic tool of my research design. Following this exposition, I apply the precept for studying 'script-change' (Barley & Tolbert, 1997; Barley, 1986) on my study in order to map the course of the argument. The two latter draw heavily on Bévort, (2012b), the conceptual paper of the dissertation.

In the next subsection, I discuss and describe the philosophy of science assumptions of the study which also direct the methodological stance of the approach taken. The theory applied is predominantly 'high construct' and phenomenologically oriented (Jepperson, 1991; Woodruff Smith, 2008) which also affects the general view of science, research and data. Qualitative research methods are natural favorites because all research in this vein becomes interpretive, i.e. when adhering to the basic epistemological position that we can only study phenomena and not things in themselves. Hence, when we study social phenomena, we are studying by way of double- or second order interpretation (Schutz, 1967; Berger & Luckmann, 1967). We study the way others think by interpreting their interpretations. The promise of depth and richness of qualitative data are therefore more attractive than the superficial generality of most quantitative research techniques. The 'truth' is not obtainable or accessible for scientific scrutiny anyhow.

The methodology and research process has been inspired by ‘grounded theory’ (Glaser & Strauss, 1967; Corbin & Strauss, 1990), partly because the study is sympathetic to the Symbolic Interactionism roots of this methodological stance, but also the fact that the case gave access to a prolonged generation of rich empirical data. The symbolic interactionists (SI) see the world like this; ‘phenomena are not conceived of as static but as continually changing in response to evolving conditions’ (Corbin & Strauss, 1990, p. 5). SI rejects ‘determinism’ and finds that actors as a rule are ‘able to control their responses to conditions’ (ibid). The view taken in this study is more restrictive than the statement above in that a number of (institutional) constraints are theorized up front. Still the overall aim of Grounded theory to develop theory – as the first model below – as a process of going back and forth between analysis and data collection is maintained. The relevance of the grounded theory ‘canon’ for the study will be discussed below.

The challenge of the approach of the study has been to balance a rather theory-laden debate – the institutionalized conflict between a professional and a bureaucratic logic vis-à-vis a sensitivity to the way the actors in the case-organization made sense of their world. In short, the point is to decide the balance between discovering-interpreting the sensemaking of the actors and the already established ideas of the researcher. Much ethnography is extremely purist (and sometimes positivist) in this respect, grounded theory is more open to the use of abstract theoretical categories, even (if to a lesser degree) preconceived ones, while many institutionalist (and other sociological) studies apply ‘ready-made’ preconceived categories like ‘legitimacy’ or ‘logics’ to frame their empirical studies. However, I argue in the section that the appropriate methodology for a line of research based on the theoretical tension between structuralist theory with interactionist theory is one that is both theory-driven and at the same time

sensitive to ‘obdurate’ quality of empirical phenomena and human action – to recall the concept used by Blumer (1969).

Finally, I detail the steps which have been undertaken in chronological phases. The research approach to data collection in the study has been to use ethnographic methods. That is; long-term visits to the sites (more than two years), qualitative interviews, observation, participative research, field notes, and document analysis.

MAPPING SCRIPT-CHANGES WITH THE MODIFIED BARLEY & TOLBERT INSTITUTIONALIZATION MODEL

In order to make the study of the contradictions operational, I will modify and build on the model proposed by Barley & Tolbert (1997) that offers a way to approach the study of the mutual constitution of structure and action as well as, I would add institutions and sensemaking, inspired by Giddens structuration theory (1984). I share the view of Barley & Tolbert (1997) that ‘structuration’ and ‘institutionalization’ are very similar concepts and for the purposes of this study it is not meaningful to distinguish between the two. Both contain a fusion of action – process / objectification – structure. The paper discusses the basic problem of distinguishing structure and action empirically as well as in theory, and in what sense the temporal dynamic is present in the model (ibid, p. 100). They propose that the distinction is at least epistemologically necessary and that it is important to take a diachronic view of structuration processes in order to make this distinction (ibid.). This means a diachronically, sequential ordering between social encoding of institutional justifications and action-scripts, enactment of the action scripts in this, replication or revision of scripts and finally institutionalization of the revision or maintenance of the existing institutional status quo. Thus in this view, the hen is placed in front of the egg, and by sitting on the egg will create a new chick, which will eventually contribute to change or maintain the ways of the farm.

To the version of the institutionalization model framework used in the dissertation (Bévort, 2012b, Bévort & Suddaby, 2012) there is added an ‘organizational realm’, because I find it useful to distinguish between the institutional realm and the organizational realm. Management practices inherently exist in an organizational connection between local interaction and organization-wide systems and policies. While a proportion of the bureaucratic and professional logics are directly affecting the interaction realm, especially the bureaucratic logic will also be translated and boosted or dampened by the organizational realm that connects the management system. When the case-firm initiates systematic activities to drive a formalization of management, it affects the sensemaking of the managers and the organizational level is important in the way that the different subunits influence each other through the organizational realm, for instance by gathering managers in a knowledge sharing meeting etc. In effect, it seems highly appropriate, when studying managers, not to exclude or collapse the organizational level with the field level or the interaction level.

At the interaction level, actors are influenced by the way the organization positions itself as a collective in relation to the institutional field. Behavior is legitimized and molded by both institutional pressures like professional norms and organizational cultural norms and identity (Glynn, 2008; Kunda, 1992). Empirically, interpretation and enactment take place sequentially in two locations: the organizational realm of the general management and the interactional realm of the managers and employees.

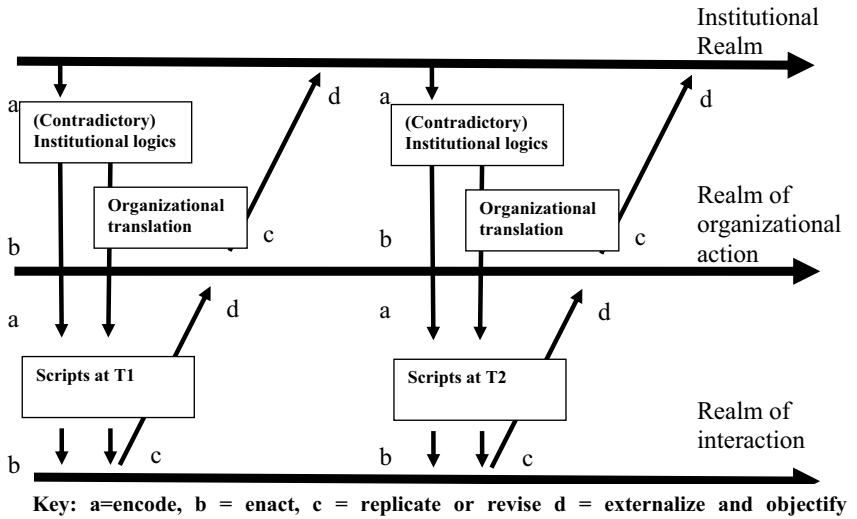


Figure 8 Institutionalization/structuration model adapted from Barley and Tolbert (1997, p. 101).

Another modification of the model (Figure 8) is that ‘institutional frames’ are substituted with ‘(contradictory) institutional logics’ following the argument in the review above and the chosen framework. It is the symbolic construction and material practices from institutions which infuse/are drawn upon by actors to make scripts meaningful.

In addition to the application of scripts by Barley & Tolbert (1997, also Barley, 1986), there have been other examples of the use of scripts to describe organizational behavior in a more concrete way (e.g. Gioia & Poole, 1984; Poole, Gray and Gioia, 1990). While scripts as understandings of event sequences that apply to all settings, scripted behavior is seen as an appropriate way to describe regularly repeated organizational behavior as for instance meetings, selection interviews, performance appraisals (Gioia & Poole, 1984, p. 455). These management practices are often strongly scripted in the sense that the way participants are well aware of the reasoning behind the practice as well as what

behaviors are expected to be associated with the scripts. For instance, selection interviews can be painstakingly precise in terms of expectations to turn-taking, the appropriate sequence of events and kind of topics processed in the exchange (ibid., p. 455).

Paraphrasing Abelson (1981), Gioia & Poole (1984) explain that script processing occurs when the participants have a ‘cognitive representation’ of a certain script, when a context enables and prompts the scripts and when the person or persons involved actually enter and perform the script. They add that ‘self-concept’ is an important contingency for the processing of scripts understood in the way that preservation of self-esteem can influence the choice of scripts (ibid., p. 455). Hence, when we study professionals performing as managers, what they actually do is dependent on their knowledge of the scripts, that a supportive social environment for the scripts is in place and that they actually make the choice to enter and perform the script (ibid).

In my view, scripts can rather easily be connected to the properties of sensemaking described by Weick (1995). When people extract cues they invoke frames which will include cognitive and behavioral scripts (stemming from broader logics). The match between the identity of the performer and a script is decisive for whether it is performed and how. Scripts are socially anchored in a situated interaction order. Scripts are open to symbolic examination and retrospective sensemaking as opposed to habits and automatic behavior (‘response programs’, Abelson, 1980, p. 722).

The strength of the script concept, in this context, lies in the fact that it can be seen as a result of organizational sensemaking, institutionalization and at the same time a carrier of institutional logics. A script is a socially accepted – often taken-for-granted – sequence (or cluster) of actions that are repeatedly confirmed by re-enactment in the organization. A script is institutionalized in the Schutzian sense; it is a typification (Berger & Luckmann, 1967, p. 47-48) – a type of (inter-)action

which becomes recognized in the social context as an institution in the broad sense. And at the same time a script carries links to societal institutional logics (Thornton et al., 2012). Thus, we may see the way actors think and perform scripts as evidence of sedimentation and competition of logics (Cooper et al., 1996). Examining scripted behaviors can tell us how and to what extent actors make sense of the available logics. The following matrix is applied in Bévort & Suddaby (2012) to examine how new ‘management scripts’ are entering the scene, how they are practiced, changed and to which extent they become institutionalized.

Institutionalization of management scripts	Logics – types of contradictions between Professionalism and Bureaucracy	Scripts -in-process examples from case	Sensemaking - aspects identified
Old scripts/ New scripts/			
Encoding scripts			
Enacting scripts			
Replication of scripts			
Revision of scripts			
Externalize and objectify /(institutionalization of new scripts)			

Table 3 Sensemaking of scripts drawing on the two logics – the process of institutionalization specified

The challenge of the institutionalization model (Figure 8) is to distinguish between the sequences (T1 and T2) and the dynamics between logics, scripts and sensemaking. As illustrated in Table 3, (and used in Bévort & Suddaby (2012), I use the sequence; encoding, enactment, replication and revision, externalize and

objectify as a way to structure the management transformation process going on in the case-firm between the two struggling logics in the development of management in the organization. This is, of course, a very abstract way to aggregate what is really a large number of more or less related historical ‘institutionalization cycles’ under a common heading: ‘changing management scripts’. However, by assuming⁴ that there will always be present a number of ‘generic’ management scripts in organizations (e.g. ‘entry’ or ‘exit’ scripts covering the purpose of and what actions is supposed to happen when people arrive and leave the organization), it is possible to follow the way institutional logics are affecting the scripts and likewise how the new sensemaking of scripts are changing the balance or combination of logics.

In the following I will discuss how it is possible to study script-change with the proposed framework.

STUDYING CHANGING SCRIPTS IN A PSF – A RESEARCH APPROACH

In this section I will follow the general methodological suggestions of Barley & Tolbert (1997) for studying ‘script-change’ and review the script study used in the study according to their recommendations. They propose the following four steps as necessary for a productive analysis of the change of institutionalized organizational scripts.

- a. Define the institutions at risk of change,
- b. Chart the flows and action and scripts over time,
- c. Examining scripts for evidence of change,

⁴ This, incidentally, causes some conceptual trouble because even the ‘generic’ aspects of scripts must be seen as constituted historically and subject to change and re-interpretation (Giddens, 1979). However, in this context I see the ‘generic scripts’ as having a much longer cycle-time like the script ‘prayer’ has had recognizable symbolic and practical properties for hundreds of years.

d. Validating the link between the observed changes in scripts with other data (ibid. p. 103).

Below I show how this can be applied to the study of this dissertation.

a. Defining institutions at risk of change over the term of the study and selecting sites

The case-organization in question is, as mentioned, a Big4 accounting firm assumed to be undergoing a change from an organization being dominated by a professional logic to a more ambiguous state, in which a bureaucratic logic is more influential. As noted, the literature on professional organizations has for a long time been describing the process in which this kind of organization maybe is changing. Additionally, the background study has disclosed a number of ways in which the organization is changing in the years leading up to the study; introduction of a new work-organization, organization of new manager-roles, and introduction of an organization based on differently sized client segments (Bévort, 2012a). Accounts from partners and other staff indicated that change efforts within management have gradually intensified over a number of years. The institution at risk of change is ‘the professional service firm’ as exemplified by the case, and the managerial scripts represent existing and new institutional logics.

But how can we get closer to conceptualizing how this change can be studied in terms of scripts? How can we make the logics concrete in cognitive as well as behavioral terms? Freidson (2001, p. 12) defines what he sees as three general logics; market, professional and bureaucratic. In the market logic the consumers are in control, in the bureaucratic logic the managers are in control and in the logic of professionalism an occupational group is in control (e.g. Pharmacists). While this is very illustrative, it is also quite obviously (as Freidson (2001) admits) hard to imagine any setting where any of these logics exist in a pure form. Empirically, we will expect the logics to blend in different mixes. However, it is likely that

these particular ‘mixes’ will create distinctive configurations or constellations (Goodrick & Reay, 2011) at the field and organizational level.

Thornton et al. (2005) describe what they term Corporate and Professional institutional logics respectively at the field level.

Key characteristics	Professional logic	Corporate logic
Sources of identity	Personal reputation	Bureaucratic roles
	Quality of innovation (services)	Quantity of production
Sources of legitimacy	Personal expertise	Market position of firm
Basis of norms	Membership in guild	Employment in firm
Learning mechanisms	Cooperation, apprenticing	Competition, training and routines
	Relational network	Subunit of firm
Organizational Form	Network organization	M-form organization

Table 4 Comparing the corporate logic with the professional logic

The representations of field level logics in Table 4 above are also ‘ideal types’ that seeks to describe the distinct features of organizational fields in which the two logics dominate respectively. Even at this level, it is possible to predict differences in the ‘scripts’ one would expect to exist in organizations of the two different types; e.g. apprenticing vs. training and routines. In an analysis of scripts, I find these to be still too general categories to be able to connect management scripts to the actual sensemaking of actors.

Cooper et al. (1996) address the intra-organizational changes in PSFs directly, get closer to a script-level description when they describe professional partnerships and managerial professional business:

	Professional partnership	Managerial Professional Business
Interpretive scheme:	<i>Governance</i> Fusion of ownership and control A form of representative democracy Revolving managerial tasks among the owners Local office as the centre of commitment <i>Primary task</i> Professional knowledge Peer control Work responsibility as indivisible Strong links with clients Widely distributed authority Minimum hierarchy	<i>Effectiveness</i> Management Client service Marketing and growth strategies <i>Efficiency</i> Rationalization Productivity

Table 5 Interpretive schemes of Professional Partnerships and Managerial Professional Business

This juxtaposition (Table 5) shows the general trend in the change they theorize going on within PSFs, while the authors, rightly in my view, maintain that the elements in the Managerial Professional Business add to rather than substitute the previous elements (Cooper et al., 1996). It is now even more pregnant that these differences will affect the conceivable management scripts in an organization. For instance, (Peer-) democracy versus management, the focus on decentralization and local authority opposed to rationalization and strategies.

In order to contrast the two logics in the management scripts I study in the case, it is necessary to specify the institutional logics more as they contradict each other in the internal processes. The following table is partly a synthesis of the above descriptions of logics in professional service firms and partly reflects observations from the ethnographic study of accountants who become managers.

	Professional managerial logic	Bureaucratic managerial logic
Orientation	Outwards (Client)	Internal (Organization)
Organization	Meritocracy, peer-democracy	Hierarchy
Organizational relation	Autonomy	Interdependency
Roles	Generalist	Specialized
Competences	Professional	Role specific
Employer-employee relations	Collegial/Peer	Manager-employee
Authority	Professional seniority, ownership	Office, position, title
Quality	Professional standards, client satisfaction	Efficiency
Criteria for success	Personal achievement (billing)	Unit goal achievement

Table 6 Competing logics in a professional service firm

The purpose of Table 6 is to show how logics come to define or constrain a lot of elements that constitute scripts. Take for example a meeting script influenced by a professional logic opposed to one influenced by a bureaucratic logic: Topics at the meeting influenced by the professional logic can be predicted to deal more with professional client related matters and not internal procedures and systems. The performance of the meeting scripts will be less rigid, reflecting a peer-relation focus etc., the roles taken at the meeting will be more ambiguous and not related to the meeting as a management script.

The purpose here is to provide an argument that a change in the constellation of the two ideal-types which also describe the forces which are influencing institutional change in the case. Any empirical study of changing organizational scripts will have to verify to what extent this change is taking place in a general sense. Next step is to identify the specific practices which are changed in the process.

b. Charting flows of action at the sites and extracting scripts characteristic of particular periods of time

There are two major challenges that most studies of changing scripts will meet. It is a central part of the method that it is important to study changes in scripts diachronically in order to be able to analyze how the process of change has unfolded. Also it is central to identify practices that can be seen as indicative of the change processes that one wants to study. The first is difficult, even in a three year longitudinal study as the background study, because most institutional change-processes involving change in society are unfolding during a much longer period of time. One work-around, or supplement to this, is to choose sites that represent different degrees of influence of the changes in scripts the study sets out to study. Change in organizations will rarely take place in an orderly synchronized manner. Therefore the effect of new logics can be predicted to affect the organization in a heterogeneous way (Greenwood et al., 2011). A thorny

methodological problem is to decide whether the variation in scripts, resulting from this, actually relates to the change of exposure to institutional logics, or something else. However, the institutional specificity, and inertia, of a setting makes it possible to make the case that the synchronous or cross-sectional variation is similar to – or at least indicative of – the diachronic variation. In short, describing interaction patterns as they were before and after the general change discussed in the study. Also, the point in this set-up is not to explain the reasons of the change, but to understand how scripts are revised or replicated by the way actors make sense of them by analyzing their own interpretation and action. The study drawn upon here uses this approach to understand how management is made sense of in settings in the context of two different configurations of logics. Of course, it is necessary to support the identification of two different settings as really representing different stages on a common organizational-institutional development trajectory by the support of for instance historic accounts and archival material from the case organization.

The other challenge is to choose an indicative practice in which to study the scripts. In the study, I have chosen to examine a ‘new’ manager role that has evolved in the organization in the last 10-20 years, but has become important following the managerial changes, I have mentioned above. This role is seen as indicative in more than one way; first, the middle manager role is closely related to the ideal of the bureaucratic hierarchical organization, second, the role is a direct result of the change in work-organization of the primary production of services towards efficiency and co-ordination. The management practices attached to the role are arguably part of the changes going on and finally the role is seen as focal for the changes in discourses and interaction between partners, professionals and managers related to general management changes.

c. Examining scripts for evidence of change – management scripts as containers of logics

In the observations of two managers in the study, I have broadly looked for management practices in the way I have chosen a number of settings in which the managers are expected to act as team managers – to perform management scripts. As a contrast to these observations, I have followed the two managers for two days each on accounting tasks with clients to observe the way they act as professional task managers.

In the sequence of the model of Barley & Tolbert (1997), the first step is the encoding of scripts. In the context of the study this means identifying the ways in which the management scripts are encoded in the organization. The idea of encoding implies an individual internalization of scripts which normally is a part of socialization in the organization. However rules, practices or commonly accepted procedures that are mutually confirmed and transmitted to new-comers are also examples of encoding (*ibid.*, p. 102). When examining scripts, it is therefore productive to look at management tasks whose existence are taken-for-granted and then look for ways in which they get encoded. Barley & Tolbert mention manuals of recruitment as a source of encoding of ‘appropriate’ behavior (*ibid.*, p. 103). In the case of the manager role it seems logical to use texts and management systems, which encode a specific set of ideas into the management scripts; e.g. a formally described ‘management model’ of manager competences communicated in management training, another is a document that describes an agreement between managers and partners about the content of the department manager role.

The next step in the model is enactment of scripts. Enactment of scripts is the most straightforward step in the sequence to discuss and observe, because performance is (in part) observable by the researcher. Indirectly, it is also possible to get accounts from the actors who perform the scripts even though it is necessary

to be critical of these accounts (Barley, 1986). In Bévort & Suddaby (2012), we analyze three different management scripts; development interviews, team-meetings and dismissals as ways to use the scripts approach.

The replication and revision phase is complicated to show by analyzing the scripts because they necessarily imply a temporal dimension. One way to illustrate replication is to identify examples in which scripts get enacted that are surprising in the context. For instance when a manager enacts a professional script that conflicts with the role and task he is supposed to perform. A way to achieve a credible account of 'revision of scripts' is to record narratives from the ethnography in which the actors tell stories about actors who consciously have attempted to change scripts. Even though many particular details in these accounts will be imprecise or even distorted (Barley, 1986), the general narrative will outline the consensually validated narrative of the change (Weick, 1979) provided you obtain enough diverse accounts from the organizations that can validate what the core elements of the change story are.

Finally, the externalization and objectification in the process is probably the most complicated to trace especially on the field and societal levels. However, the data from the other phases should provide some indications and at least provide a supplement to the field level studies in the literature.

d. Validating the link between scripts and intentions

In the study I draw on a variety of different sources; interviews with partners and professionals from the accounting section of the case-firm, document studies, interviews in the two practices of the two managers. This serves to validate the differences I observe between the two social contexts in the case in the interpretation and enactment of the scripts from the two logics.

The account above shows how the framework of Barley & Tolbert (1997) has been applied to the basic research topic. One of the departures from their recommendations is the limitation of the longitudinal aspect. I have used the

comparison of the two settings using the literature (Thornton et al., 2005) to approximate different levels of ‘bureaucratization’ (Cooper et al., 1996) to show how the actors make sense of the contradicting logics in different ways. The crux of the matter is however how we study the changing management scripts and the sensemaking involved in this change process. One way the lacuna is sought compensated for is by tracking the development of the interpretations of ‘new’ management to its historical roots. This historical account is described in the ‘case-story’ below and utilized in Bévort & Suddaby (2012).

PHILOSOPHY OF SCIENCE CONSIDERATIONS AND METHODOLOGY

In the following I will briefly discuss the philosophy of science underpinnings of the study and account for the consequences for the chosen methodological approach. As mentioned both kinds of analysis applied in the study, ‘institutional’ and ‘interactionist’, are based on a phenomenological and constructivist stance (Jepperson, 1991; Meyer, 2008; Holstein & Gubrium, 2008).

The Stanford Encyclopedia of Philosophy defines phenomenology thus: “Literally, phenomenology is the study of ‘phenomena’: appearances of things, or things as they appear in our experience, or the way we experiences things, thus the meanings things have in our experience.” (Woodruff Smith, 2008, p.1). This meaning is created by humans by their ‘directedness’ or ‘intentionality’ as Husserl defined it (Woodruff Smith, 2008, p. 2). But this directedness is embedded in a social context, the institutionalist will assert, compromising unrestricted intentionality. In other words, meaning is not created in a vacuum, but is created in a world ‘already always embedded in discursive conventions’ (Holstein & Gubrium, 2008, p. 182), meaning that no meaning is context free and meanings are contexts and resources for the creation of other meanings.

This is taken from a discussion of a comparison between ethnomethodology (EM) and Foucauldian discourse analysis (Holstein & Gubrium, 2008). The

digression is relevant because EM in many ways is related to phenomenology and its (other) social constructivist heirs (ibid., Berger & Luckmann, 1967) contrasted with the structuralist aspects of the discourse analysis of Foucault. Holstein and Gubrium (2008) raise an important distinction between the ‘hows’ of the interactionist versus and the ‘whats’ of the institutionalist phenomenological approach. Interactionists (and EM) are concerned with *how* actors ‘artfully’ make local accounts for the world they live in, i.e. for their ‘lived experience’ (Schutz, 1967) while institutionalist theory (and other structuralist theory) is concerned with the already existing social constructs (meanings –the ‘whats’) and the way they influence (direct, restrict) the meanings actors create. However, both ways of thinking, one way or another, believe that the relation between the ‘hows’ and the ‘what’ is that they are aspects of social construction and mutually constitute each other (Holstein & Gubrium, 2008; Giddens, 1984; Berger & Luckmann; 1967; Schutz, 1967).

In this context, this distinction is critical, because a number of ‘whats’ are already assumed to be existing as a context which frames the study. But it is the process ‘how’ of ‘introducing, (re-) constructing and revising’ - or sensemaking - these ‘whats’, i.e. professional and bureaucratic institutional logics, management scripts which is the central point of interest. Secondly, this offers ways to hypothesize the possibility that the changes in enactment of scripts of scripts will lead to substantial shifts in the institutional setup – as suggested in the ‘contradicting logics’ model above. Hence, as shown in the research question, the ‘how’ question lies at the heart of this study. To study the processes of meaning production it is necessary to get close to the actors performing and it becomes critical to understand the way these actors understand the world. As opposed to counting attributes to a world already completed we have to interpret the way the actors who construct it explain it. Symbolical interactionism (as well as EM) has exactly this as its program.

To get closer to a methodological outline which can serve the purpose described above, and connect to ‘grounded theory’ below, it is meaningful to reiterate the canon of symbolical interactionism as described by Herbert Blumer (1969):

- a) The possession and use of a prior picture or scheme of the empirical world under study
- b) The asking of the empirical world and the conversion of the questions into problems
- c) Determination of the data to be sought and the means to be employed in getting data
- d) Determination of relations between data
- e) Interpretation of the findings
- f) The use of concepts (Blumer, 1969, p. 24-26).

Reassuringly, this is very close to the way I have ended up designing and performing the study. It is especially interesting that Blumer allows for some preconceived theorization of a.) ‘the empirical world under study’ and (to some extent) already existing abstract categories f.) ‘the use of concepts’.

This is somewhat at odds with the canon of ‘Grounded theory.’ Grounded theory in its many forms has some of its roots (Glaser & Strauss, 1967; Strauss & Corbin, 1990; Charmaz, 2008) in symbolic interactionism, but Grounded theory is closer to ethnography in the insistence on theoretical categories having to grow from data (Charmaz & Mitchell, 2007), and that it is necessary to suspend your prior beliefs about the empirical field studied. This has been criticized on the grounds that: “No qualitative method rests on pure induction – the questions we ask the empirical world frame what we know. In short we share in constructing what we define as data.” (Charmaz, 2008, p. 206).

In any case, it is the general aim of immersing yourself as a researcher in the empirical field and striving to remain open for both the interactive processes

which create the ‘obdurate properties’ (Blumer, 1969), ‘interaction orders’ (Goffman, 1983) or ‘typified meanings’ (Schutz, 1967) as the substantive character of these elements in the studied setting.

Grounded theory prescribes following this sequence (Corbin & Strauss, 1990, p. 10):

1. Data collection and analysis are interrelated processes
2. Concepts are basic units of the analysis
3. Categories must be developed and related
4. Sampling in grounded theory proceeds on theoretical grounds
5. Analysis makes use of constant comparison
6. Patterns and variations should be accounted for
7. Process must be build into theory
8. Writing theoretical memos is an integral part of doing grounded theory
9. Hypothesis about relationships among categories should be developed and verified as much as possible during the research process.
10. A grounded theorist need not work alone
11. Broader structural conditions must be analyzed however micro-scopic the study (Corbin & Strauss, 1990, p. 6-12).

I will shortly comment on where I have used the approach, and where my purposes have led me to breach this version of the ‘canon of grounded theory’ (ibid.), in order to position my approach. However, I will only comment on the elements that are interesting in relation to my study.

Ad. 1 (ad. 8): (‘Data collection and analysis are interrelated processes’) in the study, the analysis has been ongoing from the beginning alongside the data-collection. Besides my theoretical notes, I wrote early papers which recorded the early phase of empirical and theoretical analysis (e.g. Bévort, 2010). Ad. 2: (‘Concepts are basic units of the analysis’) I have used ‘logics’, ‘scripts’ and ‘sensemaking’ as basic concepts to generally order the data order, while these

have existed partly I have also appropriated them into ‘internal’ organizational categories that could be translated to scripts. (Ad. 3. ‘Categories must be developed and related’) I have chosen to select the sources and settings because they were expected to provide data that support or challenge a theoretical argument. For instance the choice of the two managers and their settings was to supply data on the ‘bureaucratization’ thesis and the way managers made sense of this process. In this way I have used ‘theoretical sampling’ (ad. 4). ‘Constant comparison’ (ad. 5) is a central precept in Grounded theory and it is a method used frequently in the study. I have compared the perceptions of the same phenomena on a large number of organization members. I have compared different interpretations of narratives of the same events and I have directly compared the way scripts are interpreted and enacted – and the variation have been evaluated (ad. 6). Finally, the approach of the study does indeed include ‘broader structural conditions’ (ad. 11) which is the point of departure and soft-spot of the study seen from a more inductive methodological point of view. I comment shortly on ‘coding’ below, which is an important element in the grounded theory ‘canon’ (Corbin & Strauss, 1990) in the section in which I briefly describe the coding elements in my design.

While this study far from conforms to the full ‘canon’ of Grounded theory (Suddaby, 2010), it has a lot elements which are parallel to and in the spirit of the approach. It is, however, especially more in line with the more inclusive and less ‘naturalistic’ and positivistic versions of Grounded theory (Charmaz & Mitchell, 2007; Corbin & Strauss, 1990). The same applies to the most common ethnographical precepts. The study, as is described below, conforms to ethnographic methodology in the sense that a long time has been spent on site, I have sought a deep knowledge of the ‘cosmology’ of the culture by immersion in it by participation and the recording of field notes.

Summing up the philosophy of science and methodological stance of the project

As I point out in the beginning of this section, there is a tension between following the theoretical conceptions of the researcher and the understanding of the ways members of an organization make sense. In terms of methodology there are two important ontological and epistemological issues: The tension between: 1. Phenomenological and Realist/Positivist positions and the tension between: 2. (Individual) Action and (Social) Structure. While this could trigger a very long discussion, I will cut it short by saying that Grounded theory and Ethnography often have a realist/positivist or scientistic bent (Charmaz & Mitchell, 2007) which I try to resist in this study. The study is based on a phenomenological view of the world. This doesn't relieve the researcher from the burden of 'proof', i.e. creating credible evidence in a rigorous and transparent fashion. But the approach taken here is based on acceptance of the view that the result will always be an interpretation and not the truth as such. The other tension is more complicated because the theoretical approach of the study is both-and, which creates an irresolvable tension between 'structural' data, which can be understood detached from knowledge of the views of the actors affected by the knowledge and 'actor-oriented' knowledge, which is only accessible through understanding of the actors. The related discussion of the 'whats' and 'hows' above was concluded by the view that the study tries to find a balance between the 'being' and 'becoming' of social phenomena (Giddens, 1979). Weick (1995) at one point speaks of the paradoxical 'ontological oscillation' necessary between studying the continuous process of sensemaking and at the same time assuming that something objectively exists in time as inputs and outputs of the process.

However, my stand here is that a productive scientific process of studying social phenomena, i.e. one that produces credible and transparent accounts, demands sensitivity to the way things become subjectively real in the interaction

of the actors in spite of the existing structural frameworks (Schutz, 1967). For this purpose, rich ethnographic studies have a high level of perceived validity even in an institutional analysis. And:

“Strong ethnography requires saturation in of a wide range of categories, located in their cultural, historical or organizational contexts.” (Charmaz & Mitchell, 2007, p. 168).

This study has strived to meet that ambition. Theoretical ‘top heavy’ studies can obstruct this aim but on the other hand, it would be detrimental for the development of theory – for instance institutional theory – if this objection precluded us from doing strong ethnographies.

“The world may not be as simple as the sense we make of it (...) some researchers cannot extricate themselves from the logico-deductive theory (however, ed.) Theory can breathe through ethnographic and grounded theory research and animate it (...) And we can give old theories new life through comparing our fresh analysis with them” (Charmaz & Mitchell, 2007, p. 169-170).

Hence, I submit, when studying ‘institutional logics’, it is possible to give a relatively new theory even more life by conducting rich ethnographic studies like the one at hand.

DATA-COLLECTION METHODS

In the next paragraphs, I first describe the data-collection methods I have applied in the study. Next I walk-through concrete progress of relating to the case-firm and the way this formed and gave impetus to the data collection and research process.

Case-study and autoethnographical research

The study is a qualitative single case-study, in which two embedded ‘manager’-cases are identified (Stake, 2008; Flyvbjerg, 2007). The case-firm is used as a case of ‘management in PSFs’. And the ‘embedded cases’ are cases of

how this management is made concrete in everyday life in the case-firm. As Flyvbjerg (2007) has stated, it is a misunderstanding that we can only gain arbitrary or local evidence by making a single-case study. The view taken, following the structural side of the argument of the dissertation, is that there are contextual regularities or ideas which will be possible to identify in all PSFs, in all accounting practices and with all managers in PSFs. How the actors react to these can only be examined in terms of process mechanisms and not in terms of general outcomes.

The case-firm is a multidisciplinary advisory firm, that is, it contains a variety of advisory services and an early choice was to concentrate on managers from the accounting part of the organization. I chose to study managers in the accounting business because I soon concluded that they were likely to provide more rich data on the contradicting logics than other professionals who were not socialized into the culture of the organization the same intensive way as accountants are: accountants in the firm are either trained from an apprentice-level with only secondary education or they are recruited with BA or M.Sc. degrees and trained from this level towards their certification as public accountants. This is in general terms very much the way accountants are socialized everywhere (Anderson-Gough et al., 2002).

I was employed (as a researcher) by the case-firm during 2008-2011. As such the study in some ways qualifies as an auto-ethnography (Alvesson, 2003). In an auto-ethnography the researcher takes advantages of formally being a ‘member’ of the social context studied and is thus partially studying him/her self. In the paradigm adhered to in the study, this is really not a problem. In this view, it is impossible not to be a part of the social context studied, no matter how detached the researcher seeks to be. However, I distance myself from more radical versions of auto-ethnography which lean towards a ‘anything goes’ attitude (i.e.: ‘I am the source anyway, I can produce the data myself as I feel fit’) but try to keep a

balance which delivers credible ‘neutral’ accounts, while still retaining an element of impressionistic richness and sensitivity. The close relation to the case-firm, has provided easy access to use a variety of different data-collection methods. In this way the case-study has been facilitating a triangulation (Stake, 2008) of sources to give a more rich account of the ‘sensemaking of management’ research agenda.

The case-identity and the development will be described at length in the next chapter.

Interviews

The 40+ interviews made during the study have been qualitative and primarily unstructured interviews in the explorative phase consistent with a phenomenological approach. I have relied on my general research agenda: ‘to understand’ the way the professional managers make sense of management and I have been ‘snowballing’ both sources as well as topics of the interviews, moving from one interview to the next. A number of interviews have been targeted at specific topics, practices and research purposes: Leadership Survey, Leadership training, Professional, Partnership and supplement observation/shadowing. The majority of the interviews were recorded, I took notes at all interviews and I transcribed twelve key-interviews producing more than 500+ pages of transcript.

Participation

I have participated in a number of activities, typically with a mixed participant and observer role. This has not been a prominent part of the study. However, I doubled as a member of the HRD-team and employee in the HR-department. As mentioned elsewhere, I had a number of minor appearances as presenter and process consultant at training activities and seminars. My participation in the everyday life of the HR department gave access to knowledge and interpretations of management in the organization as seen from their particular point of view. I even crafted a number of minor discussion papers as input for the

HR work and had a lot of interesting discussions of my thoughts related to the project with my 'HR colleagues'. I had the opportunity to formally present and discuss the broad topic of 'management of professional service firms' with the HR department at three seminars I arranged.

Observation

The observations were structured in such a way that I met with a manager and 'shadowed' him throughout the working day. We chose to edit the observations in order to include a number of 'management activities' in the observation, some of which may otherwise have been excluded. On the other hand, I followed each manager on two visits to client sites and observed how the accounting team worked with the manager in charge as 'project- or task manager'.

The challenge was to find a balance between on the one hand 'co-constructing' what was going on by asking and by my sheer presence while avoiding undermining the credibility of the collected data. Would this have occurred in this way if I had not been there to observe it? The observation affects the object observed as we know. My impression is that it was easier to remain productively detached in the observations of professional work and it felt gradually more 'arranged' the closer I got to being alone with the managers. This may not be surprising. If we think the 'interaction order' as an ongoing social accomplishment, it seems logical that the social relation between me and the observed manager become more influential when other 'social pressures' diminish.

I used an observation template (Robson, 1993 in Jess Hansen (2001)) borrowed from a fellow researcher, which directed me to a more analytic view in concrete observation situations and simply helped me to remember to record important basic data (e.g. categorization in Actors, Space, Activities, Objects, Acts...) and to code and structure impressions and thoughts (e.g. R=Running Descriptions, I=Interpretive ideas. P=personal impression and feelings). As

ethnographers before me have reported, a tough challenge of observation studies is to fight the occasional boredom. I promised myself that I should use the sound of ‘tapping keys on calculators’ somewhere. Now, at least, it is noted. Most observations were recorded electronically and I took field notes of them all (more than 300+ pages of notes).

Document studies

Professional organizations are not very likely to document management activities for a number of reasons. The partnership is in some ways ‘a secret society’ which is forbidden territory for outsiders and which don’t necessarily wants its actions recorded. At the same time, management seen as a formal activity is - as will be discussed at length – at rather recent phenomenon. Accordingly, there does not exist many documents related to ‘managers’ and ‘management’. However, following a number of large mergers, there was a comparative surge of documentation of ideas and concepts about management related to the ‘new organization’. These have been analyzed and applied in the following case-story and in Bévort & Suddaby (2012).

Coding

I have coded a selected section of the interviews in order to get an overview of the patterns present in the material concerning the constructs logics of professionalism and bureaucracy. I have proceeded ‘top-down’ in the sense that I developed categories as subcategories of the two conceptual categories. This has essentially been an ‘open-coding’ process in the terminology of Grounded theory. I have broken down the main categories down into the themes that came up in the interviews. It could be argued that I also used elements of ‘axial’ and ‘selective coding’ to subdivide and develop the categories.

Below is an illustration of the way I have proceeded with Nvivo-coding of the material I have collected:

Nodes\\Tree Nodes

Nodes\\Tree Nodes\\Logics of Management – Bureaucracy
Nodes\\Tree Nodes\\Logics of Management - Bureaucracy\\Constructing management
Nodes\\Tree Nodes\\Logics of Management - Bureaucracy\\Good management
Nodes\\Tree Nodes\\Logics of Management - Bureaucracy\\HR Model - Turnover
Nodes\\Tree Nodes\\Logics of Management - Bureaucracy\\Management efficiencies
Nodes\\Tree Nodes\\Logics of Management - Bureaucracy\\Rhethoric
Nodes\\Tree Nodes\\Logics of Management - Bureaucracy\\Top manager roles
Nodes\\Tree Nodes\\Logics of Management - Bureaucracy\\Training
Nodes\\Tree Nodes\\Logics of profession
Nodes\\Tree Nodes\\Logics of profession\\Accountant as management expert
Nodes\\Tree Nodes\\Logics of profession\\Administration
Nodes\\Tree Nodes\\Logics of profession\\Career
Nodes\\Tree Nodes\\Logics of profession\\Logics of profession
Nodes\\Tree Nodes\\Logics of profession\\Manager vs Taskmanagement
Nodes\\Tree Nodes\\Logics of profession\\Role of partnership
Nodes\\Tree Nodes\\Logics of profession\\Role of partnership\\Comparing with Corporation
Nodes\\Tree Nodes\\Logics of profession\\The professional role - accountant
Nodes\\Tree Nodes\\Logics of profession\\The professional role - accountant 2

Table 7 Excerpt of the Nvivo-coding categories

The coding primarily covered the interviews made in the first phase and served to give a clearer picture of what I could conclude from the accounts. Most importantly it strengthened the way I analyzed the observation notes and the document data I collected late in the research process. As such the coding procedure applied does not match the strict Grounded theory canon. Especially the meta-categories of the two ‘logics’ are in conflict with orthodox Grounded theory and ethnography. However it was a productive way to structure my thinking leading to the embrace of ‘scripts’ as a way to analyze the way ‘management’ has developed in the case.

THE ENGAGEMENT, FIELDWORK AND DATA-COLLECTION PROCESS

The data was collected between the end of 2008 and autumn 2011. In the following I will go through the phases of the study in order to give an idea of the practical development of the data collection strategy and the basis for analysis.

Phase 0 – Entering the research project and the case-firm – getting access

In the fall of 2007 the Human Resource Director of the case-firm called me at my home. We talked about his professional concerns and afterwards I told him that I was looking for a host for an industrial PhD-project and that I had connections at the Copenhagen Business School to back me and encourage me in that endeavor. My original idea was to focus on HR practices of knowledge intensive firms in more general terms – because I had experienced that professional organizations apparently were much less professional in dealing with HR than more traditional organizations. He told me that the prime focus – and the way he saw the task he was given by top management – was to introduce more ‘leadership’ into the case firm: “We have three main priorities” he used to say: “Leadership, leadership and leadership”. Instantly gratified by the prospect of hosting a researcher, he volunteered the idea to propose for the management a project aimed at researching and developing leadership in the case firm as part of the strategic focus on leadership in the ‘Strategy 2010’ of the case firm. He wanted to support a project with less focus on HR and more on the somewhat fuzzy but more legitimate notion of leadership (Perrow, 1970). Besides the strategic focus on leadership, he was aware of the somewhat ambivalent attitude towards HR that existed in the organization. Therefore leadership was a more appropriate topic, and thus easier to sell to the case firm’s management. The HR-director had a background with a Mortgage and Mutual Funds administrator and a large consumer goods producer. In fact, two arguably very traditional machine

bureaucracies – two rather more ‘bureaucratic’ organizations (Perrow, 1970) than a PSF as the case firm. I, on my part, came from positions in more traditional companies. In my case a small bank, a medical instrument manufacturer and pensions funds administrator and two employers’ associations (the two latter ones actually more knowledge intensive organizations). I can see now how entrenched our ways of looking at management, organization and HR in traditional bureaucratic views and ideals were.

Physically and functionally, I was located in the Corporate HR department which implied some advantages as well as some less favorable things. One of the great advantages was that I reported to a team leader who herself completed an industrial-PhD-project (on Knowledge Management) at the case-firm some years earlier. This secured an unusual amount of personal empathy and understanding of the challenges of extended scholarship on site. Also the HR-professional angle on the organization gave access to a lot of relevant processes and information that would have been hard to obtain from other positions in the organization.

Getting access was generally less complicated than anticipated. One of the endearing aspects of the Professional Service Firm is that it obviously is fundamentally professional in its focus. That means that as long as you can claim a sort of professional legitimacy you will be well received. I only experienced very rare instances of hostility or suspicion. Quite on the contrary, I was met with overwhelming trust and respect for the strange endeavors and ideas I represented to the people of the organization. When I was first inside, I could make my way creating relations to the people I would observe, not having to ask for any authorization from management. Indeed, one day, I asked a Managing Partner on the passing fly who I in his view should observe among the department managers in his section. Without hesitation he said: “That is extremely exciting and you should contact ‘Kevin’, he is a good example to observe” and gone he was.

Somewhat unnerving for a researcher who likes to ask questions and dwell on decisions.

In the following I describe the way the data-collection has developed throughout the research period after my entry into the case-firm. From October 2008 until August 2010, I was on site between 3-5 days a week. After this period I only attended relevant meetings besides the actual instances of data-collection.

Phase 1 - Exploration: 1 December 2008 to 30 May 2009

The first phase was explorative and practical in the way that I had to get an impression of the general thinking about management and the nature of the culture before I meaningfully could go deeper into close-up studies of managers in the organization. Also, there was a pragmatic issue of creating trust and finding ways to get access to different sites in the case-firm.

Sixteen executive level managers were interviewed in order to uncover and record their understanding of management behavior as it occurs in the case firm. The interviews included, among others:

- the three corporate managing partners (including the CEO),
- the present and the former chairman of the partnership council,
- the present and the former managing partner and head of accounting in Copenhagen,
- the former CEO during 23 years
- two management partners from non-accounting advisory divisions (Business Process Services/Management Accounting)

Besides the 16 explorative interviews, three internal HR-consultants and a training professional were formally interviewed in this phase, in addition to the extensive interaction I had especially with the HRD-people. Interviews typically lasted 1 hour and were performed in a meeting facility close to the working location of the interviewee. The qualitative interviews (Fontana & Frey, 2008, p. 144) were loosely thematically structured in order to remain sensitive and support the managers' reflection about their own management behavior and the behavior they

experience in the organization. Following the ethnographic mindset, the interviews were ‘negotiated accomplishments’ in which my presence was instrumental in co-creating the accounts of the managers (ibid, p. 144-146). I used my notes (and recordings) to ‘snowball’ the process in two ways. Interviews hinted at who to interview next and at the same time the data collected were fed into the questions asked in the subsequent interviews in order to create a tentative picture of the common interpretation of management in the case firm.

In this phase I also participated in the following meetings and activities:

- A meeting in the corporate network of internal HR-consultant
- A meeting about equal career opportunities of female professionals
- An ‘experience sharing’ meeting for all department managers in the Copenhagen area
- Participated as co-consultant with a HRD-consultant in an advisory division (IT-security)
- An introductory pilot-meeting of new performance management⁵ system in Countryside practice
- A hearing session for managing partners about a management training program⁶ for department managers

During this phase I worked on my first conceptions on what was actually going on and I was in many ways surprised by the complexity of the way management did and in other cases did not affect this broad selection of managers’ ways of thinking. One of the more banal revelations was that the case in point was not that there ‘was no management’ in the PSF case firm as I naïvely tended to think from the outset, but that management was contextualized as a professional activity (Bévort, 2012a; Bévort & Suddaby, 2012). Two persons’ accounts were to become material in the understanding of how ideas and practices of management have developed in the case. The first was the retired CEO during 23 years and the other was the up-and-coming managing partner of ‘Big City’ practice (one of the

⁵ See Appendix 3

⁶ See Appendix 2

two sites of close-up studies of managers). In ‘the case-story’ in the next section it is very visible and two of the papers draw extensively on the accounts of the Big City practice managing partner and indirectly on the accounts of the former CEO. I had three formal interviews with the former CEO during the course of the study and likewise three interviews with the managing partner (who was later promoted to head of Accounting in Denmark at the end of the research period). The latter became my ‘company supervisor’ in February 2011, which meant that we had regular discussions of my thoughts in a more informal manner, which is an ongoing process even after the formal research is concluded.

An important methodological decision which was confirmed in this phase, was that I would have to get close to the department managers who had the direct responsibility for people management, building on the insight that the emergence of this ‘people manager role’ incarnated by the ‘department managers’ (also just managers) was an important structural and symbolic change in way the organization was managed.

Phase 2 – Leadership surveys and the accountants’ experience of management: June 2009 to September 2009

Through the explorative interviews I became aware that one accounting practice had developed a leadership survey. At the time of the study the HR-department became involved in supporting and evaluating whether the approach could be applied more broadly in the organization. I developed the idea that the exchange of ideas about management between professionals and the management could be an important instance in which I could get closer to an understanding of how management was made sense of in the organization. I interviewed a HR-specialist involved in preparing and following the survey, a team-manager and five professionals who had scored the leadership survey twice (I later attended a feedback session between a manager and the HR-consultant). Some of the material is explicitly used in Bévort (2012c) and as background for the other

papers. It is an important digression from the main focus on the accounts of managers (except for the observations which also included non-manager professional employees) because it provides a documentation of the great variation of what opinion the ‘users’ of the managers have of management performance. The accounts were predictably very mixed, reflecting the relative ‘weakness’ of the management scripts I describe elsewhere in the dissertation (Bévort & Suddaby, 2012, Bévort, 2012b).

The surveys were also an instance of the change-efforts performed in and around the Big City practice, which was to become one of the twin accounting units I observed through 2009-2010. The data supported my understanding of how the changing manager role was a deeper change of both the organization of work and the critical HR-model of the case PSF.

Phase 3 – Management training and finding a case-setting to study the new manager role: October 2009 to April 2010

In this phase I had discussed with my company supervisor which setting would be interesting to study in order to generate additional data for the project. He proposed ‘Countryside Practice’ which has a number of practical and substantial properties to commend it. It was separated functionally and culturally from the Copenhagen office(s) but still possible to reach and return back home within a day from Copenhagen, where I was based during the study. From his point of view, I think, the additional agenda was to help out in the practice which had some quite visible management issues.

A data design decision was to follow three department managers from Countryside Practice before and after their participation in the management training that incidentally started in this period. I had observed the later phase of the development of the management training program seen from the point of view of the responsible HR-consultant and the HRD-teamleader as I was located in the HRD-team. I participated in the planning-discussions in the development

team and had a small role in the two first sessions. I observed the department managers during two-times-two days of leadership training and interviewed them before and after the first session. The set-up was that each manager was supposed to discuss career plans and development needs with their superior (partner) before participating in the training. I thought – and was confirmed in the thought – that this could give some very interesting ‘reflective’ sessions in which the managers were animated to discuss management and the way they saw themselves in the manager role.

In an early paper I made this note from the training event (Bévort, 2010) that gives an impression of the kind of processes I was witnessing:

“At one of the first modules of the training program, a group of managers were asked to reflect upon their situation as managers in the case PSF. During day one, this reflection was reiterated in different ways. The reaction was one of shock and frustration. Most of the managers had expected some kind of clarification of the codex for management and explication of what was expected of them as managers. Instead they all, in different ways, had put their insecurity and the ambiguity they felt in their practice as managers, into words. The day after, the group discussed what had happened the previous day and addressed the ambiguity of the manager role that had taken up much space in the discussions. Some of the participants reflected that it was helpful, after all, to reflect upon this realistic image of their situation as managers in a PSF instead of “playing bureaucracy” and rally around some pipedream of transparent roles, mandates and job descriptions. They realized that they, for good or worse, lived in and organization which has a deep rooted ambivalence towards bureaucratic rigor in management. To the great relief of the involved consultants, the participants ended up expressing the feeling, that this had been a very helpful challenge. In this sense the notion of dissonance became exposed as an important aspect of the organization as opposed to framing the company as a “failed bureaucracy”.

The frustration of the managers concerning their expectations to the management training showed how the values of professionalism and managerialism collides when

the management discourse is made explicit and related to the real practice of the managers. The dissonance in the organization's context and their ambivalence towards the manager role became apparent. As one participant exclaimed when a question in an exercise was: 'What have you done to become a manager?': 'I never chose to become a manager'."

These experiences gave a very broad understanding of the complexity and perceived ambiguity in the manager role for the accountants who were asked to play the role. In the same paper I created the following table which describes the formal framework of the manager role (Bévort, 2010):

The Manager role described in facts – an example of the dissonant demands

The manager role in the case company provides evidence of the dissonance and friction between two ideals of management. The example is from the accounting part of the organization. A manager is appointed to the position of manager as part of the career as certified accountant between his (or her in still preciously few cases) late twenties early thirties. This implies that a manager rarely stays in the manager-role for more than two or three years and as a rule will not take a managerial position again. A manager is responsible for 20-30 accountants' professional and personal development as employees. The manager doesn't have any direct responsibility for the day to day performance of his staff – this role is taken by the partner or another task responsible person. The managers also take the role as a kind of mediator or ombudsman for the employees, between the partners/tasks responsible and the employee (and sometimes more stakeholders in an issue). A manager typically book between 18-1900 hours a year as actual working hours (holidays deducted). Out of these it is estimated that a manager uses between 350-500 hours on the management job⁷, depending on the volume of administrative tasks. That means that the rest of the hours are billable client hours (1200 hours is given as a standard for a certified accountant) and to some extent training courses (50 hours) and task-related and personal administration. The managers are also obliged to use time on their professional training. The training dictates that the manager gets experience with a number of professional tasks, while his in manager period. There are various configurations in the different units in the case company, but the main impression is that three priorities compete in daily work of the manager: 1. Client work, 2. Training and 3. Managerial work, and most often in that order.

Table 8 The Manager role described in facts

I can see now that the subsequent shadowing of two managers gave a better understanding of the situation of the managers and more nuances as to how and why the different managers experienced 'dissonant' demands, but the general image remains valid.

⁷ According to a partner with administrative responsibilities in one of the larger units

This phase overlapped the ‘shadowing’ in the subsequent phase, because the second module of the training was in April 2009 and the shadowing started in March 2009. Also, I participated in a leadership seminar with the top management team in the partnership, which was arranged in relation to (and support of) the training sessions of the managers. This gave a valuable insight into how these senior managers saw the ambiguities of organizing and managing professional work.

Phase 4 – Shadowing two managers in Countryside and Big City practices⁸: March 2010 – April 2011

Vaguely inspired by the classical Mintzberg (1973) study, *The Nature of Managerial Work*, I decided that I had to shadow and record the way the managers actually performed the role which I was increasingly convinced was a key phenomenon in the change of management. I shadowed two managers for five days each. In Bévort (2012a) I present the two managers like this:

Anders was in his mid-thirties and has been within accounting for 15 years (13 of which within the case organization). He had achieved his authorization as a (Danish equivalent to) certified public accountant two years before the time of the study, and was thus allowed to sign the client audits. He was appointed Senior Manager which is the most senior title before partnership. He had been a department manager for four years and was responsible for a group of ten accountants of mixed seniority. His and the team’s client portfolio was targeted mostly at small and some middle sized clients.

Kevin was thirty three years old, has been with the company for 11 years and completes his authorization at the time the study was carried out. He has the professional title of Manager. He has been department manager for 1 year at the time of the study and was responsible for a team of 24 (of which 15 are direct reports) accountants of mixed seniority. His and his team’s client portfolio was midsized and large clients.

⁸ The name of the practices and the managers are anonymized and attributes which might identify them are veiled.

The observation period in which the shadowing took place was approximately a working week per manager. The dates were selected in order to intercept performance of relevant management action sequences. Besides this, the managers have been interviewed recurrently before and after the observations. In addition, relevant employees, peers and superiors to the two managers have been interviewed in order to give a comprehensive picture of the management context.

Contextual data of the two cases of managers					
Top-management	Corporate management: CEO and two co-executives. Leadership team of managing partners 16 Partnership Council/Board				
Total staff in advisory	2400				
Accounting practice	Countryside practice		Big City practice		
Management	1 managing partner + 1 equity partner 2 salaried partners		1 + 25 partners (17 equity /8 salaried partners)		
Department manager	Anders		Kevin		
Staff (accounting)	50		177		
Department manager team (accounting) /	3 (incl. Anders)	Titles: All 'Senior Managers' Certified Accountants Public		6 (incl. Kevin)	Titles: All 'Managers' Not certified/ Newly Certified Public Accountants
Professional title					
Team sizes (M: Managers) (subsequent numbers are the ratio of staff per department manager) /	Anders 11 M2. 12 M3. 18	B	Kevin. 15 (27) M2. 17(31) M3. 18(29) M4. 15(21) M5. 20(30) M6. 20(36)	B	5-600 hours
B:Expected hours used on department manager role		2-300 hours			

Table 9 Case-data of the two manager cases

Table 9 sums up the organizational context of the two managers who were observed in the study.

The reason for choosing exactly these two practices was, as mentioned, that the organizational units' work organization had developed in varying paces and that it was productive to look at a practice less influenced by the emerging change in logics first and then a practice where it was much more apparent.

I started shadowing Anders in Countryside Practice, because I already had started collecting data at the site. At first I had not decided to shadow two managers because the purpose was to get a 'generic' understanding of the experience of being a department manager from a 'typical' accounting practice. However it soon became evident that 'Countryside Practice' was a more

‘traditional’ P²-organization than the part of the organization closer to the administrative core of the case firm. Following that observation it became logical to study the contexts of two managers’ who had a different perception of the institutional changes according with two levels of influence of the bureaucratic logic. In this way the two manager cases were an instance of theoretical sampling (Corbin & Glaser, 1990).

Phase 4 – Consolidating findings and validating data June 2011-October 2011

In the last period of the study the contacts with the case-firm became of a more supplementary kind. I had regularly meetings (including a formal interview) with the managing partner from ‘Big City’ practice and conversations with Kevin and the HR-consultant who was responsible for management development. In these conversations I sought to validate the conclusions I was making. I collected data for the historical case study which I describe in the ‘case-story’ below, which included the last interview with the former CEO. After the conclusion of the dissertation, the results are planned to be fed back into the managing partner group of accounting of the case firm and I will continue to follow the case firm and the managers and partners in the years to come.

SUMMING UP RESEARCH DESIGN, METHODOLOGY AND RESEARCH PROCESS

The over-all impression I have tried to give here is that of first an extended analytic reflection of the contradictions between logics I found in the case concerning management. Management, and managers, suspended between to logics the relation of which is undergoing change. Secondly I have followed my theoretical perspective through to the ‘philosophy of science’ consequences of a phenomenological and structural-interactionist position. I have compared the approach of the project to symbolical interactionism and the more contemporary, more prominent ‘Grounded theory’ and concluded that while the study adheres to

many of same ambitions as SI, Grounded theory and ethnography, I also have applied many of these methods in a ‘non-canonical’ manner, which also contrast to the more ‘naturalist/positivist’ positions within both Grounded theory as well as ethnography. While very theoretically ‘top-heavy’ for ethnography, the ethnographical approach is seen as a strength when developing institutional theory sensitive to interaction.

In the more practical department, the applied methods of case-study, interviews, participation, observation, coding and document studies are described. All methods are consistent with the preference of qualitative data-collection of phenomenologically informed research.

After this I account for how the research site was approached, the explorative beginning of the research process, the examination of the experience of management from the point of view of accounting professionals, finding the first close-up case, engaging and observing a management training program, identifying two managers to shadow and the follow-up phase returning to central actors in the study.

In this chapter, I have sought to display elements of the conceptual, methodological and practical research process in order to give the reader a candid view ‘under the hood’, a view that is meant to prepare the reader for and contextualize the reading of the four papers of the dissertation. However, a last contextualization is left before the reading of the papers can begin; a case-description of the organization and the way management has developed.

Three perspectives on Deloitte Denmark

In 2006 Deloitte Denmark moved into a new large and modern office building in Copenhagen catering to the growing needs for more office space and the need to bring the different offices and advisory disciplines together.

The chairman of the partner council explained how the project team used story-telling in order to visualize the new house. The team imagined then, that five years into the future, they walked around in the new large open office-space with no wires, in which employees locate themselves close to the task, bringing their computer and telephone with them, everybody sitting among each other, following the needs of the client project rather than rank or status, even using a private GPS in order to always be traceable for colleagues and clients. Except for the GPS, the dream came true.

The immediate practical aims of the relocation to the new building aside, it also marked a major symbolic step in an organizational development that had been going on in Deloitte Denmark for 30-40 years. The company had been through a long sequence of mergers to become the largest advisory of its kind in Denmark (one of the Big4 accounting firms) and a large player in related professional services. The following account tries to give a picture of what happened and how this has changed with specific regard to the way Deloitte is managed and organized. This overall historical account is therefore primarily based on the orally expressed recollections of people who have played some role in the history of Deloitte, notably the CEO between 1986-2004 and a managing partner employed since 1992, who has had a prominent role in the development of management in his part of the organization and recently in Deloitte (Denmark?) as whole.

The purpose of this account is to create a background for the four papers in the dissertation, which represent different ways of analyzing the account and ways to reach greater understanding of the development process of management in the case, Deloitte. The account is composed of three ‘fragments’ – that is, texts with

very different perspectives and styles. First is a short ‘factual’ description of the historical development of the organizations which eventually became Deloitte through a long string of mergers. Second is a more interpretive account of how management developed in Deloitte, seen through the views of a number of the involved actors, during the last 30-40 years. The third perspective is a more impressionistic account of the Deloitte house and the two practices within which I have conducted close-up studies of managers.

FACTS FROM THE STORY OF THE DELOITTE ORGANIZATION IN DENMARK – A STRING OF MERGERS

Deloitte Denmark 2011 was a result of a long sequence of mergers, in which local and regional accounting firms have chosen to join in under the same label or brand. Most of the details of what the actors thought about their firms and what their motives were for merging with the other firms are lost today with the existence of the persons who worked in the firms that later became Deloitte Denmark in 1994, in the first part of the 20th century.

Deloitte can be traced back to Revisionskontoret i Kjøbenhavn which was established in 1901, which is the official starting point of the Deloitte Denmark history. Even before that the Jutlandish Revisionskontoret i Århus was established in 1899 later to become a part of Revisions- and Forvaltningsinstituttet (RFI) in 1923, one of the influential founding firms. When the first accounting legislation was enacted in Denmark in 1909, the CEO and the office head of Revision were two out of the 21 certified public accountants authorized by the new legislation. For a general historical perspective, in 1849, the founding father of Deloitte, William W. Deloitte in London was the first person to be appointed an independent auditor of a public company anywhere in the world⁹.

⁹ http://www.deloitte.com/view/cn_GX/global/about/overview/history/index.htm

Three organizational bodies can be traced as major influences up till the present state of the organization. Revisions- and Forvaltningsinstituttet (RFI) was established in 1912 as the oldest core firm in the later mergers. Following the mentioned merger with Revisionskontoret i Århus in 1923, RFI became a national player from 1977. RFI built an impressive estate in 1919 and had ever since headquarters in what later became known as ‘the Deloitte-building’ on H.C.Andersens Boulevard in the center of Copenhagen.

Another major player among the founding firms, which was still influential, was the originally Skovlunde-based (in suburban Copenhagen) firm Schøbel & Marholt that goes back to 1925 under other names.

The third player that still figures as a major influence on Deloitte’s unique management culture, among the founding firms, was De Forenede Revisionsfirmaer that was established in 1967. First, in 1982, the firm De Forenede Revisionsfirmaer was merged with Schøbel & Marholt and then following the merger between RFI and Schøbel & Marholt in 1990, to become finally branded under the name of the international partnership Deloitte & Touche, Thomatsu in 1994.

This was closely related to international consolidation of the (then) Big8, beginning with first the ‘mega-merger’ of KPMG with Peat Marwick in 1987 and the following merger of Deloitte, Haskins & Sells with Touche Ross in 1989 to become Deloitte, Touche Tohmatsu. Deloitte, Haskins & Sells was the partner of RFI while Touche Ross was the partner of Schøbel & Marholt. The merger was incidentally taking place the same year as the then global number four Ernest & Whinney and the number five, Arthur Young, merged to become Ernest & Young. In 1997 Price Waterhouse merges with Coopers and Lybrandt to form PricewaterhouseCoopers, being the only global contender to Deloitte for the number one position among the Big4 in the years to follow. Following the Enron-scandal in 2002 Deloitte took over the Danish interests and activities of the

accounting & advisory firm, Arthur Andersen, formerly a member of what was then one of the global Big5 accounting firms. This merger-take over, makes Deloitte the largest accounting and advisory firm (in the professional service firm industry) in Denmark as it continues to be in 2011.

It is important to consider that the relation between the Danish members and the global organizations is a very loosely coupled relation, in the way that the national member firms – as the word implies – more are member of an association than actual local divisions of a multinational corporation. The late Arthur Andersen had a more tightly coupled international organization and was always a branch of the global firm. Both PWC and E&Y have had and have closer relations to their global parent organization (S&M nyt, undated). Today this fact is partly liability related and partly historical-cultural fact. The demise of Arthur Andersen shows the critical rationale of limiting the responsibility across borders and as the account above shows, the Deloitte brand covers what were earlier very self-conscious national brands and organizations. A fact that is also repeated in the fact that the national brands and local offices remain attached to their former identity in varying degrees – both C. Jespersen that became KPMG and Schøbel & Marholt that eventually took the name Deloitte & Touche in 1994, were formerly strong national brands. Thus, the four Big4 firms differ in the degree of attachment to the global parents and some evidence indicates that Deloitte Denmark is slightly more independent from the global mother than at least two of the other three (based on company homepages).

INTERPRETING THE HISTORICAL DEVELOPMENT OF THE PRESENT MANAGEMENT CULTURE IN DELOITTE DK

Even though the sources are few it is nevertheless interesting to try to chase the way management of the company has changed through the company history in order to understand how the particular institutional interpretation of management in a professional service firm has developed, based on the accounts from the many

interviews in the study. Of course every account is a rationalization that is biased by the particular roots of the tale-teller and the account is inevitably dominated by a 'winners perspective'. History is written by the victorious and history writing is inevitably tainted by present political interests.

RFI seems to have been in many ways a significant company because of its size (430 employees, internal doc.), age and the client base it possessed when it merged with Schøbel & Marholt in 1990 (800 employees, internal doc.). Symbolically the stately headquarters on H.C.Andersens Boulevard, one of the most prominent addresses in Copenhagen close to the City Hall, Tivoli and the Main Station, was brought into the Deloitte organization to be the residence for the leadership and staff functions for the next 16 years, known as the Deloitte house. Accounts from respondents who experienced the merger describes the difference as the merger between a firm already looking into new ways of managing, having already the momentum of a number of experiments in that respect into a more traditional, authoritarian and centralistic culture, which had not significantly changed its way of managing for many years.

A partner remembers his early career in a RFI-part of Deloitte, and meeting the culture of Schøbel & Marholt in 1992 (after the merger):

"Yes, it (the RFI-culture, ed.) was probably more conservative than the culture of Schøbel & Marholt – they were 'more on the beat', a little more contemporary. I arrived from the classic old school.

F: How did they show the new and the old ways?

Well, I think it (the culture, ed.) made no-one interested in developing work. Because, I think basically, when I entered in 1992, they did things the same way they did in 1916 (1912, ed.), when they started. And it had a rather hierarchic structure with local partners and national partners. And the national partners, you wouldn't dare to greet them, you wouldn't enter their office uninvited, you wouldn't speak to them and they didn't say hello to you, not even on the stairs and such places. It was a difference of 'caste'."

This image was confirmed by the former CEO who originated from the Schøbel & Marholt side of the organization – originally from De Forenede Revisionsfirmaer. His view was that RFI represented a strong but also conservative culture in which he found it very difficult to implement the models he had developed as a practice manager in De Forenede Revisionsfirmaer.

The partner from the citation above continues about the RFI-culture and the post-merger changes:

“Then you had these national partners who were distinguished above everybody else. They had their own canteen, it was very different.

F: They didn’t even speak to the other partners.

P: No, not necessarily. They didn’t know them. They knew three-or-four people who worked for them, but the rest they did not need to know. And at that time (S&M after the merger with RFI) was only a fourth of its size compared with today. But this was a completely deliberate attitude, that you (the national partners, ed.) didn’t try to get to know the people who were around you. But this working practice was broken down very swiftly after the merger. Because new values came with the merger with S&M. I don’t really think that it was a matter of actively not supporting to do this. I think it was a case of not knowing what to do and that was also why I think it was (eventually, ed.) relatively easy to get the support for some projects that could really move things.

F: And you were still located in the ‘old culture’ so to speak?

P: Yes I was. It was the pure old RFI-culture.

F: Could you feel the pressure of change mounting in the organization?

P: I could. Times had changed, and that made a huge difference I think. S&M arrived with another culture. But you can still experience going to a 75 anniversary for a partner that they talk about ‘the institute’ (RFI). They never fully accepted the merger with S&M. And there are associations of retirees from ‘the institute’ despite the fact that they have worked fifteen years in a new organizational structure. It

sticks to them, but they have also changed a lot. Even the old national partners changed in the whole transformation process. It was, indeed, an interesting time.”

The third of the large firms in the big mergers was De Forenede Revisionsfirmaer. De Forenede Revisionsfirmaer was established in 1967 and, I think it is likely that many of the new management ideas stemming from this company are due to the fact that the organization didn't carry the same weight of traditions as the other two firms; especially RFI and the premerger Schøbel & Marholt. Several partners who were employed in De Forenede Revisionsfirmaer in 1970 explain that the firm pioneered recruiting 'academic accountants' directly from business schools as opposed to training accountants right from school or vocational training exams as the traditional master-apprentice model used to – and still does to some extent. The effect of this was that these young accountants were drawn into management positions very early in their career and were also involved in the overall management of the business of the practice. The ideal seemed to forge a strong alliance between the partners - at least the managing partner - and the up-and-coming accountants who were solving management tasks. The model was centered around the management team in a practice with about 50-100 employees. The model was very different from the highly segregated model in RFI, where relations to the partners – according to the respondents – were distanced and the delegation of management responsibility low. This model was, it seems, transmitted from De Forenede Revisionsfirmaer to Schøbel & Marholt and into the mainstream of management thinking of what was to become formally known as Deloitte in 1994.

The changing work organization

It is important to realize that in the professional service firm, most management used to be totally integrated in the professional work – the remainder in the partner role. Accordingly, task responsibility soon leads to management of the staff involved in solving a task, and gradually you are asked to manage larger

more complex tasks involving more people and a greater variety of professional disciplines. However, management proper, in which your role is not directly connected to a professional task, is a different domain that traditionally was part of the partner role.

A Senior professional from a practice in the Copenhagen office give his account of the change in the organization of work in an accounting office:

“The structure was different at the time I was hired. I worked in a group of six people with a manager and a partner and four employees. And then we worked for that particular person only. That is, the partner was my boss and it was exclusively his clients we worked with – when the tasks were done we took time off. It might happen that the department or group located beside our team worked overtime and other things – but you didn’t transfer the resources across the borders between (the groups, ed.). Those days it was simply a partner who hired a person and then you would work for that person, and that was it.”

In practical terms this implied that besides the most junior of the professionals and the administrative support staff, all professionals partake in management in task-management. But this doesn’t make it ‘management’ in the eyes of the professionals. A partner, who has been central in the development of the new management practices recalled the very early phases of the emerging manager role beside the partner role:

F: In order to sort out the question of management as distinguished from task-management first: When do you begin to discuss this responsibility as a management task?

“P: You did not at all, because it was actually the most experienced in the team who was given the role.

F: Then you got a responsibility which defined when you were supposed to follow-up...

P: No, it wasn’t defined. You were just given the responsibility for the task. And this just meant that you had a forum in which you could discuss resource planning and

that was all. Eventually you realized that the economic controlling of the projects and training of the young colleagues, was also your own responsibility. Nothing, really, was defined at all and therefore it was mostly ‘learning-by-doing’.

F: Anything goes, you could say. That is very ‘modern’.

P: Yes, but there is no doubt that, it was to a large extent left to each manager (to decide what to do, ed.) those days. It followed that task-managers were very different and that the style of management was very different. While somebody was downright unpleasant others were so soft that the project didn’t progress as they were supposed to. Thus, nothing was defined, people made their own choices and it was also very dependent on the partner assigned to the task.”

The discussion above reflects the distinction between the roles and tasks of the task-responsible and the more formal manager role emerging in the time the partner describes. What I interpret was happening at this point of the development of the manager role, was that the senior task manager implicitly became expected to solve some of the management tasks formerly taken care of by the partners. The frustration and motivation of the partner to get involved in management seems to rise from the perceived arbitrariness and lack of consistency in the process. He continues his account:

“F: And, I guess there was no way that the quality of the management practice was monitored.

P: No. We didn’t even use development interviews those days. There was a yearly salary-interview, and that was all. There was no (standardized, ed.) training process, there was probably a closer dialogue with the specific partner, though, but depending on the partner you worked for, it was very different how the role as manager was performed...then (before, ed.) we worked in a structure where 5-7 people were attached to a partner. And the 5-7 people were a team and covered each other in relation to the partner. While in the section we work in today, we are 200 people who are pooled to 30 partners. And that make us a bit more standardized in the way we think things. Still, there are great differences in personality between the

partners, but it is not like anyone can say: ‘these 5-7 people are mine and I am the one taking care of them’.”

The partner touched upon two very important themes in the change of management that had happened in Deloitte between the beginning of the nineties and 2011. The first theme is the question of ‘management quality’. The performance of management by the partner, and increasingly the managers he may delegate management to, moves from being more or less arbitrary and not open for discussion in the organization, to becoming an issue which can be addressed, even among the non-managing accountants. Emerging practices as development interviews, work climate surveys, leadership surveys help to make the professional performance of management explicit and something that matters. The ‘closure’ of the partner’s unrestricted rule of his team was broken and the ‘organization’ with bureaucratic common standards began to align management practice, as I interpret it.

On the other hand, the structural change of the organization of work from teams to flexible pooling of the accountants was at least as radical as the growing concern of the quality of management for the development of management in Deloitte. Arguably, they are related. By breaking up the teams, the relation between professional and partner were, if not dismantled, then watered down to mainly task-related issues. And the number of projects each employee participated in grew, making the number of partners the professional work for higher. In this vacuum it seems unavoidable that the quality ‘management’ of the professionals became a topical issue.

In the two decades leading up to the study, in spite of brief pauses related to the IT-bubble and ‘9/11’, it was a period of unprecedented growth in the Danish economy which made the labor market for accounting professionals very competitive. This was a cause for concern with on the one hand a rather old-fashioned arbitrary management style under abolishment and on the other a new

emerging work organization, which was straining the relation between the employees and management (the partners). It is in this context we want to understand the emergence and growing importance of the department manager role.

The department manager role and its development (in and around Big City practice)

However, the new manager model was far from developing evenly across the firm Deloitte, at that point (1994). As early as 1989, a Schøbel & Marholt management discussion paper¹⁰ aimed at the partnership of the merged firms (which was apparently well underway before the formal merger in 1990) described the ideal-role of a department manager: “The department manager has primary responsibility for planning and manning of production at the short time perspective as well as longer one (week, day by day and quarterly)”. Besides planning, the document describes following tasks: Quality assurance, securing adherence to standard procedures, securing timeliness of weekly reporting of hours on which the billing was based. And finally three more ‘soft’ elements were mentioned. The first addressed the relation between the partner and the department manager: “The department manager can expect that the partner will react actively on suggestions for planning”¹¹. The second was that the department manager was responsible for the annual development-performance reviews and follow-up on the development plans in cooperation with the practice manager (local managing partner). And the third was the very open suggestion that the department manager should secure “good communications, motivate employees in a good working environment”¹². This I see as a small concessions to a more ‘people-manager oriented’ interpretation of the manager role.

¹⁰ See Appendix 4

¹¹ Appendix 4

¹² Appendix 5

Later in the nineties at least some of the larger practices in Copenhagen started to develop the organization of work in a way that placed the department managers in a much broader role. The following is an account of the managing partner from a Copenhagen practice who participated actively in the definition of this role in his local practice. I will cite the partner at length, and comment on his account because it gives a very good impression of how the changes following the mergers in the beginning of the 90's were beginning to get momentum at the core level of the service production and the following change of the manager role:

“F: But let us return to you and how it is being and becoming a manager in a professional service firm. What kind of experience was that?

P: My experience has been that there never was a structured formalized process becoming a manager. It is also hard to say when you become a manager in such an organizations as ours, because it happens very soon (in one sense, ed.). I remember in my own time – I don't think I was more than a year into my career when I got my first task (project, ed.) responsibility. And already at that point you assume a manager role. But speaking of a formalized manager role, I think it was when I became department manager 10 years ago (1999, ed.) I experienced that.”

The department manager role was, as we saw above, mostly an administrative support role to the partners or the practice manager (managing partner). From the S&M documents it is evident that a number of management ideas were circulated in the partnership throughout the 1990's. Ideas like 3C: Care, Communication and Consistency, One-firm, Multi disciplinary projects, Teamwork, Human Resource Management. But it didn't materialize as a more substantial portfolio of management tasks at first. The partner told how he experienced the expansion of the role before and after he formally became department manager.

“P: At the very beginning, it (the manager role, ed.) was just something I took, it wasn't something I was given. At that time, we were very operations oriented; hours and hours and nothing but hours. And I had the idea that it was relevant to focus on many other things, and therefore I initiated a project. I thought that we should look

into different criteria, different organizations of work in the practice then. The aim was to work with other things apart from ‘producing hours’ on the floor. It was very well received, and had full backing also from the management. There was a general feeling that it was necessary to work with some new things. As a consequence, a year later I had become eligible for a new generation in a department manager role. But, actually, I think that even in the group project we (began discussing management and reflect upon what did work and what did not, ed.) and many other things. In any case, we discussed many other values than the ones that had prevailed until then. I think it was then I began to feel that this was exciting – it was something else than professional problems and hours.

It was much about communication and focus on development of each employee instead of just managing tasks. Then we made a personnel journal and we made different things intended to go across - and we had great debates with the partner group on the subject. It was fun. But the colleagues found it was great and we made our own small employee attitude survey which was a forerunner for the many larger ones that followed. We tried to get an idea of how people actually felt about being in the place, and I think it worked out very well. We were not able to promise anonymity those days – we didn’t have the systems for it, but we had a productive dialogue about the (existing, ed.) issues. And it did, of course, also affect the partners somewhat. They had accepted to press on with it – we had of course asked politely – and then, I think the results came a bit like a surprise to them and the fact was that now they were obliged to address the results afterwards. And then, I must say, we had some heated discussions about what and how we should react (upon the results of the survey, ed.). But, generally, there was full acceptance because we had taken the initiative and work ourselves. They didn’t have to spend much time themselves, that helped a lot. But I think the challenges we uncovered and also the effects of the work came as a surprise for them, because I really think it had a comparably good success on the short term.

F: People were happy and they accepted there was a need for change?

P: Yes, absolutely! And at that time we were organized in small groups of 5-7 people, who was very close. And that implied that the employees just sat – even if they had free resources, they didn’t offer them to other partners unless they could

negotiate some deal. And here we created something which went across all of the section and gave a much higher feeling of community and interdependence; ‘that we have to carry this weight together’.

F: You also created new opportunities. That you, as an employee, could get other tasks and develop faster professionally?

P: Absolutely. It actually meant that at that point we tried to build the basis for moving the partners a bit away, move them to a more operational role. Then we tried to establish some structures – it was just when I was appointed department manager – and we proposed that work was organized in a way that the department managers took care of development interviews etc. across the domains of the individual partners. Eventually we got department managers that really operated across the (task-portfolios of the, ed.) partners.”

The partner’s account gives very rich insight into, if not the whole story of how the department manager role developed in Deloitte, then a number of sentiments which lay behind the process. Even though (his interpretation of) the story bears witness to a strong entrepreneurship on part of the partner himself, it also indicates that employees as well as partners didn’t actively fight the reforms and actually in many cases have supported them, even though the partners didn’t always have a firm grasp of the consequences.

“F. Then it is at that moment that that transformation between the manager role and the partner role takes place?

P: Well, you can say it was a gradual transition, because we retained the close attachment to the partner and the partner participated in the development interview, but also the department manager who went across (the organization, ed.). This was actually quite novel, because up till then development interviews had been conversations between the employee and the partner only – and very focused on the specific client projects. Now we began to look at things that had to do with issues of concern across the section.

F: Also in a longer time perspective?

P: Yes, we began introducing development and training plans and a lot of other things, I think it developed during a period of 2-3 years in the middle of the 90's."

F: What is interesting is the original partner model, in which you have a lot small firms all organized around the partner that are boiled together and that structure is still in existence in some ways.

P: And there is still some who wants to preserve that model that is quite certain.

As mentioned above, the 'standardization' across the organization is part and parcel of the new preoccupation with 'management quality'. As I discuss elsewhere in the dissertation, bureaucracy implies a much higher level of transparency and interdependency between the different units and ultimately the actors of the organization. The focus on issues 'across the section', which is the precursor of 'across the accounting division' and eventually the entire organization, is in my view a strong indication of this bureaucratization (in the non-derogative sense). And the department manager role seems to be both a result and a part of that movement towards bureaucratic integration. The integration, however, is not without tension in an organization, which has been extremely decentralized by tradition. In the process, partners had become exposed in ways they didn't like and they have sometimes had to be cajoled and sweet-talked into participating, as we can see from the account below.

"P: ...it became very obvious, when you started to move across the organization, that where you used to think that the partner was a gift from God in terms of people management, it became clear that there were huge differences. Some of the people who were the weaker in relations to the clients were very, very good in terms of people management and vice versa.

F: That it is rather interesting. I have often heard the view stated that if you are able to handle the client relations then you are also able to manage employees.

P: And that is not the case. Of course some are, but many were not, and one of the first things I did when I got the mandate and power to do it was to move things a bit around, one of the first things I did was simply to withdraw the right to manage

people from some of the partners and of course we had some thorough discussions about that, but there has been general consent of the move. Because I think they realized that it worked out well.

F: How does such a dialogue take place?

P: Well, I think, speaking of me personally, I was a ‘Zealot’, and I don’t think they really saw where it would end. Basically, I introduced a number of processes and structures which on a number of accounts made sense for people. I don’t think they anticipated the consequences and the remaining tensions are probably due to that fact. They (the partners now, ed.) say they want to get closer to the employees. It is the persons who felt they were pushed aside by this. But, on the other hand we can now see that, since then we (Big City practice) have ranked very high on employee satisfaction, economic performance and a lot of other things. There are a lot of advantages in the model. In addition, we are very good at developing talents. Often we failed because of the personal relations. When an employee reached the point at which there was not more to learn from one at the top, they left the firm. We didn’t have the ‘talent factory’ we wanted at all.”

The tensions of the change in work organization and the role of partners have been considerable and it shows that the managing partner telling that he has been forced to argue hard and push some people to get these changes implemented. There is no doubt that the obvious rhetoric arguments such as ‘talent factory’, ‘employee satisfaction’, ‘more efficient’ utilization of man-power purported above, have not been easy to sell in an organization deeply embedded in a professional culture.

The account of the managing partner of Big City practice is in one way a very particular ‘development story’ which in its details is probably not symptomatic for the experience in other parts of the accounting division of Deloitte. Similar processes have probably taken place all over the organization and I have hard evidence of at least one very similar process in Countryside practice, and informal accounts of many others. In 1999 a project

group of department managers in the Countryside practice formulated a number of ‘wishes’ in a similarly ambitious vein. The Department Managers wrote:

“We wish to;

- develop, implement and execute the strategies and action-plans of the practice in co-operation with the partner group.
- to participate actively in a dialogue with the partnership about the daily management.
- to take responsibility for the visions and goal of the practice in such a way that the budget is realized.
- to take part of the responsibility for making the practice an attractive place to work for everybody now and in the future.
- make the Department Manager role a means to makes us good managers and thus become guardians of the culture of the practice.
- receive the necessary resources to HR-tasks and internal/external marketing supplied by the partners and for which we have shared responsibility.”

(Paraphrased and translated from internal document dated 11th of November 1999) ¹³

A hand written note on the document affirms that the manager group and the partners agreed to the intent of the document and a plan for implementation is described. These statements draw up a much broader role for the department managers than the 1989 document referred to above. At the same time it is strong evidence of the distance between actual practice and the ‘new’ management ideas coming in play at the fore of the organization.

The spirit of this document is very similar to the direction I see Deloitte has moved in terms of the organization of management at the operational level. It is not evenly implemented and it is not a process that is finished.

Epilogue – will the pendulum swing?

Being the skeptical researcher, I asked the managing partner from the account above whether it had created problems to divide task-management from people management – something tried elsewhere with mixed results:

P: Yes, yes. It did and it still does. We then did, for not so long ago, introduce common resource planning. It has resulted in some struggle. Now, the employee’s

¹³ See also Appendix 5.

relation to the partners had become just as a resource. However, we have set up a very standardized and structured development process for each employee. I don't think most employees see it as a problem – on the contrary it is nice having a structured resource planning: 'What am I supposed to do tomorrow?' 'How is the situation looking?'. And there is implemented a lot of processes which is securing the continuity of the task-delivery. But in relation to the partner, they are just 'a resource assigned to a task'. And maybe we have moved too far in that direction. We need to return to a state of affairs, where the partner is more in touch with the task-responsible employees. That is, 'who is assigned to my projects', 'what do I want to be done on my tasks?'. At the end of the day, I think we may have gone too far to the left."

It may be that the Deloitte accounting division, where the new management model is implemented, is in a predicament where the vacuum left from the exit of the partners-as-managers has not been compensated for by the new department manager role or other organizational tools. Will the pendulum swing back or will Deloitte reconnect the partners to people management and at the same time continue to professionalize the managers? The very persuasive account of the managing partner from Big City practice above, points to the latter as something rather more likely. The four papers below examine in different ways how one can understand the clash between a professional and a bureaucratic logic, which I use the account above as an instance of. In the next section I finish the case story by giving my impression of approaching the main office and two departments with their two distinct management cultures as seen from an outsider's perspective.

MEETING DELOITTE AS AN ORGANIZATION

Deloitte was, in 2011, one of the largest advisory firms in Denmark - 2.400+ employees with professionals as the vast majority. While the Copenhagen office was not officially 'headquarters', this had become the place where much operational business, all strategic projects and processes as well as most staff oriented matters were carried out. The glass and steel building, housing the

Copenhagen office, struck me as friendly, open and luxurious – especially the top-floor overlooking Copenhagen and full of Danish Design was apt to impress clients. The workspaces were of the modern open space kind, where even the meeting-facilities were visually transparent. However, the immediate impression of the culture was one of busy cheerful amicability. Adding to this, was the fact that virtually nobody had their own desks, not even partners. Everybody was expected to and enabled to move in order to follow the project they were assigned to in the building. People acquainted with the Big 4-firms, spoke about the Deloitte as one of the less formal in terms of work-climate and dress code.

Deloitte had smaller offices spread all over Denmark, and the impression we had was that the lay-out of the local offices and the general mood supports a bigger segregation between partners, accountants and support staff – this, I observed closely, was the case of the practice in the study called Countryside practice. The local partners were superiors in a way that reminds us more of the way managers act in a small private company, which created a different management dynamic compared to the larger, and more transparent and egalitarian impression you get of the Copenhagen Office.

Deloitte is a multi-disciplinary organization, meaning that it houses a number of quite different advisory services. It was clear though that the core-discipline, from which the firm had developed, was accounting, and the impression we got was that the actual power in the partnership was at that time, for all practical purposes, anchored in the accounting business.

The management was divided into two main parts. One was the core-business in which the day-to-day business with clients was driven by partners supported by a range of task responsible professionals of falling rank. The other was the corporate management and staff functions. The corporate managers were appointed to the management group by the partnership council and, characteristically, we more than once heard that the corporate managers described

themselves as ‘servants of the partnership’. One of the managers had the title of CEO, which is primarily for symbolic purposes when dealing with the environment within the global organization or other organizations. As a whole, titles, with the important exception of ‘partner’, were not in high esteem in the organization. The corporate managers were not ‘Executive Vice-presidents’, ‘Chief of Operations’, ‘Chief Financial Officers’ – they were named corporate managers - with no caps. This also meant that the staff managers had to live with less grand sounding titles than they would expect in other companies - not VP of Finance or HR Director.

This all created and signaled to me an egalitarian and collegial culture. This was a culture which contained a very easygoing way of interacting within and across ranks. On the other hand, everybody was expected to be a professional, i.e. an expert, no matter in what position, in order to be or remain included in the community. Thus, the impression I got, was that the flatness of the formal organization was in many ways balanced by a strict informal meritocracy in the organization.

The emerging department manager role, central in the study, was a part of the business organization although the managers also seemed to get still closer relations to staff functions like the professional training department and HR. They report to the local practice managers – and the local partnership. The Countryside practice is in a local office some 100 km from Copenhagen while the Big City practice was located in Copenhagen together (and in some ways closely associated) with two other large practices, the main-sections of the other advisories, and as mentioned, corporate management and staff functions.

Countryside practice - an echo of the traditional ‘professional partnership’?

On the turnpike shortly after leaving the highway, instead of heading towards the town center some miles away, you turned right to enter an enterprise area, and

then you arrived at the Countryside practice, located on a field in an expensive looking concrete office building with a parking lot in front of it. The pathway in front of the entrance was flanked by two poles sporting flags with the logo of the firm.

The practice employed 65 employees of which 50 belonged to the accounting part of the business. There were three equity partners of whom one was in the process of retiring. The retiring one had been responsible for most of the administrative issues and operations in the practice. Another one was the managing partner of the practice. In all important matters, however - and even less important ones as the department managers claimed - the three of them had to be in agreement to take action. There were three department managers who took care of three teams of accountants. Two of the teams catered for small clients and one for mid-sized clients. This 'segmentation' was quite novel and were only partially implemented. In fact, most of the client-portfolios were still centered on the partners - and senior accountants -, which meant that most team-members were still working on tasks for clients of all sizes.

The manager we followed in the study from Countryside Practice, 'Anders', was thirty four years old and had been an accounting professional for 15 years (13 of which with the case organization). He had achieved his authorization as a (Danish equivalent to) certified public accountant two years ago and was thus authorized to sign the client audits. He had been appointed Senior Manager which is the most senior professional rank before partnership. He had been a department manager for four years and was responsible for a group of ten accountants of mixed seniority. His and the team's client portfolio was targeted mostly at small and some middle sized clients.

I experienced the culture generally as easygoing as in the Copenhagen office and even a more close 'family'-feeling, maybe a typical of a smaller independent unit. The layout of the office was more conventional, with separate offices for the

partners, managers and senior professionals and smaller and larger open office spaces for the other personnel.

There was, however, despite of the atmosphere of intimacy, an impression that even though the partners were visible in the day to day business, they were not as easily approachable, or even somewhat elusive, when it came to matters of management, as the partners in Big City practice were. Decision meetings were arbitrarily arranged and cancelled, and the impression was that the irregular informal partner meetings were the ones that really mattered. Other formats had been tried out but the accounts of the managers – and partners – were that the broader management meetings didn't really work as intended. I attended a number of these management meetings – and my impression was that they were not given much weight by the partners. The partners' attendances at these meetings was erratic. Maybe one or two of them – and often only some of the time – attended these meetings, effectively undermining the significance of them. The three team-managers met weekly to discuss and coordinate operational matters. This forum seemed to be a welcomed outlet for the concerns the managers had about their role and relations to the partnership, but had little formal power.

The managers complained that they were not able to gain access to the partners for 1:1 conversations concerning their professional development and management issues in their teams. Access, understood literally, but even more so, their willingness to get involved in these topics in the conversations they participated in together. Anders expressed his frustration that he felt he had no meaningful communication with the partner, who were formally his immediate superior. One of his manager peers left the practice shortly after the research period ended, at least partly because of this, in his view, lacking communication.

Big City practice – the new world of managerial professional business?

Physically, the Big City practice was located in the Copenhagen Office and the accountants, support staff and partners shared the same open space office area. The only difference between the partners and the rest in that respect was the fact that the partners seemed to keep a fixed location and their own desks. The practice was a part of the Copenhagen accounting organization which covers two other accounting practices. The practice had 177 employees and 6 department managers. The impression I got, participating in different managerial activities, meetings and interviews – was that a high degree of standardization of these practices existed. There was a shared understanding of purpose and what was seen as appropriate behavior in the different activities. This and the size of the practice made the relations seem less intimate and more impersonal than the Countryside Practice, despite the generally friendly atmosphere.

The manager we followed from Big City practice, Kevin, was thirty three years old, had been with the company for 11 years and completed his authorization 4 months before the meeting took place. He had the professional title of Manager. He had been department manager for 1 year at the time of the study and was responsible for a team of 24 (of which 15 are direct reports) accountants of mixed seniority. His and his team's client portfolio was primarily midsized and large clients.

Kevin expressed that he had a close relation to his 'mentor' who was a non-equity partner and we observed a number of occasions in which the partner showed interest in the personal and professional development of Kevin. Kevin, as the other department managers, had a clear feeling of being a part of the management team with the practice manager as a very visible - and accessible - authority, who regularly participated in the team-manager meetings to discuss and direct operations.

I attended a development interview in which Kevin discussed his performance and career with the managing partner of the practice and the mentor partner. At this interview there was a very candid discussion of the challenges Kevin had had during the last year and he expressed openly how this affected his motivation for the job. The partners were, on their part, very honest about their concerns about Kevin's situation and had a very concrete proposal on how they would try to change the situation and support his future career in the practice. I interviewed a number of department managers who, highly unusual in the organization, were 'off-track', meaning that they had chosen not to aim for partnership, but because of their talent as managers were retained in the position by the practice management.

STUDYING HOW THEY UNDERSTAND MANAGEMENT IN DELOITTE

The account above is a mix of facts and impressions from the research in order to create a narrative that can embody the many elements on which I build my interpretations of what is going on in Deloitte in terms of management. The general image is, as will be elaborated in the papers, one of logics which struggle and intermingle.

Deloitte is one of the four global advisory firms based on accounting, but can be said to distinguish itself in many ways. I will mention three undeniable facts which can be seen as indicative of the rest: William Deloitte himself was the first publicly chartered accountant in the world; Deloitte is in 2012 the biggest advisory firm in Denmark and Deloitte likewise the biggest of the Big4 globally (in 2010 - PWC took back the position in 2011, Big4.com). It is therefore probably not coincidental that it is possible to record a fascinating change story like the one above, based on the accounts of daring and excellent partners, managers and professionals. Leaders who have dared to experiment and challenge received wisdom and deeply established logics.

The accounts above cannot do justice to the richness and complexity of the Deloitte organization. But if the story above has conveyed a richer impression, than I have been able to do in the papers below, or a supplement, to the many ways in which Deloitte has developed and the directions management has taken, presenting the case-fragments have served their purpose. I hope the reader will have a wholesome platform upon which to commence reading the four papers below.

*“It is almost the most frustrating, **the internal**, do you understand?”*

Department manager in Countryside Practice, Deloitte.

“The horror, the horror”,

Kurtz in: *The Heart of Darkness*, Joseph Conrad.

The papers

Below I describe the scope and research question of the papers and locate the papers in the writing/publishing process.

The ‘bureaucratization’ of a Professional Service Firm: A case of struggling institutional logics (Bévort 2012a)

The aim of the paper is to extend field-level theorization of the changes in professional service firms as it is described in the extant literature with a interaction level description of how the changes have affected the case Big 4 accounting firm and how this development is driven by the development of a new manager role.

An earlier version of this paper has been presented at the Academy of Management meeting in San Antonio, 2011. The paper is submitted to Scandinavian Journal of Management.

How to study actors making sense of contradictory institutional logics (Bévort, 2012b)

This paper is a conceptual paper which develops the combination institutional logics-structuration-sensemaking approach used in the other papers (especially Paper 3). The aim is to develop a practical way of studying the mutual interaction – encoding-enactment-replication/revision – of the sensemaking of actors and the pressures from institutional logics.

Earlier versions of the paper have been presented at the network in the institutional theory ‘ABC’ in Copenhagen 2010 and in Boston 2011, receiving formal comments from two discussants, professor Mary Ann Glynn, Boston College and professor Michael Lounsbury, Alberta University. The paper is submitted to the OMT division of Academy of Management and is later planned for submission at Organization Studies (or similar).

Making sense of contradictory logics (Bévort & Suddaby, 2012)

The aim of this paper is to amend institutional theory with a documentation and theorization of how contradictory institutional logics are made sense of at the interaction level by accountants who become managers in a Big 4-accounting firm. The paper uses the ‘script’ concept to analyze the management behavior of managers to connect the contradicting logics with sensemaking.

The paper is submitted to Journal of Management Studies and co-authored with Roy Suddaby, professor at the Alberta University School of Business.

The changing psychological contract in a professional service firm (Bévort, 2012c)

The focus of the paper is to investigate how the changes in management in the case company affect the employees and in particular the psychological contract the firm has with the employees. The paper builds on theory of the psychological contract (Rousseau, 1996), sensemaking (Weick, 1995) and identity theory (Wilmott & Alvesson, 2002) and has a more applied character than the rest of the papers.

Earlier versions of the paper have been presented at EGOS standing working group on professional work and management of professional organizations (SWG 3) at the 2010 meeting. The paper is submitted for review at Human Relations.

The ‘bureaucratization’ of a Professional Service Firm: A case of struggling institutional logics

Frans Bévort

ABSTRACT

Because of the growing significance professional services in the global economy (Suddaby, Greenwood & Wilderom, 2008), the organization and management of Professional Service Firms (PSF) have been objects of growing interest for a number of years (Von Nordenflycht, 2010; Brock, 2006; Brock et al., 2007; Cooper et al., 1996). The majority of research has focused on the macro-changes of these firms – for instance the shift from ‘Professional Partnerships’ to ‘Managerial Professional Businesses’ (Cooper et al. 1996, Brock 2006). However, the question of how this change in interpretive schemes is taking place at the level of the actors has not been documented very often (Suddaby, Greenwood & Wilderom, 2008). This paper addresses this gap in empirical research by examining how two competing logics of organizing a professional service firm resulted in both challenges to and spurts of development of work organization, roles and practices (Reay & Hinings, 2009; Cooper et al. 1996, Friedland & Alford, 1991). By examining the way the development of the organization of management and work I document how a competing bureaucratic logic was introduced in parallel with the existing professional logic (Cooper et al. 1996, Friedland & Alford, 1991) and the impact this has on the organization. The paper contributes to the PSF literature by qualifying the archetype change theory which is usually applied to the development of these organizations (Greenwood et al., 1990, Cooper et al., 1996 and Brock et al., 2007) and by critically reviewing its explanatory value and comparing it to an institutional logics approach. It concludes that investigating the dynamics between meaning and practice in the competing logics is a productive avenue for further research into Professional Service Firms as well as other organizations.

Keywords: Organizational change, institutional logics, professional service firms, institutional change, archetype theory.

1. INTRODUCTION

This paper takes its empirical point of departure in the longstanding discussion of Professional Service Firms¹⁴ (PSF hereafter) as standing out as an anomaly (Greenwood et al, 1990, Cooper et al 1996, Greenwood et al 2006, Brock, 2006, Brock et al, 2007) in comparison to the otherwise dominating managerial discourse (Stacey, 2007). The professional logic permeating these firms is seen to create a unique environment that leads to special governance forms, roles, management and work practices (Løwendahl 2005, Greenwood 1990, Abbott 1988). However, this exclusive position seems, if not threatened, then substantially affected by the introduction of elements of traditional bureaucratic management (Bevort, 2010a, Brock et al., 2007, Covalleski et al 1997).

The paper argues that the changes hypothesized and partly documented in the PSF literature can be studied by examining the way management is organized. If this management is affected by this overall change – as proposed by the extant literature – how does this apply to the professionals who are mostly exposed to this development? That is, the professionals who are or become managers.

The paper approaches the study of these managers theoretically by using the idea of logics (Friedland and Alford, 1991) to construct a professional logic and a bureaucratic logic derived from the institution of the profession (Abbott, 1988) and the institution of the corporation (Chandler, 1962). From the idea of logics comes the notion that logics consist of partly symbolic constructions and partly materiel practices (Friedland & Alford, 1991). For the purpose of this paper, the distinction is important because in a process of change the two may become unstuck in the sense that meaning and legitimizing of a practice and the

¹⁴ Professional service firms include all firms that market professional services on the marketplace; lawyers, accountants, architects, advertising, IT-consultancies, Engineering advisories etc. Se Nordenflycht (2010) for a discussion of the category.

performance of it may develop in different paces or be altogether severed. This has been discussed at the macro-level as decoupling and rationalized myths (Meyer & Rowan, 1977). This is very important because most studies of PSFs are based on executives' (managing partners) accounts of the state of affairs in the organizations. These accounts may be liable to 'impression management' (Goffman, 1969) or 'rhetoric' (Suddaby & Greenwood, 2005) in the sense that the respondents will more or less deliberately try to conform with the rationalized myths in their accounts, disregarding actual management practice.

The present empirical analysis is first focusing on the way partner top-managers explain the change of management in the organization. Next section describes the emergence of a formalized middle-manager role in the case-PSF based on the accounts of partners, managers and employees in the case-PSF. This middle-manager role is seen as a possibly definitive example of the emergence of new practice that belongs to the bureaucratic logic. In the third analysis we examine the experiences of two managers in two different organizational contexts and discuss the way their context enables the enactment of the manager role. Finally the contribution of the paper to the PSF-literature is discussed.

Suddaby, Greenwood & Wilderom (2008) state in the introduction to a recent special issue on professional service firms:

“...in our view (...) there is a considerable gap in our knowledge and understanding of the *internal* workings of contemporary professional service firms. We actually know relatively little about human resource and related practices within these firms...” (ibid., p. 990).

The results reported here both confirm at the shop floor level, what has been suggested in the extant literature, that a change towards a more managerial practice governed by a bureaucratic logic is taking place. But it also points to evidence that suggests that this development is not unproblematic, irreversible or uniform. First and foremost the symbolic construction or mindset necessary for a

full-blown management practice in accordance with a bureaucratic logic depends on the active co-construction of the actors.

2. PROFESSIONAL SERVICE FIRMS BETWEEN THE LOGIC OF PROFESSIONALISM AND CORPORATE BUREAUCRACY

Why do Professional Service Firms persistently puzzle researchers? An argument inherited from the sociology of professions is that professions and professionals are distinct:

”Professions were organized bodies of experts who applied esoteric knowledge to particular cases. They had elaborate systems of instruction and training, together with entry by examination and other formal prerequisites. They normally possessed and enforced a code of ethics or behavior” (Abbott 1988, p. 4).

Thus, the traditional normative idea is one of professions and professional organizations that are imbued with some superior moral quality, and therefore cannot be measured, not to mention, governed by the principles as other occupations in the world of work. However, it is an important point that professions and especially professional service firms are based on market logic even though the tradition is based on ideas of professional values and independence (Suddaby and Greenwood, 2005, Larson, 1977). Nevertheless, the professions and the professional service firm have, according to the literature, developed ways of managing and organizing that are based on professional values (as in the well-known interpretation by Greenwood (et al, 1990) – ‘Professional Partnership’ or ‘P²’). In this paper I will argue that the internal organizing principles are based on the logics of profession. This logic is on the other hand under pressure from the logic of bureaucracy, which is seen as the dominant managerial discourse in the modern corporation.

A way to understand this resistance towards other ways of managing and maintenance of the role is based on a view of the professional as a personality or character (Grey, 1994). That means that the rationale of the P² organization is

based on values that is cherished and nurtured by professionals. At the same time the PSF, in this old form and despite its professional trappings, is very much based on market values and logics (Larson, 1977; Suddaby and Greenwood, 2005). The professional identity is built in the contact with clients and the construction of the image of the professional is as important as the instrumental skills and expertise (Grey, 1994, Gough-Andersson et al, 2002). In a sense the professional identity is acted into the world by performing on the market – co-constructed with the clients. PSFs in the original version; P², under the professions logic, is performing on a market dominated by the market logic. This is a basic tension in professional organizations: Is it the monetary reward they generate that is important or the way they do business as professionals? For individual professionals as well as PSF-organizations this remains a fundamental contradiction. But a contradiction that in PSFs in many ways has resulted in a fairly stable institutional setup: Market logic dominating the relations to clients and professional logics dominating the internal organization and socialization (Benson 1973, 1977; Seo & Creed, 2002).

The market logic's influence on the organization of PSFs is visible in as well the professional partnership and the bureaucratic logic. One could argue that the introduction of a more managerial organization is driven by the market logic. When I use professional logic as a management logic in a PSF, the specific client service element of the market logic is included, while aspects of the market logic are inherent in the bureaucratic logic as a driver for focus on efficiency and specialization. Hence, with the presence of the market logics at the interface with the client there is a normative pressure (DiMaggio & Powell, 1983) to conform to the way other organizations on the market organize; organized around ideas of efficiency, reliability, standardization, regularity, quality assurance and impersonal decision making. These are ideas stemming from the logics used in the typical corporation or bureaucracy. I will however, for the sake of simplicity, leave the market logic out of the discussion below, using it mainly as a backdrop.

Accordingly, it seems as if the organizing logic of other organizations on the capitalist market is finally introduced in the PSFs in the form of bureaucratic elements (Covaleski et al, 1997, Cooper et al, 1996). The results of Cooper's (et al, 1996) study of Canadian law firms showed that they introduced a number of bureaucratic management elements without fundamentally changing the professional logics underlying the organizational set-up. Hence, most literature on PSFs is in support of a view that these professional institutional logics of the PSF organizations are very deeply socialized and robust (Covaleski et al, 1997; Suddaby & Greenwood, 2005). In a large body of the literature observers have tried to describe this as a new organizational form or 'archetype' (Cooper et al, 1996, Greenwood et al., 1999, 2006; Brock, 2006; Brock et al 2007): Managerial Professional Businesses.

	Professional partnership – P²	Managerial Professional Business - MPB
<i>Interpretive scheme:</i>	<i>Governance</i> Fusion of ownership and control A form of representative democracy Revolving managerial tasks among the owners Local office as the centre of commitment <i>Primary task</i> Professional knowledge Peer control Work responsibility as indivisible Strong links with clients Widely distributed authority Minimum hierarchy	<i>Effectiveness</i> Management Client service Marketing and growth strategies <i>Efficiency</i> Rationalization Productivity

Table 1 Interpretive Schemes of Professional Partnerships and Managerial Professional Business (adapted from Cooper et al., 1996).

Table 1 exemplifies a main tendency in how the extant professional service firm literature sees the changes taking place in these firms (Cooper et al. 1996, Hinings et al., 1999; Greenwood & Suddaby, 2006; Leicht & Lyman, 2006; Empson & Chapman, 2006; Brock et al., 2007). I have selected the 'interpretive scheme' part of the original tables, which is meant to mainly describe the normative or ideological elements of the two archetypes. This I see as a parallel to what I shall later discuss as the symbolic construction as opposed to material practice in institutional logics. It is important to notice in the table the apparent

lack of conceptual symmetry in the way the two tables describe the two archetypes. My interpretation is that this shows that MPB is P² plus the ‘managerial elements’ and not an entirely a distinct archetype. Cooper et al.(1996) formulated this overlaying as a process of ‘sedimentation’.

Somewhat in contradiction to the latter, Cooper et al. (1996) also stressed the magnitude of the differences in interpretations and practices in their influential paper about the (perceived) change of organization in Canadian law firms:

“To move ‘contingently’ from P² to a MPB archetype requires changes in interpretation and meaning; deinstitutionalization has to occur as new languages and explanations arise (Oliver, 1992).

This is a crucial part of our argument; organizational structures, processes and practices are produced, reproduced and changed through interpretation and action. There is no unique and unchanging meaning to ideas such as professionalism, or partnership, or indeed, information. (...) The MPB-archetype, therefore, represents a real break with past practice.” (ibid., p. 634).

In this paper, the two ‘archetypes,’ P² and MPB, are seen as representing two contradictory institutional logics (Friedland & Alford, 1991; Thornton & Occasio, 2008; Thornton et al. 2012): The logic of Professionalism, and the logic of Bureaucracy, respectively. The ideal-type of Bureaucracy used here, is the Weberian ideal (Weber, 1922) of rational, rule-based, differentiated and hierarchical organization, that privileges ‘the managerial role and practices’ (Freidson, 2001) while the professional logic is based on the supremacy of expert professional knowledge and thus privileges ‘the professional roles and practices’ (Freidson, 2001). This distinction is elaborated and exemplified in table 2 below. The question investigated in this paper is whether this ‘real break’ with the past practices can be identified in the interaction in the case – whether a bureaucratic logic is actually rooted in both practice and the way the actors make sense of their practice.

	Professional logic	Bureaucratic logic
Orientation	Outwards (Client)	Internal
Organizational relation	Autonomy	Interdependency
Roles/ Competences	Generalist (professional)	Specialized Role specific
Employer-employee relations	Collegial	Manager-employee
Authority	Professional meritocracy (collective decisions in partnership)	Office, position
Quality	Professional standards	Efficiency
Criteria for success	Personal achievement (billing)	Unit goal achievement

Table 2. Contradicting logics of management in PSFs

The model above pinpoints the contrasting elements in the two logics when seen from an intra-organizational point-of-view (as that of the managers) opposed to a comparative perspective identifying inter-organizational differences normally used in institutional theory (Greenwood et al., 2008). The depicted contrasts are deliberately rough ideal-types. The purpose is to give an idea of the conflict potential of bringing a professional and bureaucratic mindset together. Sometimes it is very hard for professionals to understand, even for professionals who are managers, that the inventory of ideas of competences embodied in their professional training doesn't encompass a number of managerial concepts, competences and even the vocabulary (Hinings et al., 1999) inherent in a more bureaucratic management practice. One of the points I will make below is that the 'radical break in practice' (ibid.) is maybe even more significantly a break in mindset and meaning construction than a break in actual management practice (Dirsmith et al., 1997, Covalski et al., 1998, Kärremann & Alvesson, 2007). However, it would be naïve and in many respects downright wrong to think that there is not a developed management practice in traditional PSF's. The point is that management practice is embodied in a professional logic that limits its scope and prejudices it towards a number of what are considered 'normal' practices in

other organizations (Greenwood & Suddaby, 2006). The first ‘conflict’, the conflict of the ‘outwards’ and the ‘internal’ orientation is characteristic of this limitation of scope, seen from an organization theoretic perspective. Despite the growing size of many PSF organizations (e.g. the Big4), the reflection of the internal interaction and management processes are often very limited (Hinings et al., 1999), a view that is supported by the observations of the study. And while this lack of organizational self-reflection is not universal, meaning that a number of managers are increasingly concerned with ‘the internal’, the ‘orientation’ is not just a question of cognitive direction, but also a strong normative attitude as well, making interest in general management highly suspect. A partner, who had taken a managing partner position in a practice because it was, what he referred to as, an ‘exciting managerial challenge’ confides that he had only shared this fact with his closest colleagues.

Regarding the changes in the PSFs described in the literature, it seems evident that the changes are partly a change of mindset or symbolic construction and partly as a change in behavior or material practice (Friedland & Alford, 1991). Brock (et al., 2007, p. 242) identifies this view in the PSF-literature as the ‘earlier arguments concerning reflexivity of the structure/process and the interpretive scheme’ in the development of the PSFs. Institutional logic theoreticians such as Thornton and Ocasio (2008) have contested the usefulness of the distinction between the symbolic construction and practice, arguing that they are two sides of the same phenomenon. In other words practice and meaning are inseparable. However, in organizations it is a common experience that the way things are done is not in synch with the ways they are explained or theorized (Suddaby & Greenwood, 2005). Obviously, we don’t always ‘practice what we preach’, not (as a rule) for reasons of conceit, but because several logics compete (Reay & Hinings, 2009). And sometimes a practice is introduced that represents another logic than the currently dominating one and sometimes a precept is introduced that

doesn't change or match the established practice. The next sections describe three empirical 'case-illustrations' which describe and analyze the complexity of the responses to the two competing logics.

3. EMPIRICAL ANALYSIS OF THE CHANGE PROCESS FROM THREE POINTS OF VIEW

In the next sections we will examine three different images of management in the case-study. By consulting the personal account of top-managers, providing an interpretation of the work-organization and giving a peek into the subjective experiences of the department managers the paper offers an empirical triangulation of the way the struggling logics affect the organization (Stake, 2000). The purpose of the first is to provide a frame of reference for the organizational discourse - or interpretive scheme (Cooper et al, 1996) - of management I have encountered in the organization. The next is a structural analysis of the change of the organization of work (Mintzberg, 1979) as it has been observed and described in the study, and interpreted from the desk researcher's perspective. The primary interest has been to uncover and understand the way management has changed in connection with the introduction of a new managerial role; the 'department manager'¹⁵. The empirical study was undertaken during 2008-2010 and included more than 40 interviews and 10 days of observation as well as more than 12 months on site. See Appendix 1 for a full account of the data collection and methods.

The case PSF

The case-firm had experienced a considerable number of mergers and serves a nationwide (as well as related international) business clientele with an ever more extended and diverse range of professional services. At the same time the

¹⁵ 'Manager' is also a position in the professional hierarchy. This title has, however, nothing formally to do with responsibility for personnel, which is a main focus of the 'department manager' role. This usage isn't referred to elsewhere in the paper. I will refer to the department manager role, as 'department manager' and 'manager' alternately.

organization has grown in size and complexity. This had led to the introduction of a number of efficiency oriented organizational and managerial practices that have rendered the ‘management of professionals’ or the ‘HR-model’ problematic or at least controversial in the view of the partners who occupied the top-level management on behalf of the partnership. The controversy relates to practices and meanings that are rooted in different frames of reference (or ‘logics’, as we have discussed above). The experience had put management and organizing practices on agenda and was the reason for undertaking the study.

The case (in 2009) was in many ways an (arche-) typical example of a modern PSF (Von Nordenflycht, 2010; Brock, 2006; Løwendahl, 2005; Greenwood et al., 1999, 2006; Alvesson, 2004). It was one of the Big Four multidisciplinary consulting firms with a dominating accounting business. The company included the classical profession-based accounting services as well as the multi-disciplinary (some non-professional) services as management consulting and financial advice. The case PSF was dominated by accounting, but with a growing proportion of departments with other disciplines, providing advice to private enterprises and public organizations. Accounting created app. 60% percent of the revenues. Core business areas was Accounting and auditing; Taxation; IT-security and –auditing; Management Consulting; Financial advice, M&A and company divestment; operation and implementation of finance- and HR-departments. The company employed 2.400 people located in offices in 20 towns in Denmark. The company catered to more than 13.000 clients at the time. The management structure of the case company reflects the fact that it was a partnership. The partnership consisted of 120 equity partners and 120 salaried partners. The formal management structure was made up of a board and a corporate management group.

Ambivalence and rhetoric framing of the change: Three top-manager accounts

In order to grasp the managerial context of the emerging manager role studied in the case (despite the impression management issue mentioned above) it is important to examine how the top-management thinks management. I have chosen to show three examples to illustrate my understanding of the ‘discourse’ of management in this group. Initially, the top managers of the partnership were interviewed in order to find out their position on the introduction of a more bureaucratic kind of management. One of the top-managers stated:

“Well, the rationale behind becoming big is that you want to become the best. Because, growing big doesn’t necessarily mean being the best. As a matter of fact, to become the best, you have to exploit this critical mass. It is a question of basic economies. If we don’t, we are just the sum of a number of small units and just add up overhead. Then we are not competitive. We end up competing on price and we of course prefer to compete on (professional, ed.) content.

The strategic challenge (with the partnership, ed.) is to do it in such a balanced way that each equity partner feels; ‘Yes! So what if I only own a 120th of this? I am still invited to the table (to decide, ed.) this and that: I can see myself (in the organization ed.) and I do not just receive the occasional letter about what is going on’.”

This is a very condensed way of describing the way the management makes sense of the institutional change going on in the organization. In addition, it shows the deep contradictions of logics inherent in this type of organization: The need to centralize in order to exploit critical mass not just to achieve greater cost efficiency but also to develop professional quality. At the same time this change is going to happen by moving influence to the center and to new role from the individual partner, without removing the feeling and commitment of the owner partners. In this brief statement, the top-manager illustrated the way the existing stable balance of logics between the market logic and professional logic became destabilized by the need to introduce bureaucratic structures and roles.

When the corporate managing partners described the fellow partners they spoke of ‘entrepreneurs’ who independently develop the business and when they complained about the actual behavior of (some) partners, they spoke of ‘functionaries’ who wait for directives from the central management team. On the other hand, the managing partners spoke of ‘HR’ and how this was supposed to encompass all of the organization, hence pointing to a need for more alignment and central control. They spoke openly of the need for ‘professional managers’ while, at the same time, they explicitly doubted that a professional manager (i.e. who was not a trained accountant) will be able to succeed, to the point where they express skepticism whether it will ever be the case. The vocabulary of management appeared sparse and the cultural status of managing as a distinct achievement low. When asked whether he could remember anybody being recognized for his competence as a manager, one of the managing partners in the corporate management team answered negatively. When asked to pinpoint examples of ‘good management’ experienced in their career, all three executives pointed to discrete professional decisions as instances of good management; they all answer with different versions of this constructed statement: “He put me in charge of tasks above my level of competence and supported me if I failed”.

The quote below illustrates the ambivalence of the top-managers:

“It is like an iceberg, it is only a tenth (of what I do as a top-manager ed.) that is visible for the people who employ me (the partnership), the rest is a matter of faith and it is at the same time obvious, in a highly political organization, you have to deliver the goods all the time. How much time can I use on the things that I think really create value? That is, to focus on driving others to success and sometimes I ask myself: ‘Is this really what I want?’ (...) it creates something of a schism (...) it doesn’t really work if you drive people forward and it is not visible that it is the case. Then eventually somebody will ask: ‘What the (...) do our management actually achieve?’ Because when people can’t see it, then we have to say the results

are created ‘through others’, but then again....that is also what I think is the right thing to do...at the end of the day”.

The top-manager reflected upon his own role as a manager and the difficulties of attaining legitimacy in an organization dominated by a professional logic combined with a client focus; even his own view was one ridden with doubt. Visible results are critical for your credibility in a competitive performance-oriented culture. Notice that he not only regretted the lack of visibility, he came close to explicitly displaying the same doubt on the worth of managerial work; the doubt that he attributed to the way he thought his fellow partners regarded his own conduct as a manager with.

Below we are introduced to one of the explicit proponents of the bureaucratic logic who has addressed the ‘visibility issue’ actively.

The ‘locomotive’

A compelling example of management rhetoric was found among the proponents of the bureaucratic logic in the case organization. A young managing partner who was a part of a loose coalition of management oriented equity partners, proved to be a consistent and enthusiastic proponent of elements of the bureaucratic logic. To him the implementation of the new bureaucratic practices explicitly depend on rhetorical devices.

First we hear him tell how he laid the ground for giving the department manager role more weight:

”It was at that point, I think, I took some licenses which were beyond my mandate at the time and I told the department managers: ‘Don’t worry, (...) when you are put in a department manager position, you should probably expect to use 5-600 hours on being a department manager’. That was probably a tripling of the number of hours they were allowed to use formerly. And I said that we needed to do it and we needed a structured process for our professional development process. I had NN (internal consultant) to assist me with designing the processes. I had hired him as a dedicated

development consultant and that was also completely unheard of, in those days. He didn't bill a single client hour and that was never seen before in an accounting unit, that is for sure. But he was extremely gifted in terms of being able to produce presentations and structure processes for this, that and whatnot. And it was just a fantastically powerful situation, being able to approach the group of equity partners and the rest of the partners and say: You know what? This is the way we do it".

This rich quote gives an impression of how this managing partner plays with the possibilities in a more professionalized bureaucratic organization. How he orchestrates the communication to persuade the owners (equity partners) and the rest of the partners to accept new structures and roles. In the next quote he discloses how he rhetorically framed this move towards a new management style internally in the practice:

"Yes, and eventually we introduced a metaphor, in order to give the employees an identity in this big house. It was actually the first thing I did as managing partner of the practice. (I said, ed.): 'This practice is the locomotive! – WE are going to drive this process.' And we did, however, (perform, ed. (...)) in terms of economy, because we invested a substantial amount of time in development and HR and a lot of other things. This was conspicuous because our level of efficiency was distinctly below the other practices (in the Big City group) and it took its toll. Still, we did well – we had historically a lead – and then the other practices just reduced this lead. But then two years ago one of them overtook us and that was shocking. The equity partners started to ask 'What now?'. Then I said: 'Don't worry, we are in control, we have full confidence in the model', and now we are ahead again. At the end of the day, we can clearly show that this investment has been the right thing to do."

The introduction of a new management style carrying the bureaucratic logic can be seen as an example of 'institutional entrepreneurship' (Hardy & Maguire, 2008, DiMaggio & Powell, 1991) or 'institutional leadership' (Selznick, 1957, Kraatz, 2009, Glynn & Rafaelli, 2010). This is not just about functional needs and higher earnings (it also is, though) but to a very large extent also about symbolically constructing a new logic and infusing new values. It is, however,

important to note that the ‘locomotive’ partner held one of the largest client portfolios in the case organization during the drive towards a new organization. Thus, he had earned his legitimacy in the hard currency of the professional logic.

It is evident that the central managerial actors, quoted above, take cues from as well bureaucratic as professional logics, and a good measure of ambivalence can be found in these examples. The rhetoric, vocabularies and theorizations of change (Suddaby & Greenwood, 2005), of the accounts of the three managing partners arguments and descriptions of these managerial players bears witness to the ambivalence create by the two conflicting logics. The first corporate managing partner directly addressed the tension between critical mass, professional quality and governance and evokes a bureaucratic theorization of the imperative of change, the second reflects personally over the basic ambivalence of heading bureaucratic hierarchy, which was not really recognized by colleagues and the doubts he has nurtured himself. The third partner explicitly described his management project as one he carried out in spite of the values of the existing management practice.

While the top-managers were in varying degrees paying allegiance to bureaucratic management discourse, they all took cues from the professional vocabulary. They did not present the ‘glossy picture’ of a MPB, that might have been expected, one that conforms to a ‘rationalized myth’ of management (Meyer & Rowan, 1977) they seem well acquainted with. As the quote in the beginning of the section showed, several aspects of the external and internal conflicting logics are in play in PSFs; the competitiveness of the marketplace, the professional quality of the client work, the professional organization and the need for bureaucratic efficiency. The next section describes in detail the concrete change of practice, roles and organization of work in the case based on interviews and observations in many accounting sites of the case-company. This is the model introduced in the ‘locomotive’ story quoted above.

Organization of work: The development of a bureaucratic management practice

In this section, I describe how the new organization in the case PSF was designed. The new manager role is seen as a new practice which has developed from the traditional partnership-organization, where everything was organized around the partner role. The image is one of growing complexity, of more accommodation and mutual control and transparency/accountability. The purpose of this mapping is to illustrate what structural framework and labor process contexts the department managers are situated in. In a very concrete way, this is a major part of how the change of managerial practice is accounted for by the actors interviewed in the study.

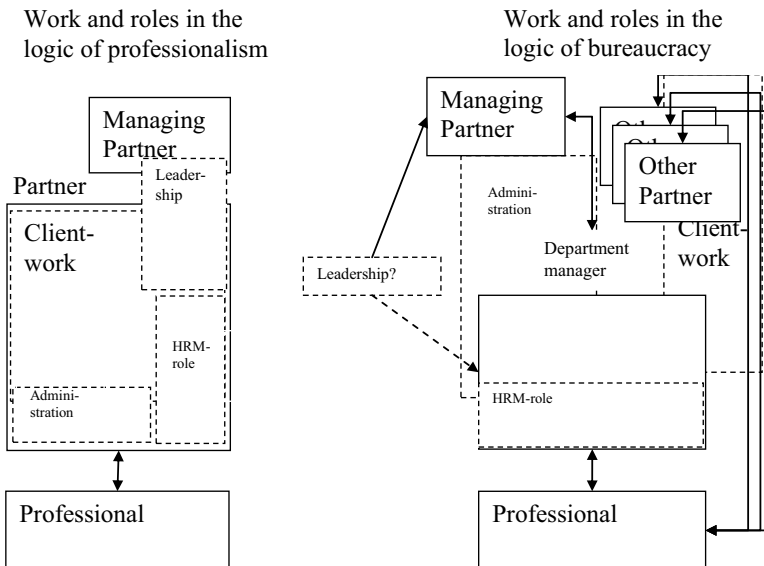


Figure 1: New organization of management and work in the case

A fundamental change in the organization of work and management of accountants

Crucially, in the profession model it is to the partner – or ‘master’ – role, to which most of the managerial as well as leadership functions are attached. In larger sections or companies there will be managing partners who channel and handle the interests for the local partnership. However, almost all managerial tasks, and responsibilities are concentrated in the partner role. It also means that the relationship to the employees is straightforward. It was, for better or for worse, the quality of relations to this partner that defines the quality of the ‘psychological contract’ between the employee and the organization (Bévort, 2012). A senior accountant recalled the ‘old’ model:

“The structure was different at the time I was hired. I worked in a group of six people with a manager and a partner and four employees. And then we worked for that particular person only. That is, the partner was my boss and it was exclusively his clients we worked for – when the tasks were done we took time off. It could happen that the department or group located beside our team worked overtime and other things – but you didn’t use the resources across the borders between (the groups). Then it just was that a partner hired a person and then you work for that person (the partner) end of story.”

An important general point, which is apparent in Figure 1, is that with the advent of the managerial practice and discourse, the managerial system become differentiated into a much more complex organization of roles and tasks (Weber, 1922; Mintzberg, 1979). In the following these changes are described. First the new roles and task organization are analyzed; Department manager role, HRM-role, Partner roles, Administrative tasks and the relations between the new roles. Finally I will discuss in what ways co-operation and leadership is changed in the new organization.

The Department Manager role

This role was novel. In the interviews of the study, the partners and managers described it as such. The informants discussed this role as initially a way of solving a problem of coordination (Mintzberg 1979). A problem that arose because more than one and typically more than five partners used the same employee on even more different client projects. A managing partner made the following account:

“Yes, it (the department manager role) existed, but it was somebody who had the responsibility of resource planning and recruitment (screening and administration ed.), and that was all that the department manager role contained and partners participated in the recruitment interviews. It was primarily resource planning you worked with (...) There was no managerial functions except allocating and coordinating resources”.

Thus initially, young accountants on ‘career track’, were made department managers and were expected to solve the coordination problems mentioned above. However, extending from this, gradually more tasks were added: E.g. planning of employee’s time off, (sole responsible for) recruitment-interviews, planning of training, (yearly) development interviews, dismissals, team management, and performance management¹⁶. This development progresses to the extent that the department manager is responsible for most of the personnel management tasks (excluding the most senior professionals, who would still be monitored by a partner). Thus, from the data of the study, an image of a still more substantial managerial practice emerges. However, the symbolic construction of this role is very weak and ambiguous. Following the professional logic and in terms of real power, it is still the partner (owner) who is the boss. That means, in practice, that conflicts frequently occur between the tasks that the department manager solves and the way the partners make decisions. Despite this conflict, the managers are

¹⁶ See Appendix 3

able to work because there is a rather loose coupled link (Weick, 2001) between the practice of the department managers and that of the partners on most issues. A recent development was that the corporate management promoted a symbolic construction of the department manager as HR-manager. This has happened in the way of a leadership training program and a corporate performance management¹⁷ system. These interventions all of a sudden directed attention towards the existing conflicts of logics in the way that the ideals communicated did not resemble the practice the managers or professionals experience. In support of the interventions, some managing partners explicitly tried to promote this development and try to construct the new role symbolically. This is done by communicating the purpose and the importance of it in their parts of the organization and by allocating resources (time, training, influence, attention) and by introducing supporting practices like for instance a leadership survey. In terms of a formal description of the content of the department manager role, only sketchy local instances exist in the case data. In the documents from the leadership training a broad description is given (in fact a symbolic construction) of what a department manager's tasks and competence are supposed to be in the view of HR and the top-management team.

As the description indicates the department manager role is not institutionalized very deeply. There is neither an established symbolic construction nor a stable generally accepted practice. Nevertheless, as we shall see, the role is observable as an emerging meaningful practice in the case-organization.

The HR-role

The HR-role was traditionally a part of the partner role. It was part and parcel of 'good partnership' because maintenance of the production capacity and the services in the inventory were critical for the partner's and the partnership's revenue. In this model, the management experience the employees will have is

¹⁷ See Appendix 3

totally dependent on the leadership skills, beliefs and preference of the partner. As Cooper et al. (1996) observed:

“There is a minimal investment in formal systems of management since the ideology of the archetype stresses the ability (and incentive) of each partner to manage themselves and those in the ‘team’.” (ibid., p. 627).

It is important in this context to realize that this was not constructed symbolically as a manager role but as an aspect of professional behavior. In the emerging new role the HR-role becomes more formalized. This is the case, because the department manager is increasingly communicated as ‘HR- or people manager’ and because of the introduction of more elaborate HR-systems and policies.

The coordination problem of the new organizations is not only visible as a resource allocation problem but also as an HR-information problem as well. The question arises, who is now in possession of the information about how the employee is doing; performance wise, educationally or in terms of job satisfaction? In the old model, the partner had the day-to-day information about the accountant. Now, the department manager is expected to fill that gap. The ‘locomotive’ partner remembers the process:

“Well, you could say it was a gradual transition, because we retained the close attachment to the partner and the partner participated in the development interview, together with the department manager who went across (the organization). This was actually quite novel, because up till then development interviews had been conversations between the employee and the partner only – and very focused on the specific client projects. Now we began to look at things that had to do with issues of concern across the section.”

There are, however, a number of more or less tacit dimensions of the HR-role that are not transferred to the department manager role. Much of which has to do with the personal embodiment of client relations, professional monitoring and a personal commitment to the personal and professional development of the

professional in the partner role. It can be argued that this is an overly romantic assessment of the HR-role element of the traditional partner role. However, as we shall see in the data about the department managers, it is not at all easy to fill the gap because it is quite hard to obtain the data from a group of partners who are now in effect relieved of responsibility for the professional fate of the employees they provide data about.

The Partner Role

In the new organization, it is still the partner who is ultimately responsible for the client relations and who monitors the actual deliveries directly or through trusted senior staff. In this way the partner remains in a people manager role. However, in relation to most personnel issues, the partner is relieved of responsibility as manager and will typically only intervene in issues of specific (personal) interest. The locomotive partner described how the process took place in his section:

“Yes it became very obvious, when you started to move across the organization, that where you used to think that the partner that a gift from God in terms of people management, it became clear that there was huge differences. Some of the people who were the weaker in client relations, were very, very good in terms of people management and vice versa.

I: That is rather interesting. I have often heard the view that if you are able to handle the client relations then you are also able to manage employees.

And that is not the case. Of course some were, but many were not (...)”

For a minor number of senior people, the partner will still have a role as (people-) manager, in the sense that these staff report personally to a partner – but are still members of the department team. In the new model there is also a more visible division between the partners who fill a more administrative managerial role and the partners who concentrate on a professional client focus. That means that the managing partner together with a small number of other partners and the

department managers make most of the internal decisions. Again this is not 100% unambiguous. The partners are still symbolically constructed as the general managers in the professional logic. And that means that they can legitimately use their power to intervene in HR-questions and reserve the option to make HR-decisions, as for instance dismissals, without fully involving the department managers. The bureaucratic management rhetoric focuses on the opportunities in the specialization of the partners in order to develop new professional services and conquer new market segments more aggressively. Cooper et al. (1996) supplements this:

“...the emphasis on effectiveness and efficiency leads to the beginning of a second, functional, form of specialization, when management (notably marketing and human resource) is introduced in the organization.” (ibid., p. 633).

But in our case, as in the study of Canadian lawyers (ibid.), the partners are differentiated into functional roles in charge of the staff functions: HR-partners, Training-partners or Marketing partners based on ‘more bureaucratic definition’ of the roles (ibid.). This fact shows how the partnership seeks to keep control over the functions. However, in the case, this was supplemented with corporate functions with non-professional (i.e. not trained as accountants) staff-executives.

Administration

A very large part of the client related administrative work was traditionally done by the partner or the individual accountant in charge. For support a number of administrative staff were typically employed. But compared to other organizations this support was rather limited. Even higher ranking partners performed a considerable amount of administrative work connected to client work. In the profession logic, as we have seen, it makes sense that the partner did the work that is part of the personnel related administration (even if it was not extensive). In the new organization of work mapped in Figure 1, the department

manager role was taking over a large part of the administrative work. Simultaneously, as we have seen, a number of administrative specialist roles were developed; planners, ‘partners with special management tasks’, HR-partners. These roles pick up some of the administrative tasks that are demanding the most work. The location of these tasks was important in the new organization of work because it means that a number of minor and more important decisions hidden in the administrative tasks are moved from the individual partners to a management system consisting of the managing partner and the team of department managers.

Relations between the roles – the altered organization

We are witnessing an emerging bureaucratic organization with the partner group as the still more distant board, the managing partner as the executive, the department managers as the middle management and even specialized staff functions are beginning to appear. But none of this amounts to an inevitable development. The partners still see themselves as the ‘management’ with the prerogative to take part in the decision making at all levels and the managing partners and the department managers have an ambiguous mandate that is renegotiated on a daily basis, as well as a role identity that is not supported symbolically by the culture. The ‘locomotive’ partner, quoted above, said when asked how he had managed his peers in the partner group of his practice in the change process: “Seduction – I guess, that is the way I do it”.

‘Leadership’

An important question in relation to the two organizations of work is: Where is the leadership coming from? The traditional partner was unequivocally the leaders in the professional logic. He (in rare occasions ‘she’) was the owner, the professional ‘master’ and role model in terms of values and socialization. The managing partner did to a varying extent identify the local practice. But all this was integrated in the partner role and most partners played this role.

In the new model leadership is more complex. The managing partner is the one who symbolically defines the local management, but at a distance to the employees. His task as leader is to support the leadership that the department managers are supposed to exercise. The partners still exercise leadership but primarily in relation to the client work. Besides this, the partner is decoupled from the leadership except from the role in the 'board' governing the managing partner. The challenge in the model is whether the leadership is weakened in a vacuum between the persistent professional logic that still constructs the partner as the leader on the one hand and on the other hand institutes a managing partner role from a bureaucratic hierarchy that is not given the same automatic legitimacy. In the professional logic non-client, not-billable, nonprofessional work have far less legitimacy than the professional core services. This will go on to undermine the leadership until an alternative symbolical construction of management gains legitimacy among the actors. This is, seen in a general way, an important element in the process which this study is trying to understand.

The description of the new work organization above is yet another way of describing how the contradictions between the professional and bureaucratic logics become visible through the organization of work in the PSF. The mapping out of the emerging organizational set of roles and practices in this section shows how the bureaucratic logic is materialized, however blurred, unstable and unfinished. The organic and simple professional partner model is gradually being transformed to a more complex system of tasks and practices.

The experience of being department manager in two different stages of bureaucratization

In the following section I show two examples of outcomes of the exposure of the bureaucratic logic from the point of view of two department managers and dismissals in their teams. Both managers are affected, but the local contexts are more or less conducive to the development of a management practice in line with

the bureaucratic logic. This is a way to show the ‘old’ world of the professional partnership and the ‘new world’ of the formalization of management roles at the interaction level (Barley & Tolbert, 1997).

First, a short introduction of the two managers ‘Anders’ from the Countryside Practice and ‘Kevin’ from the Big City practice:

Anders is in his mid-thirties and has been in accounting for 15 years (13 of which in the case organization). He had achieved his authorization as a (Danish equivalent to) certified public accountant two years before the time of the study, and was thus allowed to sign the client audits. He was appointed Senior Manager which is the most senior title before partnership. He had been a department manager for four years and was responsible for a group of ten accountants of mixed seniority. His and the team’s client portfolio was targeted mostly at small and some middle sized clients.

Kevin is thirty-three years old, has been with the company for 11 years and completes his authorization at the time the study was carried out. He has the professional title of Manager. He has been department manager for 1 year at the time of the study and was responsible for a team of 24 (of which 15 are direct reports) accountants of mixed seniority. His and his team’s client portfolio comprised midsized and large clients.

The experience of leadership

Above we heard the accounts of the top managers and we saw the description of how the department manager role has become involved in a number of management tasks that introduce bureaucratic logics in the role performance and identity of the managers. This section shows how these managers are gradually transformed from being expert professionals to also partaking in elements of leadership behavior, involving the championing of values, ethics and role-modeling. It is about how the managers feel obliged to enact elements of leadership that is in accordance with their conception of ‘good management or

leadership’, even though it conflicts with their identity as professionals. In this sense, the logic contained in the obligations and specific role of a manager in a bureaucratic hierarchy becomes real in the minds of the managers (Raelin, 1986). However, the contradictions between the logics then become intensified in this particular practice. As opposed to the more formal tasks of managing development and performance, the leadership role more explicitly involves the personal values and ethics of the managers.

Countryside Practice

Anders explained how he and his peer department managers reacted when the budget was met after a long period with too little billing:

A: “So that is all very well (that we meet the budget). And then it is also important that we show it – that it is communicated in the house. One can say – we did that in fact – it was in February. It was actually one of the first months when (...unintelligible maybe “also in the house”). Then we discussed how we should try to celebrate and it was something like – (discussed) among the department managers that is – that we, so to speak – first mailed the department. And that - eeeeh - was one thing. Then we brought it up on the department meeting where we mentioned these things aaaand then we gave everybody a gift voucher (for a cinema ticket) it was – like we did something. We know that these times are hard...

F: Was it because you met the budget?

A: Yes exactly. And actually we met the budget and exceeded the budget. Well, we thought it would be a good way to give..... to show that we really appreciated it. Theeen ... and then it is always different how these things are perceived. But generally.....

F: What do you think?

Anders: Well.....I think there is always (the attitude, ed.): “This isn’t really something and why?” Because you are sort of.....For some reason you are a bit suspicious: “What is this really?” Wha...

F: What are the reasons for that, do you think?

A: It probably has to do with the remaining feeling of the downturn. People have been laid off and things have been going on.....and then it is a little like: ‘This is really something quite awkward’.”

In the quote, Anders gave an account of a very different part of what he saw as the managerial task-set (performed together with his two colleagues and in part the managing partner): The role as management representative, symbolically celebrating the end of a crisis and the contribution of the employees. This seemed much more controversial and ambiguous to him than other tasks he described. It seems as if the amount of hesitation, broken sentences, citing and drawn words indicated that he did not feel comfortable at all with the topic. It also seemed to give a hint of the ambivalence of his identity in the sense that even though he was probably the initiator of sending this managerial message of appreciation; it seemed as if he understood very well the quoted skepticism of some of the employees. And as small as this gesture may seem it may be seen an example of an awareness of Anders, thinking himself as a part of the management and thinking that the management is obliged to show their appreciation. And the apparent insecurity may indicate that this, however, was not a routine issue for Anders.

The dismissals that took place the months before had been a frustrating experience for Anders as a manager and colleague. In an earlier interview, Anders told how the partnership in the preceding months kept up the impression that everything was fine businesswise and that the numbers of the practice were satisfactory. Then suddenly the cut backs became a reality. Anders told me how the dismissals were undertaken without him being directly involved – except for an invitation to the final interview with the affected employees from his team. He felt this to be a very degrading experience as a manager for the involved staff.

Big City Practice

Anders' colleague in Big City practice, the department manager Kevin, discussed the layoffs which also affected the Big City practice, during the world economic crisis, at an interview some months later:

K: "We (the department manager team) were warned six months in advance that we should begin to identify 'the weak links in the chain'. That was the start. We had several reviews at the department manager team meeting, about the data we had on people (...) that was the process until we were told to find a number of employees. And it was ... I was in charge of people I knew from before and people I didn't know at all. I found that very difficult. I could draw on information from the other department managers. But I said: 'I need to understand a hundred percent why it is exactly this employee'. We were not, however, supposed to give any other explanation than cost reductions. We were instructed to avoid other explanations. It was implied that we should bypass any discussions beyond cut backs (...). I thought it was ok because it wasn't fair to hurt their feelings more in that situation (...) They were, in my view better off, all being in the same boat – so to speak.

F: How many did you lay off in your department?

K: Three (...). I had no problem dismissing the specific persons, who were let go – if not then, I would probably have fired them anyway. One thing I found a bit odd about this process was, that afterwards each of us was presented with a nice dinner with our partners/spouses. One couldn't help feeling that we were given a dinner in return for dismissing people – they didn't have to give us anything – even though it was a good meal! But the concept is strange: 'Now first you do the dirty work and then we want to reward that', why don't they reward the department manager role (in general ed.) if that was what they wanted? (...) I have no problem dismissing employees if it is for the right reasons – and cost reduction is always a valid reason. I sleep well at night before and I sleep well afterwards (...he tells how he helped one of the dismissed to get another job outside the organization).

(Kevin explains that the department managers were entrusted with the decision of who should be let off and that even though the partners may have been heard the list supplied by the managers was the one executed upon).

K: Yes – because we actually laid some people off who really affected specific partners, who then came afterwards and said: ‘Damn, how could you? He/she did a great job for me!’. (...) As a matter of fact, yes, we were entrusted with making that decision. And I really think that was fine. That relates back to what I have said before; ‘Are you ‘de facto’ manager or just ‘de jure’ or what are we doing here? That was one of the things that made it meaningful to me, to be a manager, not just planning staff vacations”.

In the two accounts we see two very different experiences of leadership in the department manager role. It seemed clear, that both managers identified with the leadership in the processes described above. Likewise, they both felt the apprehension of performing management that affects their colleagues. But it is also shows that Anders was the one most affected by the ambivalence of the situation. It seems as if he tried to emulate the leadership behavior he expected from the partners more than aspiring to a formal manager role in a bureaucratic organization. He identified with the colleagues and he regretted being excluded from the partner-team. Opposed to that, Kevin was much more immersed in his conception of what the appropriate behavior of a manager is. He was very precise – even surprisingly so – when he separates his empathy for his employees/colleagues from his satisfaction with the performance of the role as the executing manager. The awkwardness he feels by receiving the reward dinner was of another kind than the one Anders feels by handing out the cinema-tickets. Kevin feels that the statement made was in conflict with his own view, and what he thinks should be the partnerships’ view: That the dismissal process is a natural part of the manager role. Anders, on his part, was much more vulnerable with regard to how his peers in his team regard the action.

But the overall impression was that Kevin’s account describes the performance of his leadership role with much less ambivalence, feeling supported by his manager peers and by an effective management structure. The way the young department managers are entrusted with the role and the natural way Kevin

describe the fact show how institutionalized the department manager role has become in the Big City practice. Both practice and symbolic construction seem more or less in place. It was Anders who in this case remains suspended between his ideas of proper management and the idiosyncratic realities of an organization still deeply entrenched in the ways of the professional partnership.

4. DISCUSSION: THE PRESENCE OF STRUGGLING LOGICS – THE CHANGE OF MEANING AND PRACTICE

We have now seen three different examples of how the logics blend and transform the ideas and practices in the case PSF. Below I examine some of the main findings from the case in terms of a change of logics and the contradictions I can document were present in the case from the data presented and from other data taken from the study.

Orientation: Client vs. internal focus

The professional logic directs focus on the professional services which is delivered in the relation to the client (Maister, 2005; Løwendahl, 2006). This creates some very striking contradictions of logics in PSFs which will puzzle anyone with experience from other large organizations. In most large organizations the concern is how to ‘make the customer king’ – to create ‘customer orientation’. This means to move attention from technical, functional and organizational concern to the customer-interface. This is also, a well-known theme in the literature on Service Management (Normann, 1983). Opposed to this, in modern PSFs, the introduction of a bureaucratic logic challenges the existing one-sided focus on the client-relation. The bureaucratic logic directs focus to how the services are produced by the organization (Maister, 2005) and how the ‘producers are produced’ (Larson, 1977), i.e. how the professionals are trained and developed. It is a basic conflict of conceptions of efficiency and business models – ‘how do we create value?’ In the three different empirical examples above, ‘the

internal orientation' of the bureaucratic logic is creating tension with the professional logic. We saw the identity conflict of 'invisibility' of managerial work at the top-level. Also, we saw the need to 'seduce' colleagues with rhetoric in order to get them accept more focus on internal issues and development. Also the simplicity of the partner-professional model of the P² type organization of work reserves its focus for the client relationship anchored in the partner role. Opposed to this, the elaborateness and complexity of the MPB-type of work organization and finally the efforts needed to establish a meaningful manager role to support this all creates a much stronger internal focus (Cooper et al., 1996).

Autonomy vs. interdependence

The P² organization is by definition a very 'loosely coupled' organization (Weick, 2001). The local partners are very independent in most managerial and business matters. One could argue that the loose coupled formal organization is compensated by control based on indoctrination of professional values and ideology (Mintzberg, 1979; Covaleksi et al., 1998, Freidson, 2001). In any case, confronted with the conception of control of the bureaucratic logic, the organizational behavior of professional partnership organization is highly unpredictable. An argument I observed on several occasions in the case-PSF, was whether the managing partners of the local practices were supposed to be loyal to the corporate management team or the local partnership which they 'represented'. The consequence of this difference of opinion was a somewhat erratic compliance to decisions made by the extended corporate management team (in which the local managing partners participated).

The conflict of logics is here the clash between a conception of the organization as a 'professional association' in which (especially) the partners are independent actors and a conception of an organization as a 'community of interdependent actors' playing complementary roles. Maister popularized this analysis with his 'One Firm' thesis (or precept) (Maister, 1985; for a newer

reiteration of point; Baghai & Quigley, 2011) where he argued for a stronger focus on internal coherence and strategic compliance in PSFs. As the examples show above, the introduction of new management tools, new management systems and work organization create a massive pressure for not only a ‘stronger coupling’ or vertical compliance of the organization, but also a commitment or mindset that recognizes the interdependency of actors in the complex organization. This is a matter of managing the multiple logics (Reay & Hinings, 2009) in play and in this case especially the bureaucratic logic. The statements of the top-management partner illustrate the internal conflicts of making sense of the contradicting logics.

The professional partnership vs. bureaucratic differentiation of roles and competences

Specialization and a rational division of labor is an integral part of Weberian bureaucracy (Weber, 1922). This implies a transparent system of vertical decision hierarchy and horizontal task differentiation (Mintzberg, 1979). This means that a number of complementary roles are supposed to interact in a web of interdependence. Opposed to this, professional organization is in part a professional community and the employees’ part of a professional ‘project’ (Larson, 1977; Freidson, 2001). This means that differentiation is little in both horizontal and vertical respects. In the vertical dimension, the professionals are all proto-partners in a skill and merit-based hierarchy and on the horizontal level all units and roles are in principle clones of the same profession based roles and competencies. The conflict of differentiation means that what the professionals regard as fundamental professional autonomy and entrepreneurship, the bureaucratically minded managers see as a restriction on organizational behavior in terms of differentiation of careers, (efficient) systems of organization and development of services/products.

In the case we have seen how the three quoted top-managers struggled with the clash between the bureaucratic and the professional logic (Raelin, 1986). The

first describes at the global level how to create an organization that can utilize critical mass without destroying the strengths of the committed partnership, the second the personal tension involved in becoming a corporate manager while at the same time being a professional partner and the third, how the introduction of a new work organization involved a rhetoric argument with the local peer partners.

We have also seen the reluctance to introduce a department manager role with a mandate that matched the responsibilities implied by the role. And the way the two managers were in two very different situations – a context that supported the bureaucratic logic and another which did not. All of these tensions show how the bureaucratic logic was present as actual interaction as well as rhetoric; theorizations and vocabulary (Suddaby & Greenwood, 2005), creating tension with the existing professional logic.

The presence of bureaucratic elements in the case PSF

In the following I will briefly account for the increasing presence of the bureaucratic logic in the case PSF as described in Table 1 above. As mentioned just above, there is a definite move towards a stronger internal focus – that is a greater focus on how production is organized as opposed to professional delivery. Also the pressure towards a more tightly coupled organization is evident in many of the initiatives and systems implemented in the organization. The organization is, albeit somewhat unevenly, introducing a number of new roles of which the department manager is the most significant. There is a clear change in the relation between managers and employees as the cases of Anders and Kevin showed above. This also includes the situation in which the department managers exercise authority towards professionally senior team-members and even partners, as in the case of Kevin. The new work organization is driven by an efficiency focus more than a professional standard focus. A partner confided that the quality of service actually had suffered in some of the units with the most radically bureaucratized organization and that measures had been taken to reconnect the partners to the

teams. The importance of personal billing is a very visible element in the professional logic of PSFs, and while it remains almost unchanged for employees, the expected performance from employees in managerial roles is moving towards an acceptance of a more limited client billing number for managers. At a leadership seminar most partners in the management team agreed that a 50/50% model would be the optimal mix between billing and management work. However, I did not discover any department managers with, at the very most, an estimated 66%/33% time allocation in favor of client work, indicating a discrepancy between management rhetoric and concrete practice.

Discussing the archetype-approach through the lens of institutional logics

The case-stories and the accounts above show that a new material practice as well as symbolic construction (Friedland & Alford, 1991) of the bureaucratic logic is present in the case PSF. The changing material practices are best represented by the change in roles and work organization that is felt at all levels. The symbolic construction of this is that the ‘interpretive schemes’ are changing when the practices of the organization are discussed with the actors. The rhetoric they use, the theorization and vocabulary they use are significantly affected by a bureaucratic logic (Suddaby & Greenwood, 2005). In this sense the results of this paper supports the general conclusion of the ‘Archetype’-PSF literature. It is, however, necessary to question a number of basic assumptions. When Greenwood et al. (1990) in their study of Big 8 accounting firms in Canada constructed the Professional Partnership form (P²) they built their findings on an ideal-type of the corporation resembling the Sloan/M-form corporation (Chandler, 1962; Williamson, 1970) although this was also supported by comparative data from other industries. However, their study was focused on strategic management and control, rather than the specific organization of roles and work. In Cooper et al.(1996) the empirical focus has changed from accounting firms to legal firms –

still in Canada. And the focus is more detailed. In the first study the parameters were: ‘Strategic, marketing-financial and operational control’. In the latter, these three are supplemented by an account of ‘interpretive schemes’ and ‘structure’ – the latter including ‘differentiation’ and ‘integration’ (Cooper et al. 1996, p. 630). The latter study gives a more fine-grained image of managerial practice in the case firms. At the same time Cooper et al. (ibid) present a more sophisticated conception of archetype change built on the ‘sedimentation’ and ‘erosion’ metaphor they use to illustrate the complexity and vulnerability of new forms. Later studies (Hinings et al., 1999; Brock, 2006; Brock et al. 2007) develop the archetype inventory, but develop in my view merely new variants of the MPB: ‘Global Professional Networks – (GPN)’, which (among others things) refers to the transnational status of the Big 4 PSFs and ‘Stars’ which refers to the ‘Boutique’ style management consultancies and architectural firms (Brock et al. 2007). While the two last mentioned represent interesting developments, they represent a return to a macro level of description, which doesn’t add much more to our understanding of the interaction level organization of PSFs as in the original study by Cooper et al. (1996). Interestingly, they mention the Friedland & Alford (1991) paper, but refrain from using the ‘institutional logics’ concept (ibid., p. 634). One could argue that ‘logic’ is an even more macro concept than ‘archetype.’ I have preferred the concept because I think it is more useful to describe the conflict between the internal bureaucratic and professional mindset, a thought I develop below and elsewhere (Bévort & Suddaby, 2012; Bevort, 2012).

Another criticism of the archetype-thinking applied to PSFs is a general methodological one. Von Nordenflycht (2010) challenges the PSF-category as badly specified - what is the boundary conditions of the PSF category? That is, what organizations qualify for membership in the category besides the ‘old’ law and accounting firms of the majority of PSF-studies? This makes the concept unable to carry an archetypical organizational form, unless it is re-specified (Von

Nordenflycht, 2010). Another, I think, more interesting critique, is provided by Akroyd & Muzio (2007), who based on a study of legal practices in England, show that the professional logic may rebound in what they call the ‘Reconstructed Professional Firm’. They revive the ‘professional project’ thinking of Larson (1977) in which the professions protect their dominance by monopolizing scarce knowledge (ibid, p. 744). This view argues that a reversal of the direction of change from a professional to a managerial way of organizing that is envisaged by the archetype theorists is as likely an outcome empirically.

I my view, the institutional logic notion provides a way to describe the complexity of the changes at the interaction level in a PSF like the accounting firm studied in this paper. The change we have seen here in an ongoing struggle between two logics which don’t fit easily together, but which the organization on the other hand perceives itself compelled to cope with in order to sustain growth and competitive edge. The institutional logic concept offers a way to describe the dynamics of the emerging organizational form of PSFs. The P² – organization practices as well as makes sense of the internal organization using a professional logic. The change towards a MPB-model challenges both the actual practice – as the work organization described above - as well as the way the actors in the organizations explain the changes. The partners and managers above create a situation of transition in which meanings look for new practices and practices seek to get legitimized by new meanings. In Table 3 below, the way the possible combinations of logics can be conceived is mapped. The change of work organization is an excellent example of the introduction of a practice that is not anchored in the professional logic’s symbolic system that still dominates the organization, exemplifying Transition 1. In the case of the introduction of the new manager role, a whole set of normative ideas and concepts are introduced anchored in the bureaucratic logic which are not matched by a management practice, because the existing professional practice is maintained (in the case of

Anders), representing Transition 2. An outstanding issue, which it is not possible to resolve here, is the dynamic between the symbolic and practice. How does a practice, which is not (fully) supported by a symbolic construction become legitimate? How do symbolic precepts, which are not implemented in a practice, become ‘realized’ in a practice? These questions are addressed in Bévort & Suddaby (2012) which analyzes the change and sensemaking of new management scripts in a PSF.

	Symbolic Construction (dominating logic)	Material practice (dominating logic)
Initial state P ²	<i>Professional logic</i>	<i>Professional logic</i>
<i>Transition 1 (or hybrid state)</i>	<i>Professional logic</i>	<i>Bureaucratic logic</i>
<i>Transition 2 (or hybrid state)</i>	<i>Bureaucratic logic</i>	<i>Professional logic</i>
Altered state 1 Collaboration	<i>Bureaucratic/Professional logic</i>	<i>Bureaucratic/Professional logic</i>
Altered state 2 Reformed	<i>Bureaucratic logic</i>	<i>Bureaucratic logic</i>
Altered state 3 Rebound	<i>(new)Professional logic</i>	<i>(new)Professional logic</i>

Table 3. Possible combinations in the movement between the two dominating logics of internal organization in a PSF

In the context of the ‘Archetype-literature’, this study supports the observation that change is complex and precarious (Hinings et al., 1999; Brock et al. 2007) but it also questions how it is possible to determine whether a PSF organization has actually arrived at a new ‘state’ or form.

To achieve Altered state 1, which may be the closest to a combination of logics supporting the MPB-type organization, I propose, it will be necessary to achieve a balance between both the symbolic construction and the material practice sides of the two logics to achieve some level of enduring stability of the PSF-form.

Reay & Hinings (2009) describe how co-existing institutional logics compete and collaborate over time in a health care setting and how they are managed, represented by administrators and physicians, respectively. Two of their propositions are interesting in the context of the present study. First they propose that actors will form collaborations which maintain the independence of the actors (carrying one of the logics) but at the same time support the accomplishment of common objectives (ibid., p. 645) and second they propose and similarly that the different actors will maintain their identity while collaborating on mutually beneficial outcomes (ibid., p. 646). Altered state 1 is exactly a situation in which the logics co-exist and actors collaborate to achieve common goals. The difference addressed in this study is the challenge to the identity of the professionals who become managers. The ‘collaboration’ of logics (Reay & Hinings, 2009) becomes internalized in the minds of the managers and they have to define new identities to manage this (Bévort & Suddaby, 2012). But surrounding the managers, actors who retain their professional identity and other actors carrying the bureaucratic logics as their professional mindset, will operate. As some of the top-manager accounts indicated above, the challenge of the managers is to assist the other actors in maintaining their identity as professionals and bureaucrats respectively, while themselves mentally managing the duality. I have also described ‘interdependence’ as a salient feature of the bureaucratic logic which limits and counters the independence of the actors proposed by Reay & Hinings (2009).

In Altered state 2, the bureaucratic logic dominates in both common meaning structure and performed practices and then the unique identity of the form may be questioned in the long run. An analogy would be a mass-producing company which retains a craft-driven workshop in order to sustain organizational identity. In Altered state 3, as Akroyd & Muzio (2007) proposed, the profession reinvents itself and modernizes the profession based service-production to match the

modern global service economy. The ‘Star’-archetype described by Brock (et al. 2007) may be the closest archetype theorization of this combination of logics.

The case-study displays, as noted, elements of Transition 1 and 2 and may be predicted to head for the Hybrid-organization (Altered state 1). This development is also propelled by the growing influence of the smaller advisory services which are part of all Big4 accounting firms, as is also the case in the case PSF. While these are left out of this analysis, it may be noted that they represent different ‘archetypes’ ranging from a ‘boutique like organization’ in financial services to a ‘bureaucratic organization’ of administrative outsourcing services. A separate study is worthy of investigating the dynamics between the interpretive schemes of management carried by the different disciplines in the multi-disciplinary practices of the Big4-firms (Greenwood & Suddaby, 2006). In the meantime I will note that overwhelming evidence indicates that the accounting business remained the gravitating core of the present PSF-case.

5. CONCLUSION

This paper has analyzed what a well-documented institutional transition looks like when seen from the level of actors. The actors, who interpret, explain and enact the institutions into social being and the actors who create and engage their identities, inhabit the roles and do the work of organizational life. We have looked at the subjective accounts of managers inhabiting a role situated between two institutional logics – the logics of profession and the logics of bureaucracy.

Within the PSF literature, the study will add to the understanding of the micro processes underlying the observations of the pioneering, but somewhat abstract, ‘archetype’ studies of change in professional service firms (Greenwood et al., 1990, Cooper et al, 1996, Greenwood et al., 1999, Brock, 2006, Brock et al., 2007). This analysis expands the notion of Cooper et al. (1996) which anticipates a more dialectal process of transition from a professional logic to a synthesis of

elements from as well professional and, bureaucratic logics; meanings as well as practice.

Opposed to the typical ‘archetype’-school study, this study is done at the interaction level, illuminating some of the processes that are underlying the observed transition and the resulting complexities. The fact that I could identify fundamental changes in the organization of work, and indeed managerial work – exemplified by the evolutions of the department manager role, confirms many of the conclusions of the more macro level research. That this includes different interpretations and enactments of bureaucratic practices as the manager role – as we have seen in the cases of Anders and Kevin, documents the ‘sedimentation’ notion of Cooper et al. (1996). The same can be said of the contested new organization of work and the ambivalence of the top-managers concerning their managerial practice. It also illustrates the complexity and precariousness of these changes (Hinings et al., 1999) to a point that on the one hand questions the direction of change toward a greater influence of a bureaucratic logic. But even more importantly, it threatens to undermine the meaningfulness of the use of the PSF-‘Archetype’-category. If neither interpretive schemes nor organizational practices constitute a consistent form over time the PSF-‘archetype’ concept disintegrates as an explanatory vehicle.

Finally, the results of this paper question the value of generalized phase-models which are not sensitive to the impact of actors and interaction in the translation and revision of the way logics affect practice. This is, as Cooper (et al., 1996) acknowledge, but do not really embrace, to take a ‘structuration’ perspective (Giddens, 1984). This is a way to study to the processes in which concrete practice and scripts (Barley & Tolbert, 1997) are changed. We have elsewhere argued (Bévort & Suddaby, 2012; Bévort, 2012) that it is through ethnographic studies of how actors make the present institutional logics meaningful that we can understand the inertia of practices and change of

organizations in the case-PSF. This calls for more research on how actors make sense of complex organizational contexts in which multiple contradicting logics are present (Greenwood et al., 2011, Goodrick & Reay, 2011) for instance, the ways collaboration of logics becomes internalized in the actors (Reay & Hinings, 2009) or how the evolution of new identities creates institutional change (Lok, 2010). When Kevin says: “Are you ‘de facto’ manager or just ‘de jure’, or what are we doing here? (Performing the dismissals, ed.) That was one of the things that made it meaningful to me, to be a manager, not just planning staff vacations”, the bureaucratization becomes a social reality; i.e. the logic of bureaucracy is confirmed as symbolically constructed as well as a material practice in the professional organization.

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7. APPENDICES

Appendix 1. Methodology

The case-evidence is derived from an in-depth ethnographic study of managers in the case PSF. The study is a qualitative single case study, in which two embedded cases are identified (Stake 2008; Flyvbjerg, 2007). The researcher was posted for a three year period in the case-company in order to do research in PSF-management. Sixteen executive level managers (managing partners (practice leaders), equity partners with roles in corporate management) have been interviewed in order to uncover and record their understanding of management behavior as it occurs in the case. The management team was also observed during a 1½ day outing with management development as the sole theme on the agenda. The qualitative interviews (Fontana & Frey, 2008, p. 144) were loosely thematically structured to support the managers' reflection about their own management behavior and the behavior they experience in the organization. Following the ethnographic mindset, the interviews are seen as 'negotiated accomplishments' in which my presence was instrumental in co-creating the accounts of the managers (ibid, p. 144-146).

In addition, a management development process has been followed by observation of a number of meetings in the implementation process. On three occasions I have participated briefly as a consultant as well as observer. Four

participating managers have been interviewed before and after the first and second module of a three module training session (including the managers who were subsequently shadowed).

Finally two managers have been shadowed for five days each. The individual managers were selected by their managing partners in order to avoid ‘extreme’ individuals, who for some reason or other may have jeopardized the data collection. I am confident that these two managers are as valid cases of managers in their specific context as normal individual differences allow for. Interviews with peer-managers were undertaken in order to support this interpretation. If any significant differences are to be found, it may be that the two managers are in high regard and are performing above average in their practice context and are found being relatively vocal in (and about) their manager role. The five working days have been selected in order to catch performance of the relevant management action sequences. Besides this, the managers have been interviewed recurrently before and after the observations. In addition, relevant employees, peers and superiors to the two managers have been interviewed in order to give a comprehensive picture of the management context.

Interviews and observation notes/recordings have been transcribed. A selected body of the generated text has been coded in Nvivo in categories separating management aspects associated with the logics of professionalism and bureaucracy respectively.

Appendix 2. Two cases of managers and their organizational context (embedded cases)

Two managers in two different practices were observed – the Countryside Practice and the Big City practice.

Contextual data of the two manager cases				
Top-management	Corporate management: CEO and two co-executives Leadership team of managing partners 16			
Total staff in advisory	2400			
	Country Side Practice (accounting)		Big City practice (accounting)	
Management	1 managing partner + 1 equity partner 2 sp		1 + 25 partners (17 equity /8 salaried partners)	
Staff (accounting)	50		177	
Department manager team (accounting) / Professional title	3 (incl. Anders)	Titles: All 'Senior Managers' Certified Public Accountants	6 (incl. Kevin)	Titles: All 'Managers' Not certified/ Newly certified
Team sizes / Expected hours used on department manager role	Anders 11 2. 12 3. 18	2-300 hours	Kevin. 15 (27) 2. 17(31) 3. 18(29) 4. 15(21) 5. 20(30) 6. 20(36)	5-600 hours

Table A1: Case-data of the two manager cases

The rationale of looking at exactly these two practices, in fact, developed as the study progressed, because it became apparent that the organizational units work organization developed in varying pace and that it was productive to look at a practice less influenced by the emerging change in logics and one where it was much more apparent. The sequence of the data collection was so that after the first explorative phase involving top management, managers and employees, the study focused on the Countryside Practice in order to understand the basic cultural set-up in a setting not as influenced by the management rhetoric and then afterwards starting the data collection in the Big City practice in order to contrast the thoughts and actions of two managers in two distinct settings.

How to study actors making sense of contradicting institutional logics?

– a combined, logics-scripts-sensemaking approach illustrated by a study of managers in a professional service firm

Frans Bévort

ABSTRACT

A persistent and recently rising number of voices have pointed to the need for institutional theory to analytically address the interaction and interpretations of individual actors in organizations ((DiMaggio, 1988, 1997; DiMaggio and Powell, 1991; Powell & Colyvas, 2008; Suddaby, 2010, Greenwood et al., 2011)). Recently, a considerable amount of research into the agency of actors in creating, maintaining and disrupting institutions has been undertaken (Hardy & Maguire, 2008; Lawrence & Suddaby, 2006; Kraatz, 2009; Lawrence et al., 2009). However, little empirical research on the role of interacting individuals in institutionalization has been published using ethnographic or micro-studies (see however, Zucker, 1977; Porac et al. 1989, Zilber, 2009; Kellogg, 2010, Lok, 2010, and for a review, Jennings & Greenwood, 2003), although this is frequently recommended (Powell & Colyvas, 2008). The purpose of this paper is to propose a way to study institutionalization and institutional change processes by ethnographic studies, combining institutional and sensemaking theory. Barley & Tolbert (1997) have proposed a methodological framework based on Giddens' structuration theory (1984) using 'scripts' as the pivot between individual action and structure (ibid, p. 99). This paper develops the model in three ways: First it uses '(contradicting) institutional logics' instead of 'institutional pressures (frames)'; second it includes an organizational level; and third, it uses sensemaking theory in order to analyze how the institutional logics are made sense of using ethnographic data. The enactment of management scripts in a Big4-accounting firm is used to show how institutionalization and institutional change can be studied at the interaction level applying the logics-scripts-sensemaking model developed in the paper.

1. INTRODUCTION

In most modern organizations people have to cope with what they often experience as a fundamentally ambiguous environment. I recently heard the following exclamation from a doctor who deplored the many newly introduced forms and registration activities in relation to quality assurance procedures in his hospital; “Why am I not allowed to just do my job – helping the patients?!”. In complex organizations the members are increasingly faced with contradicting concerns and precepts. New ideas and concepts influence organizations and their members are compelled to resist, adapt to or incorporate them in the way they think and act.

The aim of this paper is to propose a way to productively study the way actors, in their interaction, are affected by and create meaning about emerging institutional pressures, exemplified by the contradicting institutional logics (Friedland & Alford, 1991) found in a professional service firm. The institutional dynamics the paper uses as a backdrop is the gradual bureaucratization of professional service firms reported in the Professional Service Firm (PSF) literature (Cooper et al., 1996; Covaleski et al., 1998; Dirsmith et al., 1997, Hinings et al., 1999; Von Nordenflycht, 2010; Mueller et al., 2011).

To accomplish this, the paper understands the change as a change in the institutional logics (Friedland & Alford, 1991) which define the institutional constitution of PSFs. The change is seen as the growing influence of a bureaucratic logic where a professional logic traditionally dominates. The paper uses the notion that institutions are governed by contradicting or competing institutional logics (ibid., Greenwood, et al., 2011, Seo & Creed, 2002; Reay & Hinings, 2009) and that multiple logics are present in many organizational contexts, and that the relations between the logics are dynamic.

For the purpose of the approach, analyzing macro-structures, and the way they affect action, is not sufficient to understand and theorize these processes

(Hallet & Ventresca, 2006; Binder, 2007, Hallet, 2010; Weick, 2001). To conceptualize this, the paper draws upon the tradition of symbolic interactionism (Blumer, 1969) in the form of sensemaking (Weick, 1995, 2001) to show how the specific interaction and sensemaking push back at the institutional context (Weick, 2005). It is essential to understand how action, action patterns and interpretation affect the reception and enactment of institutional influences.

Institutional logics are in part the ‘symbolic construction’ (Friedland & Alford, 1991; Thornton & Ocasio, 2008; Greenwood et al., 2011) that bounds or guides the way actors make institutions meaningful and in part ‘material practices’ that represent and enact the meaning. But how do institutions and institutional logics get infused with value and meaning in the first place? To answer this question, it is critical to understanding the micro processes of institutionalization and institutional change. This leads to the need for a two pronged approach, sensitive to both institutional macro constraints and micro-processes of institutionalization.

A substantial help to do this, can be found in the work of Barley & Tolbert (1997), who establishes a research framework based on the concept of structuration from Giddens (1984) using the concept ‘script’ as the focal concept for empirical research. Scripts can be divided into cognitive and behavioral scripts (Abelson, 1981; Gioia & Poole, 1984), i.e. the scripts as they are consciously represented in the brain as knowledge and enacted (mostly unconsciously) as behavioral sequences. Thus, at a more concrete level, scripts bear a distinct resemblance to the division of institutional logics into symbolic construction and material practice (Friedland & Alford, 1991).

The paper uses ‘scripts’ as a way to study manifestations of institutional logics’ symbolic construction as well as material practices. Barley (1986, p. 83) likens formal organization to a ‘grammar’ of scripts to describe of organizational scripts and likewise institutional logics can be seen as grammars of scripts,

encompassing the interaction, organizational, field and societal level (Thornton, Occasio & Lounsbury, 2012). Logics contain theories, values and notions of appropriate behavior which fills scripts with content. In sum, I understand ‘scripts’ as the carriers of institutional material which are continually encoded and enacted by actors (Barley & Tolbert, 1997, p. 98).

Barley & Tolbert (1997) designed a model in which scripts are ‘encoded’, ‘enacted’, ‘revised’ and/or ‘replicated’, ‘objectified’ and ‘externalized’ by actors, triggered by and creating institutional pressures. To understand the process aspect of institutionalization, we need to know how actors accomplish infusing scripts with institutional material. I see this as a continuous sensemaking process (Weick, 1979; Weick, 1995); i.e. actors encode and enact scripts by selecting cues from, as well as getting cued by, different institutional frames. When a manager in a team meeting (in the case) invites a discussion of the appropriateness of taking minutes at the team meetings, he takes cues from a scripts (and cues scripts of the participants) infused by a bureaucratic logic when he reflects upon and invites dialogue about the formal rules of the meeting. The team meeting is in itself performed in accordance with a script which conforms to certain institutional logics (Gioia & Poole, 1984). The paper proposes that the same kind of analysis can be put forward on a number of other management practices, e.g. resource planning, performance management¹⁸, development interviews, management team meetings (ibid.).

The scripts based approach to study institutionalization, includes suggestions of steps in the research process; 1. Define institutions (undergoing change), 2. Map development of scripts, 3. Examine scripts 4. Validate results with other data (Barley & Tolbert, 1997). In the paper I structure the parent study according to these steps in order to illustrate the model. This study is a three-year (2008-2011) ethnography of a professional service firm – a Big4 accounting firm in Denmark.

¹⁸ See Appendix 3

The processes analyzed as an illustration, pertain to how the scripts of management practices; ‘performance/development interviews’; ‘meetings’; and ‘dismissals’ are encoded and enacted in two different settings in the professional service firm case.

While inspired by Barley & Tolbert’s (1997) influential paper, I see the contribution of the approach developed in the paper, in four elements:

First, the model uses multiple institutional contradicting logics as an analytic point of departure for understanding the change of scripts. Secondly, while the model of Barley & Tolbert (1997) analyzes the structuration process primarily as a direct exchange between local interaction and institution, the model used in this paper introduces an organizational level in order to enhance the examination of management scripts. Thirdly, the paper uses theories of sensemaking processes (Weick 1995) to deepen our understanding of how encoding and enactment of (new) scripts is possible. And finally the paper provides an example that illustrates how sensemaking of experiencing the complexity of contradicting logics can be studied (Greenwood et al., 2011).

2. THEORETICAL CONCEPTS AND APPLICATIONS

In the following I will first give a background to the illustrative content of the paper by describing briefly the most influential analyses of the institutional development of professional service firms, then discuss the role of institutional logics, and finally link the institutional theory position with sensemaking theory before proposing using the institutionalization-structuration of scripts (Barley & Tolbert, 1997) as a link and bridging of these perspectives leading to what I have called the logics-scripts-sensemaking approach.

Institutional change in professional service firms

The accounting firm case used for the purposes of this paper can be understood as a *professional service firm* (PSF), (Greenwood et al., 1990; Cooper

et al. 1996; Von Nordenflycht, 2010) embedded in a professional logic (Larson, 1977; Abbott, 1988; Freidson, 2001). Arguably a PSF is also affected by a state logic (Thornton et al., 2005 use the term ‘fiduciary logic’) which in the form of specific regulations to which the public accounting business owes its existence, and the market logic represented by the market of corporate and private clients making the professional service a commodity. As a more recent influence, a managerial - or what we will here discuss as a bureaucratic – logic, has become more influential in what some observers have named, Managerial Professional Business (Cooper, et al. 1996; Brock, 2006; Von Nordenflycht, 2010), as opposed to the original Professional Partnership (P²) (Greenwood, 1992; Hinings et al. 1999; Brock, 2006) in which management ideas, techniques and systems are becoming more influential, challenging the dominant professional logic. More logics are obviously present in the context, but in this paper the four mentioned are seen as the defining logics for the PSF and the specific configuration of logics is defining for this specific organizational form. In the analysis below, I will focus on the professional and bureaucratic logics because the two affect the internal workings of the PSF the most and because the market logic to a degree is infused in the professional logic via the client focus. Cooper et al. (1996) stress the importance of different interpretations and practices in their influential paper about the (perceived) change of organization in Canadian law firms:

“To move ‘contingently’ from P2 to a MPB archetype requires changes in interpretation and meaning; deinstitutionalization has to occur as new languages and explanations arise (Oliver, 1992).

This is a crucial part of our argument; organizational structures, processes and practices are produced, reproduced and changed through interpretation and action. There is no unique and unchanging meaning to ideas such as professionalism, or partnership, or indeed, information. (...) The MPB-

archetype, therefore, represents a real break with past practice. ” (ibid., p. 634).

While Cooper et al. (1996) are nuanced in their analysis of the way the changes are introduced and realized in the organizations they study – that they are sedimented – they also emphasize the differences and contradictory character of the co-existing ‘interpretive schemes’ or ‘archetypes’. ‘Sedimentation’ implies that elements of more archetypes will co-exist for a prolonged period of time instead of simply substituting each other.

I use the above mentioned ‘archetypes’ as representing two logics: The logics of Professionalism and Bureaucracy, respectively. The ideal-type of Bureaucracy used here is the Weberian (Weber, 1922) ideal of rational, rule-based, differentiated and hierarchical organization that privileges ‘the managerial role and practices’ while the professional logic is based on the supremacy of expert professional knowledge and thus privileges ‘the professional roles and practices’ (Freidson, 2001). This distinction is elaborated below.

Institutional logics - competing, contradicting and collaborating

The argument above implies the idea that ‘institutional logics’ influence organizations as described by Friedland & Alford (1991), Seo & Creed (2002), Thornton & Ocasio (2008). The latter describe logics as:

“...the socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality.” (Thornton & Ocasio, 2008, p. 101).

There are several reasons to see logics as contradicting. We usually define our worldview by contrasting it to other views. And it is difficult to argue in favor of opposing views with the same conviction. It is for instance complicated to focus on the importance of managerial priorities and professional priorities at the

same time. In the reality of the case firm, the allocation of hours to do managerial work taken from a finite amount of hours conflicts with the entrenched focus on billing client work in a PSF, thus bringing a bureaucratic logic in conflict with a professional logic. As in the ‘conflict of hours’ example, practices which follow scripts belonging to one logic, are sometimes in conflict or co-operate with other logics present in a specific organizational context. Hence, how to understand how logics interact in the way actors make sense of them has attracted theoretical interest. In the literature addressing institutional logics, there has been a growing interest in studying empirically competing (Hinings & Reay, 2009; Thornton & Ocasio, 2008), collaborating - or constellations of - institutional logics (Goodrick & Reay, 2011). The latter describe how pharmacists in US can be seen as negotiating four different institutional logics; Professional, Market, Corporate and State logics. As mentioned I see the managers studied in the case example as existing in a context of market logics (client-focus) and state logics (public obligations and certification), while the contradicting logics which are in focus, and which directly affect the managers, are the professional logic (the accounting profession) and the bureaucratic logic (management and efficiency).

Making institutional logics meaningful

Another view on how cognition and structures are intertwined is the ‘sensemaking’ literature. Organizing (Weick, 1979) and sensemaking (Weick, 1979, 1995, 2001) puts action or enactment in the forefront instead of the above emphasis on structures that constrains action and cognition (Jennings & Greenwood, 2003). In his seminal book *The Social Psychology of Organizing*, Weick (1979) states the provoking point of view that organizations enact, and thus create, their own environment. This is a basically phenomenological position in the way that individual or organizational actors are acting in accordance with the world they perceive based on former interpretations and observed meanings

(Weick, 1979). In this view, it is futile to discuss the environment as something detached from the unique perceptions of the individual actors. These perceptions are, however, the result of a lifelong process of learning, socialization and experience of social interaction (Berger & Luckmann, 1967). In this sense, Weick's take on the basic idea of social order is that Sensemaking and Organizing at the micro-level in some cases are transformed into macro-structures e.g. institutions (Weick, 2001; Weick et al., 2005). Weick asks how this transformation takes place:

"The answer proposed here is, by concrete communicative interaction in which people invoke macrostructures to justify commitments. Thus social order is created continuously as people make commitments and develop valid, socially acceptable justifications for these commitments...individual sensemaking has the potential to be transformed into social structures and to maintain these structures. (...) This proposal suggests a possible mechanism by which structuration (e.g. Barley, 1986; Giddens, 1984), actually works" (Weick, 2001, p. 26)

And later he states his opposition to purely structural explanations: "...macro-perspectives are hollow unless linked with micro-dynamics" (ibid., p. 28). Because Weick has as his main interest the micro-processes of sensemaking (Weick, 1995), he tends to play down structural issues like power-differentials and ritualized collective behavior or perceptions (Meyer & Rowan, 1977). Weick (Weick et al., 2005, Weick, 2001, p. 159) try to formulate this link between sensemaking and institutions more sharply. The view is that sensemaking may be the 'feedstock of institutions' (Weick, 1995, p. 36) in the sense that institutions are produced by the way actors infuse them with subjective meaning (Berger & Luckmann, 1973). But Weick (Weick et al. 2005) concedes, as Weber & Glynn (2006) also propose, that the inverse may be equally true - that institutions are the 'feedstock of sensemaking'. This view conforms to the description of 'the substance of sensemaking' in Weick (1995). Weick himself describes the process

of using institutional material as “drawing words from vocabularies of occupations and professions and make sense through paradigms” (ibid., p. 107) e.g. taking cues that connect to institutionalized frames (ibid).

Weick (1995) suggests seven properties of sensemaking which he proposes will determine the generation of sensemaking when studying the way actors take cues and connect them to frames: identity, retrospect, enactment, social, ongoing (projects), extracted cues, and plausibility (ibid.). I see these as very pragmatic theoretical observations that can be used to analyze how actors ‘encode’ and ‘enact’ scripts. In the illustration we will see managers who choose to enact scripts stemming from professional and bureaucratic logics, respectively. And the position from which they can make sense of the scripts is their perceived identity structure and role-identity (Stryker & Burke, 2000). At the same time, it is through their post-factum interpretation of their own actions; it is by the fact that they are able to enact scripts; it is by the processing of the scripts in social interaction; it is maintained by the continuity (or replication) of enactment of scripts; it is by the cues they extract from the scripts and by the general plausibility of a script in the specific context, that they make sense. This line of thought will be applied in the analysis below, especially focusing on the way the properties identity, social interaction and retrospective reflection affect the sensemaking of the managers.

3. THE DYNAMICS OF MEANING, ACTION AND STRUCTURE

Barley & Tolbert (1997), develop a combined interpretive and structural approach (as also proposed by Stryker (1980) in his ‘structural version’ of symbolic interactionism). Barley & Tolbert (1997) take their theoretical point of departure in the ambition of not only using institutions as constraints but also explaining how institutions are created, maintained and changed in the way actors actively make use of them (ibid, p. 94). In this way, they arguably anticipate the recent discussion of ‘institutional work’ (Lawrence & Suddaby, 2006). The idea,

that the creation, maintenance and disruption of institutions are a continual everyday process that actors undertake by doing ‘institutional work’.

Barley & Tolbert (1997) (also Barley, 1986) explicitly apply the structuration concept developed by Giddens (1984) in which he describes structure and agency as mutually constituting each other. They state that they think institutionalization and structuration are covering more or less the same phenomena and processes (Barley & Tolbert, 1997, p. 100). In their description (de- and) institutionalization goes both ways (ibid.) and moreover, they separate institutions from actions and locate institutions temporally before action (ibid, p. 102). They state that while this may not be so ontologically – i.e. structure and action may be ‘nested’ or integrated in practice - it makes sense to make an epistemological or analytical distinction in order to track the way everyday interpretation and action interplay with the specific institutional framework.

From these fundamental conceptions Barley and Tolbert (1997) designed a pragmatic and generic model to study institutionalization using scripts as the concept that carries ‘institutional content’ between realms. Scripts are, according to the authors, “*observable, recurrent activities and patterns of interaction characteristic of a particular setting*’. Scripts encode the social logic of what Goffman (1983) called ‘an interaction order’” (ibid., p. 98, emphasis in original). The scripts are introduced, maintained and developed in a sequence of what I fundamentally see as a sensemaking process (Weick, 1995); encoding of scripts, enactment of scripts, replication and revision and finally objectification and externalization of scripts (Barley & Tolbert, 1997, p. 101-102).

Scripted behavior (and knowledge), in their view, is one of the key elements in institutional (or interaction) order. In their view ‘scripts’ are not merely symbolic representations of behavior (mental or in artifacts like a written standard procedure), but they describe the actual (observable) way behavior is structured in practices, roles etc. in the common understanding of the actors (ibid. p. 98).

Scripted behavior becomes the mediating entity between actors and institutions through a process where scripts are ‘encoded’, ‘enacted’, ‘replicated or revised’ and ‘externalized’ or ‘objectified’. The cognitive psychologist Robert Abelson (1981) defines ‘scripts’ as follows:

“...a script is hypothesized cognitive structures that when activated organizes comprehension of event-based situations.” (ibid., p. 717).

The scripts are thus on the one hand a way of understanding a sequence of events. Abelson goes on to specify the behavioral aspects of scripts:

“In its *weak* sense, it is a bundle of inferences about the potential occurrence of a set of events (...)

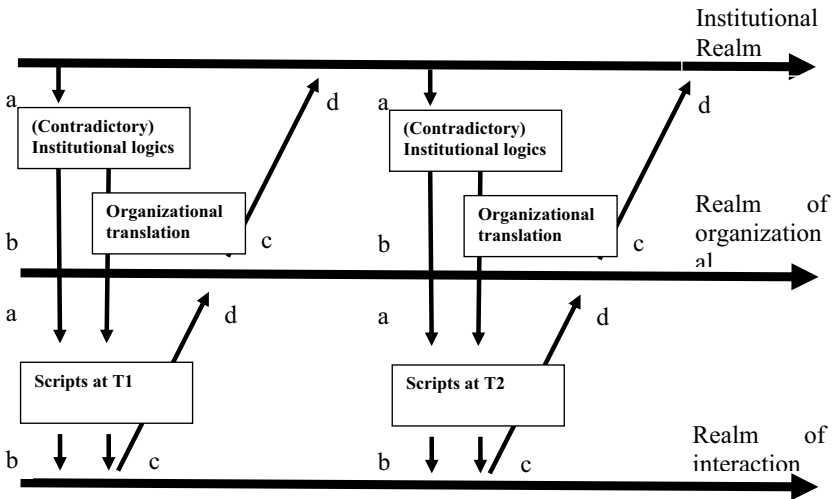
In its *strong* sense, it involves expectations about the order as well as the occurrence of events. (ibid. emphasis added).

The notion that scripts can be weak or strong is useful when analyzing changing scripts. A weak script may be a script that is not fully institutionalized or a script can be weaker or stronger in different contexts (Zucker, 1977).

A similar concept, cognitive ‘scheme’, is preferred by Thornton et al. (2012; see also reviews of related concepts by DiMaggio, 1997; Gioia & Poole, 1984; Abelson, 1981). They see, however, ‘script’ as a kind of scheme: “Scripts in particular guide expectations of behavior by helping individuals resolve ambiguities, draw inferences, and guide evaluations (Thornton et al., 2012, p. 23).” This view of the ‘script’ concept is more cognitive (like the definition of Abelson (1981) above) than the ‘scripts’ concept of Barley & Tolbert (1997). However, they go on to say that these differing views can be reconciled by recognizing that individual scripts are invoked by socially interacted scripts and that socially interacted scripts are stored as cognitive scripts in individual memory (Thornton et al., 2012). In this context, I take the view that scripts are both cognitive and behavioral (Abelson, 1981; Gioia & Poole, 1984) and that they are created in a specific interaction order (Goffmann, 1983).

Institutional logics can also be understood in cognitive as well as behavioral terms (Friedland & Alford, 1991; Thornton & Ocasio, 2008). I contend that logics and scripts have similar implications, although at different levels of abstraction. Or put another way, institutional logics are made concrete and processed as scripts in interaction (Barley, 1986) as practices as well as interpretations. Scripts can be specific to local interaction orders, but scripts can also reflect and affect broader institutional logics if they are transmitted (Zucker, 1977) to other groups and organizations (or received from).

In the following model adapted from Barley & Tolbert (1997) I describe the dynamic relation between the institutional influences of logics and the interaction of actors.



Key: a=encode, b = enact, c = replicate or revise d = externalize and objectify

Figure 1: Institutionalization/structuration model adapted from Barley and Tolbert (1997, p. 101). Inspired by conversation with Mary Ann Glynn, Gilleleje, May 2011.

To the version of the institutionalization model reproduced here is added an 'organizational realm', because I find it useful to distinguish between the

institutional realm and the organizational realm. Management practices inherently exist in an organizational connection between local interaction and organization-wide systems and policies. While a proportion of the bureaucratic and professional logics directly affect the interaction realm, especially the bureaucratic logic will also be translated and boosted or dampened by the organizational realm that connects the management system. When the case-firm initiates systematic activities to drive a formalization of management, it affects the sensemaking of the managers and the organizational level is important in the way that the different subunits influence each other through the organizational realm, for instance by gathering managers in a knowledge sharing meeting etc. In effect, it seems appropriate when studying management not to exclude or collapse the organizational level with the field level or the interaction level.

At the interaction level, actors are influenced by the way the organization positions itself as a collective in relation to the institutional field. Behavior is legitimized and molded by institutional pressures like professional norms, organizational cultural norms and identity (Glynn, 2008; Kunda, 1992). In the study of management practices in the illustrative case, the way management practices are enacted in two different settings show that different but similarly scoped units in the accounting firm are affected differently by the management thinking that is developed at the organizational level, highlighting the importance of local context. Empirically, the interpretation and enactment takes place in two phases; the organizational domain of the general management and the interactional domain of the managers and employees.

Scripts will at times be nearly unequivocal and the sensemaking (or in Barley & Tolbert's terms; encoding, enactment, replication) affirm the existing interaction order. On the other hand, when scripts are ambiguous or diverging scripts are available, the process challenges the existing order and new scripts are produced which again affects the environment. This is the result of friction

between contradicting institutional logics. To put it more concretely, for research, the point is to follow the scripts and how they seem to change though the way actors make sense of them. In the case of the professional service firm: how is the way the professionals, who become managers, act and interpret their work, changed by the new scripts which become available, infused by a bureaucratic logic?

Thus, the analytic sequence I propose is ‘institutional logics – scripts – sensemaking’ which I will briefly elaborate below:

<i>Logics</i>	Societal and field-level frameworks of symbolic constructions (meanings) and material practices (general action patterns).
<i>Scripts</i>	Typified cognitive structures and behavioral patterns of sequences (or programs) of events (specific action patterns).
<i>Sensemaking</i>	The interaction process in which actors attach meaning to individual and social action, by linking logics to scripts and contributing to new logics and scripts.

Table 1 The logics-scripts-sensemaking analytic framework

As the Table 1 show, all the three concepts contain an ideational-meaning and a practice-action component. Friedland and Alford (1991) exemplify the religious logic: The institution of the Christian church is symbolically constructed by prayer but prayer is at the same time a material practice. Confession in the Catholic Church is a religious script which contains a cognitive justification as well as specific behavioral pattern precept (Abelson, 1980). For confessions to make sense, the individual will have to accept and actively reconfirm the link between religious logic and the confession script in relation among other things to his/her identity and social interaction and (some level of) retrospective reflection upon performing the script (Weick, 1995). This should not be surprising, because they all take their point of departure in the subjective meanings of individuals in interaction (Schutz, 1972; Berger & Luckmann, 1967).

An obvious difference is, of course, the scope of the concepts. A specific sensemaking process may be restricted to one or a few individuals, while logics can encompass whole societies and ('meta') scripts (Abelson, 1980) may also apply to large groups although the versions performed in practice will usually be connected to a specific organizational context or 'interaction order' (Goffman, 1983; Barley & Tolbert, 1997). Another important difference is that 'logics' are addressing structures of shared meaning - as the professional logic. 'Scripts' describe how these 'meanings' are specified in action-patterns. Crucially sensemaking addresses the *process* in which individuals *intentionally* enact these institutionalized meaning patterns and thereby contributes to the institutionalization of them. The latter put an emphasis on the potential of *agency*, along with the significance of actor's the 'practical consciousness' (Giddens, 1984). The notion that actors experience of subjective meaning play an active role in the way institutions become socially real.

The strength of script concept, in this context, lies in the fact that it can be seen as a result of organizational sensemaking, institutionalization and are at the same time a carrier of institutional logics. A script is a socially accepted – often taken-for-granted – sequence (or cluster) of actions that are repeatedly confirmed by re-enactment in the organization. A script is institutionalized in the Schutzian sense; it is a typification (Berger & Luckmann, 1967, p. 47-48) – a type of (inter-)action which becomes recognized in the social context as an institution in the broad sense. And at the same time a script carries links to societal institutional logics (Thornton et al., 2012). Thus, we may see the way actors think and perform scripts as evidence of sedimentation and competition of logics (Cooper et al., 1996). Examining scripted behaviors can tell us how and to what extent actors make sense of the available logics.

The analysis should accordingly investigate what institutional logics are available in an organization and whether the composition is changing, scripts are

examined in order to analyze if and in what degree changes are taking place and finally use sensemaking properties to understand how and why actors enact the scripts they do. In the following two sections I will show how first a research process of changing scripts can be structured and afterwards develop the script analysis and provide examples.

4. STUDYING CHANGING SCRIPTS INDICATING INSTITUTIONAL CHANGE

Before analyzing specific scripts it is important to outline the context of the research. I will follow the general methodological suggestions of Barley & Tolbert (1997) and review the study I use as illustration. They propose following four steps as necessary for a productive analysis of the change of institutionalized organizational scripts.

- a. Define the institutions at risk of change,
- b. Chart the flows and action and scripts over time,
- c. Examining scripts for evidence of change,
- d. Validating the link between the observed changes in scripts with other data (ibid. p. 103).

In the following I will show how this can be applied to the illustrative study used in the paper.

a. Defining institutions at risk of change over the term of the study and selecting sites

The case-organization in question is, as mentioned, a Big 4 accounting firm, assumed to be undergoing a change from an organization dominated by a professional logic to a more ambiguous state, in which a bureaucratic logic is more influential. As noted, the literature on professional organizations has for a long time been describing the process in which this kind of organization may be changing. Additionally, the background study has disclosed a number ways in which the organization is changing in the years leading up to the study;

introduction of a new work-organization, organization of new manager-roles, introduction of an organization based on different sized client segments (Bévort, 2012a). Accounts from partners and other staff indicated that change efforts within management had gradually intensified over a number of years. The institution at risk of change is ‘the professional service firm’ as exemplified by the case, and the managerial scripts, represents existing and new institutional logics.

But how can we get closer to conceptualize how this change can be studied in terms of scripts? How can we make the logics concrete in cognitive as well as behavioral terms? Freidson (2001, p. 12) defines what he sees as three general logics; market, professional and bureaucratic. In the market logic the consumers are in control, in the bureaucratic logic the managers are in control and in the logic of professionalism an occupational group is in control (e.g. pharmacists). While this is very illustrative, it is also obviously quite (as Freidson (2001) admits) hard to imagine any setting where any of these logics exist in a pure form. Empirically, we will expect the logics to blend in different mixes. However, it is likely that these particular ‘mixes’ will create distinctive configurations or constellations (Goodrick & Reay, 2011) at the field and organizational level.

Thornton et al. (2005) describe what they term Corporate and Professional institutional logics respectively at the field level.

Key characteristics	Professional logic	Corporate logic
Sources of identity	Personal reputation Quality of innovation (services)	Bureaucratic roles Quantity of production
Sources of legitimacy	Personal expertise	Market position of firm
Basis of norms	Membership in guild	Employment in firm
Learning mechanisms	Cooperation, apprenticing Relational network	Competition, training and routines Subunit of firm
Organizational Form	Network organization	M-form organization

Table 2 Comparing the corporate logic with the professional logic

These representations of field level logics above, are also ‘ideal types’ that seeks to describe the distinct features of organizational fields in which the two logics dominate respectively. Even at this level, it is possible to predict differences in the ‘scripts’ one would expect to exist in organizations of the two different types; e.g. apprenticing vs. training and routines. In an analysis of scripts, I find this is still comprising of categories too general to be able to connect management scripts to the actual sensemaking of actors.

Cooper et al. (1996) address the intra organizational changes in PSFs directly, getting closer to a script-level description, when they describe professional partnerships and managerial professional business:

	Professional partnership	Managerial Professional Business
<i>Interpretive scheme:</i>	<p><i>Governance</i> Fusion of ownership and control A form of representative democracy Revolving managerial tasks among the owners Local office as the centre of commitment</p> <p><i>Primary task</i> Professional knowledge Peer control Work responsibility as indivisible Strong links with clients Widely distributed authority Minimum hierarchy</p>	<p><i>Effectiveness</i> Management Client service Marketing and growth strategies</p> <p><i>Efficiency</i> Rationalization Productivity</p>

Table 3 Interpretive schemes of Professional Partnerships and Managerial Professional Business

This juxtaposition shows the general trend in the change they theorize goes on within PSFs, while the authors, rightly in my view, maintain that the elements in the Managerial Professional Business are adding to rather than substituting the previous elements (Cooper et al., 1996). It is now even more pregnant that these differences will affect the conceivable management scripts in an organization: for instance, (peer) democracy versus management, the focus on decentralization and local authority opposed to rationalization and strategies.

In order to contrast the two logics in the management scripts I study in the case, it is necessary to specify the institutional logics in more detail as they contradict each other in the internal processes. The following table is partly a synthesis of the above descriptions of logics in professional service firms and partly reflects observations from the ethnographic study of accountants who become managers.

	Professional managerial logic	Bureaucratic managerial logic
Orientation	Outwards (Client)	Internal (Organization)
Organization	Meritocracy, peer-democracy	Hierarchy
Organizational relation	Autonomy	Interdependency
Roles	Generalist	Specialized
Competences	Professional	Role specific
Employer-employee relations	Collegial/Peer	Manager-employee
Authority	Professional seniority, ownership	Office, position, title
Quality	Professional standards, client satisfaction	Efficiency
Criteria for success	Personal achievement (billing)	Unit goal achievement

Table 4 Competing logics in a professional service firm

The purpose of Table 4 is to show how logics come to define or constrain a lot of elements that constitute scripts. Take for example a meeting script influenced by a professional logic opposed to one influenced by a bureaucratic logic: topics at the meeting influenced by the professional logic can be predicted to deal more with professional client related matters and not internal procedures and systems. The performance of the meeting scripts will be less rigid, reflecting a peer-relation focus etc., the roles taken at the meeting will be more ambiguous and not related to the meeting as a management script.

The purpose here is to provide an argument that a change in the constellation of two ideal-types that describe the forces influencing institutional change in the case. Any empirical study of changing organizational scripts will have to verify to what extent this change is taking place in a general sense. The next step is to identify the specific practices which are changed in the process.

b. Charting flows of action at the sites and extracting scripts characteristic of particular periods of time

There are two major challenges that most studies of changing scripts will meet. It is a central part of the method that it is important to study changes in

scripts diachronically in order to be able to analyze how the process of change has unfolded. Also it is central to identify practices that can be seen as indicative for the change processes that one want to study. The first is difficult, even in a three year longitudinal study as the background study, because most institutional change-processes involving change in society are unfolding over a much longer period of time. One work-around, or supplement to this, is to choose sites that represent different degrees of influence of the changes in scripts the study sets out to examine. Change in organizations will rarely take place in an orderly synchronized manner. Therefore the effect of new logics can be predicted to affect the organization in a heterogeneous way (Greenwood et al., 2011). A thorny methodological problem is to decide whether the variation in scripts, resulting from this, actually relates to the change of exposure to institutional logics, or something else. However, the institutional specificity, and inertia, of a setting, makes it possible to make the case that the synchronous or cross-sectional variation is similar to – or at least indicative of – the diachronic variation. In short, describing interaction patterns as they were before and after highlights the general change discussed here. Also, the point in this set-up is not to explain the reasons for the change, but to understand how scripts are revised or replicated by the way actors make sense of them by analyzing their own interpretations and actions. The study drawn upon here uses this approach to understand how management is made sense of in settings in the context of two different configurations of logics.

Of course, it is necessary to support the identification of two different settings as really representing different stages on a common organizational-institutional development trajectory by the support of, for instance, historical accounts and archival material from the case organization.

The other challenge is to choose an indicative practice in which to study the scripts. In the study used as illustration, I have chosen to examine a ‘new’ manager role that has evolved in the organization in the last 10-20 years, but has

become important following the managerial changes I have mentioned above. This role is seen as indicative in more than one way. First, the middle manager role is closely related to the ideal of the bureaucratic hierarchical organization. Second, the role is a direct result of the change of work-organization of the primary production of services towards efficiency and co-ordination. The management practices attached to the role are arguably part of the changes going on and finally the role is seen as focal for the changes in discourses and interaction between partners, professionals and managers related to general management changes.

c. Examining scripts for evidence of change – management scripts as containers of logics

In the observations of the two managers used as illustrations, I have broadly looked for management practices in the way I have chosen a number of settings in which the managers are expected to act as team managers – to perform management scripts. As a contrast to these observations, I have followed the two managers for two days each on accounting tasks with clients to observe the way they act as professional task managers.

In the sequence of the model of Barley & Tolbert (1997) first step is the encoding of scripts. In the context of the study used as an example, this means identifying the ways in which the management scripts are encoded in the organization. The idea of encoding implies an individual internalization of scripts which normally are part of socialization in the organization. However rules, practices or commonly accepted procedures that are mutually confirmed and transmitted to new-comers are also examples of encoding (*ibid.*, p. 102). When examining scripts, it is therefore productive to look at management tasks whose existence are taken-for-granted and then look for ways in which they get encoded. Barley & Tolbert mention manuals of recruitment as a source of encoding of ‘appropriate’ behavior (*ibid.*, p. 103). In the case of the manager role it seems logical to use texts and management systems which encode a specific set of ideas

into the management scripts; e.g. a formally described ‘management model’ of managerial competences communicated in management training; another is a document that describes an agreement between managers and partners about the content of the department manager role.

The next step in the model is enactment of scripts. Enactment of scripts is the most straightforward to discuss and observe because performance is accessible to the researcher. Indirectly, it is also possible to obtain accounts from the actors who perform the scripts even though it is necessary to be critical of these accounts (Barley, 1986). Below, I analyze three different management scripts: development interviews, team-meetings, and dismissals as an illustration of a way to use the scripts approach.

The replication and revision phase is difficult to show by analyzing the scripts because they necessarily imply a temporal dimension. One way to illustrate replication is to identify examples in which scripts get enacted that are surprising in the context. For instance when a manager enacts professional scripts that conflict with the role and task he is supposed to perform. A way to achieve a credible account of ‘revision of scripts’ is to record narratives from the ethnography in which the actors tell stories about actors who consciously have attempted to change scripts. Even though many particular details in these accounts will be imprecise or even distorted (Barley, 1986), the general narrative will outline the consensually validated narrative of the change (Weick, 1979) provided you get enough diverse accounts from the organizations which can validate what the core elements of the change story are.

Finally, the externalization and objectification in the process is probably the most complicated to trace, especially on the field and societal levels. However, the data from the other phases should provide some indications and at least provide a supplement to the field level studies in the literature.

d. Validating the link between scripts and intentions

In the study I draw on a variety of different sources; interviews with partners and professionals from the accounting section of the case-firm, document studies, interviews in the two accounting practices of the two managers. This serves to validate the differences I observe between the two social contexts in the case in the interpretation and enactment of the scripts from the two logics.

The account above shows how the framework of Barley & Tolbert (1997) has been applied to the parent study as well as to the examples used in the paper below. One of the departures from the recommendations is the limitation of the longitudinal aspect. I have used the comparison of the two settings using the literature (Thornton et al., 2005) to approximate different levels of ‘bureaucratization’ (Cooper et al., 1996) to show the actors making sense of the contradicting logics in different ways. The crux of the matter is however how we study the changing management scripts and the sensemaking involved in this change process.

5. EXAMPLES OF STUDYING MANAGERS MAKING SENSE OF CONTRADICTORY LOGICS WITH SCRIPTS

Below I will exemplify the kind of analysis the approach makes possible. First a few more words on the way I see the ‘institutional logics – scripts – sensemaking’ model proposed here.

Besides the application of scripts by Barley & Tolbert (1997, Barley 1986), there have been a number of other examples of the use of scripts to describe organizational behavior (Gioia & Poole, 1984; Poole, Gray and Gioia, 1990). While scripts as understandings of event sequences that applies to all settings, scripted behavior is seen as an appropriate way to describe regularly repeated organizational behavior as for instance meetings, selection interviews, performance appraisals (Gioia & Poole, 1984, p. 455). These management practices are often strongly scripted in the sense that the way participants are well

aware of the reasoning behind the practice as well as what behaviors are expected to be associated with the scripts. For instance, selection interviews can be painstakingly precise in terms of expectations of turn-taking, the appropriate sequence of events and kind of topics processed in the exchange (ibid., p. 1984).

Paraphrasing Abelson (1981), Gioia & Poole (1984) explain that script processing occurs when the participants have a ‘cognitive representation’ of a certain script, when a context enables and prompts the scripts and when the person or persons involved actually enters and performs the script. They add that ‘self-concept’ is an important contingency for the processing of scripts understood in the way that preservation of self-esteem can influence the choice of scripts (ibid., p. 455). Hence, when we study professionals performing as managers, what they actually do is dependent on their knowledge of the scripts, that a supportive social environment for the scripts is in place and that they actually make the choice to enter and perform the script (ibid.).

In my view, scripts can rather easily be connected to the properties of sensemaking described by Weick (1995). When people extract cues they invoke frames which will include cognitive and behavioral scripts (stemming from broader logics). The match between the identity of the performer and a script is decisive for whether it is performed and how. Scripts are socially anchored in a situated interaction order. Scripts are open to symbolic examination and retrospective sensemaking as opposed to habits and automatic behavior (response programs, Abelson, 1981, p. 722).

In the examples below, I will illustrate the approach by examining the way the two managers, and their colleagues, make sense of the management scripts by drawing on contradicting logics.. The data are found in two different sites, one with a strong influence of a bureaucratic logic; Big City practice and one which is affected to a lesser degree; Countryside Practice. In the study the two settings are

used to show two distinct ways of ‘negotiating’ the contradicting logics found in the case-firm (Bévort & Suddaby, 2012).

Development interviews as scripts carrying different logics

Yearly development interviews between managers and employees is a practice which is common in most large Danish organizations (Holt Larsen, 2010). The aim of the interview is personal and professional development, performance appraisal and general exchange of views on the state of the co-operation and working climate. Basically development interviews can be seen as a way of managing human resource development in a standardized manner and as such a practice influenced by a bureaucratic logic.

In traditional professional organizations the development interview script can be expected to be ‘weak’ (Abelson, 1981) in the sense that the practice is not developed as organization-wide ‘systems’, but rather a somewhat sporadic process, associated with discussions of salary (Hinings et al., 1999). Communication about personal and professional development is not formalized because it is seen as a part of the day-to-day interaction of senior and junior professionals, if not a part of a mandatory professional training program. The roles of managers and employees can be supposed to be similar to the everyday roles of professional work. The script is weak, because only a general understanding of what is supposed to go on in terms of purpose and content can be expected, holding very few ideas of what is exactly going to happen. This description is confirmed by accounts from the case-firm elsewhere (Bévort & Suddaby, 2012; Bévort, 2012a).

In a more ‘bureaucratic organization,’ development interview scripts can be expected to be stronger (Mintzberg, 1979). They are systematized centrally and are a part of the management training syllabus. In this kind of organization, there is expected to be extensive support systems for the planning, execution and follow-up of the interviews. The role of managers and employees is supposed to

be performed in a specific way that is conducive to the purpose of the interview. For instance the manager is supposed to secure the conversation focuses on the employee, asking questions and listening. The script is expected to be anchored in an idea of what is appropriate in order to fulfill the organizational purpose rather than just the purpose of the manager or local unit. The script is expected to be strong in the way that it includes much cognitive detail and that performance of it is predictable in terms of events and their sequence (Abelson, 1981; Gioia & Poole, 1984).

Some analytic reflections

In the ‘ideal-typical’ descriptions above, I set up the differences between a concrete script in an environment dominated by a professional logic and a bureaucratic logic as a direct opposition. It provides a background for analyzing how and to what extent the managers in the case example draw on the two different logics when they perform their interviews. And this will predictably be a much more blurry picture showing different combinations of elements indicating one logic or the other. To what extent do they embrace a manager role specific to the strong development interview script? How does the content of the interviews indicate the adherence to a more or less strong script? What contradictions and competition arises between the scripts derived from the professional logic and the bureaucratic logic? My view is that some important answers to these questions can be identified by the ‘logics – script – sensemaking’ analysis. I will develop this point further below.

Consequences for further analysis

By recording how managers interpret and perform management scripts like the development interview in the (the specific) complex setting we do here, we get access to rich data that helps us understand why a manager in one specific context enacts the management scripts and are able to draw on one logic or the other. In

the study, the manager from ‘Countryside Practice’ was enacting the development interview script in a way which seems adapted to his professional identity (Bévort & Suddaby, 2012). It was not aligned with the strong version of the script described, but is anchored in his own rich personal recollection of his development as a professional. Thus, the manager was not mentally prepared when an interviewee at one point confronted him with an issue growing out of the strong bureaucratic scripting of the interview, raising a competence question that doesn’t fit into the professional framework. In the Big City practice, in the study, it is clear from observing his management script performance that the manager in this context was working more consciously with his managerial role and was developing an identity as a manager: e.g. the manager consciously changed his interview behavior because he requested and got feedback from a partner in a way that conforms with the strong development interview script described above.

I see several instances of sensemaking which are active in the interpretation of why of the actors’ draw in different ways on the two logics in the performance of the script. In this case *identity* seems very important to understand why the scripts get performed in different ways and also the *social interaction* which enables different enactments of the script and finally the extent to which the script is primarily automatic routine or the object of *retrospective* reflection (Weick, 1995). This is elaborated below.

For the manager to enter a strong version of the development interview script he has to accept a number of constraints inherent in the scripts that directly confront his self-image; e.g. he has to refrain, or hold back, from taking the role as the more experienced professional. He has to perform a specific manager or coach role that he has to include in his identity inventory (Burke & Stryker, 2000; Weick, 1995). He has to internalize elements of the logic in script into his self-image. But this is also defined by the interaction order in the present setting. If the managers superior to the manager or the employees don’t respond when the

manager enacts the script in new ways, it makes it very hard to make sense of these new versions of the management scripts. Finally, the interaction needed to make sense are not just responses to the actual behavior but also evidence of a reflective practice that enables an examination of how the scripts are performed and suggestions about how to change them. The partner offering feedback on the performance of the development interview script touched upon above is a case in point. As Abelson (1981) points out, scripts are symbolically accessible as opposed to automatic routine behavior, implying that scripts can be revised by conscious reflection.

Meetings, an archetypical scripted behavior in organizations

Gioia & Poole (1984) point to meetings as a candidate of an organizational behavior which can be productively analyzed as scripts. Meetings are on the one hand understood by participants in terms of what kind of content can be expected to be processed in them and which results can be expected to result from them. On the other, there is a more or less specified set of roles and behaviors that participants expect to experience when entering a meeting script. Most organizational meetings will be connected to a management script in the sense that a manager or meeting chair is central to the performance of the meeting script. Again, following the approach above it is obvious that the script of a meeting influenced by a professional logic will be expected to differ from one dominated by a bureaucratic logic. The first will be expected to be weakly scripted because it contains fewer specific characteristics and less detailed expectations to scripts. The meeting of the more bureaucratic organization will be scripted much more strongly, in the sense that participants hold much more detailed expectations as to what will happen in a meeting.

In the case-study in the setting I see as dominated by a professional logic, Countryside Practice, the manager enacts a weak meeting-script following the definition above. The meeting is not very structured, the location is not a formal

meeting facility, the formal meeting doesn't start at the time announced, there is no agenda, and the manager only leads the process on very few occasions during the meeting. The role differentiation is little and there is no general reflection about the internal processes performed by the team. The content is primarily task-oriented or about professional issues.

On the other hand, the manager from Big City practice, which I see as more influenced by the bureaucratic logic, the meeting is very close to the ideal described above; the manager manages the meeting according to a commonly recognized agenda, the location is a meeting facility, time is kept according to plans, the topics discussed in the meeting hold a number of reflections upon the situation of the team and how organizational practices is performed. The role of the teams are differentiated and adapted to the specific performance of the meeting script.

In the kind of analysis I propose here, the two managers make sense of the available logics in very different ways. As above, the identities the two managers enact are quite different. The countryside manager enacts his identity as professional senior more than an identity as a manager. His self-image is the responsible task-manager who happens to be responsible for the meeting and some administrative routines resulting in a rather weak script compared to the bureaucratic ideal above. The Big City Practice peer has developed a meeting-script that is stronger and much closer to the ideal-type script. This indicates that he embraces the role-identity as a manager with much more ease. But the responses from the meeting participants are as important; in what ways does the interaction verify the scripts and the related roles? In the Countryside Practice meeting there is little evidence of a specifically scripted meeting behavior, while this is clearly the case in the Big City practice meeting – and there is also reflection on the internal meeting performance of the team as well as other management scripts like 'development interviews'.

Dismissals, a ‘weak’ but highly visible management script

A final example of management scripts that can illustrate how changing logics are made sensible by managers are dismissals. ‘Dismissals’ is a, although weak, but relatively stable management script. Weak, because it is often performed infrequently and the managers often don’t perform most elements of the scripts but leaves that to HR-specialists. The strength of it, however, is that it is generally strongly associated with the manager role: ‘Peers are not supposed to fire peers’. What then if the manager is more peer than manager? There are strong ethical implications of the way this script is performed and that is also why it is a stable of discussions of ‘good management practice’ in organizations – while agreement on what that exactly is, is rarely found. In the case of our two managers in the illustrative study the differences were striking. Approaching a very similar round of dismissals, the Big City practice managers were setting up a way of handling the dismissals that conformed with a bureaucratic script; a formal process among the management peers, with explicit criteria and a specified mandate from the partners. The Countryside Manager was effectively excluded from the process and the actual execution of the dismissal conflicts with the scripts that the manager felt was appropriate. The result of the two experiences is that the Big City practice manager is able to enact and verify (Stryker & Burke, 2000) his identity as manager, while his peer in Countryside practice is undermined. The social interaction context is also quite obviously making it much easier for the Big City practice manager to draw from what we have discussed as a bureaucratic logic. Big City practice scripts performance are open to collective reflection while the countryside managers are kept outside the conversation about the content and process of performance of the dismissals script.

Analytic reflections

The above description of the contrasting enactment of scripts may seem like stating the obvious. In my view however it addresses a very central question: How do you study institutional logics? Or rather how do you study the consequences of logics on the way actors construct their world (Berger & Luckmann, 1967). When actors draw on different logics, scripts are formed to reflect the values, norms and practices of the logic (Barley & Tolbert, 1997). When studying the behavior of professionals who become managers, analyzing the way they enact management scripts tell us how and to what extent they draw on the available logics in different ways in the process. We have proposed that the identity, social interaction and (retrospective) reflection (Weick, 1995) of the managers (and colleagues) are important elements in understanding how this may lead to different kinds of sensemaking of the manager role. The role we see as a central indicator of the institutional change process, including a stronger influence of a bureaucratic logic.

6. DISCUSSION

In the approach presented and exemplified above we have followed the change in organization of Professional Service Firms (Cooper et al., 1996; Covaleski et al. 1998; Hinings et al., 1999; Brock, 2006; Von Nordenflycht 2010) and seen it as a change in the combination of institutional logics that are available for actors to draw on. Greenwood (et al., 2011), points to the need to study the complexity of the way organizations respond to the influence of multiple logics. For instance Goodrick & Reay (2011) describe how multiple logics are applied by US pharmacists in different ways in different situations. Reay & Hinings (2009) describe how logics may compete instead of being in direct conflict. Benson (1973) argued that the professionalism–bureaucracy dichotomy is actually contrary to many empirical studies showing that the two ‘logics’ coexist in relative harmony. The approach laid out in this paper points to the danger of getting lured into simplistic conceptions of the way logics interact within organizations. We

have to study how the claimed influence of a ‘bureaucratic’ logic on the PSF-organizations is actually taking place at the interaction level. To do this I have proposed reviving the institutionalization-structuration model introduced by Barley & Tolbert (1997, Giddens (1984)) and especially the ‘script’ concept (Abelson, 1981; Gioia & Poole, 1984; Barley, 1986) to anchor the change in logics cognitively and behaviorally in the way actors make sense of them (Weick, 1995) – i.e. how they become subjectively real in the terms of Berger & Luckmann (1967). While the script notion stems from relatively old literature, the ‘cognitive turn’, as well as renewed interest in agents, in institutional theory, is pointing in similar directions as the approach proposed here. The ideas of ‘institutional work’ (Lawrence & Suddaby, 2006; Lawrence et al. 2009) and inhabited institutions (Hallet & Ventresca, 2006; Binder, 2007; Hallet, 2010) are in similar but distinct ways of addressing how actors make institutions and institutional change meaningful. Thornton et al., (2012, as did Powell & Colyvas, 2008; Zucker, 1991; DiMaggio, 1988) point to the importance of conceptualizing ‘the micro-foundations’ of institutions without which “we risk treating institutionalization as a black box at the organizational level, focusing on content at the exclusion of developing a systematic explanatory theory of process (...) neglecting institutional variation and persistence (Zucker, 1991, p. 105)”. Thornton et al. (2012) dedicate a full chapter to this topic in their recent dedicated volume on institutional logics, choosing ‘scheme’ as their cognitive foothold for their theorizing of logics at the interaction level.

Thus, the contribution of the approach has been to make the analysis of the institutionalization process practical by using the recursive scheme: ‘Logics - scripts - sensemaking - scripts - logics’ and so forth. This approach probes into the complexity of how organizations and organizational actors respond to the complexity of multiple logics (Greenwood et al., 2011) and promises richer

explanations than previous studies have offered. Indeed, this is what Bévort & Suddaby (2011c) set out to do.

As with most institutional theory, there are theoretical and methodological issues pending. For one thing, the ontological status of the ‘institutional logic’ concept is somewhat obscure and the way it is often used makes it reified in a way that logics almost seem like independent actors. How do you observe an institutional ‘logic’? The proposal made here, to use the ‘script’ concept as a way of making the effects of ‘logics’ more concrete, connecting them directly to actors thinking and performance of action in the sense that scripts represent logics as ideas and behavioral schemes, doesn’t solve the problem entirely. When do we know that we are observing a ‘scripted’ performance and not unique situated action based on actors’ spontaneous sensemaking – or just freak occurrences?

Another issue is that the ‘script’ concept also has a connotation of over-socialized behavior from everyday usage, in the sense that it can seem like much action is determined unconsciously and/or without volition, by scripts. We all know the uncanny feeling of getting ‘scripted’ service in a restaurant somewhat hampering the experience of authenticity of the relation.

Introducing a sensemaking perspective helps us in both respects, because sensemaking theory (Weick, 1995) specifies that the sense actors make is drawn on material from somewhere else. There is local meaning, meaning in the organizational context, there is meaning which is shared by everybody in the specific society. Logics become a part of the inventory actors ‘use in a toolkit fashion’ (Thornton et al., 2012; Swidler, 1986), or as bricoleurs (Weick, 2001) in order to construct, maintain and re-construct their worlds. And while the choice of the available elements is relatively open for the actors the inventory of available ‘bricks’ is usually very persistent (Zucker, 1977).

Putting it all together – sensemaking is the process ‘how’ and institutional logics are a way of structuring the ‘what’ of social construction (Berger &

Luckmann, 1967) – and ‘script’ is one way to capture the mediation between the two (Barley & Tolbert, 1997). This argument seems like a rephrasing of Giddens (1984) which would in itself not be very helpful. The merit of the argument made here, is to advocate for a combined perspective which satisfy the need to take into account both conscious action of actors as well as the influence of the broader social context - and apply it to empirical inquiry. The ‘logics – script – sensemaking scheme’, is an attempt to satisfy that need. A colleague described the importance of the sensemaking discussion graphically as an endeavor to examine the instant when the ‘tires touch the tarmac’ – when the abstractions of social theory become ‘real’ in the experience of actors.

7. CONCLUSION

In the following I will briefly sum up the contribution of the paper and give some suggestions to where I think the approach productively can be applied. First, the model uses multiple institutional contradicting logics as an analytic point of departure for understanding the change of scripts, adding to the model of Barley & Tolbert (1997). The advantage of using logics is that they offer general conceptions of meanings and behavior or symbolic construction and material practice (Friedland & Alford, 1991) that can structure the analysis based on a scripts-based approach.

Next, while the model of Barley & Tolbert analyzes (1997) the structuration process primarily as a direct exchange between local interaction and institution, the model used in this paper introduces an organizational level in order to enhance the examination of management scripts. This is especially important because management scripts arguably, and maybe more so than other scripts, are associated with the culture and norms of the specific organization. Otherwise the organizational ‘black-box’ remains, interpreting individual actors as located in a field unmediated by the specificity of the organization. The examples also show

that the variation within the organization is important hints to understand sensemaking processes that draw on institutional logics (Zucker, 1991).

Third, the paper uses theories of sensemaking processes (Weick 1995) to deepen our understanding of how encoding and enactment of (new) scripts is possible. As Weber & Glynn (2006; also Weick et al., 2005) have pointed out ‘institutions are the feedstock of sensemaking’, showing how the actors use the available existing institutional logics to make sense. At the same time this sensemaking feeds the creation and maintenance of institutions (Weick, 1995; Weick et al., 2005). At the script level, this is seen as a process with three distinct elements: first the way the managers match their identity with the available scripts, second the way the local interaction supports the enactment of the logics into scripts, and finally the extent to which scripts are reflected upon by the actors. All three are seen as an interaction of the manager’s choice and the extent that the active logics are actually supported and visible in the local context.

Finally, the paper outlines an approach that illustrates how the sensemaking of actors experiencing the complexity of contradicting logics can be studied (Greenwood et al., 2011). It is very likely that this kind of analysis can be applied to many empirical contexts. My view is, however, that the presence of visible and changing ‘contradictions of logics’ is important for a productive analysis, in the same way as Barley & Tolbert (1997) assumed that substantial institutional changes are necessary in order to study changing scripts. Therefore, areas like healthcare (Scott, 2008), public administration (Meyer & Hammerschmid, 2006), and of course professional organizations such as the one used here, are ideal settings for the presented micro-analysis, which has also been extensively studied at a field and organizational level within institutional theory (see for reviews; Scott, 2008; Greenwood et al., 2011, Thornton et al., 2012). But also private corporations are increasingly affected by other logics than those of the market and

bureaucratic/corporate – for instance logics of corporate social responsibility (Christiansen, 2011) that make them ideal targets for such analyses.

In sum, there is ample scope for further analysis that can elucidate the way the ‘inhabitants of institutions’ construct and reconstruct their worlds (Hallet & Ventresca, 2006) at the interaction level and I think institutional research can benefit greatly from analyzing organizational reality at the interaction level, especially when studying actors facing the complexity of multiple logics (Greenwood et al., 2011). A promising way is to apply the proposed logics-scripts-sensemaking approach outlined in this paper.

7. REFERENCES

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Making Sense of Contradictory Logics

Frans Bévort

Copenhagen Business School

Roy Suddaby

Alberta School of Business

ABSTRACT

This paper examines how individuals subjectively interpret contradictory logics in the process of reconstructing their professional identities. Based on a longitudinal ethnography of professionals in a Big Four accounting firm who have been recently promoted to managerial positions, we analyze the process by which these individuals make sense of their new roles and integrate the conflicting demands of professional and managerial logics. We find that individuals are active authors of their own identity scripts. Further we observe considerable individual variation in the construction of identity scripts. Our findings contribute to the emerging understanding of institutions as ‘inhabited’ by individuals. We demonstrate how individuals engage in processes of institutional work and, by actively reconstructing their personal identities, contribute to micro-level changes in institutional logics.

Keywords: institutions, institutional logics, scripts, sensemaking

INTRODUCTION

Despite the frequently noted “cognitive” turn in institutional theory (DiMaggio & Powell, 1991) there has been surprisingly little empirical research on how institutional norms and pressures are interpreted at the individual or group levels of analysis. The absence of subjective-interpretive studies of institutions is particularly surprising given the recent focus by researchers on the subject of “institutional logics” (Friedland & Alford, 1991; Thornton & Ocasio, 2008) which contains an implicit core of subjective interpretation inasmuch as it hypothesizes that macro-phenomenological understandings influence individual perception and action to produce conformity.

More recently, however, there is a growing awareness of the phenomenological underpinnings of institutional theory. There is, for example, an emerging empirical interest in studying “institutional work” or the ways in which shared understandings of social structures are maintained or changed by the relatively habitual actions of individuals (Lawrence & Suddaby, 2006). Similarly, there is a call to conceptualize institutions as being “inhabited” by individuals (Hallett, 2010; Hallett & Ventresca, 2006). Collectively, these emerging streams draw inspiration from the understanding that institutions, in their essence, are phenomenological constructs produced by the collective beliefs and subjective interpretations of individuals and their mutual interaction (Zucker, 1977; Meyer & Rowan, 1977; Berger & Luckmann, 1967).

This paper contributes to this emerging stream of interest in bringing the individual back in to institutional research. Our focus is in explicating how individuals make sense of competing or conflicting institutional logics. We draw from literatures on institutional logics (Friedland & Alford, 1991; Thornton, 2004) and sense-making (Weick, 1995) to better understand how individuals actively reconstruct institutional logics at a macro-phenomenological level in the process of reconstructing their professional identities at the individual level. To accomplish this we draw on, and elaborate the concept of “scripts” introduced by

Barley & Tolbert (1997). Based on a longitudinal ethnography of professionals in a Big Four accounting firm, we examine the process by which they individually reconstruct their professional identities against the backdrop of conflicting pressures from competing logics of professionalism and managerialism. While this conflict has been studied previously at the level of the organizational field (i.e. Suddaby & Greenwood, 2005), it has not been studied at the individual or group level of analysis.

The paper proceeds as follows. In the next section we elaborate the phenomenological underpinnings of institutional theory and explain the need for, and advantages of, examining logics from a sensemaking perspective. Then we elaborate our methods and empirical context. Next we present and discuss the findings from our ethnography, including a model for the replication of identity scripts. We conclude with a discussion of the implications of this research for our understanding of institutions and institutional logics and outline implications for future research.

THEORY

The Phenomenology of Institutions

Institutions are inherently phenomenological constructs. That is, they only exist to the degree that a community of actors adopt a unified set of beliefs and routinely behave in accordance with those beliefs (Schutz, 1976). Over time, the core beliefs of institutions and their habits of reproduction become typified and so taken-for-granted that they become externalized (Berger & Luckmann, 1967). As a result of their exteriority, institutions become reified or take on a life of their own that appears distant and separate from the individuals who created and habitually reproduce them.

In its early history, neo-institutional theory acknowledged the phenomenological underpinnings of institutions. Selznick (1949), thus, understood that it was analytically more precise to speak of institutionalization as a process (a process involving the infusion of meaning or value) rather than to adopt the more

static, and reified terminology of describing institutions as concrete entities. Zucker (1977; 1983) extended this approach by studying the ways in which the dynamic of institutionalization was reproduced by the everyday interaction of individuals.

Over time, however, as neo-institutionalism has drifted to focus more exclusively on the field level of analysis, the phenomenological dynamism of institutions has been lost. As research drifted toward analyzing the movement of institutionalized social forms and templates across organizational fields (i.e. Westphal, Gulati & Shortell, 1997) or globally (i.e. Guller & Guillen, 2002) there is scant attention paid to the role of interpretation or interaction as an inherent and important element of institutional dynamics. As Hallett & Ventresca (2006) observe, the institutions of neo-institutional theory are no longer “inhabited” by individuals.

The Implicit Phenomenology of Logics

The absence of individual interpretation is, perhaps, most acute and apparent in the conceptualization of institutional logics. Defined as “the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality” (Thornton & Ocasio, 1999: 804), the core assumption is that logics in a dynamic interplay between individual and macro-phenomenological levels of analysis. That is, like institutions, logics are the product of shared beliefs and values in a community of individuals. As they become more taken-for-granted, however, they gain a degree of concreteness or what Berger & Luckmann (1967) would describe as “exteriority” and come to be seen as something independent from their human creators.

While there has been a recent explosion of research on institutional logics (i.e. Suddaby & Greenwood, 2005; Lounsbury, 2007; Meyer & Hamersmich, 2006; Liu, 2007) few, if any of these studies incorporate individual or group levels

of perception into their analyses. The absence of individuals in studies of institutional logics creates a degree of theoretical incoherence that become manifest in logical contradictions for the theory. So, for example, if logics are the product of shared assumptions in a community and serve to constrain behavior, why are logics successful in constraining some types of behavior and not others – i.e. how does institutional innovation ever occur? Similarly, how then do logics constrain the behaviors of some actors and not others – i.e. how do we account for institutional entrepreneurs?

The answer appears to rest in the differential ability of individuals in a common field or community to interpret logics and to be subject to their “totalizing” cognitive influence (Goffman, 1969). However, one cannot make this argument without some conceptualization of the individual and individual differences in their ability to interpret and interact with the cognitive effects of institutions (Peters, 2006; Hallett & Ventresca, 2006). A theoretically coherent understanding of institutions and institutional logics, therefore, must bring individuals back in to the theoretical conceptualization and empirical investigation of institutions.

Bringing Individuals Back In: Sensemaking, Logics and Identity

Fortunately there is a growing interest in reintroducing the individual into current theoretical discussions of institutional theory. Perhaps the best illustration of this is Hallett’s (2010) study of how rationalized myths produce tension in small groups when they become recoupled with existing practices. In an ethnographic study of an elementary school struggling to make the concept of accountability more than a rhetorical touchstone, Hallett observed that teaching professionals in the school experienced “epistemic stress” – i.e. an epistemological identity crisis – as they engaged in an intense cognitive struggle to make sense of and put into practice what had previously been a somewhat vacuous catch-phrase.

Hallett’s (2010) study remains one of the few *empirical* attempts to study institutional dynamics at the individual or small group level of analysis. There are,

however, additional efforts to more clearly conceptualize *theoretical* models of how institutional constructs operate at the individual level. Tost (2011), for example, presents a useful cognitive model of how individuals make legitimacy assessments. The model specifies three dimensions that individuals use to judge legitimacy – instrumental, relational and moral. The model also sets out a three-stage process through which individuals cognitively construct legitimacy. In a related theoretical model, Bitektine (2011) offers a more generalized model of how individuals make social judgments of not only legitimacy, but also assessments of reputation and status.

Collectively, these authors present a useful effort to, either conceptually or empirically, bring the individual into institutional theory and “inhabit” institutions “with people, their work activities, social interactions, and meaning-making processes, all of which tend to be obscured by the macro-gaze common in contemporary neo-institutionalism” (Hallett, 2010: 53). This work is based on an effort to give flesh to what Scott (2008) has described as the “cognitive pillar” of institutional theory by adopting a localized lens that tries to understand how individuals make sense of and add meaning to the subjective experience of institutions in everyday life.

Unfortunately none of these prior works specifically address the question of how individual cognition operates with respect to institutional logics. This is particularly surprising because, as noted above, there is a powerful implicit element of human cognition that must operate at the individual level of analysis inherent in the notion of logics. Moreover, recent attention has started to focus on the multiplicity of different and often contradictory logics in contemporary organizational society (Reay & Hinings, 2009; Suddaby & Greenwood, 2005; Seo & Creed) and the ability of some actors to effectively make sense of simultaneously operating in multiple institutional spheres (Kraatz & Block, 2008). That is, there is scant attention paid to how individuals create coherence when

simultaneously operating in environments with competing and often contradictory institutional logics.

We are interested in understanding how this is possible. Thus our central research question is to analyze how individuals make sense of competing or contradictory institutional logics. Our theoretical framework for addressing this draws from Goffman's (1983) notion of scripts. More specifically, we incorporate Barley & Tolbert's (1997) model of institutionalization in which they define scripts as "observable, recurrent activities and patterns of interaction characteristic of a particular setting." Scripts encode the social logic of what Goffman (1983: 98) termed an "interaction order". Scripts are introduced, maintained and developed in a sequence of what we fundamentally see as a sensemaking process (Weick, 1995) in which scripts are enacted, encoded, replicated and revised and, finally, objectified and internalized (Barley & Tolbert, 1997: 101-102).

We use the construct of scripts because it provides a phenomenologically grounded foil to the notion of institutional logics. In contrast to logics, however, which as noted above have lost their cognitive and interactive foundation in current use, the notion of scripts as applied by Barley & Tolbert (1997) are more reflective of interaction patterns and cognitive frames that operate at the individual or group level of analysis. Scripts, thus offer ways of understanding events in their social context.

Thornton, Ocasio & Lounsbury (2012) acknowledge that the construct of scripts usefully connects institutional logics, as macro-phenomenological constructs, to lower levels of interpretive analysis. Individual scripts, they note, are cognitive reflections of larger macro-social scripts (i.e. logics) that become stored, cognitively, in individual memory. They are thus both cognitive (Abelson, 1981) and behavioral (Gioia & Poole, 1984) and provide the basis by which individuals reproduce institutions and institutional logics through social interaction (Goffman, 1983).

Barley & Tolbert (1997) describe a four-stage process by which macro-phenomenological social structures (such as institutional logics) become interpreted and enacted at lower levels of analysis. They term these stages “moments” of institutionalization. In the first moment macro-social structures (i.e. logics) are “encoded” in individualized scripts. According to Barley & Tolbert’s (1997) model, macro-institutional structures, such as logics, become encoded in individual level scripts in several ways. They may be socialized as, for example, in the ways in which professions socialize new entrants into adopting distinct assumptions about organizational reality through professional norms of conduct (i.e. Covalleski, Dirsmith, Heian & Samuel, 1998). Logics may also become embedded in individual scripts through design or technology. Lawrence (2008) thus describes how logics of discrimination against the poor become embodied in municipal design that made it impossible for public transit to access municipal parks in the early history of New York City.

In the second moment, actors “enact” these scripts through relatively habitual or routinized interactions. Again, in the context of professions, client interviews, audit protocols and performance assessments represent these relatively semi-conscious applications of scripts in workplace contexts. The third moment involves a decision to “revise” or “replicate” the institutional logic. Revision is usually adopted when there is some exogenous influence (i.e. shift in technology) that creates awareness by the actor that the interaction is no longer a routine or habitual application of the script. Finally, the revised script will be “objectified” and “externalized” or fully institutionalized through ongoing repetition of the revised script over time.

The model described by Barley & Tolbert (1997) provides a useful framework to analyze the way in which actors might subjectively react to competing or alternative logics in the workplace. According to the model, the existence of contradictory or competing logics should create a high degree of dissonance or tension at the individual level, perhaps even approaching the level

of “epistemic stress” observed by Hallett (2010). Such stress should trigger a higher degree of conscious awareness by the actors of the reproduction of scripts and create the option of “revising” the old script to accommodate the new logic or, alternatively, “recreating” the existing logic.

There have been few, if any, attempts to apply Barley & Tolbert’s (1997) framework to analyze the subjective effect of competing logics in the workplace. We do so in this paper. Our core research question is to understand how individuals interpret and integrate competing logics. We seek to identify the conceptual processes through which individuals engage with, and actively make sense of, contradictory institutional logics. Our assumption is that, in understanding this process at the level of micro-interactions, we will gain some insight as to how changes occur in institutional logics at the macro-phenomenological level of analysis.

METHODS

Empirical Context: Institutional Change in a Danish Professional Services Firm

To address our research question, we draw on an ethnographic study of two offices in the Danish branch of a global professional services firm. Professional services offer an ideal site to study the interpretive effect of shifts in institutional logics. Substantial prior empirical research has demonstrated that the field of professional services has experienced profound change over the past two decades (i.e. Cooper, Hinings, Greenwood & Brown, 1996; Greenwood, Suddaby & Hinings, 2002; Greenwood & Suddaby, 2006; Brock, 2006).

This research indicates that professions are increasingly shifting away from social norms of professionalism and toward a view of professional work as a purely economic activity (Leicht & Fennel, 1997; Reed, 1996; Brint, 1994). Some researchers describe this change as a shift in archetypes (Cooper et al., 1996) or as a shift in institutional logics (Suddaby & Greenwood, 2005) from a traditional logic where norms of ethics and professionalism are dominant to an emerging

rational logic in which these norms are subordinated to principles of managerial or corporate organization and economic efficiency.

Because the empirical fact of institutional change in the professions has been well established in the literature, and because the nature of the shift in logics and its potential impact on individual professional identity has been suggested by prior research (Covaleski et al., 1998), it presents an ideal context to further investigate the question of *how* individual actors make sense of such change. We opted to study this process in a non-North American context because these changes have been initiated in North American head offices of global professional firms and diffused to non-North American offices much later. Opting to examine these changes in Denmark afforded a better opportunity to study the process at earlier stages of adoption than if we had selected a North American site. Denmark also offers considerable variation in size and sophistication between its larger office in Copenhagen and smaller provincial offices which, as we describe below, was an important part of our research design.

While the firm is a multidisciplinary firm – i.e. engages employees of varied professional backgrounds such as accountants, lawyers, tax professionals and consultants – we chose to focus exclusively on the accounting professionals. We did so for two reasons. First, accounting is the historical centre of this organization and, as a result, the actual power in the partnership was still firmly anchored in the accounting professionals. Second, of the various occupational categories represented in the firm, accounting is the most institutionalized (with well-established norms and routines, stronger socialization rituals and higher degrees of regulatory and social closure).

We selected two sites for observation within Denmark, a large urban office based in the Copenhagen main-office (which we term “Copenhagen office”) and a smaller provincial office (which we term “Country Office”). We selected these two different sites because we assumed that the adoption process would proceed differently at each site – with more resistance to the adoption of managerial logics

at the country site – and therefore offer an opportunity to observe variation in the interpretive process not just across individuals but also at the group level of analysis.

The Copenhagen office, while not the official “headquarters” of the firm in Denmark, was clearly the central focus for the operations of the global firm in the country. All strategic processes for the firm as well as most staff oriented matters were controlled from this office. The glass and steel building in which this office was housed strikes one as open, friendly and luxurious, particularly the top floor with an expansive view of the city. The workspaces, replete with Danish modern design are open and spacious, with even the meeting facilities are made visible by glass walls, creating the semiotic impression of either complete transparency or a Foucauldian panopticon. The absence of a formal dress code creates the impression of busy and cheerful amiability. Because no one (including partners) has designated desks or office space, the office also generates a feeling of low hierarchy and a focus on day-to-day projects.

The Country office, by contrast, appears much more formal and traditional. While, like the Copenhagen office, there is no dress code, professionals appear to be much more formal. Moreover the office design and culture presents a mood of more structural differentiation between partners, associates and support staff. The local partners are superiors in a way that makes them appear to be more like managers in a small business. Overall the cultural contrast with the Copenhagen office is apparent.

In both offices the management was divided into two main parts. One was the core business in which the day-to-day interactions with clients occurred and was controlled by partners with the support of a wide range of lower ranked professionals. The other part consisted of corporate management and operational staff functions. The corporate managers were appointed by the management group of the partnership council and often described themselves as “servants of the partnership”. One of the managers holds the title of CEO although this is primarily

for symbolic purposes – i.e. when dealing with the broader global environment of the firm. As a whole, titles, with the important exception of “partner” were not held in high esteem or taken seriously within the organization. So, for example, in written correspondence corporate managers were described in lower case, not “Corporate Managers”, so as to deemphasize the status and importance of the title and to reinforce the cultural understanding of the organization as a meritocracy rather than a bureaucracy.

The emerging role of department manager is the central focus of this study. This role is part of the business function of the organization. Department managers report to the local practice managers and to the local partnership. This role was relatively new to the organization and represented the focal point of the introduction of a more business-like function within the organization. It was the occupational function at which the conflicting logics between traditional professionalism and managerialism seemed most acute.

Analytically we focus on the scripts used by department managers at both the Copenhagen and Country offices. We adopted Langley’s (1999) recommendation for the process research, which included multiple approaches to data analysis. Our data thus included archival documentation within the firm, interviews with professionals and support staff and the ability to “shadow” the activities of two department managers. The manager we followed from Country office, “Anders”, was thirty-four years old and had been an accountant for fifteen years, thirteen with this organization. He had achieved his certification as a public accountant two years ago and was authorized to sign off on client audits. He had been a department manager for four years and was responsible for a group of ten accountants of mixed seniority. His team’s client portfolio was targeted at mostly small and medium sized clients.

The manager we followed from Copenhagen office, “Kevin” was thirty-three years old and had been with the firm for eleven years. Kevin had achieved his authorization four months ago and, like Anders, was able to formally sign off on

audits. He had been department manager for one year at the time the ethnography was initiated and was responsible for a team of twenty-four professionals (of which fifteen reported directly to him) of mixed seniority. His team's client portfolio consisted primarily of mid-sized and large clients.

The first author had open access to shadow these individuals over a period of two years commencing October 2009 and ending April 2011. Observations included a range of team and manager meetings, performance reviews, client interactions and a host of day-to-day interactions. The observations were audio taped, when possible, and recorded in more than 300 pages of fieldnotes. This participant observation was supplemented by a series of reflective interviews with the target individuals, other professionals and support staff reflecting on specific incidents. Collectively these interviews, which were taped and selectively transcribed produced over 500 pages of data.

RESULTS

The emergent salience of the new script

The creation of a new functional role in the organization – the department manager – was part of a larger shift in the firm away from a more traditional professional partnership and toward a much more corporate form of organization. We observe three critical themes or narratives in which the emerging new script of the professional-as-manager became salient to the professionals within the firm. These narrative themes were the need to increase the size of the firm (economies of scale), the rationalization of work and the standardization of training. Each narrative theme highlights an emerging tension between the traditional logic of professionalism and a new logic of managerialism. We elaborate each in turn.

Economies of Scale: The notion of increasing the size of a firm in order to generate more profit is somewhat alien to traditional professional partnerships which tend to see size as inimical to professional quality. As one partner observed:

“Well, the rationale behind becoming big is that you want to become the best. Because, growing big doesn't necessarily mean being the best. As a matter of fact, to

become the best, you have to exploit this critical mass. It is a question of basic economies. If we don't, we are just the sum of a number of small units and just add up overhead. Then we are not competitive. We end up competing on price and, of course, we prefer to compete on (professional, ed.) content."

We see in this quote the partner struggling to make sense of two competing understandings of competitive professional practice. According to the traditional logic, size has no bearing on quality. But according to the new managerial logic, size has a tremendous bearing on profit.

Rationalizing Work: Historically the partnership allocated projects and professional work to individual professionals on the assumption that each partner would be responsible for managing their projects on a 'holistic' basis, coordinating the project with a range of junior professionals. Indeed, this division of labor is quite common in traditional professional partnerships (Greenwood, Hinings & Brown, 1990).

A more rational division of work within the firm, however, accompanied the introduction of formal department managers. In the new model, junior professionals are not assigned to one partner but rather work with a number of partners on a project basis. In fact, a new team structure was designed in which the department manager was responsible for assuming administrative responsibility in a range of projects. As a result, the allocation of work and the division of labor became more rationalized and formalized, as if the firm had moved from a mode of craft production (a single team being responsible for production of a single product) to an assembly-line model (various teams assigned to specific tasks related to the production of all projects). One respondent, reflecting upon these changes referred to the old mode of production as being "holistic" and the new one as being "technocratic". A senior partner compared the two models as represented by the succession of two managing partners in the organization:

"Yes it is very much about a 'professionalization' of management (...) [Managing Partner X] is the more 'technocratic' type compared to [Managing Partner Y] who

was the more 'holistic' type, but which doesn't really work if you are managing 120 employees. Then you need a visible framework, that people can relate to."

Standardized Training: A final example of the introduction of the new managerial logic is the implementation of management training programs. The most recent, and probably most comprehensive, was developed from 2007-2009 and was implemented first time in 2009-2010. This represented a change in the organizational expectations to the department managers. The focus was explicitly on standardizing the managerial competencies and eventually creating a companywide job-description of the manager role. Combined with two times three days of training of all department managers, have made the process a four-year inception of management ideas in the organization¹⁹. At the training the managers were confronted with the tension between the role they actually enact as managers and the ideal they were presented at the training event. The managers discussed the challenges of the department manager role at the training event. Two managers summarized the following sentiments from a training group session:

"There is a lot of ambiguity: Who is the manager, on the project? Who is back home? The individual partner is probably still the most powerful. But therefore it is difficult to make decisions, there is no consensus."

"The partner role is unclear. All of them are 'big shots'. They challenge the manager role every day, especially the general people manager role."

A manager interviewed in relation to the training sessions expressed his split loyalties between the old system and the way he is made to expect the new one to work:

"Who are we? The champions of the employees or the servants of the individual partners? Basically we are both. But I would really prefer to enjoy going to work (as a manager). If (one of my) people are deserving to receive a low rating, then I want a precise mandate to give it – we need a system that (e.g.) can distinguish (between bad performance and) a bad client case. I have had a couple of employees who

¹⁹ These ideas of management was communicated by the 'management model', see Appendix 2

(received an unfair rating from the partner). If I were in their situation, I would have left the firm.”

Collectively these three changes served to emphasize and make salient the profound change in logics that had been undertaken by this firm. They are not the only changes that occurred and that drew the attention of the professional staff. Other changes in practice included the adoption of performance management systems²⁰, balanced scorecards, development interviews, leadership surveys and a host of new practices that, while common in corporate environments, signaled a powerful shift in practices in this professional services firm. These three elements, however, were referred to most frequently and poignantly by our interview subjects as capturing the essence of the ideological changes experienced by the firm. As we will demonstrate in the next section, these shifts also served as foundational referents for individual professionals intent on making sense of the changes as they reconstructed their personal professional identities.

ENCODING

Encoding of scripts is an interactive and collective process in which routine roles and ritualized interactions become infused with meaning and significance beyond their technical value (Selznick, 1957). Encoding is the process by which an institutional logic is integrated in a specific script (Barley & Tolbert, 1997: 102). For instance the role of being an accounting professional is encoded with the institutional logic of professionalism – socialized behaviors of how to dress, present oneself and how to appropriately interact with clients. Similarly, the script of a corporate manager is also encoded with a distinct logic – a managerial logic – that provides a somewhat different repertoire of behavioral guidelines. The question remains, however, how an individual socialized in one dominant logic such as professionalism, makes sense of and interprets the need to integrate another dominant logic, such as managerialism, into their behavioral repertoire.

²⁰ A sketch of the Performance Management process in the case firm is described in Appendix 3

General encoding of management scripts: Considerable prior research has demonstrated the anxiety and conflict that arises when the logics of professionalism and managerialism collide (Covaleski et al, 1998; Cooper et al; 1996, Suddaby, 2001; Anderson-Gough, Grey & Robson, 2002; Brock, Powell & Hinings, 2007). In the subject professional services firm, the idea of introducing more rational and managerial control has a long history and involves considerable long-term planning and gradual implementation.

In 1999 a project group of Department Managers in the Country office formulated a number of ‘wishes’ that initiated the encoding of more powerful managerial controls. The Department Managers wrote:

We wish to;

- develop, implement and execute the strategies and action-plans of the practice in co-operation with the partner group.
- to participate actively in a dialogue with the partnership about the daily management.
- to take responsibility for the visions and goal of the practice in such a way that the budget is realized.
- to take part of the responsibility for making the practice an attractive place to work for everybody now and in the future.
- make the Department Manager role a means to makes us good managers and thus guardians of the culture of the practice.
- to get resources to HR-tasks and internal/external marketing supplied by the partners and for which we have shared responsibility.”²¹

(Paraphrased and translated from internal document dated 11th of November 1999)

A hand-written note on the document affirms that the manager-group and the partners agreed to the intent of the document. These statements draw up a much broader role for the department managers. At the same time it is strong evidence

²¹ See Appendix 5

of the distance between actual practice and the ‘new’ scripts coming in – especially considering the state of affairs of the Country office in 2009.

The task dimensions attributed the department manager in the recent firm ‘management model’ from the management training gives a further indication of the change in encoding. The dimensions are: *Strategy, Management, Relations, Performance, and Personal leadership* even though the formalization is relatively low in the sense that no common job-description is included in the process²². The training involved, however, structured discussions of the managers’ level of management competencies related to the task dimensions. Thus, even though no exact standard was laid down for all managers, the partners and the managers were asked to create their own, using elements from the management model.

A range of management systems; job-evaluation systems, development interview systems, balanced scorecard evaluation of managing partner, leadership surveys and general job-satisfaction surveys were introduced in the organization between the early 1990’s and 2011. Some, like a recent ‘performance management system’ is still under implementation and development²³. While these systems may not be universally implemented and when they are often not implemented as intended - they represent a massive encoding and formalization of management scripts. And these are scripts that infuse meaning and value into the department manager role as a central servant of a managerial logic.

A compelling example of this was a leadership-survey which was initiated in Copenhagen office and later covered all of the Copenhagen Accounting organization, that provided a long range of ‘measures’ for the leadership of the department managers to their employees. This provided material for the understanding of what a manager was supposed to be, an understanding which was at best sketchy when the first survey was launched.

²² See Appendix 2 for a description of the model.

²³ See an overview of the process in Appendix 3

The foregoing, thus, summarizes the practices used by the target firm to encode the intended managerial logic. A range of documents and practices, from an ultimatum issued by department managers, to the introduction of new training procedures and measurement systems all served to encode and inscribe the logic of managerialism on everyday behaviors in the accounting firm. In short, these events served to sketch out the elements of the new script of behavior expected in the firm. What is absent from the foregoing analysis is any direct observation of how these scripts were enacted in everyday behaviors between participants. We examine the enactment of these scripts in the following section.

ENACTMENT OF MANAGEMENT SCRIPTS AT THE INTERACTION LEVEL

We organize our analysis of how scripts were enacted around three types of scripts for professional service firms; development interviews, team meetings and dismissals. We select these because they are not typical scripts within professional firms and therefore are more likely to fully represent the cognitive dissonance experienced by individuals as a result of trying to integrate the new managerial scripts with their prior professional logics. We also divide each observation between the Country and Copenhagen locations because, as we will demonstrate, the Country office were not as far along in accepting the new managerial practices. As a result, the comparison between the two locations is instructive as they provide snapshots of enactment at two different stages in shifting institutional logics.

Development Interviews-Script 1

The first management script we examine is (the normally annual) ‘development interviews’. These interviews have become gradually formalized as an appraisal and human resources practice in the focal-organization during the last fifteen years. It is, of course, a well-established corporate practice in most middle-sized and large organizations.

The purpose of the interview is to take stock of the personal and professional development of the employee, performance rating, and a mutual agreement between what development goals the organization see as appropriate for the employee and what motivations and aspirations the employee have. This is recorded in a written plan which both manager and employee are obliged to follow-up on. The script is supported by standard forms and a recommended process sequence including steps such as; preparation, status on plan, performance rating and revision of plan. The script is strong in the sense that the purpose as well as the shared expectations to what happens during the interview is rather detailed. Even the sequence of events is standardized. Development interviews can therefore be seen as a ritualized way of managing human resource development and as a powerful script supporting a managerial logic.

Anders, department manager at Country, was observed during three 'development interviews' of two junior, and one senior accountant. In the interviews it is obvious that Anders took his point of departure in his role as master professional and expert. The focus of the interviews was professional progress and development of each individual employee. He swiftly ran through the material that the employee had prepared for the interview immediately before it took place. Anders started the interview very informally and after some small talk, he went on to introduce the process. He explained the course of the rating process. Anders proceeded by almost interrogating the employee, letting him explain how he had experienced the preceding year for a while sometimes intervening with comments where he related the topics to his own professional development process. They went on to discuss training. This was Anders' home-turf. He had a clear image in his head of which point of his professional development, the interviewee accountant was. He entered and left the conversational space as he pleased. The vocabulary he used in the interview was from the accounting practice and the client work; 'good accountant', 'specialization', 'a lot of tasks', 'hard work'. It was striking to see how 'professionally' oriented the majority of the

interview turned out in terms of concreteness in problem analysis and the actions proposed and decided upon.

Anders acted rather spontaneously if not somewhat randomly in regard to the elements he directs attention to and was clearly improvising on the basis of his deep personal knowledge of the person in front of him. Therefore it may not be surprising that Anders was caught off-guard when one employee raised a question prompted by material regarding the meaning of a mandate regarding communication:

Anders: (Reading from the development plan:) “‘Communicating with clarity and effectiveness’ (very long pause) – well, it goes for internal as well as external communication – it is also a question of communication with the client. Eeeeh (long break). What, what do you mean exactly?

(Employee: Explains that he wants to communicate better with clients as well as with colleagues.)

Anders: (Long silence – talks about some irrelevant technical issue in the material.)
Wha-, what could we do about communication with colleagues?”

This question went distinctly beyond the limits of the competence and comfort zone of the otherwise experienced and eloquent Anders who had clearly not anticipated questions that focused on interpersonal communication between professionals. While Anders’ “script” of management prepared him to anticipate questions about communications with clients, it clearly did not prepare him for a question about communications between professionals and, as a result, created some difficulty for him. The cognitive dissonance is reflected by the long pauses and obvious difficulty that Anders experienced in answering a relatively simple question.

Kevin, department manager at the Copenhagen office, was observed during four development interviews. We also had an opportunity to observe his own interview with the managing partner.

Kevin was much more conscious about his role as manager in the interview setting as indicated by his very elaborate preparation for the interviews. He had a very detailed plan for each interview and was totally in control (i.e. very directive) of the process. The interviews, as a result, display a much higher affinity with a managerial logic.

Still, the interviews demonstrated a sediment of the old professional logic. While directive in controlling the pace and sequence of the conversation, Kevin still periodically drifted away from an exclusive focus on the performance interview. Occasionally the conversation, while still directive, moved to topics of professional competence and identity. Kevin virtually told the interviewees how they felt professionally.

“And we believe that you are one of those who want to perform better than average (Employee: I will) – yes, I can hear that when we talk. I can also see from the feedback you get that you really have sufficient potential. And that is what you want to remember and it is in this direction that we will work today. “

He even offered hypotheses to explain their personal well-being.”

“And that is what we usually find with the first year employees, it is hard to exceed the expectations the first year. It is considerably easier the second and the third year. I think that you (the older colleague present) remember how it was. (Older colleague: I do) Then you have got the basic understanding and so you know much better what to concentrate on.”

The experiences of both Anders and Kevin illustrate how the introduction of a new logic created tension between the scripts and revealed the strong cognitive dissonance experienced by the actors working through the performance interview script. As one interviewee explained:

“(The manager role) is somewhat hard to define. This is the cause of much frustration because you really don't know...because it is not really defined. And then somebody does it in one way and others do it in other ways. Some partners expect one thing and others something quite different, you see.”

The lack of definition or clear description made it hard for the managers to enact and make sense of their role. As a result they were frequently forced to revert to old familiar professional scripts to elaborate their role and better answer the question “what does a department manager do?” We also notice high individual differences between Kevin and Anders in terms of the degree of preparation and formality with which they engaged in the managerial scripts (see Table 3). Anders, still not quite self-identifying as a manager, offered praise to the interview subjects “from management” whereas Kevin authoritatively adopted the role of manager and bestowed praise directly from himself, as the personal representative of management. Clearly, Kevin had adopted the role (and the logic) more fully than Anders.

	Country office	Copenhagen office
Interview process	Less preparation	More preparation
	Informal - spontaneous Leading but on and off Jumping back and forth in script (material)	Structured - dominating Directing 1/Asking questions 2 Following scripted sequence (material)
Interview content	‘Praise from management’ from Anders	Praise given by Kevin as the management
	Job-evaluations Rating Development plan More professional topics	Job-evaluations Rating Development plan More personal topics
Enacted roles	Senior professional	Expert 1/Manager 2
Identity-referent	Professional Partner	Professional Manager

Table 3 Development interviews Country and Copenhagen office

Team Meetings – Script 2

Gioia & Poole (1984) point to meetings as an instance of organizational behavior that can be analyzed as scripts. Meetings are, on the one hand, understood by participants in terms of what kind of content can be expected to be processed in it and which results can be expected to result from it. On the other, there is a more or less specified set of roles and behaviors that participants expect to experience when entering a meeting script. Most organizational meetings will be connected to a management script in the sense that a manager or meeting chair is central to the performance of the meeting script. Again, following the approach

above it is obvious that the script of a meeting influenced by a professional logic will be expected to differ from one dominated by a managerial logic. In the following section we comparatively analyze the enactment of managerial logics in two meetings, one performed in the Country office and the other in the Copenhagen office.

The meeting in the Country office started early in the morning, 8.15 o'clock. It lasted until 9.01 (45 min). After most people had arrived, the informal conversations proceeded with Anders participating for 15 minutes until the managers finally started the meeting – but still not with a clear demarcation between the social and the formal part of the meeting. There was no pre-determined agenda. Anders had apparently brought some topics along and otherwise the team members volunteer individual topics and points of interest. The meeting went on with a high number of humorous and entertaining diversions.

The locality of the meeting was informal and it was only found just before the meeting, a big table located in a big room that was also the work space for some of the accountants. The manager was sitting at the broad side of the table and he was not using any visual aids. There were 10 persons present in the room. From the start there was a lot of joking and ironic statements, some by Anders himself.

Anders was highly engaged in the event. This affected the way Anders enacted his role. For instance Anders used irony by saying in a matter-of-factish voice: “And of course you all have handed in your work-load forms” (with their accounts of delivered hours of the preceding period) – even though he knew that this was not the case. Actually, he went on pretending having received the forms during the following status around the table. At other times it was as if Anders became a peer among peers sharing the fun. The Country office team meeting was to some extent dominated by the non-manager participants because there was communicated no agenda and the participants offer their suggestions to topics freely. The turn-taking was informal and is only regulated occasionally by Anders.

The topics discussed at the meeting were relatively few (6) and they seemed somewhat arbitrarily selected except for the workload topic and the presentation of the researcher. However, it was clear that the topics were for the most part focused on professional issues.

The meeting in the Copenhagen office was scheduled to begin at 4 p.m. and ended at 5 p.m.(duration 1hrs 02 min). The manager came rushing in very close to 4 p.m. and expressed anxiety about getting caught in traffic. He started the meeting one-or-two minutes past four. Kevin presented the agenda with a PowerPoint slide expressing his expectations concerning the priority of the agenda points. He introduced a discussion about disbanding the 'minutes' practice of the team meetings indicating, that there had been a precedent for it, although a somewhat erratic practice (as it turned out). The room was a large formal meeting facility with a PowerPoint projector in the ceiling and a big screen at the end of the room. Present in the room went fifteen participants. The manager was located at the end of the table and had an administrative aide at his side and a 'deputy' manager (who was assigned to take over the job some months later). A partner from the section of the firm participated, after arriving a little late.

Kevin in the Copenhagen office was in charge from the beginning and while he also told jokes, offered ironic statements and teased some of the colleagues, he was directing the meeting process - and spoke - most of the time. Only a few times did somebody speak without his explicit consent. In this respect his 'deputy', or 'successor to be', seemed to have longer leash than the rest of the participants because 'they are on the same side of the table'. A number of times he directed - admonishing the team members in order to influence behavior one way or the other. Either addressing their sense of responsibility (you ought to) or instructing them how to use the different management systems or tools (examples). He even explained some unpopular managerial decisions for instance the announcement of a freeze in salary and perks and some recent lay-offs.

Compared to Country office team meeting, The Copenhagen office team meeting was rich on what we see as managerial topics (twelve of fourteen). The topics that Kevin and the deputy introduce were mostly reflecting upon organizational issues and practices, often setting a normative/ evaluative agenda addressing how things is supposed to work according to his point of view as a manager/or the view of the management in general.

As the table 4 below shows, the two managers enacted the management scripts related to ‘team meetings’ rather differently. We divide our analysis between procedural and content issues.

	Country office	Copenhagen office
Meeting process	Informal (47 min)	Formal (63 min)
	Uncertain starting point No agenda Ad hoc location Indirect control Irony and joking prevails	Begins on the minute Agenda A meeting facility Explicit chairing Mostly focused discussion
Meeting content	Professional focus (predominantly)	Management focus (predominantly)
	Few topics (44 min.) Task relevant input Ironic rebukes 1:1 communication	Many topics (62 min.) Reflecting upon organizational practices Moral instruction 1: many communication
Enacted roles	Professional peer	Manager (‘professional’)
Identity-referent	Identity referent: The idiosyncratic partner	Identity referent: Manager in a hierarchy

Table 4 Two team-meetings in and Country and Copenhagen office

The Country office meeting’s procedural elements contain a number of cues to which logic that were predominant in their sensemaking of the meeting script. First, the meeting as a formal script was not visible at all. None of the props or rituals associated with a business meeting were present at the meeting. The most formal acts were the introduction of the researcher and the reminder about the work-load forms. The meeting did not contain many instances where the practices enacted draw on a managerial logic.

The roles constructed by the very open social process of the meeting is one in which it was the relations from the professional tasks was invoked and in which

Anders was the ‘*primus inter pares*’ – the experienced senior professional. He was not given and he did not claim much authority as a manager as such. And when he did, he distanced himself from the role by using irony. The identity he displays was the professional colleague and only vaguely the manager.

This account of the procedural elements of the Copenhagen office meeting indicated a much more elaborate set of expectations as to what the meeting should contain in terms of formal elements. There was an exact time frame, a fixed location, an agenda, and minutes that all frame the practice of enacting a managerial meeting script. The roles were much more differentiated and visible than we saw in Anders’ team; the role of Kevin, the deputy, the partner and the participants. The role performances seemed anticipated and were confirmed by the interaction throughout the meeting. Kevin drew on a managerial logic in the way he constructed his identity as a manager, when he was representing ‘the management’ by moralizing and in how he instructed the group. In Weick’s (1995) terms, Kevin enacted his identity as manager, and created the responses from the environment he needed to confirm it.

In terms of content, the Country office meeting barely appeared to be a business meeting. The closest it came, was a discussion of the work-load forms which was communicated in an indirect way and presented without inviting discussion. This was, at the same time, the only topic to which Anders exercised explicit authority. The manager role Anders took – and evidently was expected to take – drew heavily on a professional logic by, for instance, facilitating the sharing of professional knowledge. His authority was implicitly anchored in his professional identity and authority – he was the certified public accountant who will eventually become a partner.

The Copenhagen office team meeting was comparatively filled with both managerial content and action. The topics that Kevin and the deputy introduced largely involved organizational issues and practices. Moreover, they often set a normative/evaluative agenda addressing how things were *supposed* to work

according to the view of the management. This we see as a form of retrospective sensemaking that supports the institutionalization of managerial practices. When Kevin instructed the group how to handle the performance management procedure, it is an example of what Zucker (1977) calls ‘transmission’, i.e. the passing on of institutional content. The fact that he took the role, and successfully performed it indicates how successfully embedded the managerial logic was in the group’s collective consciousness.

What can the two team meetings above tell us about the presence and interpretation-enactment of the two logics? We see the two meetings as general examples of how the two managers make sense by drawing in elements of the two logics in the scripts they enact, much like drawing skills from a cultural toolkit or repertoire of available responses (Swidler, 1986; Thornton et al., 2012). Anders directed a meeting that confirmed his *identity* as senior professional with a number of managerial responsibilities attached. He improvised the form and content of the meeting because the general professional framework was all too well known to all of the participants – it was essentially a continuation of the *ongoing* processes of professional organizing in the unit of the organization (Weick, 1995). The team was essentially the same format as the project-team in which professionals of different seniority is organized with a colleague as the lead. Except for the likely difference in ‘power-distance’, it is likely that the meeting bore a close resemblance to the typical partner driven team meeting of the past.

Opposed to this, the meeting in Copenhagen office was a very precisely concerted and planned process in which different *identities* were explicitly enacted; manager, deputy, employee, partner. The participants to the meeting shared a common perspective of time. There were meetings before and there was an anticipation of similar future meetings to be held, collectively creating the effect of an *ongoing process* (Weick, 1979; 1995) that replicates the meeting script holding the managerial logic. The time-perspective also makes it possible for the team to reflect *retrospectively* upon itself and its own practice. Kevin was *giving*

sense to a number of organizational systems by explaining the intentions behind them and admonished the team members about inappropriate behavior (Gioia & Chittipeddi, 1991).

Dismissals – Script 3

A final example of management scripts that we use to illustrate how managers make changing logics sensible is dismissals. ‘Dismissals’ is a weak, but relatively stable, management script. The scripts are relatively weak because it is often performed infrequently as managers occasionally outsource dismissals to Human Resource specialists. Scripts, however, are powerful examples of managerial authority. Performing dismissals is a prerogative of management that is infrequently used in professional firms because of the long standing professional norm that ‘Peers are not supposed to fire peers’ (Greenwood, Hinings & Brown, 1990). The script of performing dismissals in a professional firm, thus offers an excellent opportunity to observe the pressure of conflicting logics.

Below we use two dismissal incidents to illustrate the way professionals manage the cognitive dissonance of engaging in such a strong managerial script in a professional context. Both incidents were connected to a critical period in which the organization had to dismiss staff to compensate for a decline in client engagements. Anders explained how he and his peer department managers reacted when the budget was finally met after a long period with too little billing and subsequent layoffs:

A: “Then we brought it up at the department meeting where we mentioned these things aaaand then we gave everybody a gift voucher (for a cinema ticket) it was – as if we did something (to signal our appreciation). We know that these times are hard...

F: Was it because you met the budget?

A: Yes exactly. And actually we met the budget and exceeded the budget. Then we thought it would be a good way to give..... to show that we really appreciated it.

Theen ... and then it is always different how these things are perceived. But generally.....

F: What do you think?

A: Well.....I think there is always (the attitude, ed.): “Is this supposed to be something and why?” Because you are sort of.....For some reason you are a bit suspicious: “What is this really about?” Wha...

F: Why is that, do you think?

A: It probably has to do with the left over sentiments from the downturn. People have been laid off and sad things have been going on.....and then people somehow feel: ‘This is really quite awkward’.”

Above, Anders gives us an account of enacting a management script (i.e. dismissals) which is quite distant from his routine managerial tasks. The amount of hesitation, broken sentences, citing and drawn words, indicates that he didn’t feel comfortable with the topic at all. It also seems to indicate the ambivalence of his identity in the sense that even though he was probably the initiator of sending this managerial message of appreciation; it seems as if he understood very well the skepticism he indicates some of the employees expressed. And as small as this gesture may seem, it is an example of Anders’ awareness , enacting himself as a part of ‘the management’ as he imagines it should be, that managers are obliged to show their appreciation after a period with a lot of suffering. The apparent insecurity indicates that performing this script is not routine for Anders.

The dismissals that took place the months before had been a frustrating experience for Anders. In an earlier interview, Anders told how the partnership at the preceding months gave the impression that everything was fine and that the financial numbers of the practice was satisfactory. Then suddenly cut backs were announced. Anders told us how the dismissals were undertaken without him being directly involved – except for an invitation to the terminal interview with the affected employees from his own team.

Below, Kevin from Copenhagen office discusses the layoffs that also affected the Copenhagen office, during the world financial crisis, giving a very different account.

“We (the department manager team) were warned six months in advance that we should begin to identify ‘the weak links in the chain’. That was the start. We had several reviews at the department manager team meetings, about the data we had on people (...) that was the process until we were told to find a number of employees (...). (I found) Three (...). I have no problem dismissing employees if it is for the right reasons (...) As a matter of fact, yes, we were entrusted with making that decision. And I really think that was fine. That relates back to what I have said before; are you ‘de facto’ manager or just ‘de jure’? That was one of the things that made it meaningful to me, to be a manager, not just planning staff vacations”.

While the dismissals may seem a rather commonplace management practice event in most organizational contexts, the example shows that it is not the case here, even in the Copenhagen office. While Kevin is very satisfied by the fact that the managers get to do ‘real management work’, it is also implied by Kevin’s remarks that this is not necessarily always so in the context.

	Country office	Copenhagen office
Dismissal process	Unplanned	Planned
	Very short notice (to managers)	8 months notice (to management team)
Dismissal ‘content’	Information of the involved	Request from partners to run process
	Invitation to terminal interview	Selection of the involved Discussion of each managers list in management team Agreement of final list Presentation for partner group Execution
Enacted roles	Assistant to partner	Member of management team
Identity-referent	Partner	Professional manager

Table 5 Dismissals Country and Copenhagen office

The dismissal script was much more formalized in the Copenhagen office. It is important to stress that, even in the Copenhagen office, the specific turn of events and the way it was planned, was new to all parties, and thus hardly ‘scripted’ in any strong sense. However, it shows clearly that the contours of the

script, and the logic in which they were embedded, was much more clearly defined for Kevin than for Anders. On the other hand, Anders' experience confirms the enduring resilience of the old professional script; when important decisions are made – they are made by partners.

Anders and Kevin are different individuals and they may be differently motivated for seeing themselves in the manager job as a distinct role-identity. It is, however, understandable that they are located in very different 'interaction orders' (Goffman, 1983). In the extremely sensitive question of deciding the future of their staff, Anders, even though he is professionally senior to Kevin, was not involved in the process. Such experiences are likely to make managers like Anders feel excluded from 'the management' and this makes it difficult for managers to maintain or verify a self-image (Stryker & Burke, 2000; Weick, 1995) as managers. Anders ambivalence about the 'cinema-ticket' incident indicates this insecurity and second-thoughts in relation to his team members. Compared to this, Kevin expresses directly how the dismissal process made the manager role meaningful to him and he expresses his identification with the 'management' as opposed to sympathizing with the dismissed colleagues. Kevin's story is an example of how the local context can enable the enactment of the manager role. Kevin is able to enact a manager role more in line with a managerial logic despite the fact that much of his work and career remains anchored in the professional logic.

A very important part of the construction of the new manager role is the feeling of exclusion/ inclusion in the management team (represented by the local partner group in Country office and by the Managing Partner and the manager group in Copenhagen office). A strong symbol of this is the set of tasks the managers are expected to handle, as we have also seen above in the encoding section above.

Anders from Country office puts it strongly:

“I loathe using time at \$300 an hour to solve petty conflicts, say, a small holding company (job) has to be planned, some junior has been double-booked and ‘oooh, how do we fix that?’. Then we have to dart around! I might as well go hang myself – it is so daft! – it is not what I used umpteen years to train myself for – it is because I am supposed to be good at directing people the right way, tell them what to do, find out what may motivate them and assign them to some cases”.

Interestingly, the department manager role in the limited administrative version, challenges Anders the accomplished – and high-achieving – professional, but, at the same time, also his idea of what a manager is supposed to do – even though it is clearly the ‘professional version’.

It also confirms what we mentioned above, that the administrative tasks that were at the core of the first versions of the manager role become serious obstacles for the enactment of a more comprehensive management script for the manager role, infused by a managerial logic.

Summary: Enactment of Scripts

We observe the managers and their colleagues enacting management scripts in very different ways despite the fact that the pressure to adopt the new logic, which emanates from the global head office of the firm, is very similar. The managers are even exposed to each other in training sessions and other encounters which provide the stage for interactive production and reproduction of the new scripts. As they practice the new scripts we see elements of the old scripts continually re-emerging and sometimes contradicting the intent and purpose of the new script. Over time, however, the integrative performance of the new script becomes more natural. We also observe significant differences between the Country and City sites, where the former lags significantly behind the latter in their progress toward integrating the scripts.

We also observe that the way the manager role is *cued* is very different between the two managers and the two offices. Thus, it is very difficult for Anders and his peers to balance the two logics and create a viable *identity* as

managers. The interaction with the partners in Country office is at best neutral, at worst directly adversarial to the maintenance of a manager role and scripts infused with the managerial logic. The Country partners in effect undermined the self-respect of the managers by not attending meetings, by not informing or involving the managers and by ignoring their needs for a meaningful dialogue about themselves. We don't interpret any malicious intent in these behaviors. On the contrary, the partners really seemed to want to support their managers. However, they seemed to replicate the behaviors of the "professional" script that they have over learned when they were young professionals. The behavior also effectively prevented the managers from experiencing their management script performances as *ongoing projects* because the inconstancy of the practice – like in the case of the management meetings. Another important aspect is the lack of dialogue about management performance, the lack of mutual retrospective sensemaking except in the small group of managers.

Even though the professional scripts remain evident in the Copenhagen office, the behaviors of partners, employees and the managers themselves are much more supportive of the manager role and the related scripts infused with a managerial logic. The partners offered role-modeling, the employees enact their roles in a way that sustain the manager role, and the managers themselves interact in a systematic way performing their roles in the management team. The managers are able to develop an identity as managers by the way the other actors interact. These individuals are engaged in a process of mutually collective reflection in which the actors are, at some degree of consciousness debating the relative merits of the new scripts. They ask, "What did we do, how did it work, and what will we do next?" This degree of internal and collective reflection on the merits and attributes of the old and new scripts complies with what Giddens (1990) refers to as "institutional reflexivity" and offers insight into the role of individuals and groups in sensemaking as an element of institutional work.

Replication and revision

A third stage in institutionalization is the processes by which actors revise, or chose to repeatedly follow, the existing scripts. Barley & Tolbert (1997, p. 102) write that conscious decisions to revise scripts are more likely to lead to institutional change than more random and less premeditated deviations. In the revision section below, we highlight three examples of conscious revision efforts of the management scripts from the case. Before we discuss these examples we will briefly deal with the replication of management scripts in the case.

Replicating deeply socialized scripts

In the examples of enactments of management scripts above, i.e. the development interview and the team meeting, we observe that Anders and colleagues are replicating a number of elements of the management behavior associated with the professional logic, similar to the observations of professional firms at the organizational level of analysis (Greenwood et al., 1990). The notion that a setting is highly institutionalized implies a high degree of script replication (Zucker, 1977; Barley & Tolbert, 1997). But we have seen that management scripts drawn from a professional logic sometimes actively subvert new practices by replicating old scripts. For example, the ‘expert role’ in the development interviews of Kevin, the ‘escape to the clients’ of Anders in a crisis. The actors go on replicating deeply institutionalized scripts even when overlapping new scripts are introduced, and most often without the actors being aware of it – and of course variation gradually grows from these encounters. However, as mentioned, the revision process is the most visible way actors endeavor to make sense in new ways. In the next section we show three instances of conscious revision from the case.

Revision of management scripts

During the research period, a process of formalization of the department manager role had begun in Country office. A first draft of a job-description had

been discussed in the general manager group including partners and managers. This is a very prominent example of how the managers try to make sense of the manager role. Being frustrated by the ambiguity of the lack of expectations expressed to them as managers, the managers felt compelled to act in order to make sense of the contradicting logics. So, for example, during the observation period the department manager group Anders belongs to challenged the partners on the issue of the missing job-description. After the first session of the management training the department managers urged the partners to arrange a meeting in order to discuss the manager role. The meeting was, reportedly, much longer than usual and featured only one topic; the department manager role. Anders recalls with ‘tongue in cheek’:

“And, well, we were – as a matter of fact - told what we are supposed to do (as managers). It was not exactly the same we were told when we left for the management training (two months earlier). At that time we were, by and large, expected to do everything. But now it was ‘a little different’. But that is all right.”

The major change was that the partners proposed that the managers should cut back on and delegate the routine tasks like control of the weekly reporting of hours and the like. The partners in the Country office were afraid that routine administrative work should crowd out billable work of the managers who were also certified senior accountants.

To make the process even more complex, the partners had engaged in an ongoing conversation about the manager role for years prior to this incident. Anders comments the process:

”But it is very telling of the situation, perhaps, that they had used a lot of time – and effort – in the process of making a draft for us (years ago). A job-description of the department manager role – they never presented it to us, isn’t it funny? I really think it is – you have to see this as a bit tragicomic, right? I have notes dating back from 1999 in which the former department managers (ask); ‘What is the department manager role?’ – they try to describe it in there.”

Thus we observe that the training program introduced in 2009 offered ‘revised general scripts’ in the form of the mentioned ‘management model’²⁴, the current department managers confront the partner group in the practice in order to get their role specified. In the process it is revealed that the partners have been working on this for a longer period. It seems that one catalyst has been the crisis in orders and slump in revenue, which have made it critical for the partners to specify and prioritize the resources used to maintain the department manager role – performed by costly high-level professional staff. While they just had added all the elements of the official ‘management model’ to everyday practice a few months in advance, they now pulled a brand new job-description from the drawer, which minimized the administrative routine tasks of the role.

The incident also shows that the process described above has been taking place ‘backstage’ (Goffman, 1974) in Country office even though it had surfaced much later than in Copenhagen office. In the process, the earlier quoted document sowed the seeds of a change in logics as far back as 1999. The managers state in the document favorable opinions towards the implementation of the department manager role:

“We are convinced that it is critical for a provincial office like this to strengthen management, especially the HR-management, in order to remain the market leader (and create growth and a profitable business in the future). Remember that management/leadership really is: Getting results through facilitating the performance of others”.

In the document it is recorded that the document was the product of two department manager meetings, that the partners had accepted the proposal and that an implementation process in the departments was scheduled. However, at the point of this study, the process seems to have rebounded to a status quo dominated by a professional logic. But the document remains an influence when it surfaces in the 2009 discussion between the managers and the partners.

²⁴ See model in Appendix 2

The parallel revision process in the Copenhagen office took place in the 1990's – as a partner who was active in the process explained:

“At that time we were very operations oriented; ‘hours and hours and nothing but hours’. And I had the idea that it was relevant to focus on many other things, and therefore I initiated a project. I thought that we should look into different criteria, different organizations of work in the practice then. The aim was to work with other things apart from ‘producing hours’ on the floor. It was very well received, and had full backing also from the management. There was a general feeling that it was necessary to work with some new things. As a consequence, a year later I had become eligible for a new generation in a department manager role.”

The difference in this process is that this surge in interest for new management practices in Copenhagen office continued to develop into the state in which we find the practice of Kevin. The actions of the respondent and his manager colleagues above constitute *disruptive* institutional work aimed at revising the management scripts of the organization. The partner is looking for scripts that makes more sense than the ‘hours, hours and hours’ and he begins to expand the scope of the manager role, revising the scripts that guides the sensemaking of managers in the organization. Like Anders and Kevin, he tries to verify an identity as manager that fits his self-image in for him a more sensible way. In fact, he co-creates the kind of manager role that matches his identity.

In these three examples of revision-processes we see how actors establish new boundaries to the role of manager. The actors draw on conceptions of management as something more than a subsidiary part of the role of being a professional – i.e. something beyond simply “putting in the hours” and being a “problem solver”. Instead, the actors draw on core elements of the managerial logic; specialization, clear boundaries, efficient division of labor. First and foremost a demand of filling the label ‘manager’ with the elements they associate with managerial responsibility and power. In other words the managers revise the scripts of the role in order to align this with their identity (Weick, 1995).

In all three instances a group of actors is mobilized in order to establish a new meaning that can become more than just the intents of the individual managers, but become a socially accepted and institutionalized managerial scripts (Weick, 1995; Seo & Creed, 2002). To do this all the three groups reflect retrospectively (Weick, 1995) on past practice and focus on the elements that seem contradictory to their actual experience. Practices that used to be legitimate and business as usual becomes controversial. We illustrate this by reversing the ‘wishes’ of the 1999 department manager group in Country office: “We are not involved in strategy and action planning, we are not involved in the budget, we have not a dialogue about daily management” implying that these omissions are taken-for-granted elements of the manager job. This is a 180 degree challenge of the partner centered management model.

Externalize and objectify

The final stage of institutionalization, according to Barley & Tolbert (1997), is the process of externalizing and objectifying the new scripts. Externalization and objectification is essentially a transition from a sensemaking at the interaction level to a symbolic construction of the new practice at the organizational and eventually the (field or societal) institutional level. Because of the inherent contradiction of logics, this is, as we have seen, not a straight forward process.

At present, the process of distancing the majority of partners’ from personnel responsibilities (as described in figure 2), are partly being rolled back. It was formally decided to reinstate the partners in a supervisory role inside the teams beside the department managers. In this way the sudden visibility or externalization of the contradictions between the two logics in the organization, creates a situation where ‘the professional logic pushes back’.

Ironically, this ‘new role’ of the partners are likely to commit the partners to the new management scripts because they will have to work and share responsibility with the department managers in enacting them. In this way the revised management scripts may become externalized and objectified at the

organizational level. The older ‘partner-owned teams’ are not likely to re-emerge even if many respondents expressed nostalgia for ‘the good old days’. It is simply not economical. Nevertheless, we were told the division of labor between managers and partners were ‘rolled back’ in Kevin’s practice in the way that a number of administrative tasks were returned to them, leaving them less time for the ‘real management’ work as Kevin mentioned in the account above.

Another crucial practice that makes the institutionalization of the manager role fragile in this case is the fact that most department managers are on a career track towards partnership, which means that after 3-5 years as department managers, the managing partner (or mentor) will urge the manager to leave the job in order to build up their client portfolio – what is termed ‘the business-case’ for their candidacy for partnership. Indeed, an indication that the professional-client focus is still the dominating perspective in the reproduction of the partnership and not the managerial skills and results (even though the latter are allegedly gradually is taken more into account in the so-called partner development process). Even if the department manager role and a more managerial organization seem to be enacted, as yet, the professional logic is far from subverted.

CONCLUSION

Our analysis has shown how scripts are used creatively to make sense of competing institutional logics. We observe that there is a degree of equifinality – i.e. individual differences – in how Anders and Kevin creatively used scripts from their traditional professional logic as well as the new managerial logic to creatively construct their new identities as department managers. We also observe important differences between the City and Country sites in the pace with which these actors were able to accommodate the demands of their new role. Despite these differences, however, there is a degree of commonality in how both department managers and actors in both sites experienced similar stages of institutionalization.

We see these differences and similarities as making three key contributions to our understanding of processes of institutional change. First, our results shed insight on the paradox of embedded agency in institutional theory – i.e. an explanation of how change can occur in a context where actors are cognitively captured by institutional pressures. The answer seems to rest in the interplay between the commonality and individual differences we observe in this case study.

Our observations demonstrate that, while the new managerial template offers a powerful force for isomorphic behavior, there is still considerable opportunity for individuals to interpret and creatively reconstruct scripts over time. Similarly, the local or group context introduces a degree of variation in how these isomorphic templates are interpreted by the actors. Our observations show considerable variation in the opportunity for actors to make sense of the new logic by creatively encoding, enacting, replicating and objectifying scripts. In this case, actors had considerable latitude in enacting their new identities, comparing them retrospectively with past practices, comparing them with new scripts and, generally, adopting a much more reflective stance on their everyday practices. We also see how these actors actively tried to revise the existing new scripts by inserting and integrating elements of old traditional scripts. Over time, however, we observe a gradual but inevitable movement toward adopting the new template of appropriate behavior.

Thus one contribution of our study is the finding that isomorphic behavior, when examined at the individual or interactive level of analysis, creates considerable space and opportunity for variation, interpretation and agency. The paradox of embedded agency, thus, disappears when we “inhabit” our institutions with individuals (Hallett & Ventresca, 2006).

The second contribution of our study is the observation that profound change, such as is required for shifts in institutional logics, occur very gradually. Our analysis demonstrates that the original encoding that provided the basis of the new managerial logic actually appears in documents some ten years prior to the

observation period. Moreover, even though the observation period spans two years, we still see the old templates and scripts emerging with considerable frequency. Our findings support the imagery of sedimentation (Cooper et al, 1996) or gradual change in which old and new scripts appear simultaneously and sometimes in hybrid form, and contradict the currently prevalent description of sharp junctures in institutional logics that occur in abbreviated time periods.

Moreover, our study demonstrates the powerful resilience of existing logics. In the target firm, archival documents suggest that the notion of adopting managerial scripts have been floating around for many decades, perhaps even thirty years. During the period of observation, when the pressure to adopt new scripts was systematic and quite intense, the old scripts kept reinserting themselves into everyday interactions, even without any conscious awareness or intent of the actors. A core finding, thus, is that because of the high resilience of institutionalized practices, shifts in logics are extremely fragile and highly dependent upon a very complex set of supportive local interactions as well as consistent and intense pressure to change exerted from sources high up in the target organization and from the broader institutional environment.

A final contribution of this study is to reassert the phenomenological underpinnings of institutional theory. It is somewhat surprising that, while we understand that institutions are phenomenological products, most studies of institutions adopt methods with “realist” assumptions. Studies of institutional logics, in particular, have suffered from the use of positivist methods to analyze interpretive processes. When viewed from the level of the organizational field, logics tend to be seen as reified social structures that exist quite independently from the people and the interactions that produce them. Our contribution, thus, is to provide an illustration of how we might adopt methods that are epistemologically consistent with our conceptualization of institutions as the product of social interaction.

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The Changing Psychological Contract in a PSF/Big 4 accounting firm – A challenge to employee sensemaking

Frans Bévort

ABSTRACT

The paper takes its point of departure in the fact Professional Service Firms (PSF) seem to be changing from a professional model of organizing to a more bureaucratic variant in organizing the production and delivery of professional services. This development has only been researched empirically to a limited extent at the level of the experience of the professional workers themselves. The paper focuses on the psychological contract as a way to analyze fundamental elements in the way individual professionals experience and make sense of this change. The study draws on data from a longitudinal ethnographic study of a PSF – a Big4 subsidiary. The paper concludes that the changes in sensemaking regarding the psychological contract in PSFs and the consequential changes in the HR-model may contribute to and explain the changes described in the extant PSF literature.

1. INTRODUCTION

A main research theme in the extant literature focusing on professional service firms (PSFs) is that a major shift has taken place in the interpretive schemes or archetypes that actors use to interpret the organizational and managerial practices in professional service firms (Nordenflycht, 2010; Greenwood et al, 1991; Cooper et al, 1996; Brock, 2006; Greenwood et al, 2006). The theme of this paper is how the employment contract in a broader sense is affected by the proposed institutional changes. The empirical contribution of the paper is that it provides rich empirical documentation of this change that is rarely available in the extent literature (for relevant exceptions; Alvesson & Kärreman, 2007; Dirsmith et al, 1998; Covalleski et al, 1997) using the psychological contract (Rousseau, 1995) as an example.

The psychological contract (Rousseau, 1995) in a knowledge intensive company is arguably even more important than in most other organizations (O'Neill & Adya, 2006, Robertson & Swan, 2004). One important reason for this is the inherent autonomy in the expert work carried out by professionals. That means that the professional knowledge workers have to fill out more 'blank spaces' (Rousseau 1995, Chaudry et al 2009) in the 'contract of work' than most other workers. This is traditionally only made possible by the extensive and long-lasting professional training and socialization (Maister, 2003, Anderson-Gough, 2002, Grey, 1998) that is central to the HR-model of PSFs (Richter et al, 2008). Arguably, this amounts to a highly institutionalized contract, which governs the mutual explicit as well as implicit expectations of the employment contract in a professional service firm (Rousseau, 1995, Sturges et al, 2006). It is a process where the aspirations of the employee ('Who do I want to be') meets the needs and ambitions of the organization ('What do we do and who are we').

A central argument I present in this paper is that the institutional change from a professional model towards more bureaucratic practices and thinking - exemplified by a new organization of work - fundamentally affects the basic HR-

model of the PSF. The result is that the basic sense (Weick, 1995, Chaudry et al, 2009) that employees make of their employment relations to the organization is challenged, including the way they construct their professional identities (Grey, 1998). This change creates experiences of discrepancies, ambiguity and dissonance as well as alternative options in terms of roles and identities. Alvesson & Wilmott (2002) argue that:

“Knowledge-intensive work, especially in the professional service sector, spawns conflicting loyalties between professional affiliation and organizational responsibility that compound difficulties in retaining bureaucratic means of control” (p. 623).

In this situation the organizations as well as professional employees are faced with the fact that “*the management of identity work becomes more salient and critical to the employment relationship*” (ibid, p. 623, emphasis in original).

Based on these views I discuss how the changes in the institutional framework – as enacted in the specific organizational context - may affect the psychological contract. A number of employee narratives describing the contract and other data from an ethnographic study of a PSF are used to exemplify this development.

The first finding is that the change in the organization model (‘archetype’, Greenwood et al, 1990, Cooper et al, 1996) described in the extant literature at the field and organizational level seems to affect the perception of the psychological contract in a PSF at the interaction level. Secondly I propose that the way the professional employees make sense of the psychological contract affect the organization (Weber & Glynn at al., 2006; Weick, 1995; Barley & Tolbert, 1997). Finally it is proposed that the changing psychological contract, gives way to new sensemaking (Weick, 1995, 2005) and ‘identity work’ (Alvesson & Willmott, 2002).

I then present elements of the accounts from professional employees about their perceptions of the psychological contract. The following section is an

analysis of the change in the organization of work, perceptions of the psychological contract, and the sensemaking of the psychological contract is presented. The last section discusses how the sensemaking of the professionals is challenged by the new contract (among other things: ‘deprivation of contract’). Finally in the conclusion the three propositions are revisited along with some concluding remarks.

2. PROFESSIONAL SERVICE FIRMS AND THE PSYCHOLOGICAL CONTRACT

Changing professional service firms

A professional service firm is characterized by being a knowledge intensive organization employing professional employees who provide highly specialized professional services to clients on a fee basis. Examples include law, accounting, and engineering firms. (Nordenflycht, 2010; Løwendahl, 2005; Brock, 1999; Greenwood et al, 1990).

PSF organizations share a number of common characteristics; they have a similar distinct governance structure, they share similar regulative contexts (in professional subdivisions even more pregnant e.g. accounting, law firms), similar characteristic HR-practices are found in these organizations and they are connected to professional associations. They also normally use a distinct ‘business model’ (Maister, 2003), and finally they share the professional elements; distinct skills and business ethics, which connect the organizations across the global market. Within the literature focusing on the Professional Service Firm as an organizational field (Richter et al., 2009, Brock et al., 2007; Brock, 2006; Cooper et al., 1996, Greenwood et al. 1990, among many others), have used the term archetype to define the institutional pressures that influence the internal conception of management in PSFs, e.g. the notions of appropriate governance structure, ethical conduct, support systems, management practice, roles etc. (Cooper et al., 1996). All these changes are perhaps most powerfully expressed in the change in the relation between the professional workers and their immediate

superiors – the relations between professional vis-a-vis, people managers and partners. The point stressed here is that these changes will inevitably affect the context within which the professionals and the managers perceive the psychological contract that governs their reciprocal expectations.

Changing psychological contracts can, according to Rousseau (1995), be understood as either caused by *contract drift*, *accommodation* or *transformation* (ibid., p.141-179). Drift is the change in contract that is caused by the development and change of the individual as a person. Accommodation and transformation are changes going on outside the employee that influences the contract. Even though the changes in management and organization are clearly deliberate and conscious in the case, the effects on the psychological contract are not, and could therefore be seen as gradual accommodation. However, the explicit as well as implicit changes of the contract in the case firm are more like what Rousseau calls ‘transformation’ (ibid., p. 160) in the view of the professional employees because they directly affect the relation between the professional and the organization, as will later be described in detail. Rousseau reports on the experiences of three partners from a Big 8 accounting firm who had been exposed to a merger and downsizing process that was radically changing their perception of the psychological contract: “Most would agree on what the old contract has been: loyalty, hard, work, and a long term future. The new contract was, however, less certain.” (ibid., p.173).

In the following I will, on the basis of the research data, argue that the move from a professional model to a more bureaucratic model has similar ‘transformational’ effects upon the psychological contract between professional employees and the organization in the PSF. While this may seem trivial, it is important to note that a PSF is highly reliant on its HR-model, its ability to “produce producers” in the words of Larson (1977) and Maister (2003) makes a similar point.

The psychological contract revisited

Before I continue with the argument, it is necessary to elaborate on the concept of the psychological contract. The study of the psychological contract between employer and employee is characterized by a focus on the individual's beliefs in the nature and content of the employment relationship. The psychological contract is seen by Rousseau as an inherently “psychological” micro-level concept (Rousseau 1998). Rousseau defines the psychological contract:

“The Psychological Contract is individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization.” (Rousseau 1995, p.9)

And again:

“The perception of mutuality, not necessarily mutuality in fact is the heart of the psychological contract (Rousseau 1998, p. 666)

The psychological contract is a theoretical construct that explains the way employees (and to some extent the organization represented by the managers) perceive the exchange relationship in terms of what is expected and what they feel obliged to. Empirically things will blur – formal obligations will be perceived differently, norms will be accepted or not etc.

However, there is good reason to see the contract as an element in the institutional set-up of an organization which again is influenced by the broader field-level institutional characteristics and pressures of isomorphism (DiMaggio & Powell, 1983). Viewing general changes in the employment contract as parallel to a global change in psychological contracts (Bévort et al, 1992; Rousseau 1998) is often seen in the literature e.g.: “The notion that the psychological contract between employee and employer has gained currency in the recent years as a means of understanding changes in the employment relationship (Sturges et al, 2005)”. Rousseau (1995, p. 219) seems to concur with this in the sense that she proposes that the general social contract is framing the interpretation of the psychological contract. The purpose here is more limited. I use the psychological

contract as defined by psychological as well as institutional elements. Weick (1995) uses the term ‘generic subjectivity’ to describe the connection between individual sensemaking with organizational and institutional frames. My view is that even though the psychological contract is made sense of individually, a large part of the sensemaking occurring in the contract making is directed by a common frame of organizational and institutional content and material. In other words, a large part of the contract is similar (isomorphic) for actors who share the same organizational and institutional frames, i.e. generically subjective.

Thus I use the psychological contract to designate the broad, mutual, mainly implicit expectations that employees and the organization direct toward each other in order to make sense of their work, purpose, and identity. The view is closer to the mentioned discussion in Sturges(et al., 2005) than the original formulation in Rousseau (1995). This contract is on the one hand institutionalized as a part of the professional model (or archetype) and on the other a focal point for the identity work and regulation of the organization (Alvesson & Willmott, 2002).

The psychological contract as sensemaking and identity work/regulation

Sensemaking theory seems an appropriate tool, when conceptualizing the psychological contract as a multi-faceted dialogue about mutual commitments between actors. According to Weick (Weick, 1995: p. 17) we create meaning to create and defend our identity – *who we are*; to make sense we need to be able to reflect upon our actions afterwards and create meaningful accounts of them, sensemaking is action – we have to do something to make sense – and to enact the sense we make, sensemaking is made in interaction with others – present or not – it is social, sensemaking is an ongoing process – a minimum of continuity is needed to make sense, we select cues to make sense of the world around us and finally sensemaking is all about credibility and plausibility as opposed to precision and factuality. The psychological contract is, in my view, far from the straight forward rational Barnardian contributions-inducements negotiation process

(Barnard, 1938). Illustrating the sensemaking elements, one could say that the contracting is a process which is an important element in the process of constituting the identities of the parties and ascribes powers and potential competencies to them (Rousseau, 1995). The mutual social expectations are a reference for evaluation of our actions. The contract creates a feeling of continuity and comprehensiveness in a fragmented work life and gives cues to the frames we make sense with. And most of all, the contract is about trust, not about accuracy.

Weick (1995) suggests, as mentioned, that 'identity' is one of the most important elements in the way we may sense of the world. We project our identity into the world in order to create a sensible context to live in. When the world changes we have to rework our identity and when our identities change the world is reconstructed (Weick 1995).

A concrete way of conceiving this in an organizational context is Alvesson & Willmott's (2002) idea of 'identity regulation' as a way that organizations control employees and constitute the organizations as distinct identities themselves. The notion builds on the assumption that the 'self-identity' of the employee is determining the kind of commitments, performance and sensemaking the employee will engage in (*ibid.*: p. 627). As the organization provides the context for this 'identity work', what can be seen as 'available discourses': "contingent upon gaining access to, and mobilizing, resources institutionalized in practices that are represented through such concepts as 'corporate cultures', 'work and professional ideologies', etc." (*ibid.*: p. 628). Alvesson & Willmott (2002) go on to emphasize that the interpretation and inventiveness of employees is important to count in, in the way identity work and identity regulation forms the self-identity of employees. The idea that the employees create their identity by drawing on the material available to them in the organizational and institutional context and that self-identity to a large extent is the basis of organizations and institutions is very useful. That is that the 'self-identity' of employees is suspended between the need of making sense of themselves and the identity needed by the organization

(Alvesson & Willmott 2002). Here, I will argue that the psychological contract can be seen as a very central mechanism in both identity regulation: ‘What identities are appropriate here’ and identity work: ‘Who am I/can I be in this kind of organization’.

For instance, the professional organization (Abbott, 1988, Larsson 1977), is to a large extent defined by the kind of professional identities that are accommodated, created and maintained in the organization (Grey 1998, Larsson 1977). The identity work, and the environment that regulates and constrains identity work, are critical for the perpetuation or disruption of the institutional practices and values of the organization. That is, the specific institutionalized character of the PSF organization. The proposition here is that the psychological contract embodies a very important part of the way professionals make sense of their identity as professionals.

An empirical research design

Chaudry et al (2009) have designed a model to analyze how employees make sense of changes in the psychological contract and proves a way to conceptualize exactly such changes of context of the psychological contract that this paper is concerned with:

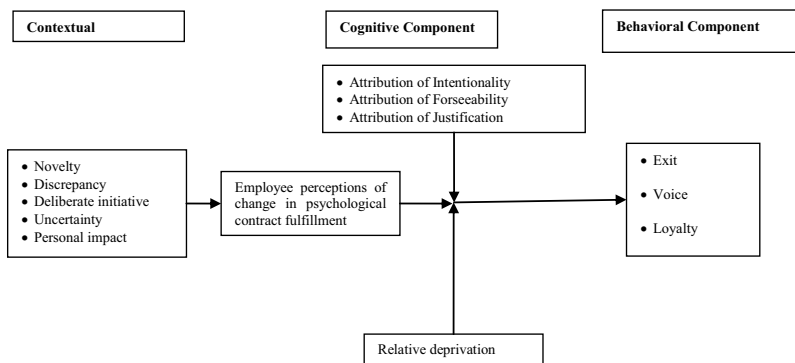


Figure 1. How employees make sense of changes in the psychological contract (Chaudry

The model distinguishes between what happens in the environment that affects the contract, the way the employees (and secondarily the employer) perceives the change and the resulting change in behavior. The main idea is to analyze how changes in the psychological contract affects the way people make sense of the psychological contract and the fulfillment of the psychological contract. While the model only superficially exploits Weick's ideas, the fundamental insight that a perceived discontinuity of a certain magnitude creates opportunities for new sensemaking, is preserved. In this context it provides an analytic framework to discuss the consequences of the changes in psychological contract in a PSF.

3. EVIDENCE FROM A PSF ETHNOGRAPHY

The following accounts from professionals are adding to a body of well documented changes in the field of PSFs, giving an interpretive input to the theorizing of the consequences of these changes. The focus of the chosen quotes is the changing relationship between professional employee and their immediate manager.

The Case

The case PSF is still dominated by accounting, but with a growing proportion of departments with other disciplines, providing advice to private enterprises and public organizations. Accounting creates app. 60% percent of the revenues. The company employs 2.400 people located in offices in 20 cities. The company services more than 13.000 clients. The management structure of the case company reflects the fact that it is a partnership. The partnership consists of 120 equity partners and 120 salaried partners. The formal management structure is made up of a board and a corporate management group. In addition to these, there is a Partners Council and a management team.

Methodology

The case-evidence is derived from an in-depth ethnographic study of managers and professionals²⁵ in the case PSF. The researcher is posted for a three year period in the case-company in order to do research in PSF-management. For background purposes, sixteen executive level managers have been interviewed in order to uncover and record their understanding of management behavior as it occurs in the case according to the actors. The interviews have been loosely thematically structured to support the managers' reflection on their own management behavior and the behavior they experience in the organization. However, the material that this study draws on in particular is in-depth interviews with four professionals who had scored a leadership survey two times during the preceding three years. The rationale of this particular selection was that this fact was likely to make them more sensitive to questions regarding their own needs for leadership, feedback and support from their managerial relations and thus exposing beliefs and expectations concerning their psychological contract. In addition, observations of eight development & performance evaluation interviews between managers and professionals and more than ten career-focused interviews

²⁵ Primarily accountants.

with managers which have provided a sizable amount of data on the perception of the psychological contract. The interviews have been recorded and documented by notes for the analyses.

Professionals describing the changing perceptions of the psychological contract

In the following a number of examples of accountants who have described how they see their relation to the organization and especially their manager are presented. The point is to document the propositions above about the changing manager role and the changing psychological contract.

The change of the management contract party

The immediate manager of the professional employee is the person who is responsible for professional development, performance and wellbeing. As we will see in more detail later the partner used to be that person. A senior professional employee explained how the structure and work organization has changed over the last 10 years:

“The structure was different at the time I was hired. I worked in a group of six people with a partner, a manager and a partner and four employees. And then we worked for that particular person only. That is, the partner was my boss and it was exclusively his clients who we worked with (...) And then he has to choose and decide what task gets priority. When, on the contrary, you have 2 different or even 8 different partners it is much more difficult every time when the tasks arrive to get them prioritized because each partner thinks their task is the most important. I think there is pros and cons of working for just one partner.”

The senior accountant here explains the move from the intimate simple form (Mintzberg 1983) to a more complex organization. And he explains the main rationale for the change – more efficient deployment of the human resources, and also explains some of the complexity of the new structure. The efficiency is achieved at the cost of coordination (Mintzberg 1983). Speaking of psychological

contracts this also illustrates the former relative intimacy between the professional and the partner we discussed above. The senior accountant goes on:

“Yes, yes, well it is quite obvious that when you worked for one partner only, you had a very close relationship to this partner while now you have a more superficial relationship to a number of partners.”

As we have discussed the structural move to compensate for the lack of relationship with the partner is the introduction of the department manager role. This role has been introduced in many guises in the last 15-20 years in the case firm. Despite this relatively long existence it has not become entirely taken-for-granted or institutionalized as the next quote will show.

Who is my manager?

The specific section from where the professional employees originate, had gone through two consecutive leadership surveys. This put an emphasis on who they perceived as their managers or contract party. A senior professional explains:

“Well now, yes, it is a general problem in the organization, I think, that it is very difficult to identify exactly who is your manager.”

And:

“...when you are a department manager you have an opinion about (each employee), but – I am not sure whether I want to share this – I think that generally speaking it is hard to tell – well, it is ok to be 30 people in a department and then there is a department manager you can ask to listen to your problems if you encounter any, and go through the development interview with. And it is he who gets all the job evaluation forms from the partners and he who discusses with others in the organization how I am and how I am doing professionally. But when you are on the job at the clients, you have a partner as your boss. And the partner is not part of the leadership survey. The job evaluations (from professional to partner) is not very helpful – they are useless. So my opinion is that it is a problem all over, that - it may be nice to have a good department manager, but as a matter of fact I have no clients together with him at all. And then you have a plethora of partners that you work for. That is, partners who have gone to the top because they are good

professionals, not necessarily because they are good leaders of men. It might be they are that too, but it is not these competencies that are emphasized: their HR-competencies, people skills – when you go for the top it is the professional skills...”

These quotes express how the manager-professional relation has become very complex from the point of view of the employee. While one had a close relation to a partner-owner who integrated power and legitimacy, one now has a web of relations where the department manager has a formal responsibility for one's career and professional well-being, while the manager only has an indirect knowledge of how one does professionally. Then the partners (and other job responsible senior-managers and managers (i.e. project managers)) have the direct contact with one in action, but don't have any responsibility (or direct incentive) for one's professional development or personal needs beside the task at hand. It goes without saying that this complicates the psychological contract immensely.

Another senior expresses similar concerns:

“Well, what disappears? The daily management actually, because you are left to your own devices. And still it is like you are responsible for doing something, at the end of the day. The manager I miss is the one who takes care of my professional development. That is for sure, it is the professional part. But I know they are putting more attention into that. Now many things are lost because nobody follows your development. I know, then again of course, they try to solve this by these job evaluations every time you have been with a client. And there you also have (to give) a job evaluation – so you act as manager yourself at another level. I think you lose the feeling that you work for a specific business organization. It all becomes small projects, a little like school assignments, you know.”

The quote confirms the view that the long-term professional relationship with a senior-level professional who follows one's career is missing and that it affects the experience of the professional. At the same time the many different client tasks create an exceedingly fragmented work experience. Professional development suffers in order to utilize resources more efficiently.

Direct entries in the new HR-model

A senior professional employee, who entered the organization after the abolishment of the small groups anchored to a single partner, explained that she never had a manager in the strict sense.

“(About the old model) Well, that was before they moved to this place, and I think that that actually has been their biggest challenge. Because of course, it has lot of advantages to work for many different people but it complicates the inclusion of newcomers. When I started, we were 20-30 new people who started at the same time. So...I don’t really have the feeling that I have a manager.”

She describes her manager as a distant and essentially formal entity who didn’t have professional or personal relevance to her. The partners she met while working on tasks never had time for or interest in a closer professional relation. While generally happy with the organization and the work, she was frustrated with the lack of interest in her development and career as a professional.

The changing professional career options (and HR-model)

One of the senior accountants described the general career situation like this:

“...this has really been discussed a lot. When I started it was more or less: “If don’t want to become a chartered accountant then you, strictly speaking, shouldn’t be here”. At one point, my manager said that he didn’t want to go back on the chartered accountant track and I think that was rather controversial move. At that time it was the route everyone was supposed to go. But now it is getting much more accepted that, well, you only want to study for eight years – that is ok. Actually, everybody doesn’t have to be chartered accountants. The challenge is, though, to communicate what options you have instead. Sometimes when you look at your older colleagues, who have stayed with the firm for an extended period, then you think: ‘Do I want to be in his position in 20 or 10 years?’”

This underlines the general move away from the ‘up-or-out’ model towards accepting more destinations for the accountants than the traditional partner track. This change has still not been entirely institutionalized in the case PSF. Although

the organization seems to praise diverse careers through anecdotes and storytelling, the appropriate career options is not defined or formalized in a systematic way.

4. THE CHANGING PSYCHOLOGICAL CONTRACT OF THE PSF

We have seen a number of general as well as more specific changes going on in the case PSF. Figure 2 shows schematically how the organization of managerial roles and the work organization have changed in the case PSF. This depiction is a generalized ‘snap-shot’ with all the imprecision this entails. Figure 2 serves the purpose of illustrating the complexity and the change in relations in the new organization of work.

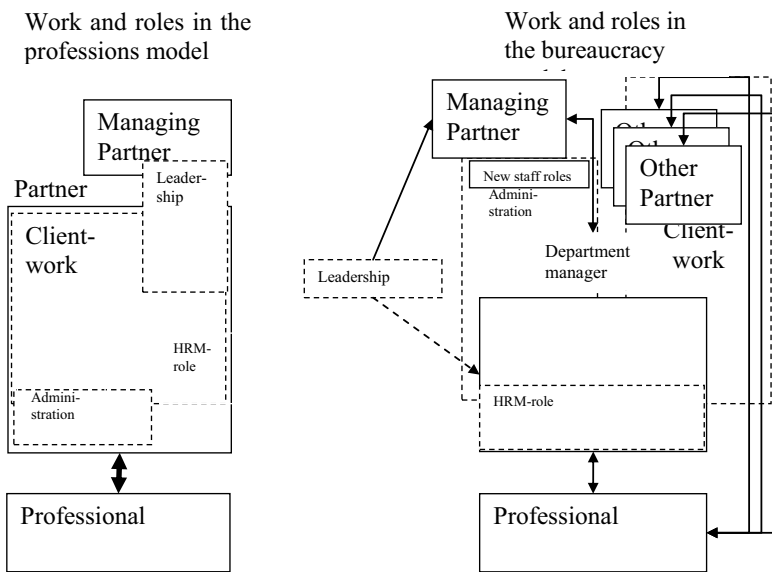


Figure 2 New roles and organization of work

As can be seen from Figure 2, the partner role is divided into a number of roles and tasks around a new organization of work. The professional employees do not any longer work with one partner but work for a number of partners on a

project basis. Instead, a team structure (departments) is designed, headed by a department manager. The department manager participates in a manager team and the managers report to the managing director. Besides the new department manager role, other roles are affected; the partner role has a much smaller people management component and is focused on client and businesses development, and the managing partner has more administrative responsibility. The point here is that a 'pseudo'-bureaucracy is in the making (Alvesson & Kärreman, 2007); featuring an internal hierarchy with the department managers and the managing partner plus some new staff roles. But still the partners are members the board of, and choose, the managing partner and executives concerning decisions about client work. I use the word 'pseudo'-bureaucracy because a lot features expected in a bureaucracy is not institutionalized; e.g. clearly described roles, unitary lines of command, documentation of procedures of decision-making and so forth. Thus, the organic and simple professional partner model is gradually being transformed to a more complex system of tasks and practices.

The overall change from an organizational model dominated by the professional partnership to a more bureaucratic and managerial focus is: concern about people management, a changing manager role, changing relations between employee and manager, more complex work relations, changing HR-model/career pattern. All these changes are present in the accounts of managers as well as the accounts presented by the interviewed professionals. The question is to what extent this amounts to a change in the psychological contract of the case PSF. In the table 1 the changes of the perception in the psychological contract described above, are summarized:

	<i>Perception of 'old' psychological contract</i>	<i>Perception of 'new' psychological contract</i>
Manager – professional relation	Intimacy Arbitrary/idiosyncratic relation Partner (the “leader”) (If existing) manager practical planner and problem solver	Distance (More) systematic relation Manager is the personal and professional link to organization. Partner (s) (and job responsible) supervising work
Legitimation	Taken-for-granted/socialized professional values	Rationalized by efficiency goals
Relations	1 partner Team 6-10 Possible colleagues 6-15	10+ partners Department manager Department 25+ Department – Section 25-450
Inculturation	Extensive socialization Partner participation	Diluted socialization (or direct entries) Colleagues (senior and less senior)
Tasks/Work	Less specialization Contacts with most clients categories and most professional tasks Uneven work load	More specialization Market and professional Workload more constant
Career as professional	Partnership track the rule (otherwise moving on to other forms “up-or-out”)	More options starting to become institutionalized: Specialist “Solist” remaining at same level with client portfolio Manager Job options in staff or other advisories

Table 1 The changing context of the psychological contract in the case PSF

Table 1 show that six different areas of the perception of the psychological contract seem to have changed according to the research data. First, and perhaps most fundamental, is the change in the relation between the professional and the managerial party representing the organization: From a very simple relation between a legitimate representative of the management - the partner and the professional – to a very complex relation with a range of partners and a formal and distant department manager. Interestingly, this also means that the management elements of the relation become more systematized in performance reviews, management training etc. The professionals become less dependent on the

personal idiosyncrasies of the partner. The manager-professional relation moves from a 'natural' implicit acceptance of the partner as the legitimate leader to a much more complex situation where organizations are forced to legitimize the new structure. This is rationalized partly by efficiency arguments and HR-arguments. The general web of relations around the professional is changing from a relatively limited number of relations to exposure to, in most cases, a much higher number of colleagues and partners. We have seen that socialization and professional training changes from being a central task of the partner to becoming the responsibility of low-level colleagues and department managers. The work load becomes more evenly distributed over time and the possibility of more functional and professional specialization become possible. Finally this also implies the decline of the up-or-out model, because a range of alternative career options become (gradually) legitimate. A general consequence of this is that the professionals are supplied with more options in terms of professional identity. In Alvesson & Willmott's (2002) terms, the identity regulation of the employees are changing from a narrow ideal of the 'professional' to a much broader set of appropriate professional identities.

Returning to the discussion of how context change affects the sensemaking of the psychological contract in figure 1 (Chaudry et al, 2009). The model mentions: *Novelty, discrepancy, deliberate initiative, uncertainty and personal impact*. The professionals differ in the sense that only those with more than 5 years seniority can relate to the relative novelty of the new structure. Nevertheless, the newcomers also compare with other organizations and both types of professionals comment on the fact that the relation to management is very loosely coupled (Weick, 2001). And this is interpreted as a deterioration of the psychological contract (Chaudry et al, 2009). The expectations of professional training and a focused career development are not met in the view of some of newer professionals, creating an experience *discrepancy*. The change of structure is clearly seen as a *deliberate initiative* rationalized by the efficiency gains achieved.

The fact that the variety of partners and client tasks that the professionals are expected to work with has exploded, creates a massive sense of *uncertainty* – especially for the professionals who arrived after the new structure was introduced. The professionals who have more seniority and are able to stick to a client segment or just a client portfolio are prone to feel less uncertainty. Finally, *personal impact* is important. The professionals in the study express without exception that they are very happy to work in the organization. And the effect of the new structure is varied. The professionals who have an underdeveloped network and a weaker socialization into the professional culture are apparently the most affected. At the same time some of the professionals see a positive personal impact in the new model for instance in terms of freedom and lack of interference from the partner level.

Looking at the *cognitive* component, it seems as if the intentions of the change are accepted by most managers and professionals in the study. What seems more worrying is that most of the actors who were asked are very insecure about what this is going to mean in the future. Also the broader justification of the changing psychological contract is difficult for the professionals to make sense of – and even some of the managers are concerned. The element of relative deprivation designates the extent to which the employees compare the psychological contract to their perception of other similar contracts. The accounts above give several examples of such deprivation in comparison to the traditional contract: 1. The lack of close relation to a professionally committed superior. 2. The growing complexity of collegial relations 3. The lack of clarity concerning what career opportunities are available. 4. The absence of systematic feedback on professional performance.

The *behavioral* component in figure 1 is not extensively covered by the data in the study. Attitude surveys in the firm show that the employees on most counts are satisfied with the working conditions, except for a widespread experience of lack of professional feedback. However *exit* may be an obvious reaction if the

sensemaking of the psychological contract continues to leaves the employees with a perception of deprivation.

5. CONCLUSION

We have seen how the organization of work changes the roles and relations of partners, managers and professional employees. A number of new roles are introduced; the department manager, the broader managing partner role, the partner without people-management responsibilities, and new staff roles. All these roles potentially impact the relation of the professional employee to the organization. At the same time, the new organization means that each employee will interact with 3-12 partners, the same or a higher number of clients, and a much larger number of colleagues. This also affects the way professionals are trained in the way that partners are withdrawn from most of the training activities and that the professional feedback is diluted. I have described this as having the character of a 'trans-formational' change as suggested by Rousseau (1995).

While the number of changes in the context of the psychological context is far from complete, it gives an indication how the often quoted changes in PSFs affecting the psychological contract are affecting everyday practice. It is not possible to say how general this development is in PSFs, but some evidence supports the observation that a version of this change can be found in a range of PSFs (Richter et al, 2008, Alvesson & Kärremann, 2007, Covaleski et al 1997) *at the level of everyday interaction in the practice of partners, managers and professional employees.*

Using the analytical model to analyze the way employees make sense of the psychological contract supplied by Chaudry et al (2009) we saw how the professional employees experience *discrepancy, uncertainty, cognitive dissonance and a level of relative deprivation* related to the psychological contract. The latter is emphasized by the dilution of the relation between employee and superior, the rising complexity of the relations to colleagues and project managers, the weak

communication of career opportunities and the erratic professional feedback on task performance.

This is documented by the accounts of the employees interviewed in the study. In this paper these observations are preliminarily supported by broader research data from the ethnographic case study and from the literature (Richter et al., 2009, Alvesson & Kärreman, 2007). More research will be necessary to give a more credible documentation of the general validity of these accounts. It seems likely that professionals who experience similar changes will experience the same kind of reactions, in terms of a changing experience of the psychological contract in a PSF, however different in their specific local content.

The paper has shown how the institutional change of the PSF is experienced at the level of the professional employee. It has analyzed the way this affects the way professional employees make sense of the psychological contract. These two observations lead to the view that something more fundamental is at stake. The psychological contract affects in many ways the professional identity of the employees. The mutual expectations of the contract contain both the desired identity on part of the employees as well as that of the organization. When the contract is changed, the identity work of employees is changed accordingly. And more than most organizations, the institutional aspect of PSFs are based on the professional identity of the professional employees. While the impact of these changes are not entirely clear at this point, it seems certain that the identity work become 'institutional work' (Lawrence & Suddaby, 2006) in the sense that the changed behavior will affect fundamental aspects of the organizations normative core (values, beliefs, traditions, etc.).

The theoretical contribution of the paper has been to expand the view of the psychological contract of an organization as a central vehicle for important elements of sensemaking and institutional maintenance as well as change (Weick 1995, Weber & Glynn 2006, Lawrence & Suddaby, 2006) The actions of the managers and employees will affect the psychological contract continuously and

their actions and non-actions can change the delicate balance of beliefs and expectations that the psychological contract embodies.

From a more practical perspective, the paper has highlighted the importance of the work and sensemaking that employees and managers alike perform in the maintenance and development of the very foundation of the organization. The psychological contract is more than a matter of intimate relations between manager and employee.

As Denise Rousseau (1995) amply puts it:

“Creating contracts that yield value-adding worker behavior and appropriate organizational support, is one mechanism for creating or restoring a sense of confidence, competence and common purpose” (ibid, p. 221).

And this may be an ongoing challenge for PSFs in the future, following the argument of this paper.

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Conclusion

In this dissertation I have examined how managers in an accounting firm as Deloitte make sense of what I have described as two ‘contradictory logics’ - the logics of Professionalism and the logic of Bureaucracy - in a situation of change. These logics are only two among many others, for instance the Market and the logics of the State (Freidson, 2001; Goodrick & Reay, 2011) are all important for an accounting firm like the one of the study. The logics are present in society as broadly shared ways of understanding and acting in the world (Friedland & Alford, 1991). Accountancies are historically deeply embedded in the Professional logic and their way of organizing and managing has developed according to this logic (Greenwood et al., 1990; Cooper et al., 1996). When the accountants are appointed managers, they face the same predicament as any specialist who assume managerial responsibilities in a manager role; the problem of relating and reflecting in the context of a dual set of meaning and action precepts. And when, as in the case of a professional service firm, the power relations between the two logics changes, it puts even more strain on the ability of the managers’ to cope with the contradictory logics and define their identity as managers in a meaningful manager role.

Thus, the contribution of the dissertation is to theorize and study empirically the triangular dynamics between the tension of professional and managerial logics, the emerging manager role and management scripts and the managers struggle to make sense with the logics and of the manager role and scripts in a professional service firm.

To do this I have had to combine the theoretical perspectives of institutional theory (DiMaggio & Powell, 1991), institutionalization/ structuration (Barley & Tolbert, 1997; Giddens, 1979, 1984) and sensemaking (Weick, 1995, 1979; Weick

et al., 2005) in a new way; an approach which makes it possible to study how institutional influences are created, assimilated and changed by the agency, cognition and emotional involvement of the actors (Bévort, 2012b; Bévort & Suddaby, 2012). Empirically, my study contributes to the existing gap in research into professional service firms literature (Suddaby, Greenwood & Wilderom, 2008) and the research into the micro-foundations of institutions (Powell & Colyvas; 2008; Zucker, 1991; Ackroyd & Muzio, 2007), by doing close-up studies of the interactions of the actors. To be able to document these findings I have had to undertake an extensive ethnographical study in which I have interviewed, observed, shadowed and lived together with the managers of the accounting firm I have studied.

In the following, I will try to consolidate and discuss the findings of the dissertation in five sections. First, I revisit the research question and the three research strategies I have applied to answer the question. In Next, I sum up the theoretical contribution the dissertation across the papers. Then I describe how the empirical findings adds to existing empirical research and contributes to open new areas of inquiry within the theoretical research traditions adhered to in the dissertation. And finally, I offer some reflections on the more general relevance of the findings for organization theory and management.

REVISITING THE GENERAL THEME OF THE DISSERTATION

The research question of the dissertation is, as will be recalled; ‘How do managers in a professional service firm make sense of contradictory logics’ of bureaucracy and professionalism. To answer that question, I have had to investigate the historical context the managers exist within, the ways management is understood by the managers, the specific changes management behavior the manager’s experience and how the manager understand themselves as managers (Bévort, 2012b).

The ‘why’ – the tension between contradictory logics

An accounting firm as the case-firm is embedded in a professional way of understanding what work, clients, value and, of course, management are about. However, as the dissertation has shown, this organizational specificity of the professional service firms seems to change. Elements of more hierarchic and bureaucratic management are beginning to make headway and one of these elements is a more formalized manager role. I show how the basic organization of work is changed (Bévort, 2012a) and the relation between the management and the employees (Bévort, 2012c). When the professionals have to work in these manager roles in the study they experience ambiguity and insecurity – ‘epistemic stress’ (Hallet, 2010; Bévort, 2012a; Bévort & Suddaby, 2012).

As one manager stated at a management training session:

“There is a lot of ambiguity: Who is the manager, at the project? Who is (manager) back home? The individual partner is probably still the most powerful. But therefore it is difficult to make decisions, there is no consensus.”

This double tension; the managers double-bind between being asked to act as managers, and partners who ask them to do that, act in ways that undermine the manager role and the accountant need for a manager with professional and hierarchical authority, is maybe the most critical for the development of professional service firm. At the core of this stands the fact that the psychological contract (Rousseau, 1995) or multidimensional barter (Bévort et al., 1992; Bévort & Sundbo, 1995) between a competent manager and a 21st century professional employee, is fundamental for the function of any organization, but even more so for an organization of knowledge workers like the case. And this contract is dependent on an able manager in a meaningful role.

The ‘what’ – the emerging manager role studied as changing scripts

The study shows that the general pressure towards traditional management does not affect all parts of the organization in the same way. The managers from

two settings that have been investigated in close-up studies react differently to the influence of the two logics. One is able to integrate the managerial and professional work in his performance of the management scripts, the other is reframing the performance of the manager role in line with the professional logic. By examining management ‘scripts’ - expected behaviors and reasons for e.g. team-meetings, the study has shown how differently the manager role gets enacted in the same organization (Bévort & Suddaby, 2012) and how this is part of gradually changing relations between the logics.

The study confirms that most general management scripts exist in the organization, but that they have a different meaning and content in according to what logic the manager uses as reference for their sensemaking. The management scripts become part of the local interaction order (Goffman, 1983) if the actors and especially the managers can make sense of them. The results also show, the identity of the managers (Abelson, 1981) is crucial for the willingness and ability of the managers to enact the scripts according to one logic or the other. And in this case the management scripts are slowly becoming dis-embedded from the professional logic, which is the fundamental meaning and action context for the managers.

The ‘how’ - making sense of management with logics

The managers I have studied in the dissertation have had to navigate two ways of understanding the world that in a number of aspects are contradictory when they perform the manager role. A main the result of the dissertation is to document and analyze this process in which the managers make use of elements of the available institutional logics to make sense of their work and identity. The study has ethnographically chased narratives of management in general and studied close-up how two managers and their social surroundings have made sense of this new manager role. This has documented the experienced stress and how the managers cope with this stressful situation and, in the same time, understand the

conditions of making sense of the new management practices (Bévort & Suddaby, 2012).

In the dissertation I show that the local context for establishing the manager role varies significantly. The study proposes that specific conditions enable or constrain the managers' possibilities for making sense of the manager role. I will emphasize three points which exemplify the cognitive effects of the institutional change this professional service firm is undergoing on the managers I have studied. Following the three sensemaking properties of Weick (1995): 'Grounded in identity, Social, Retrospective sensemaking', the results indicate the following basic conditions as critical for the professionals who become managers to make sense in the manager role:

First, it shows that the **identity** of the managers is a critical variable in understanding the way they make sense of the manager role. And in that connection, the conditions they have for establishing a meaningful identity as managers beside their identity as professionals are very important. Do the managers receive cues from their surroundings which underpin a meaningful identity as managers? For instance, the allocation of hours to do the job, the presence of credible role-models, the responsibility for 'real' management tasks are delegated to the managers?

Another condition, which I have found to be of great consequence for the sensemaking of the managers, is in which way the **social** surroundings support the creation of a meaningful manager role. Is the manager a part of general management or not, i.e. invited into broader strategic discussions in their unit? Do the managers have a group of 'manager peers' in which they can interact and support the sensemaking of the manager role? Equally important is the way the employees, in the team, interact with the manager. Do they support the manager role or exclusively a 'senior professional'? In Bévort & Suddaby (2012) we show how the behavior at two team meetings with the two managers reflected a

difference – not in authority – but in the employees’ basic conception of the two managers’ roles.

The third important condition for sensemaking I stress is the extent to which the managers are able to **reflect** retrospectively in a rich way upon management behavior and the manager role. The informal and systematic reflection with partners, peers and employees about what the management and the manager role is supposed to be have been very significant as a condition for sensemaking. Formally, this has been accomplished through leadership surveys, meeting structures, development interviews and management training²⁶. More informally, the exchange of experience between managers, local peer groups, and interaction with partner who were interested in the role. All of this has supported sensemaking through active reflection (Bévort & Suddaby, 2012).

As mentioned, the results show that these conditions are not present in a uniform way, or sometimes even in place at all, everywhere in the organization. It is important, however, not to take these results to show that if only these conditions had been present then ‘good managers’ and ‘management’ had prevailed. The point is that these are only the minimal conditions for the professionals to at all become aware of the manager role as a meaningful supplement to the professional role. The next step is that the specific managers take the initiative and make the effort it takes to make sense, despite the strong bias coming from the socialization of the professional logic. That is, when they chose to believe or accept that a manager role could be an attractive option beside the professional role, in spite of all the tension involved in doing so. In the case-firm many professionals who were managers tried to avoid doing management work as much as they could, protecting what they saw as most legitimate and important for their careers, their professional work. And this is where the professional culture strikes back. As one manager laconically stated:

²⁶ See the description of the new management model in Appendix 2

“What motivated me to become a manager? I have not chosen to become a manager!”

But at the end, this cynicism is not the only trend in the case. The examples of managers creating meaningful identities and performing scripts infused with the logic of bureaucracy (Bévort 2012a, Bévort & Suddaby, 2012), are evidence of how important the agency of the different actors is for institutional change to become ‘subjectively real’. The struggle we have seen with accepting ‘the internal’ – ‘the devil of bureaucracy’ as a relevant *professional* focus in a complex organization, has indicated that actors can actually escape the iron-cage of an entrenched logics partly by their own means. The managers I have studied have exercised the possibility of *praxis* (Benson, 1977; Seo & Creed, 2002) because the ambiguity of contradicting logics creates windows of opportunity for transforming the organizational reality.

THEORETICAL CONTRIBUTIONS

To explain the specific context of the case firm and the manager, I have had to consult theory which dealt with the professions and professional service firms. The contribution of the dissertation to the sociology of the profession is to confirm empirically the view of Abbott (1988), Freidson (1994; 2001) and others, that even though professions like accounting become more and more incorporated into an managerial organizational reality, they still preserve a lot of the characteristics and values of professionalism. Characteristics that I cannot see waning or becoming subsumed a managerial profession (Leicht & Fennel, 2001) in my data. In the case firm, the fundamental professional mindset is intact, even within accounting, which has sometimes been pointed out as one of the professions which is most vulnerable to de-skilling processes and commoditization (Hinings et al., 1999; Freidson, 1994).

The dissertation contributes to the PSF-literature by raising some questions about the conventional ‘archetype-change’ approach (Bevort, 2012a), while the main contribution to this literature is empirical, as I elaborate below. I see the

PSF-literature as often blind to the complexity of interaction that I find in the case firm. It is necessary to theorize the changes much closer to the actors themselves – e.g. on script-level - to gain a full understanding of the management changes taking place. In the case firm the professional logic has in no way vanished or been fundamentally transformed, even though some management scripts become infused with new logics. While a ‘reconstructed professional firm’ (Akroyd & Muzio, 2007) is not visible, the core of legitimacy and the organizational power is still anchored in the professional community of partners, even though a number of practices are visible. In my view the change has to be conceptualized in terms of contradictory logics (Bévort, 2012a) and individual sensemaking (Bévort & Suddaby, 2012).

Thus, the main theoretical contribution of the dissertation is to contribute to the on-going quest for understanding of the micro-foundations of institutions in institutional theory (DiMaggio & Powell, 1991). The understanding of actors’ cognitions and responses to changing and complex institutional logics (Greenwood et al., 2011) is not well understood. The clear-cut abstractions of a professional and a bureaucratic logic discussed in the dissertation, emerges in much more nuanced ways when we get into the interaction realm of the professionals who become managers. In fact they continually re-configure the logics to make sense and to further their ends. I document the different ways this reconfiguring of logics takes place at the interaction level, but also how the logics are already communicated in different translations from the prevailing managerial actors over a long historical period from the organizational level of the firm.

The institutional logics are configured in transient states representing the specific interpretations and enactment of the actors fitted to the context and conditions of their work (Goodrick & Reay, 2011). The results could suggest that local alternative ‘combination logics’ emerge and disappear at shorter cycles than the logics I have chosen to focus on in this treatment. One could also argue that the internal focus and exclusion of Market and State logics in the analyses leave

the image unfinished. A further analysis might include a greater multiplicity of logics (Greenwood et al., 2011) and at the same time highlight the extent to which local configurations organizational are continually created and changed. The ‘contradicting logics’- model (Figure 6) which never found its way to the papers described in the research design may, I think, show some promise in that respect.

Another contribution of the dissertation is to offer a way to use sensemaking theory (Weick, 1979; 1995; 2001, Weick et al. 2005) and still see the sensemaking process as embedded in an institutionalized context (Powell & Colyvas, 2008). While offering strong insights into how actors make their worlds meaningful, a weakness of sensemaking theory is that it is relatively silent about how the specific social worlds affect the sensemaking of actors. The approach taken here offers a superstructure to sensemaking theory via the script concept, which can deliver the social embeddedness of actors, lacking in most sensemaking inspired studies.

By using the structuration approach proposed by Barley & Tolbert (1997) and adopting the concept scripts, the analysis connects institutional logics with the sensemaking of actors. The combination approach creates cognitive links between the symbolic construction side of institutional logics (Friedland & Alford, 1991), the cognitive aspect of scripts and the obvious cognitive character of sensemaking. The same is the case with the material practice of logics, the ‘event sequences’ of scripts (Abelson, 1980) and the ‘enactment’ dimension of sensemaking (Weick, 1995). Institutional logics are seen as societal and field-level frameworks of symbolic constructions (meanings) and material practices (general action patterns). Scripts is seen as typified cognitive structures and behavioral patterns of sequences (or programs) of events (specific action patterns). Sensemaking is seen as interaction process in which actors attach meaning to individual and social action, by linking logics to scripts and contributing to new logics (Bévort, 2012b) The strength of using the script concept to combine logics with sensemaking is that scripts can be seen as a result of (organizational) sensemaking,

institutionalization and are at the same time carry links to institutional logics. Examining scripted behaviors have shown us how and to what extent actors make sense of the available logics in the case-firm.

The theoretical contribution is clearly positioned in the context of institutional theorists who try to incorporate notions of symbolic interactionism (Weber & Glynn, 2006; Glynn, 2008; Hallet & Ventresca, 2006; Binder, 2007; Hallet, 2010) and more generally, meaning and agency (Lawrence & Suddaby, 2006; Lawrence et al., 2009; Zilber, 2008, 2009; Kraatz, 2009), in institutional theory and research. But it is also clear that the focus this focus within institutional theory, and the dissertation on micro-interaction points to a renewed relevance of theoretical and empirical work within symbolic interactionism and sensemaking theory (Blumer, 1969; Weick 1969, 1995). And the heart of the dissertation remains attached to this kind of analysis. In my view, the recent great interest in Europe in Actor-Network analysis, and in general, Ethno-methodologically inspired work, are in fact all evidence of growing interest in research of how ‘actors in interaction artfully accomplishes to make sense of their everyday life’.

As a link to account of the empirical contribution below, I will stress that a contribution of this study is to reassert the phenomenological underpinnings of institutional theory (Meyer, 2008). While institutional theorists understand that institutions are phenomenological products, most studies of institutions adopt methods with “realist” assumptions. Studies of institutional logics, in particular, have been inclined to use positivist methods to analyze interpretive processes. When viewed from the level of the organizational field, logics tend to be seen as reified social structures that exist quite independently from the people and the interactions that produce them.

A theoretical/methodological contribution of the dissertation, thus, is to provide illustrations of how we might adopt methods that are epistemologically consistent with our conceptualization of institutions as the product of social interaction (Bévort, 2012b; Bévort, & Suddaby, 2012).

EMPIRICAL CONTRIBUTIONS

In the PSF-literature, most studies have been taking a macro-perspective on the changes within professional service firms. Suddaby, Greenwood & Wilderom (2008) state in the introduction to a recent special issue on professional service firms:

“...in our view (...) there is a considerable gap in our knowledge and understanding of the *internal* workings of contemporary professional service firms. We actually know relatively little about human resource and related practices within these firms...” (ibid., p. 990).

In Bévort (2012a); Bévort, (2012c), Bévort & Suddaby (2012), the papers document and analyze ‘the internal workings of contemporary professional service firm’ at the level of the individual managers and their context. The empirical results both confirm some of the predictions of the ‘archetype’ studies (Greenwood et al, 1990, Cooper et al., 1996; Brock, 2006) but also give new insights into to the micro-complexity of the change most often described at a more macro-level.

The dissertation makes a number of empirical findings that adds to our knowledge about the change of professional service firms. The papers in this dissertation show how great the inertia is in adopting practices stemming from a bureaucratic logic, maybe most strongly exemplified in the case of the new manager role (Bévort, 2012a). The papers of the dissertation also show how these changes challenge the partnership because the partner role changes when the daily management role is reduced to task-management (Bévort, 2012a) but also by the development of differentiated ‘bureaucratic roles’ for partners and other professionals in the case-firm. Another important observation is that the psychological contract between the organization and individual may be affected by the changes in the management model (Bévort, 2012c), eroding the all-important ‘producer-of-producers’ (Larson, 1977) function of a professional organization.

In a more general way, most empirical research informed by institutional theory has neglected the cognition of groups and individuals in institutional change (Bévort & Suddaby, 2012). In the general contribution section above, I have listed a number of empirical findings that address the cognition of the individual managers in connection with the changes in management in the case firm. Greenwood et al. (2011), state that the organizational responses to institutional complexity are very scantily understood. This study is about how an organization and its actors respond to institutional complexity created by broader institutional changes or changing influences of institutional logics. In Bévort & Suddaby (2012) we show how the managers experience ‘epistemic stress’ (Hallet, 2010) when they are exposed to contradictory logics and how this and the reactions of the managers affect the institutional change processes going on. In this way we ‘incarnate’ with the words of Tim Hallet (2010), the actors in institutional change and support empirically the view that it is necessary to research institutions as ‘inhabited’ by knowledgeable and competent actors in institutional analyses (Hallet & Ventresca, 2006; Binder, 2007; Hallet, 2010).

PERSPECTIVES FOR FURTHER RESEARCH, ORGANIZATION THEORY AND PRACTICE

Where do we go from here? As cited earlier, the strong proponent of sociological organizational theory, Charles Perrow (2000) expressed the view that Neo-institutional theory is one of two promising developments within the, in his view, generally rather bleak prospects for organizational theory. He states: “...with a proper role for *agency* and a bounded rationality informed by *cognitive psychology*, (NIT, ed.) seems to me to be our most promising development” (ibid., p. 474, emphasis added). One could add to that, that a better understanding of the *internal* processes of agency and cognition in organizations is needed. In the ‘old institutionalist’ studies (Selznick, 1949, 1957; Chandler, 1962) agency and the long-term processes in which organizations developed were driven by the interaction of competent, knowledgeable and inspired individuals. In my view, the

time has come to regain the sensitivity to these dynamics within organization theory. That is, the dynamics between the interactive world-creation of individuals and the situatedness or embeddedness that constrain or direct individuals in society and organizations.

An exciting excursion of my dissertation-work has been studying the ‘process sociology’ of Norbert Elias (2000), among other writings, the seminal work *‘The Civilizing Process’*. The power of the view is that he combined the development individual and society in an inherently intertwined process and described the development of the social as an achievement of interacting individuals. This was based on a Freud inspired ‘psychogenesis’ of society, based on the gradually more sophisticated of repression of instinctive impulses which he combines with a ‘sociogenesis’ of interacting individuals who unwittingly create the more and more complex structures of society - ‘figurations’ as he termed them. The thinking is in my view, very related to the ‘combination approach’ taken in the dissertation and also the ambition of Elias to show how societal changes are identifiable and analyzable at the level of individual behavior and interaction. I have for some time been working on a paper-idea with Roy Suddaby which takes the civilizing of the knights to courtiers at the French Courts in *‘The Civilizing Process’* as a parallel to the way autocratic partners become ‘civilized functionaries’ in a bureaucracy in the modern professional partnership. This is both a process which holds both new growth possibilities as well as painful repression of idiosyncratic impulses. My interest in Elias lies in the point that it is extremely important to see how historical social trends work through our most intimate interactions if we want to understand the way organizational behavior changes. Another important aspect is the idea of a long term historical process of ‘civilizing’ people into interrelated webs which matches – indeed is part of the – the complexity we experience in organizations. Some have interpreted this as an old-fashioned inclination to teleological and deterministic explanations. I still think that the duality of individual repression (of individual drives) and emancipation (through still more sophisticated social

interaction) is a convincing key to understand the way human civilization evolves with its spurts, regressions and detours (Marcuse, 2002; Freud, 2005). ‘Bureaucracy’ is but one example of how this ever more complex interdependency restrict our behavior in some ways but makes us free as individuals to do things which was impossible before. My study of the development of professional service firms has only made me more convinced of that.

Leaving Elias (and the broader analysis of civilization) aside, the point I will extract from his thinking is that we cannot properly understand complex macro-structural phenomena without understanding the processes of micro action, cognition and emotions, as also has for some time been stressed by the management thinker Ralph Stacey (2003, 2007). A related important research trend within management and organization theory²⁷ is the fact that the ‘organization’ as a phenomenon and level of analysis is coming back as legitimate and meaningful research object after being either deconstructed by post-modern social scientists or psychologized away by positivist (OB) psychologists for decades (Perrow, 2000). That is, the view that internal *organizational* processes, design and structure are important, also for sociologically informed research. Even, in most neo-institutional organizational research, organizations are treated as ‘black-box’-actors in an institutional field (Zucker, 1991). This dissertation, I hope, will support a movement towards studying the internal dynamics of organization in its specificity (March & Simon, 1958, Greenwood et al., 2011).

A vision of mine, which I hope is visible in dissertation, is to create more rigorous research into HR-related topics. It is striking that I have cited the work of next to none ‘HR-researchers’ to theorize and research my subject. It is a disgrace that the HR-research manage to define themselves outside the more general discussions within organizational theory. A striking observation, I have made in the study, is that HR-professionals may be the prime carriers of a ‘bureaucratic

²⁷ See for instance the recent preoccupation with ‘Organizational Design’, Miller, Greenwood & Prakash, 2009 and ‘Complexity’, Stacey, 2007; Greenwood et al., 2011).

logic' without even realizing the ramifications of that fact. HR-professionals often see themselves as 'anti-bureaucratic' progressives who fight for the 'obvious' benefits self-organizing and self-realization of employees. In my view this is self-deception more than anything else.

In my study the HR-people struggled, in an organization dominated by a professional logic, *because* they were immersed in bureaucratic thinking themselves. And the normative recommendations and analyses of main-stream HR-research only obscure this fact and miss the opportunity to discuss this conflict in a productive way. As I think is clear from the dissertation, I don't think 'management' or 'bureaucracy' is bad. I think they are inevitable locally embedded social phenomena we have to study critically and learn from the results. May HR-research re-gain that ambition!

A final, slightly dyspeptic, critique and comment, of which I may have made myself vulnerable, is that much theory based management and organizational research is in danger of abandoning practitioners, who then seek the company of well-meaning but in my view more or less vacuous 'New Age'-influenced gurus (e.g. Senge, 1988; Scharmer, 2009 or Cooperrider, 2007), or endless conventional recipe universalists (e.g. Kotter, 1996; Hammer & Champy, 2003; Peters & Waterman, 1982). This will surely be the case if no one really actively cares to inform practitioners with the insights of the more critical organizational theory.

To be able to do this, I think, it is crucial to leave the 'ivory tower' and meet, challenge and be challenged by practitioners in their own world. Either to do ethnographies, or to reality test or to inspire the theoretical wisdom we dream up in our arm chairs. Sometimes, as Kurt Lewin famously is quoted: "there is nothing as practical as a good theory". In my many years of teaching managers at Management and OT courses, I have experienced that management thinkers like Karl Weick and Ralph Stacey, however unlikely it may seem at face-value, actually provides new ways for practitioners to understand their own world and cope with their daily organizational life.

If '*Making sense of management with logics*', by combining institutional theory and sensemaking and supported by ethnographic research of professionals who become managers, delivers an increment of that inspiration, my work has not been wasted.

Resume (Abstract in Danish)

Ledelse i en professional service virksomhed som Deloitte er spændt op imellem flere grundlæggende hensyn og tænkemåder. Der er et marked hvor kunderne skal betjenes, konkurrenterne skal matches og overtrufes. Der er den store offentlighed, hvor revisionsfirmaer i stadig større grad bliver genstand for kritisk opmærksomhed som fællesskabets garanter for at de fælles spillereglerne bliver overholdt. Der er en stærk faglig kultur knyttet til det at være en del af et fagligt fællesskab, en profession og derudover er der et stigende fokus på hvordan de stadig større revisionsvirksomheder drives effektivt som organisationer, der sætter fokus på organisation og ledelse som et selvstændigt hensyn.

Det er primært modsætningen og samspillet mellem de sidste to 'interne' hensyn set som institutionelle logikker, som afhandlingens undersøgelse handler om – en professionel logik og en bureaukratisk logik. Hvor meget forskning i professionelle servicevirksomheder har fokuseret på hvordan generelle forandringer slår igennem denne specielle type organisation generelt, undersøger denne afhandling hvordan disse modsætninger mellem de to logikker slår igennem i den måde revisorer lever og fungerer med deres rolle som ledere: Hvordan skaber revisorer, der bliver ledere mening i disse modstridende logikker?

Afhandlingen behandler dette spørgsmål teoretisk ved at trække på eksisterende forskning i institutionelle forandringer og logikker, med fokus på den nyere forskning der fokuserer på mikro-processerne, der understøtter institutioner og konkretiserer hvordan institutionelle logikker slår igennem i aktørers meningsskabelse og praksis. Afhandlingen bidrager til denne forskning ved at trække på sensemaking teori og symbolsk interaktionisme. Undersøgelsen i afhandlingen består af en treårig etnografisk undersøgelse, hvor ledere på alle niveauer er blevet observeret og interview'et. Konkrete ledelsesprocesser og træningsprocesser er observeret gennem observation, skygning og deltagerobservation. Relevant arkiv materiale er blevet inddraget. Alle disse kilder

er blevet registreret og systematiseret og danner udgangspunkt for den gennemførte analyse.

Hovedresultaterne af undersøgelsen peger på at:

De institutionelle forandringer som forskningen i professionelle servicevirksomheder overordnet peger på kan genfindes på mikro-plan eller aktør-niveau i form af idealer, systemer, organiseringer og strukturer, der trækker på en 'bureaukratisk logik' og hvor udviklingen af en ny mellemliderrolle spiller en central rolle. Resultaterne viser at disse forandringer har betydelige konsekvenser, bl.a. for den grundlæggende psykologiske kontrakt mellem medarbejder og organisation i denne type virksomhed.

Forandringerne, som de fremtræder i casen, er mere komplekse og konfliktfyldte end litteraturen ofte lægger op til og i høj grad baseret på den måde aktører 'trækker på de eksisterende logikker' og de vilkår de lokalt gives for at gøre det. Dette gør det nødvendigt kigge på aktørernes interaktion for at forstå hvordan nye praksisser bliver institutionaliseret/ struktureret.

De forandringer i retningen af en ny ledelsesmodel, der findes i undersøgelsen, bygger på ledernes evne (og vilje) til at 'navigere' mellem de modstridende logikker på en måde så de kan etablere en lederidentitet, at der kan mobiliseres andre aktører, der støtter en ny måde at forstå ledelse på og at der skabes rum hvori der kan reflekteres over denne ledelsesforståelse. Denne evne (og vilje) er igen afhængig af at de lokale betingelser og interaktion understøtter disse meningsskabende handlinger.

Appendices

APPENDIX 1: MAP OF RELEVANT DATA-SOURCES AND THEIR LOCATION IN SPACE AND HIERARCHIC POSITION (INTERVIEWS AND OBSERVATIONS)

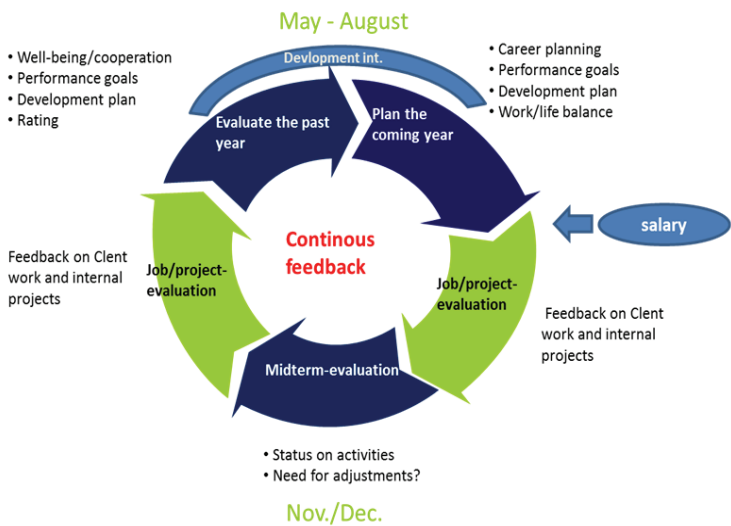
Board level: Former and Actual chairman of the partners council				Task related parallel titles :
Corporate management: CEO and two co-executives (Other practice-managers (managing partners) 6) Observations: Leadership seminar for all partners with 'commisions'. An information meeting with a group of managing partners about the management training				
Managing partner 'Countryside practice': Niels		Managing partner 'Big City practice' ('Locomotive'): 'Roger'		Equity partners Partner (Salaried)
Two other DMs in the practice	Dept. manager: 'Anders'	Dept. manager: 'Kevin'	One other DMs in the practice	Senior Manager/ Manager Senior
A rating meeting with the managing partner, the other EP and the 3 DMs + the HR-partner	Teammeeting 2 Dev. Interview 2 client meetings (5 days)	3 Dev. Interview 1 Dev. Interview: DM – MP/Partner (3 days)	1 Manager 2 seniors 1 Assistant	Senior Assistant/ Consultant Junior
	'Louise' (eventually) HR-partner for both practices			Non-core staff is using same titles except for staff executives who are titled (sometimes) 'director'
Other observations – department managers: A network day meeting with all the department managers in Copenhagen Two (two-day) sessions of the management training (mixed group – the three DMs from 'countryside' participated.				
All sources are recorded interviews, recorded observations + field notes and some pictures/video				

APPENDIX 2: LEADERSHIP MODEL (FROM TRAINING MATERIAL)

Dimension	Task focus	Competences
Strategy <ul style="list-style-type: none"> - gives direction and connects the organizational goals with the work of each employee - focus on overview, future and development 	<ul style="list-style-type: none"> • Strategy • Management by Objectives • Organizing 	Manages change <ul style="list-style-type: none"> - Can adapt and is flexible in situations of change
Management <ul style="list-style-type: none"> - Managing and optimizes processes and resources - Focuses on structure, monitoring and quality assurance 	<ul style="list-style-type: none"> • Process management and - optimizing • Monitoring and tracking • Internal communication 	Focused on results <ul style="list-style-type: none"> - Assumes responsibility for own deliveries and contributes actively to the delivery of team results
Relations <ul style="list-style-type: none"> - Facilitates and strengthens efficient cooperation - Focuses on involvement and dialogue 	<ul style="list-style-type: none"> • Cooperation in home unit • Cooperation with other units 	Communicates in a effective way <ul style="list-style-type: none"> - Communicates relevant information in an effective way
Performance <ul style="list-style-type: none"> - Improves the performance of each employee and ensures that we have the necessary competencies - Focuses on feedback, motivation and learning 	<ul style="list-style-type: none"> • Performance feedback and target tracking • Competence development • Employee satisfaction 	Manages projects <ul style="list-style-type: none"> - Plans and executes projects within deadlines and quality standards
Personal Leadership <ul style="list-style-type: none"> - Develops the personal dimension of leadership - Focuses on self-knowledge and self-development 	<ul style="list-style-type: none"> • Awareness of leadership style and the strengths and weaknesses as a leader • Displays enthusiasm, execution and drive • Seeks feedback and new insight • Are a role model 	Builds relations <ul style="list-style-type: none"> - Builds and maintains professional relations
		Develops others <ul style="list-style-type: none"> - Supports and contributes to others' professional development
		Self development <ul style="list-style-type: none"> - Continuously learns and improves own competencies

**APPENDIX 3 PERFORMANCE MANAGEMENT MODEL (FROM
INTERNAL COMMUNICATION)**

Performance management cycle



*Development and feedback are supposed to happen continuously
all year round*

**APPENDIX 4 DANISH MEMO (1ST PAGE INCLUDED), 20 PAGES,
DATED THE 30TH OF JUNY 1989.**

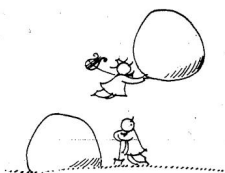
The 'Note' is titled: 'Note concerning the structure and style of management. A discussion paper'.

The paper analyzes and discusses the differences of management style and structure in Schøbel & Marholt and RFI respectively (See Three perspectives in Deloitte Denmark for the historic details). This is before the imminent merger between the two firms to become Deloitte in 1992.

After the analysis, the note goes on to describe the roles in the new organization from the Corporate management, Regional partners, Partners, Managing Partner and finally the Department Managers is described on three quarters of a page with the relatively routine and task-oriented focus described in Bévort (2012a), Bévort, 2012c) and chapter 4.

NOTAT VEDRØRENDE
LEDELSESSTRUKTUR OG STIL

DISKUSSIONSOPLÆG



OM AT VILLE KUNNE

Der er mangt, man ikke kan
og af mange grunde,
men som det dog kun kom an
på at ville, for at man
ville kunne kunne.

30/7 1989

- kompetence til tiden -

APPENDIX 5 DANISH MEMO (1ST PAGE INCLUDED), 8 PAGES, DATED THE 10TH OF NOVEMBER 1999.

Danish Memo (1st page included), 8 pages, dated the 10th of November 1999. It is addressed to the Partnergroup and the memo is sent from the group of department managers.

The title is '*The Department Manager Role in the Future*'.

The first line goes like this:

“There have been two meetings in the Department Managers group and we have reach an agreement of the way we wish the Department Managers role should be.”

The document describes the way the managers (with the partner's consent) see the role and division of labor between the department managers and the partners. As described in Bévort & Suddaby (2012) and chapter 4, this is a very ambitious vision for the manager role.

**Deloitte &
Touche**



AL'erna : GSP, UM, TK, XHU, LSP, KTN. + JE(BS)

Opbygget er i en god del af partnerkredsen
med alle roller som er indarbejdet.

Memo

X 20/11-1999
7

V. J. S. G. 78
J

Dato: 10.11.1999
Til: Partnerkredsen
Kopi:
Fra: Gruppen af AL'ere
Emne: AL-rolle fremover

Der har nu været afholdt to AL-møder. Resultatet af disse møder er at der nu opnået enighed om vores ønske til AL-rolle her i vores sektion.

Vores ønsker er defineret som følgende:

- Vi ønsker i tæt samarbejde med partnerkredsen at være med til at opstille, implementere og realisere sektionens strategier og handlingsplaner.
- Vi ønsker at deltage aktivt i dialog med partnerkredsen omkring den daglige ledelse af Slagelse og Sorø-kontorerne
- Vi ønsker som afdelingsledere at medvirke til at tage ansvar for at sektionens visioner og målsætninger og dermed at det samlede budget realiseres.
- Vi ønsker at tage medansvar for at Deloitte & Touche i Slagelse og Sorø også i fremtiden er en attraktiv arbejdsplads for alle i organisationen.
- Vi ønsker at AL-rolle er med til at udvikle os til at blive gode ledere i Deloitte & Touche og dermed kulturbærere
- Vi ønsker at partnerne får frigivet ressourcer til HR-forhold og intern- og ekstern markedsføring som vi mener at vi har et fælles ansvar for.

Vi er af den overbevisning, at en af de helt afgørende kriterier for at vi som provinskontor fortsat forbliver markedsledende (og er i stand til at skabe vækst og en rentabel virksomhed fremover) er at vi styrke ledelsen især på HR-området. Husk at ledelse = at nå resultater gennem andre menneskers indsats.

Det vil efter vores opfattelse styrke sektionen på en lang række punkter at AL-Rollen implementeres. Hvad taler for at indføre AL-rolle:

**Deloitte Touche
Tohmatsu**

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