

***How the Tiger Got Its Stripes: Understanding the
Role of Top Management Microprocesses in Hybrid
Organizing***

PhD dissertation

Jørn Bue Madsen

Aarhus BSS

Aarhus University

Department of Business Development and Technology

2023

Til min elskede familie Vivi, Louise og Marcus

Table of contents

Preface.....	6
Acknowledgements.....	7
Abstract (English).....	8
Abstract (Dansk).....	9
1. Introduction.....	11
1.1 The dissertation structure.....	11
1.2 Background and motivation.....	12
1.3 Research objectives.....	14
1.4 Theoretical background and key concepts.....	16
1.5 Empirical context.....	29
1.6 Research philosophy and methodology.....	37
1.7 Analysis.....	48
2. Paper 1.....	55
3. Paper 2.....	97
4. Paper 3.....	133
5. Discussion and conclusion.....	183
5.1 Overall contribution of the dissertation.....	184
5.2 Managerial implications.....	186
5.3 Limitations and suggestions for future research.....	187
5.4 Conclusion.....	188
References.....	189
Appendices.....	203
Appendix A. Co-author declarations for Paper 2.....	203
Appendix B. Co-author declarations for Paper 3.....	205

Preface

The inspiration for writing this dissertation came from experiences from my professional career, working with mergers and acquisitions (M&A). Over the past 20 years, I have held positions as board member, chairman and CEO in different companies in Denmark and internationally within the power, oil, wind, solar and gas industries. In this time, I have worked with many different aspects of the energy industry, although particularly with M&A and the integration of acquired companies, attempting to amalgamate different cultures, operations, missions, values, and beliefs (i.e., a variety of different businesses and people). I was puzzled by the question as to why most M&As fail (Christensen, Alton, Rising, & Waldeck, 2011) despite four decades of M&A research (Reis, Carvalho, & Ferreira, 2015). This was my initial motivation for engaging in this research project.

To obtain an understanding of the motives, strategies, and decision-making processes of the executives involved in the consolidation of the Danish power industry, I conducted an explorative pilot study of the consolidation of the industry over three months in the summer of 2020. I interviewed 21 executives from the industry, politicians, and former energy ministers in Denmark, the purpose of which was to develop an idea of the development and consolidation of the industry, trying to understand the thoughts, visions, and ambitions of the largest consolidators in the industry arising from the EU deregulation of the power industry in 1999. The overall phenomenon investigated in this dissertation is the role of management processes related to hybrid organizing, which can be understood as “activities, structures, processes and meanings by which organizations make sense of and combine multiple organizational forms” (Battilana & Lee, 2014, p. 397), as studied in the M&A context.

Acknowledgements

I have enjoyed writing this paper-based dissertation, albeit at times under large workloads of which I owe my wife Vivi, my daughter Louise, and my son Marcus a huge deal of gratitude for the becoming of this dissertation, and for their love, support, and understanding during the process. I particularly want to thank my co-supervisor, Ismail Gölgeci, for sharing his vast knowledge on how to write research papers, my co-author Ingo Kleindienst for invaluable support and great discussions, my supervisor Rene Chester Goduscheit for pushing me when needed, even if frustrating, in order to explore a large repertoire of possible research lenses, and Sven Kunisch for pivotal input and discussions on theory. Without your help and support, this dissertation would not have been completed. I want to express my gratitude to all the people from within the Danish power industry who willingly engaged with great enthusiasm, candor, and commitment in the many interviews carried out as part of this dissertation. First and foremost, I want to thank the executive team, the board of directors, and all the great people in Norlys for the support and trust I received while working on this project over the years. I want to emphasize how no data was kept from me, and I am grateful and deeply impressed with the openness and interest in sharing the many different types of data I asked for in the course of my investigation. Data of this depth and scope is very difficult to come by. Last but not least, I want to thank Norlys for funding the research; without it, it would have been impossible to complete this project.

Vejen, March 16, 2023



Jørn Bue Madsen

Abstract (English)

As growing numbers of companies face multiple stakeholder expectations, of which both societal and commercial goals present conditions that the top executives must navigate, it has become increasingly relevant and important to turn to the field of hybrid organizing and institutional logics. However, the literature on how microprocesses may affect hybrid organizing is scarce. To close this gap, this dissertation investigates how Top Management Team (TMT) microprocesses affect hybrid organizing. This is done through rare, intimate interviews with executives who were part of and closely related to the executive decisions, discussions, and events that transformed the case company from a not-for-profit to a hybrid organizational form over two decades.

The research is based on three research papers investigating microprocesses of “the becoming” of hybridity. The papers are positioned on a timeline, beginning with the first paper investigating the very early days of how the TMT responded to the introduction of a commercial institutional logic into an existing not-for-profit institutional context. The second research paper investigates how microprocesses among TMT executives affect the strategic direction of the company. The outset of the second research paper is, thus, where the first research paper concludes. The third research paper explores how the hybrid organizing processes are deployed at the organizational level, whereas the first two papers are concerned with processes at the level of the TMT and Board of Directors (BoD). This means that, on a timeline, the third research paper begins where the second research paper concludes. In that sense, the dissertation sums up a longitudinal study of hybrid organizing from the very start of introducing a commercial logic to an existing non-commercial context.

In sum, the study implies that managerial microprocesses play an important role in navigating hybrid organizing, and that interpersonal relations within the TMT, relative power, and individual ambitions in sum affect the strategic direction of the company. Further, when such processes and concepts are designed consciously, hybrid organizing may be supported by the BoD and eventually propagated at the organizational level.

Abstract (Dansk)

I takt med at flere og flere virksomheder står over for multiple krav og forventninger fra forskellige interessegrupper, med stigende relevans relevante for flere og flere virksomheder, hvoraf både samfundsmæssige og kommercielle mål er forhold, som topledere skal navigere i, er det blevet stadig vigtigt at interessere sig for hybrid organisering og institutionelle logikker. Litteraturen er imidlertid begrænset omkring, hvordan mikro-processer påvirker hybrid organisering. For at lukke dette gab i litteraturen, undersøger denne afhandling hvordan TMT-mikro-processer påvirker hybrid organisering. Dette er undersøgt gennem dybe og fortrolige interviews af topledere, som var en del af og tæt relateret til de beslutninger, diskussioner og begivenheder, der transformererede case-virksomheden fra en non-profit til en hybrid organisationsform over to årtier.

Forskningen er baseret på tre forskningsartikler, der undersøger mikro-processer omkring ”tilblivelsen” af hybrid organisering. Artiklerne er positioneret langs en tidslinje, begyndende med den første artikel, der undersøger den meget tidlige fase af, hvordan TMT reagerede på indsættelsen af en kommerciel institutionel logik, i en eksisterende ikke-for-profit institutionel kontekst. Det andet forskningspapir undersøger, hvordan mikro-processer i topledelsen påvirkede virksomhedens strategiske retning. Den anden forskningsartikel tager således sin begyndelse, hvor den første forskningsartikel afsluttes. Den tredje forskningsartikel undersøger, hvordan processerne for hybrid organisering implementeres på det organisatoriske niveau, hvor de to første artikler omhandler processer på TMT og bestyrelsesniveau (Board of Directors—BoD) niveau. Det betyder, at det tredje forskningspapir, i et tidslinjeperspektiv, begynder hvor det andet forskningspapir afsluttes.

Afhandlingen opsummerer et longitudinelt studie af hybrid organisering fra den første fase hvor en kommerciel logik induceres i en eksisterende ikke-kommerciel kontekst.

Sammenfattende peger forskningsprojektet på, at ledelsesmæssige mikro-processer spiller en vigtig rolle i hvordan hybrid organisering, tager form over tid, og at interpersonelle relationer i topledelsen, relativ magt og individuelle ambitioner i topledelsen, samlet set påvirker virksomhedens strategiske retning. Når sådanne processer og koncepter designes og anvendes bevidst ud fra en dybere indsigt i komplekse sociale sammenhænge, kan hybrid organisering opnå bestyrelsessupport og slutteligt påvirke det organisatorisk niveau.

1. Introduction

This chapter presents the background and my motivation for the dissertation together with the foundation for the research topic. It briefly introduces the research objectives and three research papers constituting the main parts of the dissertation. Finally, the introduction outlines the dissertation structure. In the following chapters, I draw on materials and quotes from my own research papers (Madsen, 2022a; Madsen, Gölgeci, & Goduscheit, 2022; Madsen & Kleindienst, 2022) and my unpublished practitioner paper (Madsen, 2022b) as well as the extant literature.

1.1 The dissertation structure

The structuring idea of the dissertation is built around a timeline metaphor. The dissertation is structured in five chapters. Table 1 presents an overview of the chapters and the objectives of each.

Table 1: Dissertation structure

Chapter	Content
Chapter 1	Introduction Purpose: This chapter presents the background and motivation for the dissertation, the overall research question, theoretical background, the research gaps, and research objectives. Further, the empirical contextual setting of the industry and the focal company is described, and the methodology and ontological stance is presented. Finally, an overview of the three research papers is outlined.
Chapter 2	Paper 1 “A look inside the hive: The role of executive relations affecting tensions in burgeoning hybrid organizing.” The research objective is to understand the role of interpersonal relations and tensions in the earliest phases of hybrid organizing.
Chapter 3	Paper 2 “Negotiated attention: An investigation of the formation of TMT attentional focus.” The purpose is to investigate how individual executives’ ambitions and relative power positions shape and form the attentional focus of the executive group.
Chapter 4	Paper 3 “Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid.” The objective is to understand how TMT practices affect the hybrid organizing process at the organizational level.
Chapter 5	Discussion and conclusion Purpose: A summary of main theoretical contributions from each research paper and an integrative model of the three research contributions is presented. Discussion of the practical implications and suggestions for future research avenues are addressed.

1.2 Background and motivation

I decided to go into detail about the context of the industry and case company, because I think context is of great importance toward understanding the institutional logics¹, history, and specific setting in the case company and industry. There are extensive traditions, culture, and feelings related to the Danish power industry. Being part of the consumer-owned industry has been something people were proud of. On one hand, the industry was built by brave visionaries, beginning some 150 years ago, entering unknown territory, and taking significant risks. The ambition was and remains to create an

¹ Institutional logics is defined in section 1.4

essential prerequisite of prosperity in society; access to energy *wherever* you are and no matter *who* you are. As time went by, the industry culture became characterized by rules, regulations, and the importance of operating the production systems efficiently. Maintaining high uptime—securing power to the consumers—was the primary objective. It is therefore important to understand the history and emergence of the power industry as the contextual setting informing the story about the focal company’s transformation, beginning with the deregulation of the European power industry in 1999 (Trong & Limann, 2009).

The focal company in this research project, Norlys a.m.b.a., is one of the largest consolidators in the Danish power industry, having conducted more than 40 mergers and acquisitions in the past two decades. Their interest in this industrial PhD project was based on a curiosity to develop new knowledge about how to improve M&A success rates and to understand the mechanisms at play when developing a consumer-owned cooperative of not-for-profit logic (NFPL) into commercial activities comprising a for-profit-logic (FPL), resulting in a hybrid organizational form (Battilana & Lee, 2014). The findings in this research project are therefore of great importance to the focal company, as they continue to pursue a growth strategy via M&A and expansion into new businesses.

Examining data from the explorative pilot study about the consolidation of the Danish power industry, an interesting topic emerged around the processes of how the executive team experienced and navigated abruptly changing market conditions, followed by the deregulation of the power market in Europe in 1999. This inspired me to consult the literature on institutional logic and sparked my interest in investigating the microprocesses² about how a new commercial awareness in the top management team transformed the company from a regulated, non-profit organizational form to a hybrid organizational form.

I was puzzled as to how a 150-year-old institution characterized by NFPL navigated the transformation into a hybrid organizational form relatively quickly. I discovered that the institutional logic in the TMT and BoD played a significant role in the company development from 2009–2021, but I did not understand what was going on inside the “black boxes” during this transformation. I asked myself, “How was the institutional logic formed and shaped?”, “How was it possible for apparently opposing logics to coexist?”, “How were these changed managed—and what did it mean for the company’s strategic development?” This led to the focal interest of this dissertation.

² Microprocesses is defined in section 1.4

This dissertation is a qualitative case study investigating the role of institutional logics, with the TMT as the unit of analysis. The project is aimed at contributing to research on “the becoming” of hybrid organizing (Battilana & Lee, 2014; Denis, Ferlie, & Van Gestel, 2015; Friedman & Carmeli, 2017); more precisely, how TMT microprocesses affect the transformation of a not-for-profit into a hybrid organizational form.

The motivations for this dissertation are multiple: First, more and more companies are facing a multitude of stakeholder expectations, such as pursuing profit, facing political consumers guided by corporate social expectations, environmental sustainability, and the role and responsibility companies play in societal missions (Margolis & Walsh, 2003; Mitzinneck & Besharov, 2019; Pache & Santos, 2010). Boundaries are blurring, challenging the TMT to deal with a complex plurality of interests and practices. This explains the current global development toward an increasing number of companies becoming hybrids, challenged by navigating multiple institutional logics (Battilana & Lee, 2014), which is why the subject has become increasingly relevant in recent years.

Secondly, practitioners and scholars alike have searched for decades for new organizational structures and strategies addressing complex problems pertaining to technological innovations, educational improvements, poverty reduction, environmental sustainability, and public health (Jay, 2013). Several scholars suggest combining a multitude of institutional logics as a way of stimulating innovation and helping to overcome the barriers to improving such important societal and industrial challenges (Murray, 2010; Reay & Hinings, 2009). Further, recent research by Boudes, Pinz, and Kreutzer (2020) argues that mixing multiple logics through hybrid organizing has the potential to help decision-makers to respond simultaneously to opposing the economic and societal goals that can go unmet when following the individual institutional logics that can involve the pursuit of conflicting objectives.

Thirdly, following a multitude of institutional logics simultaneously is renowned for being a root cause of conflict, tension, and paradox, causing mission drift, cognitive confusion, and performance loss (Boone, Özcan, & Li, 2021). Better understanding of these phenomena might advance research in the field of hybrid organizing, and possibly help executives to navigate such dilemmas more efficiently and.

1.3 Research objectives

This dissertation attempts to advance research and our understanding of the “becoming” of hybrid organizing, more specifically how TMT microprocesses may support or inhibit hybrid organizing. We investigate the phenomenon unfolding in the TMT by drawing on the lived experiences of

executives who have participated in the transformational processes before, during, and after significant events in the focal company's history. The dissertation addresses three research gaps identified in the hybrid organizing literature, drawing on appropriate theoretical lenses investigating the deficits. There are several gaps at the crossroads between hybrid organizing, TMT processes, and strategic shift; this section summarizes the three most important of these gaps.

First, despite intense research on hybrid organizing (Battilana & Lee, 2014; Boone et al., 2021; Lewis, 2000; Lüscher & Lewis, 2008; Schad, Lewis, Raisch, & Smith, 2016; Smith & Lewis, 2011), the literature is scarce on the burgeoning micro-level hybrid organizing process, from the very early days of inducing a new institutional logic into an existing institutional logic (Dufays & Huybrechts, 2016; Lee & Battilana, 2020; Rasmussen, 2011). Addressing this lacuna in the literature is the first main research objective in this dissertation, addressed in the first research paper: "A look inside the hive: The role of executive relations affecting tensions in burgeoning hybrid organizing."

Secondly, research on hybrid organizing is primarily concerned with how a multitude of institutional logics may co-exist (or not) and how executives may navigate them. Boudes, Pinz, and Kreutzer (2020) extend the value of hybrid organizing, arguing that mixing dual logics may help managers to solve opposing organizational challenges (e.g., simultaneously societal and commercial goals) that individual logics may be unable to solve. This indicates how hybrid organizing may have a valuable role to play in managing strategic shifts, which at the core may involve new and opposing objectives. However, the connection between strategic shifts, hybrid organizing, and the role individuals play herein is under-explored in the literature, see Bunderson and Sutcliffe (2002); Díaz-Fernández, González- Rodríguez, and Simonetti (2020); Li and Jones (2018); Tanikawa and Jung (2019). This is the second main research objective in this dissertation, addressed in the second research paper: "Negotiated attention: An investigation of the formation of TMT attentional focus."

Thirdly, the literature has dealt extensively with the outcome of hybrid organizing known for causing mission drift, confusion, and performance losses (Boone et al., 2021), and research investigating the formation of hybrid organizing has received increased academic attention in recent years (Battilana & Lee, 2014; Jay, 2013; Pache & Santos, 2013). At the same time, the research on management practices has been thoroughly scrutinized (Jarzabkowski, Balogun, & Seidl, 2007; Katz, 1974; Visnjic, Jovanovic, & Raisch, 2021), and few scholars have been found to investigate what type of practices may affect hybrid organizing (for an exception, see Jennings and Greenwood (2003)). To my knowledge, however, there is no literature on how executive practices may support or suppress hybrid organizing (Pache & Santos, 2013). Hence, research on how TMT practices

possibly influence hybrid organizing is under-explored in the literature. This is the third main research objective in this dissertation, addressed in the third research paper: “Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid.”

Based on these three identified research gaps, the overall research question guiding the dissertation has been formulated as:

How do top executives manage multiple logics in their organizations during hybridization?

This overarching research question is divided into three separate research questions addressed in the appended research papers:

Paper 1: How do executive relations affect navigating paradoxes and tensions experienced during the first infusion of an external FPL into an existing NFPL context?

Paper 2: How is attentional focus formed within the TMT?

Paper 3: How do TMT practices influence organizational transformation from a not-for-profit to a hybrid form of organization?

1.4 Theoretical background and key concepts

This chapter provides an overview of the hybrid organizing literature and the theoretical lenses used in the study, the objective of which is to position the dissertation in the relevant research fields. The chapter further addresses the identified research gaps.

Organizations are studied in a multitude of fields, including sociology, psychology, anthropology, economy, and politics. To answer the research question, I adopted a perspective including multiple theoretical lenses adopted from different fields. This is based on the idea that investigating organizational phenomena in the social sciences may benefit from different theoretical lenses and combining a multitude of lenses to produce a richer and broader understanding of the phenomenon (Blaikie & Priest, 2017; Eisenhardt, 1989; Lewis & Kelemen, 2002).

1.4.1 Hybrid organizations, hybrid organizing, and institutional logics

In this dissertation, I understand institutional logics as defined by (Thornton & Ocasio, 2008, p. 101): “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.”

Institutional logics guide decision-making and situated actions (Ocasio, Thornton, & Lounsbury, 2017). As such, an institutional logic provides the informal and formal rules of interpretation, interaction, and action that constrain and guide decision-makers dealing with their organizational tasks (Thornton & Ocasio, 1999). This means that when an organization is infused with a different institutional logic, organizational actors may become confused about which set of institutional logics to follow, which helps to explain the subsequent tension, conflict and paradox (Boone et al., 2021). In general, values, beliefs, norms, legitimacy, attention, authority, and identity can be viewed as the “building blocks” of institutional logics (Thornton, Ocasio, & Lounsbury, 2012).

A hybrid organization is defined as an organization “that combines different institutional logics in unprecedented ways” (Battilana & Dorado, 2010, p. 1419). In that vein, organizational actors follow the logic to which they conform, which enables them to make sense of their social world and thereafter contribute to it or affect a transformation of it (Dufays & Huybrechts, 2016). Hybrid organizations have been investigated through different lenses, including power, organizational forms, culture, and identity (Battilana & Lee, 2014; Greenwood, Díaz, Li, & Lorente, 2010; Thornton & Ocasio, 1999).

The interest in this field of research has grown significantly since the seminal paper on the topic by Friedland and Alford (1991). With the growing relevance in mind, the field of hybrid organizing has been investigated at different analytical levels (Battilana & Lee, 2014; Besharov & Smith, 2014; Boone et al., 2021; Jay, 2013; Lüscher & Lewis, 2008; Medved et al., 2001; Smith & Lewis, 2011) through a variety of different theoretical lenses and combinations hereof, including sense-making (Maitlis & Christianson, 2014), paradox theory (Jay, 2013; Lewis, 2000), identity (Smith & Besharov, 2019), dialectics (Putnam, Fairhurst, & Banghart, 2016), and power (Besharov & Smith, 2014).

Hybrid organizing is defined as the “activities, structures, processes and meanings by which organizations make sense of and combine multiple organizational forms” (Battilana & Lee, 2014, p. 397). In other words, hybrid organizing can be understood as organizational processes whereby elements and concepts from different institutional logics are combined simultaneously (de Mon, Gabaldón, & Nuñez, 2021). Research in the past two decades has focus predominantly on the outcome of hybrid organizing, known for causing confusion, loss of performance and mission drift (Boone et al., 2021), and in the past decade more intensively on the hybrid organizing processes (Battilana & Lee, 2014; Jay, 2013; Pache & Santos, 2013). Although research on management practices relating to organizational change has been intense in the past three decades (Jarzabkowski et al., 2007; Katz,

1974; Visnjic et al., 2021), the literature is completely silent on how management practices affect hybrid organizing.

Despite a plethora of research on hybrid organizing, hybridity, paradox, and tensions (Battilana & Lee, 2014; Boone et al., 2021; Lewis, 2000; Lüscher & Lewis, 2008; Schad et al., 2016; Smith & Lewis, 2011), the literature is scarce on “the becoming” of hybrid organizing and how TMT microprocesses, shape and form how multiple logics are navigated (Dufays & Huybrechts, 2016; Lee & Battilana, 2020; Rasmussen, 2011). In that context, microprocesses are defined as processes that “are rooted in individual actions and interactions involving behavioral, cognitive and emotional mechanisms” (Srouf, Shefer, & Carmeli, 2022, p. 1).

While institutional logics have received considerable attention at the field level, they have not been sufficiently investigated at the group or inter-individual levels (Dufays & Huybrechts, 2016). In that vein, scholars have recognized the role of groups and individuals as affecting the organizational responses to conflicting logics (Bjerregaard & Jonasson, 2014). This calls for further attention to micro-level dynamics in institutional theory (Dorado, 2013; Fine & Hallett, 2014).

1.4.2 Paradox, tensions, and interpersonal relations

The concept of paradox has been of interest to both Eastern and Western philosophy since ancient times. It can be understood as opposing poles that do not make sense, juxtaposed at the same time, nevertheless, existing because of their counterpart; yin versus yang, bad versus good (Lewis, 2000; Schad et al., 2016). Ontologically, a paradox can be understood as a concept constructed by individuals emerging from polarized social and cognitive constructions (Smith & Lewis, 2011), based on their thoughts, actions, and beliefs (Ford & Backoff, 1988).

Smith and Lewis (2011, p. 382) define a paradox “as contradictory yet interrelated elements that exist simultaneously and persist over time.” They argue tension and conflict to be underlying companions of paradox, where tension is defined as “two phenomena in a dynamic relationship that involve both competition and complementarity” (Epstein, Buhovac, & Yuthas, 2015, p. 37), which lends meaning to the relationship between two or more individuals as the dissonance between their values and beliefs (Smith & Tushman, 2005).

To add to the debate on hybrid organizing, scholars argue that paradox and tension may occur at the individual, group, and organizational levels (Medved et al., 2001), and recent research by van Helvert-Beugels, Nordqvist, and Flören (2020) posits that emotions and interpersonal relations may affect individual responses to paradox and conflict, which adds yet another dimension to why navigating multiple, opposing logics simultaneously is a challenge when trying to understand hybrid

organizing. This is echoed by Schad et al. (2016, p. 40), who call for further research casting light on the role of emotions; “early studies highlight emotions as critical in surfacing and thwarting paradox, but we still know relatively little about the variations of their role.”

Dutton and Heaphy (2003, p. 264) argue that “organizations depend on individuals to interact and form connections to accomplish the work of the organization.” However, human relations are characterized by differences in nature (Finkel, Simpson, & Eastwick, 2017); for example, “conflict, hostility, sexual attraction, friendship, loyalty, or economic exchange ... the definition does not specify whether the relation of the actors is co-operative or the opposite” (Mucha, 2006, p. 123). Carmeli, Jones, and Binyamin (2016, p. 49) have defined a concept of relational caring: “Caring for another person is about expressing concern about him or her. Care in relationships among organizational members is characterized by mutuality, active empathy, access to help among team members, lenient judgment toward participants in the team, and courage.” Dutton and Heaphy (2003, p. 263) define an interpersonal relationship as “Human connections (of) ... individuals to interact and form connections to accomplish the work of the organization.” Hence, an interpersonal relationship can be attributed to a taxonomy that is referred to as “an emotional relationship” (Carmeli et al., 2016) or a “work relationship” (Dutton & Heaphy, 2003). Despite an abundance of research on interpersonal relations in recent decades, particularly within psychology (Carmeli et al., 2016; Heider, 1958; Kelley, Berscheid, Christensen, Harvey, & Huston, 1983; Simons & Peterson, 2000), the literature is silent on the role played by interpersonal relations (and how they connect to one another) in the hybrid organizing process.

1.4.3 Power and attention

When executives are confronted by dual logics, it is often due to changes in corporate strategy, such as shifting from a societal mission and societal goals toward societal and commercial goals (Kraatz & Block, 2008) “thus, a study of hybridity needs to focus not only on the management level but also strategic level” (Knutsson & Thomasson, 2017, p. 435). This indicates an interconnection between the TMT, strategic shifts, and engagement in hybrid organizing. Early research on strategic shifts focused on upper echelon theory, referring to the educational background, industry tenure, age, and career background of executives (Hambrick & Mason, 1984) as pivotal elements of understanding strategic shifts (Ocasio, 1997) later introduced the attention-based view of the firm, arguing “what decision-makers do depends on what issues and answers they focus their attention on.” (Ocasio, 1997, p. 188).

Recent research within the field of executive behavior (Li & Jones, 2018; Tanikawa & Jung, 2019) has found relative power relations within the TMT to affect the formation of the strategic shift, as echoed by Carmeli and Schaubroeck (2006) and Bowman and Kakabadse (1997), arguing that TMT power disparity may affect decision-making and, hence, influence strategic shift. From the literature summary by Finkelstein, Hambrick, and Cannella-Jr (2009), we know that the personal motivations and ambitions of individual actors are often interconnected, influencing strategic shift. However, despite researchers having investigated TMT processes relating to strategic shift from such different perspectives, the literature fails to consider how the micro-level mechanisms unfold and how individual ambitions and relative power positions may relate to each other, all of which affects the group-level attentional focus and, ultimately, the strategic shift (Tanikawa & Jung, 2019).

1.4.4 TMTs and management practices

TMTs and BoDs are at the apex of the organization, rendering them the most dominant coalitions influencing the strategy formation in their respective organizations (Hambrick & Mason, 1984; Peterson, Smith, Martorana, & Owens, 2003). At the same time, they are responsible for any shift in the company's strategic direction, as for example in response to changed boundaries (Díaz-Fernández et al., 2020). Therefore, it seems particularly relevant to investigate how TMT practices may affect organizational change and how managerial practices may be used in hybrid organizing.

In this dissertation, management practices are defined as “routinized types of behavior which consist of several elements, interconnected to one another: forms of bodily activities, forms of mental activities, ‘things’ and their use, a background knowledge in the form of understanding, know-how, states of emotion and motivational knowledge” (Jarzabkowski et al., 2007, p. 9).

The literature offers a rich understanding of TMT research and managerial practices, and the management practices literature covers a large variety of fields, mainly centered on management tools and behaviors (Jarzabkowski et al., 2007; Katz, 1974; Visnjic et al., 2021). However, the literature sheds little light on the role of TMT practices in transforming a single logic into a hybrid institutional logic, leaving practitioners with little to draw on, when dealing with a multitude of institutional logics.

1.4.5 Legitimacy and identity

Zooming out from the micro level, hybrid organizing is known for causing cognitive confusion, mission drift, and performance loss at the organizational level (Battilana & Dorado, 2010; Boone et al., 2021; Ebrahim, Battilana, & Mair, 2014). Scholars have investigated how hybrid organizing (Battilana & Lee, 2014; Jay, 2013; Pache & Santos, 2013) challenges TMTs to make sense of what they face and how to deal with a complex plurality of interests and practices. In such processes,

Jennings and Greenwood (2003) argue that sense-making is a pivotal mechanism for understanding and navigating multiple logics simultaneously. In the debate on hybrid organizing, other scholars point toward the concepts of identity and legitimacy as essential concepts in understanding and explaining hybrid organizing processes (Greenwood, Oliver, Suddaby, & Sahlin, 2008; Weick, Sutcliffe, & Obstfeld, 2005) connecting opposing logics through iterative, cognitive, sense-making processes. Thus, sense-making is a key cognitive mechanism that guides organizational behavior and the various ways that organizational practices affect hybrid organizing (Jennings & Greenwood, 2003). Research on legitimacy has been intensively explored (Haack, Schilke, & Zucker, 2020; Lamin & Zaheer, 2012; Patriotta, Gond, & Schultz, 2011; Tost, 2011) and connects what is considered legitimate action according to the institutional logic (Battilana & Lee, 2014, p. 410): “Legitimacy is granted to organizations that fit institutionalized expectations, and resources are frequently awarded on this basis.” This positions legitimacy as a relevant concept in the investigation of hybrid organizing.

Organizational identity has become increasingly relevant in recent decades to practitioners and researchers alike who are trying to understand and navigate strategic change (Ravasi & Phillips, 2011). Identity is an important construct guiding strategic change and how organizational members develop relationships with and among stakeholders (Gioia, Price, Hamilton & Thomas, 2010). Further, He and Brown (2013), found identity to be essential in issue interpretation, decision-making, communication, and conflict resolution, which are elements embedded in hybrid organizations (Battilana & Lee, 2014). In that understanding, organizational identity is considered a key element in understanding the formation of legitimacy (Sillince & Brown, 2009).

However, despite how the research on hybridity informs which organizational practices the TMT may bring into play, the literature is scarce on how managerial practices may support or inhibit the hybridization process (Pache & Santos, 2013). This is problematic, because it leaves scholars puzzled over how legitimacy and identity affect hybrid organizing, and executives are left with little in the toolbox for how to navigate legitimacy and identity in organizational change processes during hybrid organizing.

1.4.6 Process research

When investigating why and how events evolve and unfold over time, a process approach is particularly useful (Abdallah, Lusiani, & Langley, 2019). The overall research question here is concerned with how and why executive processes evolve in a longitudinal perspective. One of the

hallmarks of process research is to investigate “the becoming”; that is, the *how* and *why* processes emerge over time (Cloutier & Langley, 2020; Langley, Smallman, Tsoukas, & Van de Ven, 2013).

Pentland (1999, pp. 712-713) argues that a process model should contain five elements: “(1) a clear sequence of beginning, middle, and end in time, (2) focal actors who may play the protagonists or antagonists, (3) an identifiable voice reflecting some actor’s viewpoint, (4) an evaluative frame of reference of what is right or wrong, appropriate, or inappropriate, and (5) other indicators of context over time and place.” The three research papers are guided by these principles.

Recent research by Abdallah et al. (2019) outlines four types of process research: 1) evolutionary process stories, 2) performative process stories, 3) narrative process stories, and 4) toolkit-driven process stories. I generally found the toolkit-based approach most suitable, because the retrospective data compilation method—interviewing executives recollecting events from the past—best fitted the approach of bracketing events over time in which the Gioia coding method (Gioia, Corley, & Hamilton, 2012) is widely used for process modelling (Abdallah et al., 2019; Langley, 1999). The primary feature of the toolkit-based approach is a focus on relationships between relevant concepts more than a chronology of events. Here, the contributing role of the coding is understood as “rather than a chronological descriptive analysis as one would expect to see for an evolutionary process story, findings are often presented as a sequence of second order codes” (Abdallah et al., 2019, p. 107).

A process approach therefore seems suitable for addressing the overall research question and the subsequent research questions addressed in the three research papers. Generally, a process research approach aimed at developing a process model requires a narrative storyline depicting the mechanisms “by which events and activities play out over time” (Cloutier & Langley, 2020, p. 2). This is described in section 1.5 in the work in hand, establishing the contextual setting, and illustrated in Figure 4, depicting a sequence of important events in the focal company’s history, transforming from an NFPL to a hybrid organizational form.

1.4.7 Demarcation of the study

The focus of the dissertation is on studying what is going on within the TMT and between the TMT and the BoD during the transformation of the company from a local not-for-profit organization to an international hybrid. By “the transformation of the company from a local not-for-profit organization to an international hybrid,” I address the business orientation of the company; that is, what the top executives strive for in a business context. The study is concerned with microprocesses in the TMT and between the TMT and BoD. These phenomena could be studied from a large variety of theoretical perspectives, and I elaborate on my choice of theoretic lenses in section 1.4. I investigate neither

whether the culture has changed nor whether the organization below the executive levels subscribes to a perception of being a not-for-profit or a hybrid organization.

I chose to demarcate the study in this manner because the top executives are at the apex of decision-making and considered to be the most influential group in the initiation of changes in the strategic direction of the organization (Hambrick & Mason, 1984). This makes the TMT a suitable unit of analysis for investigating microprocesses of how hybrid organizing is formed and shaped. Because I am interested in the microprocesses related to what drives the transformation, I decided to focus solely on this unit of analysis and disregard how the remaining organizational units experienced the transformation. I primarily focus on the TMT, but because the TMT–BoD interaction was found to be important in understanding the intra-TMT processes, I decided to include the TMT–BoD interaction, because the BoD influenced the TMT mandate. Using a cultural approach to study microprocesses seems unsuitable. While a cultural lens is often useable for studying groups as unified entities, my objective is to investigate how “what makes sense” is formed and shaped at the micro level.

The field of institutional logics is particularly suitable for investigating opposing logics, which is not at the core of theory on organization culture (Hinings, 2011). Although there are commonalities of elements between institutional logics and the field of organizational culture (Hinings, 2011), a cultural lens would be more appropriate for studying organization-level processes (Schein, 1996): “Culture shape organizations, and its weaknesses-limited capacity to explain agency and the micro foundations of institutions ... institutional logics perspective provides a new approach that incorporates macro structure, culture, and agency, through cross-level processes (society, institutional field, organization, interactions, and individuals)” (Thornton et al., 2012, p. vi).

The three papers addressing the identified gaps in the literature are briefly presented in the next section.

1.4.8 Overview of the three papers

The following introduces the three papers. The papers are embedded into the dissertation, following a sequential timeline, connecting the first paper to the second paper, and the second to the third, as a temporal flow of processes unfolding during the period from 2009 to 2019. Figure 1 illustrates the overall focus of the dissertation linking the papers in a sequential order, depicting the narrative storyline (Cornelissen, 2017; Langley, 1999).

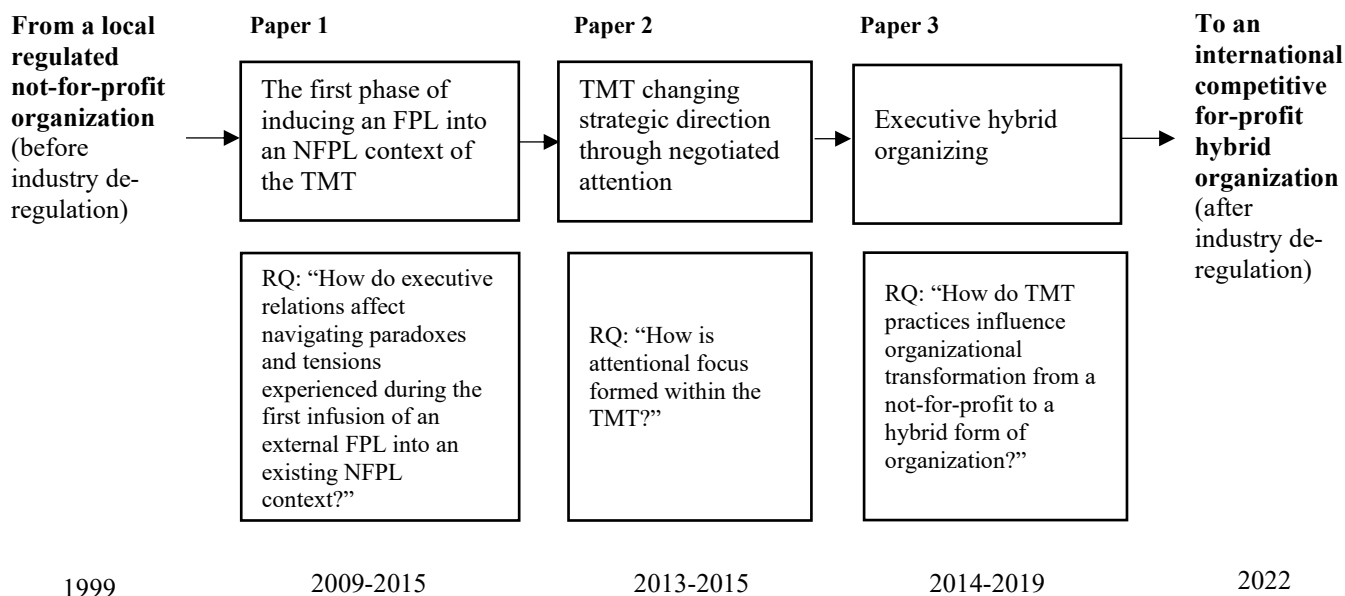


Figure 1: Overview of the three research papers in a timeline illustration

The first paper,³ “A look inside the hive: The role of executive relations affecting tensions in burgeoning hybrid organizing,” investigates how an infusion of FPL into an existing NFPL setting was navigated, affected by the relations in the TMT. This was the first FPL–NFPL encounter, initiated by inserting a CEO from a commercial industry into the NFPL context of the TMT in the focal company in 2009. The paper investigates how executive relations affect the hybrid organizing process, moving toward an emerging hybridization. This study is relevant for two reasons.

First, the literature suggests that navigating multiple logics instigate tension, conflict and paradox (Boone et al., 2021), which is why I assumed that burgeoning hybrid organizing processes would be particularly fragile in the first emerging phases of mixing multiple logics, which, if not successfully navigated, may thwart hybrid organizing. However, the literature is missing out on how executives navigate and balance the first phases of emerging hybridization (Dufays & Huybrechts, 2016; Lee & Battilana, 2020; Rasmussen, 2011).

Secondly, positive interpersonal relations are found to reduce potential conflicts and tensions (Ma & Seidl, 2017); however, if interpersonal relations are dominated by an emotional relationship (Carmeli et al., 2016) and less of a work relationship (Dutton & Heaphy, 2003), this may induce a

³ The first paper, “A look inside the hive: The role of executive relations affecting tensions in burgeoning hybrid organizing,” has been presented at the 42nd EBES Conference 2023 in Portugal and published in the EBES conference proceedings, January 12–14, 2023, Vol. 1, 400–457. The paper is in review in *Scandinavia Journal of Management*

risk of reducing the heterogeneity of the TMT, which is known to affect company performance negatively (Díaz-Fernández et al., 2020). When inserting a new CEO into an existing TMT, it is common for the new CEO to set their own team shortly after insertion (Hambrick & Fukutomi, 1991). It is therefore reasonable to expect a new CEO to change the composition of the TMT, affecting TMT heterogeneity and disrupting the existing relations in the TMT, already in the early days of the insertion. Any possible performance losses may raise doubts in the BoD, questioning whether mixing multiple objectives was the right decision and, hence, jeopardizing the hybrid organizing process. However, there is a lack of research investigating how interpersonal relations affect hybrid organizing in the early days of hybridization.

Therefore, the lens of interpersonal relations seems helpful in investigating this phenomenon, and I draw on the lens of paradox and tensions, as they are known to be notorious companions of mixing opposing institutional logics (Smith & Lewis, 2011).

The study was conducted in the focal company, based mainly on 21 in-depth interviews of executives from the executive team in the investigated period of 2009–2015. Additionally, I analyzed the minutes from 37 BoD meetings to triangulate my findings and add to the richness of the process model. The findings suggest that the tensions and conflicts, which the literature argues are to be expected when mixing multiple logics (Smith & Lewis, 2011), may be omitted if the TMT is reconfigured to be homogeneous and characterized by an emotional relationship (Carmeli et al., 2016). However, potentially at the cost of postponing paradoxical outcomes at a later time, caused by loss of company performance (Díaz-Fernández et al., 2020). Nevertheless, the findings suggest that heterogeneity may not always be positively related to company performance if executive relations do not acknowledge diversity and cognitive flexibility (Putnam et al., 2016; Schad et al., 2016), defined as “an executive function that supports successful adjustment through its underlying components of cognitive control and set shifting” (Good & Michel, 2013, p. 440). Cognitive adjustment and control support individual executives in avoiding automatic reactions instead of more suitable contextual reactions (Good & Michel, 2013).

The second paper,⁴ “Negotiated attention: An investigation of the formation of TMT attentional focus,” addresses how TMT attention was formed and negotiated between the TMT executives, affecting strategic shift. Upon the insertion of the new CEO in 2009, the BoD granted the new CEO a hybrid mandate because they wanted to develop the company in a new, strategic direction:

⁴ The second paper, “Negotiated attention: An investigation of the formation of TMT attentional focus” is in review in *Journal of Business Research*

Triggered by new opportunities after the deregulation, the BoD decided to pursue a hybrid mandate granted to a new CEO: running the existing regulated distribution activities as optimal as possible, and at the same time develop the company in the direction of making a profitable business, “where it really started was when... the minister of energy... changed the legislation... so we were actually probably in 2006 before it really took off, it has a lot to do with the fact that we suddenly got the funds to do it... the discussion was in the board about we have a number of billions, what should we do with them? (BoD member, 2006)” cited from (Madsen, 2022a, p. 16)

Investigating the processes of how attention was shaped and formed, affecting strategic shift is relevant for two reasons.

First, early research on attention and strategic formation focused on the age, educational background, career background, and industry tenure of executives (Hambrick & Mason, 1984) through the lens of upper echelon theory. Hambrick and Mason (1984) found that demographics affect attention. In a seminal study by Cho and Hambrick (2006), attention was found to mediate the upper echelon construct; and thereby also strategic shift. Later, (Ocasio, 1997, p. 187) introduced the attention-based view of the firm: “What decision-makers do depend on what issues and answers they focus their attention on.” This means that executive attention seems a relevant lens for this study, concerned with investigating strategic shifts.

However, the literature is missing explanatory power on how attention is shaped and formed in the TMT, affecting strategic shift: “What are the factors that engender attention?” (Cho & Hambrick, 2006, p. 466).

Secondly, Cho and Hambrick (2006) build on the assumption that TMT individuals possessing different demographic and personal traits are conferred the same voice. The TMT literature often understands executive teams as monolithic entities; however, the TMT is not a democracy (Buyl, Boone, & Hendriks, 2014; Cyert & March, 1963; Hambrick, 1994; White, 1992). The literature is lacking how individual voices are conferred attention. Because the TMT is not a democracy (Buyl et al., 2014; Cyert & March, 1963; Hambrick, 1994; White, 1992), this implies that there are mechanisms conferring weight to individual actors’ attention. Recent research (Li & Jones, 2018; Tanikawa & Jung, 2019) has found that relative power in the TMT influences strategic choices. It therefore seems relevant to investigate how attention is formed and shaped adding the lens of relative power in the TMT to the analysis.

The qualitative research was conducted in the focal company, mainly based on 45 semi-structured interviews of TMT members being or having been TMT members in the period 2000–2021. The main focus for developing the model of “negotiated attention” has been on the 2013–2015 period. Additionally, I used minutes from BoD meetings, business cases, and governance documents; a total of 107 archival documents from the investigated period.

Applying our concept of “negotiated attention,” the study suggests that group-level attention was formed and shaped through the attention of individual actors, which was conferred significance through the relative power positions of the respective actors in the TMT, which in turn affected the company’s strategic direction. Additionally, we found that a sudden change of business boundaries (e.g., the 1999 power market deregulation), was not enough to create an attentional shift, as otherwise suggested by Cho and Hambrick (2006). We argue that the individual ambitions and relative power positions within the TMT and the TMT heterogeneity are essential concepts to cause group-level attentional shift in the TMT.

The third paper,⁵ “Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid,” addresses how TMT practices influence hybrid organizing in the period 2013–2019, combining not-for-profit and for-profit institutional logics through a concept we refer to as “enveloping logics.” The purpose of the study was to build a process model explaining which managerial practices may be used (and how) in support of the hybrid-organizing processes. This study is relevant for two reasons.

First, research on hybrid organizing (Battilana & Lee, 2014) suggests that responses to conflicting logics can be segregated into either the rejection of one of the institutional logics, demarcation of the logics, or partial conformity through compromising, but it does not investigate any possibility as to if and how opposing institutional logics may co-exist without trade-offs. Further, research is silent on the role played by organizational actors; this gap in the literature is echoed by Battilana and Lee (2014, p. 415): “...further research will need to examine the processes and conditions through which integrated activities are constructed, as well as the relationship of these practices with other dimensions of hybrid organizing”.

⁵ The third paper, “Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid,” is in review in the *Journal of Management Studies* and has been presented at the at the SMS 41st Annual Conference (Toronto, 2021), the 39th EBES Conference (Rome, 2022), and at the 82nd Annual Meeting of the Academy of Management (Seattle, 2022). It has been published in the 2022 AOM conference proceedings.

Secondly, research on management practices, understood as tools and behaviors (Jarzabkowski et al., 2007), has been investigated through a multitude of fields and theoretical lenses (Jarzabkowski et al., 2007; Katz, 1974; Visnjic et al., 2021). However, the literature is scarce on the role of TMT practices relating to hybrid organizing and how executive practices may affect organizational hybridization (Pache & Santos, 2013).

Several scholars have investigated institutional theory through the lenses of legitimacy (Deephouse, Bundy, Tost, & man, 2017; Haack et al., 2020; Lamin & Zaheer, 2012; Patriotta et al., 2011; Tost, 2011). Further, Gioia, Price, Hamilton, and Thomas (2010) and Ravasi and Phillips (2011) argue that identity is a pivotal construct guiding strategic change. Therefore, because the third paper investigates the role of TMT hybrid organizing practices, I chose also to apply the lens of identity and legitimacy in this research paper, as it seems to contribute to understanding the role of strategic shift, in the unfolding of the hybrid organizing process.

The research was based on a qualitative study, based mainly on 45 semi-structured interviews with executives in the period 2011–2020, albeit with emphasis on 2014–2019. Additional archival data was analyzed, including minutes from the BoD meetings, business cases, management presentations, and government documents (96 documents in total), together with press releases and podcasts from the same period.

The research suggests that in addition to the three responses to mixing opposing institutional logics (Battilana & Lee, 2014), there may be a fourth response we can refer to as “enveloping logics,” explained through a process model showing how “enveloping logics” emerge. Enveloping logics refers to a coexistence of apparently opposing logics, which are acknowledged equally by creating a form of new state in which the enveloped logic is created from the existing NFPL values, beliefs, and societal mission embracing the FPL through sense-making, becoming non-conflicting by the idea that any profit following the FPL mission will be returned to society. Further, the research suggests that the executive team may support the hybrid organizing process by adopting managerial and organizational practices from well-renowned companies from competitive industries.

In sum, we found three distinct phases of hybrid organizing unfolding over time, as described in the three respective research papers embedded in the dissertation. The contributions from the three papers are summarized in Chapter 5, “discussion and conclusion,” where they are integrated in a “Grand Model,” which is my own figure created from the contributions from the articles.

1.5 Empirical context

There is little consensus in the literature on how to define context (Meier & Dopson, 2021). Context comes from Latin (*con*, meaning “together,” and *texere*, meaning “to weave”) and is described by Rousseau and Fried (2001, p. 1) as “to knit together” or “to make a connection”: “contextualizing entails linking observations to a set of relevant facts, events, or points of view that make possible research and theory that form part of a larger whole.” Context can have two different meanings, depending on the purpose of the term “context”; either a theoretical construct or methodological approach (Meier & Dopson, 2021). I use the definition by Meier and Dopson (2021, p. 94): “Context is a relational construct that specifies what is at any given point considered the background for understanding a phenomenon or event. This background/foreground relationship is continually constructed by people, as they make sense of their experiences and the social worlds in which they engage.” This implies that the meaning of context depends on what the research question is designed to investigate. Because hybrid organizing is closely connected to institutionalized elements of values, beliefs, norms, legitimacy, and identity, it is important to understand the origins of these concepts and, hence, the history of the case company and the power industry.

Context is usually understood as a relatively stable phenomenon describing the constructed social world of organizational agents. This becomes problematic when context changes over time, however, as described in Paper 2: “Our findings highlight that executives that combine a strong relative power position and ambitions may alter the context relevant for the allocation of attention” (Madsen & Kleindienst, 2022, p. 29). Even though the actions of the TMT change the context within the studied organizational setting, the foundation of the studies of microprocesses in this dissertation emerge out of the overall context, which is understood as the historical elements of relations among people and companies within the industry, legal and competitive boundaries, discourses, values and beliefs, and feelings. In other words, context is the tacit and tangible embeddedness of what is considered “normal.”

Rousseau and Fried (2001) describe three ways to contextualize: rich description, direct observation and analysis of contextual effects, and comparative studies. The purpose of textualization is to “help the reader and those researchers who would build upon a study understand the factors that gave rise to the researcher’s observations” (Rousseau & Fried, 2001, p. 6). In the following, I describe the background through a thick description of the contextual setting (Rousseau & Fried, 2001), which I consider to be the most suitable way of explaining the context. The “comparative study approach” is not helpful, as I do not investigate a multitude of focal companies from different contexts.

The context is particularly relevant for this case study, as we investigate the transformation of a 150-year-old institutionalized risk-averse organization from a not-for-profit to a commercial, risk-embracing hybrid organization over 12 years. This section describes the characteristics of the industry and the narrative of the case company's historical journey, which is based on three industrial merger waves, triggered by deregulation of the power industry in Europe, in 1999. This chapter borrows to some extent, materials from my own unpublished practitioner paper (Madsen, 2022b).

1.5.1 Industry structure and the rise of the Danish energy sector

The Danish power sector began to emerge in the late 1800s, started by local municipality authorities and visionaries as a grassroots movement. These visionaries saw and acknowledged the need for electrification to create local growth. The initiatives were started by local visionaries and the agricultural community, where taking initiative was a typical merit. In the early years of the industry, power was produced and distributed locally through local power-distribution cooperatives.

Until World War II, the small, local power-distribution companies successively connected their grids to improve power-supply stability and to achieve economies of scale in distributing power to customers. Shortly after World War II, the first large, central power stations were established at the initiative of the local communities to create economies of scale in the power production (Kjær, 2018). Power production was centralized across Denmark and successively connected through the transmission grid to the distribution grid in the local communities (Böcher, 1944). The distribution grid consists of electrical network infrastructures distributing power to customers in local communities, typically operating at 10 kV or less. The transmission grid typically operates at 60–400 kV. Historically, the transmission grid was established separately in two large regional areas: East Denmark (ELKRAFT A/S) and West Denmark, including Funen (ELTRA A/S). To this day, east and west Denmark are only connected indirectly through interconnectors to Norway, Sweden, and Germany.

The fact that the industry was started at the initiative of private, local visionaries and financed by local communities, and that all consumers had the same share of ownership, continues to influence the culture in the contemporary Danish power industry. It is worth noting that the distribution companies were owned by the customers (consumers), and the distribution companies were the owners of the production and transmission companies; hence, the customers owned all of the assets in the Danish power industry, which made it a large, cooperatively owned industry. In short, the customers were the ultimate owners of all of the industry assets until the liberalization of the EU

power market in 1999. This helps to explain the deep history, culture, traditions, and feelings related to the Danish power sector. Being part of this industry was something people were proud of.

1.5.2 Consolidation of the power industry

The first merger wave, which began in 1999, was due to the EU liberalizing the European power markets. Distribution companies began merging due to fears of being unable to cope with the increasing demands of regulation, benchmarking, and the administrative challenges resulting from the EU power-market deregulation. When the distribution companies merged, no exchange of money between the parties took place. The “customer-owners” simply became the shareholders of a larger, merged company. In reality, the benchmark regulation (*Indtægtsrammereguleringen*) of the monopolies, the distribution companies, first came into effect some years later, as the authorities lacked a suitable benchmark model early on to regulate the distribution companies. The benchmark model regulates the maximum distribution tariffs allowed for each distribution company in Denmark. The political purpose is to force the distribution companies to secure more cost-effective service operations. It took a few years for the authorities to develop a useable benchmark-model. When this model was finally implemented in practice, several distribution companies were forced to merge, because they were operating their respective distribution companies with losses, which was obviously unsustainable. Hence, economies of scale became the strategic move to meet this challenge, which was achieved through a series of distribution company mergers.

The consolidation during this first period was therefore driven by new market legislation. Some distribution companies feared being unable to cope with future regulations, and some were facing losses caused by the EU power market liberalization. This merger wave reduced the number of distribution companies from 185 to 116 (Dansk Energi, 2020) from 1999 to 2003.

The second merger wave was triggered by the introduction of a change in legislation in 2003, which was the most complex period in this narrative. In January 2003, full market access was introduced for power customers. The start was not easy, as many IT- and control systems had to be designed and developed before a fully open market could be achieved. As a consequence of liberalization and the unbundling of the sector, customers were now free to choose their power supplier. This unbundling required the supply chain to be separated into non-related companies: distribution-, power-sale-, -transmission- and -production companies. In this process, the monopoly activities were separated from the commercial activities, although it remained legal to structure these companies in a holding-company umbrella structure, controlled by the same customers as before the

unbundling. The authorities regulated the monopoly activities (i.e., the distribution and transmission companies) through an increasingly challenging benchmark system.

In the unbundling process, many distribution companies established separate commercial power sales companies for B2B (Business to Business) and household customers, separated in two different legal entities (*handelsselskaber* and *forsyningspligtselskaber*). There was fierce competition between the sales companies over the end-customers, and significant resources were invested in the establishment of unique brands.

An important player in driving the consolidation process in Denmark in this period was DONG A/S, the state-owned oil and gas company, which aspired to consolidate and control the distribution industry in Denmark. DONG quickly learned that there were too many feelings involved in the ownership of local distribution companies, and their ambition to consolidate the distribution industry in Denmark failed. Consequently, DONG shifted its focus to production companies. The largest power producer in West Denmark was ELSAM A/S, which was an umbrella company comprised of the centralized power stations in the region and owned by a group of distribution companies in Jutland and Funen. These companies “swore an oath” not to sell their ELSAM shares, agreeing that it was important to keep the production facilities in the “family” to secure control over the national power production. This oath is referred to in the industry as the “musketeer oath” and was about protecting ELSAM from exposure to a hostile take-over.

On January 3, 2003, Herning Municipality agreed to divest 64% of their distribution company Energigruppen Jylland to state-owned DONG. Based on this transaction, DONG’s break-through came in 2004, when it reached an agreement with the local distribution company EnergiMidt a.m.b.a. and Herning Municipality. The agreement stated that DONG received ELSAM-shares from Herning and EnergiMidt, giving it control over 18% of the total shares in ELSAM (Trong & Limann, 2009). As payment for the shares, EnergiMidt received DONG’s distribution company Energigruppen Jylland and a significant cash payment. This event positioned EnergiMidt as a significant player in the consolidation of the industry that followed and completely undermined the musketeer oath. Once that happened, most distribution companies realized that avoiding a hostile takeover of ELSAM was impossible, leading them to divest their remaining ELSAM shares, thereby increasing their financial position.

Another significant event of great importance for the consolidation of the industry occurred in June 2003, with the removal of the so-called “LEX-NESA” (Lov nr. 452 af 10. juni 2003), which had prohibited municipalities from selling their power-industry assets. This made it possible for the

municipalities to divest their power companies, receiving cash payment in return. Exchanging assets for cash was one of the drivers behind the municipalities divesting their power companies. Another driver was the increasing risk of owning and operating companies in the increasingly liberalized market; risk that many municipalities and smaller distribution companies were unwilling to take. That led to some municipalities and smaller customer-owned companies divesting their power assets to reduce their risk exposure. More new, important legislation in this period meant that power producers were no longer allowed to own and operate the transmission infrastructure. Hence, the transmission grid (400 kV) was separated into independent legal entities in 2000: ELKRAFT on Zealand and ELTRA in Jutland and Funen. In 2005, ELKRAFT and ELTRA merged to form Energinet.dk. This was manifested in the so-called “ELFOR-aftalen af Marts 29. 2004,” which was an agreement between the state and the distribution companies stating that the transmission grid (Energinet.dk) was to be transferred from the distribution companies to the state. To succeed in this, however, the state had to offer something of significant value to the distribution companies. As will be explained in the following, this was achieved by lifting the restrictions on how the capital accumulated in the distribution companies was allowed to be invested (Økonomi & Erhvervsministeriet, 2004). Equity accumulated in the distribution companies before the introduction of the “power supply law” (*Elforsyningsloven*) in 1977 was considered to be of free disposal by the owners, defined as “free equity.” Equity accumulated after the implementation of the power supply law was defined as “restricted equity,” which was not at the free disposal of the owners. This restriction was lifted as part of the aforementioned “ELFOR-aftalen af 29. Marts 2004,” which gave the state control over the transmission infrastructure. In return, the distribution companies obtained the freedom to choose how they would invest their equity capital (Trong & Limann, 2009); that is, the restrictions on the equity were lifted. This immediately increased the opportunities available to the distribution companies to develop their business further.

To summarize, there were many separate but important events driving market consolidation in the second period. The most important of these was the new legislation, which was twofold: The distribution companies received a significant amount of money from the described divestments, and by removing the restrictions on the company equity, they were better able to use their strengthened financial position. Both events created new opportunities to develop their businesses by consolidating the market and fueling the vision of developing into new business areas. The number of distribution companies fell from 116 to 78 (Dansk Energi, 2020) in this period (2003–2008).

The third merger wave emerged in the years 2008–2012. The authorities introduced a revised and tougher benchmark regime, which regulated how much a grid company was allowed to charge its

customers for services. Some companies struggled to cope with this, resulting in operational deficits for some. This led to some of the larger distribution companies envisioning new opportunities for merging their companies to create bigger, stronger entities. By doing so, they strengthened their financial potential to enter into new business areas alongside the monopoly activities, turning them into hybrid companies. A hybrid company is defined as a company driven by economic and societal goals: not-for-profit and for-profit (Knutsson & Thomasson, 2017). At the same time, some companies made large, failed investments, which drove them to the brink of bankruptcy, rendering them targets for take-overs. In this period, the number of distribution companies fell further from 78 to 39 (Dansk-Energi, 2020).

The second significant event was in 2012, when the Danish state acquired the regional 150 kV grid from the distribution companies in Jutland/Funen, which further increased the companies' financial position. These three merger waves transformed the industry radically. In 1995, there were 214 local production and distribution companies in Denmark. In 2020, some 39 distribution companies remained, and the market has been consolidated by the three large players SEAS/NVE a.m.b.a. (Andel a.m.b.a. today) on Zealand, Norlys a.m.b.a. in Jutland and Energi Fyn a.m.b.a. on Funen. Some of the largest remaining distribution- and power sales companies are EWII A/S, Aura a.m.b.a., Energi Danmark A/S, and Nordenergi a.m.b.a. Considering their respective strategies, SEAS/NVE mainly focuses on distribution, transmission, tele-infrastructure, and energy trading. Energi Fyn focuses on becoming a multi-supply conglomerate, delivering water, heat, tele-infrastructure, and power to their customers. Initially, Norlys primarily focused on consolidating distribution companies creating synergies, size, and financial strength. This was an important precondition for Norlys to take the next step and expanding into new business areas. Today, Norlys focuses on expanding their activities into renewable energy and adjacent industries, such as tele-, TV, and internet services, pursuing synergies and economies of scale, which will be elaborated in the following section.

Summarizing, changes in legislation in all three waves led to the distribution companies reconsidering their strategy and future position in the power market. Some distribution companies strengthened their cash position due to the divestment of their transmission companies and some distribution companies were forced to merge because they were operating with losses as a consequence of changes in the benchmark regulation.

1.5.3 The case company's historical journey

This section will focus on some of the most significant and largest mergers in Norlys' history: the acquisition of Stofa A/S in 2012 and the merger of HEF a.m.b.a. and EnergiMidt in 2016. Norlys stands today as the outcome of more than 40 mergers and acquisitions over the past two decades. Its commercial activities were around 0% in 2000 and increased to 85% in 2019 (as measured by the ratio of monopoly turnover divided by the total turnover); hence, the organizational form shifted toward a hybrid form through hybridization (internal financial reports).

In an overall perspective, the Norlys journey has been forged by two distinct types of events: a long series of mergers between similar companies and the acquisition of Stofa in 2012, which will be elaborated in the following.

In the beginning, the strategic focus was driven by consolidating the energy industry, building size and market power. The objective was to create economies of scale and synergies by merging existing companies within the same industry. Increasing the company size enabled taking the organizational development to new levels, building new and more specialized competencies and capabilities, which were prerequisites for further expansion (Greiner, 1998).

When establishing power infrastructure, the power cables are buried in the ground. As are fiber cables. Therefore, when burying power cables in the ground, the marginal cost of simultaneously rolling out the fiber grid is low. Furthermore, the customers of the distribution companies and tele-, TV- and internet companies were largely the same. Therefore, enabled by the changes in legislation in the second merger wave, several distribution companies began establishing fiber infrastructure in their distribution area in 2005, envisioning a possible new business area offering digital services to their customers.

In 2006, ESS a.m.b.a. and Sydvest Energi a.m.b.a. merged to form Syd Energi a.m.b.a. The shareholders (consumers) elected ESS Chairman Kresten Philipsen as chairman of the board of the new company, and Sydvest Energi CEO Ebbe Seligmann was made CEO. Syd Energi (SE) thereby achieved a size and financial strength that positioned them as one of the significant players in the industry.

In 2008, Ebbe Seligmann announced his retirement. He left a technically and financially strong company in a good position for further acquisitions (Krogh, 2008), but not everything at the time was a success story. SE was facing a significant challenge in 2008, because the owners had invested substantially in fiber infrastructure rollout while having very few customers, hence suffering poor

economic results in this area. Nevertheless, having been through several mergers in recent years and based on the changed legislation that led to a strong financial position, the company was in a favorable growth position. The board had to consider a new and more untraditional type of profile as CEO. Traditionally, the BoD recruited CEOs from within the system, but that had to change. Many of the important conditions for further expansion were in place, but they needed the right man for the job; they wanted a profile who was able to build a strong commercial business (Norlys Chairman Jens Erik Platz).

On April 1, 2009, Niels Duedahl was appointed Syd Energi CEO, which had some 500 employees at the time. The board prioritized the profile of a new type of CEO, with a skillset and track record of having developed organizations in a commercial and competitive environment. This was to become a game changer for the company.

The new CEO came from a position as Vice President in the LEGO Group, where he was a TMT member in the most critical period in company history. After being in a state of crisis in 2003, the top management turned LEGO Group back into a highly profitable global corporation in the period 2003–2009. The new SE CEO was bringing with him hands-on experience from a strong commercial corporate culture and knowledge about how important it is for the identity and motivation of an organization. From his LEGO Group experience in the period 2003–2009 and four years as TDC Vice President before that, he had gained deep knowledge of corporate restructuring and how to successfully reduce the complexity in large organizations. These credentials, combined with a strong personal drive and passion for developing businesses, initiated a series of important and game-changing events in the expansive development of the company that followed.

In 2012, another important event occurred for SE: Management decided to enter a completely new area of operations, which was achieved through a concentric acquisition of Stofa in October 2012. Stofa operated large fiber infrastructures similar to the Norlys distribution grid, supplying internet and streaming services to B2B and end customers. In such an industry, economies of scale are as important as in the power industry. Further, acquiring Stofa would secure new services to be delivered through the existing SE fiber infrastructures. Hence, the rationale for entering this new area was evident: The low fiber penetration had to be increased, having spent a significant amount of capital on building fiber infrastructure.

Stofa was and remains one of the largest Danish providers of TV, tele-, and internet services, which are supplied via their COAX infrastructure. Stofa operated in different areas of commercial operations than SE but had similarities beyond their business structure in the sense that they shared a similar

culture and similar business concept, providing services through infrastructure assets. Stofa originated from local antenna cooperatives established by local customers. From a cultural perspective, this is rather similar to the origins of Norlys. Moreover, the Stofa and SE customers were concentric, meaning that both companies largely serviced the same customers. This was a bold move, as it was the first of its kind in the rather conservative Danish power sector. The investment was DKK 1.9 billion, which at that time received some criticism in the press on the grounds that the company was investing in non-core activities. Besides creating a stronger business for the company as a group, this would later prove to be a very important milestone in developing Norlys; the acquisition set out a new direction, identity, and ambition for the company.

SE was now in a completely different league than prior to acquiring Stofa, which dramatically changed its corporate identity and opened up new possibilities. Creating a pathway for corporate renewal through M&A is an often overlooked and under-researched phenomenon of great importance, creating a new foothold for development (Haspeslagh & Jemison, 1991). The value hereof is rather difficult to calculate at the time of the transaction because it contains more complex dimensions than a simple financial short-term evaluation. The next significant event in the historical trajectory of Norlys occurred a few years later.

In 2016, the two power companies HEF and EnergiMidt merged to form Eniig a.m.b.a. Like the merger of ESS and Sydvest Energi in 2006, they reached a size and financial strength that made them a very attractive partner for a merger with one of the few remaining big players in the market. Like Sydvest Energi, Eniig was a big player in the market, delivering services similar to Sydvest Energi. Hence, a merger of these similar companies seemed logical, creating further synergies and economies of scale. The strategy has served both companies very well over time.

In 2019, Eniig and SE merged with Norlys, which is the largest merger in the industry to this day. The pace at which the company grew in just a few years was staggering and left very little opportunity for competitors to keep up. The company was positioned as the largest player in Denmark providing integrated services from both the power industry and the tele sector.

1.6 Research philosophy and methodology

This chapter presents the methodology applied in the studies. First, the philosophical stance is discussed to relate to the research method applied. The research design is then described, followed by discussion of the data collection methods and how the quality criteria of the research process is addressed. The chapter thereby depicts the canvas for the methodological stance chosen in the investigations. A detailed description of the specific methods applied can be found in each separate

research paper appended to this dissertation. See Figure 2 for an overview of the research process in terms of the coherence of the research “building blocks” (Grix, 2002, p. 180).

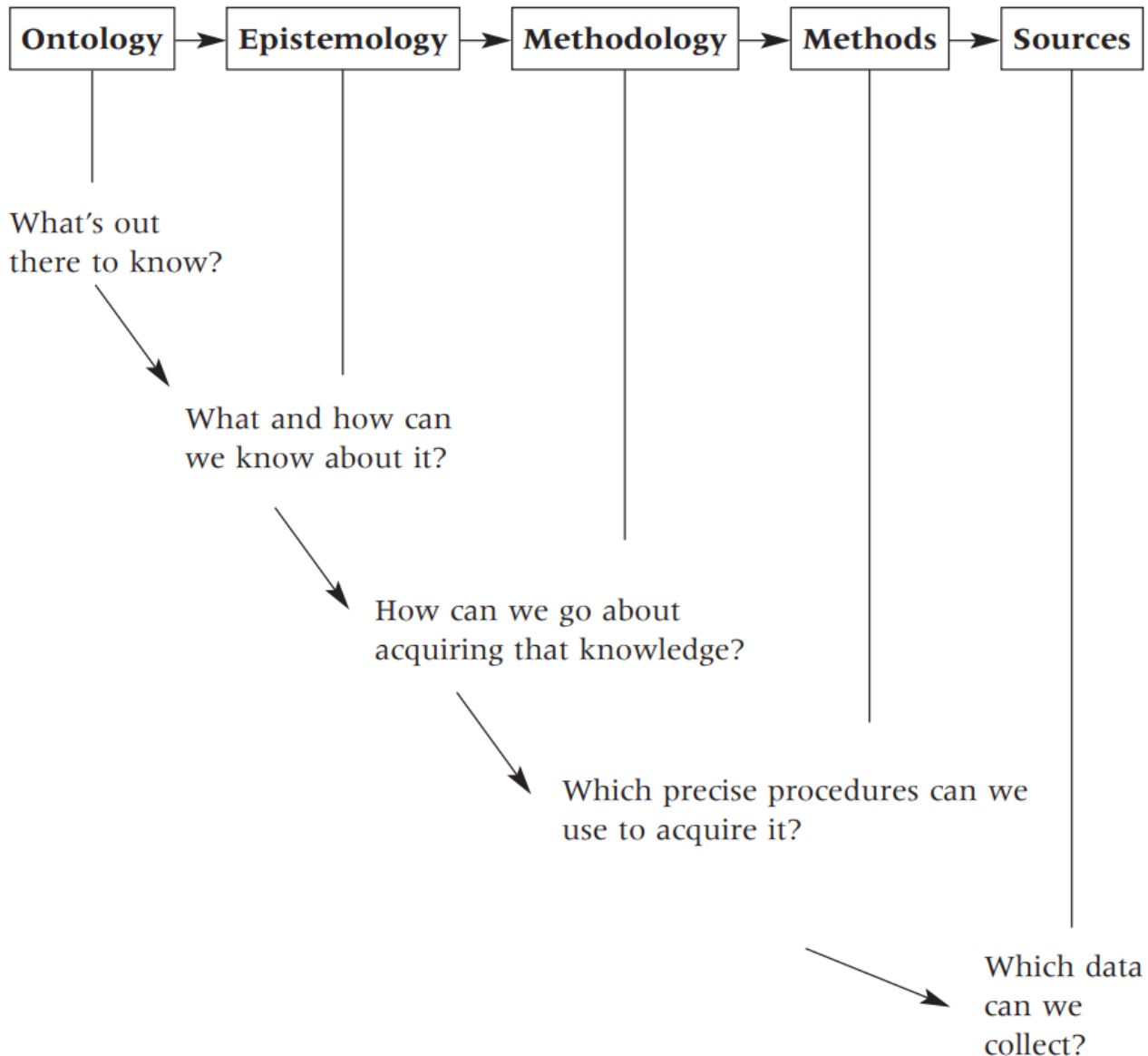


Figure 2: Building blocks of research based on Grix (2002)

1.6.1 Ontological and epistemological considerations

The philosophical stance of the worldview can assume several forms, depending on the purpose and nature of what the researcher wants to investigate, such as social constructivism, positivism, and relativism (Blaikie & Priest, 2019; Marsh & Stoker, 2010; Van-de-Ven, 2007). When engaging in research, the investigator cannot take a neutral stance, as personal traits, presumptions, and bias obstruct and jeopardize any given project findings (Murthy, 2008). To guide the research design, the ontology and epistemological stance is discussed. Ontology concerns “the very nature of ‘being’ ...

what is the form and nature of reality and, consequently, what is there that can be known about it” (Furlong & Marsh, 2010, p. 185), while epistemology is about “the nature of the relationship between the knower and what can be known ... can an observer identify ‘real’ or ‘objective’ relations between social phenomena? If so, how?” (Furlong & Marsh, 2010, p. 185).

This research project subscribes to the field of strategic management—and subsequently mainly the domain of institutional logics—which is positioned within social constructivism (Thornton et al., 2012), meaning that “reality is constructed by individuals interacting with their social worlds” (Merriam, 1998). Process studies are typically congruent with a substantive worldview, and as such comply with an ontology of “being,” meaning the world consists of “things” that can change over time suitable for investigating how “things” (e.g., concepts, organizations) unfold and change over time (Abdallah et al., 2019). It therefore seems reasonable to use a constructivist process approach investigating the topics of interest in this dissertation (Gehman et al., 2018) with the purpose of building theory, defined as “a statement of concepts and their interrelationships that shows how and/or why a phenomenon occurs” (Corley & Gioia, 2011, p. 12). As my ontological stance is constructivism, I attempt to understand and interpret the lived experiences of agents, understanding the phenomena under investigation, which makes a qualitative empirical approach suitable for this research project (Yazan, 2015). Methodologically, I follow a hermeneutical and dialectic research methodology, complying with the objective of the research project and the ontological stance (Smith & Anderson, 2007).

Positivists investigate social phenomena as causal relations, comprising one single truth that can be revealed and tested. Such studies are often designed to test hypotheses by deduction, often through quantitative methods. Constructivists believe no single objective truth exists in the social world. Findings are the product of social constructions and characterized by interactions. Unfolding knowledge is hermeneutic, and the world does not exist independent of knowledge (Takahashi & Araujo, 2019). From Furlong and Marsh (2010), foundationalism represents objectivism/realism/positivism, whereas anti-foundationalism is to be understood as constructivism/relativism. My ontological stance of the world is that “the world” is interpreted and constructed by the people investigated and by the researcher, which makes a qualitative approach in line with the philosophical considerations (see Figure 3).

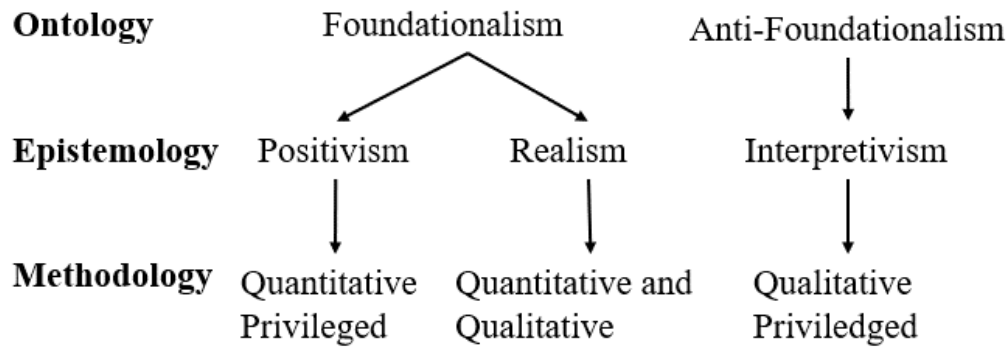


Figure 3: Connecting ontology, epistemology, and methodology (Furlong & Marsh, 2010, p. 186)

1.6.2 Access to the field

One of the great challenges in doing social research is obtaining access to the research field; even more so when the research topic is sensitive. Many scholars do not specify their fieldwork practice about access to the research field (Johl & Renganathan, 2009). Carpenter, Geletkanycz, and Sanders (2004) suggest that the majority of research in the stream of TMT literature is based on quantitative studies; maybe so, because it is easier to access data available to the public and it is notoriously difficult to access the inner spheres of top executives. This is particularly the case when considering their world of strategy formation, possibly because much information discussed in the realm of upper echelons is confidential and closely related to competitive avenues, involving significant risks. However, this study was granted access to the executive teams and interviews with top executives who took part in the events and processes investigated in this research project. As one top executive commented to me, “We wouldn’t have let you into the executive groups if you didn’t have top-management credentials.” This implies that the notoriously difficult access to rare empirical first-hand data of executives navigating strategic issues may be more likely if the researcher has a similar background to the agents under study. While this may be trivial, it may be a possible entrance to rare intimate executive investigations, supporting the suggestions by Wegener (2013) on methodical considerations. Wasserman and Jeffrey (2007) argue that social skills are important traits for obtaining access to difficult research fields. Most research is about practical tools used to contact the organization of interest (Johl & Renganathan, 2009); however, it may be important to getting access to the research field to mirror the profiles of the agents accessed, to obtain acceptance, to “be an equal.” This is an interesting topic that deserves more attention in the literature and on a larger scale, outside the scope of this project. Obtaining access to the research field is pivotal (Maanen & Klob, 1985), and accessing good, deep social science data is crucial for the analytical outcome.

1.6.3 Reflexivity, my own position in the context, and the organization

Based on the ontological stance in this dissertation, social constructions are not proxies for a single “truth” out there; such social interpretations are the results of social interactions in which I, as researcher, am a participant (Greenwood et al., 2008). Therefore, our assumptions—prejudices about the phenomena under investigation—should be reflected upon and questioned throughout the research project (Merriam, 1998), compliant with the ontological stance of the investigations. Reflexivity is the ongoing self-assessment, reflecting critically on “the self as researcher” (Lincoln & Guba, 2005, p. 183), where the researcher is an instrument for creating meaningful data.

Wadel (1991) suggests (at least) three things to observe and be aware of as a researcher: 1) to be conscious about the role oneself takes (or is given by the informants) as a researcher, this at the same time requires that the researcher becomes aware of the role of the informants, 2) the researcher is capable of using themselves as an informant, and 3) that the researcher is aware of their own cultural background, which often directs attention toward what is observed.

In the following, I will reflect upon my own role as a researcher, embedded in the organizational context, working at close proximity to the executive group.

This research project was funded by Norlys, which was used as the focal company for the research project. Their interest was in developing new knowledge of managerial processes in the context of the company development through a series of M&A activities. As such, I was closely connected to the executive team, both the TMT in action during my investigations, but also executive members no longer positioned in the company. This provided intimate insight into sensitive data while at the same time limiting my publication opportunities (Fayard, Maanen, & J.Weeks, 2016). A potential limitation of what could be published was if I had to obey or was inclined to follow the focal company’s interests. Navigating this source of possible flaws in objectivity was complicated. I discussed the emerging findings and coding with fellow researchers and peers, and I anonymized all statements from their origin, except for publicly available statements in the press. I considered how to deal with emerging patterns that some might view as critical toward the actions of the focal company. I dealt with problematic topics by sticking to what was constructed from the coding and agreed upon with my fellow researchers, but carefully selected how the concepts were described, interpreted, and presented in the project to avoid jeopardizing any of the people involved, but at the same time remain true to the analytical findings. This was no easy task, because I had to share the findings relating to the research question while at the same time not harming any of the people being very open and intimate in the interviews. I consciously avoided value-laden adjectives in any form

and build upon existing literature about concepts describing the nature of my findings as far as possible.

No agreement was made between me as researcher and the focal company with which I had to comply regarding possible publications and/or how the content was to be presented. This was more an act of mutual trust, which gave me wide boundaries for what to publish and how to formulate my findings, keeping in mind that I did not want to harm the trust granted by the top executives. This was a challenging balancing act (Fayard & Van Maanen, 2015).

Another risk of bias was my own experience, coming from a position of relative authority in the same industry and setting as the focal company. This work experience meant that I may have had prejudices about the governance principles and institutional logics in the industry and focal company. At the same time, however, this provided insights into processes and patterns of behavioral actions that may not have been obvious to a researcher having little or no insight into the setting. The prejudice risk might be high, however, given my own background, which I attempted to handle by using the *epoché* principle (Gadamer, 1975; Zahavi, 2017), meaning that the researcher refrains from conforming to their natural inclination, which is a means to “suspend or neutralize a certain dogmatic attitude to the world” (Zahavi, 2017, p. 21). This was very much a matter of distancing myself from the findings. Throughout the research project, I asked myself if the emerging meaning could be an expression of something else, acknowledging how there could be many different and competing versions of what could be considered “reality” (Smith & Anderson, 2007).

That means that “what reflexive sociology seeks is not an insulation, but a transformation of the sociologist’s self, and hence, of his [sic] praxis in the world”, as Gouldner (1973, 495) writes, cited by (Lewis & Kelemen, 2002, p. 268).

1.6.4 Research design

The objective of this research project is to explore TMT microprocesses, for which a qualitative research design is particularly suitable, because this method enables the researcher to zoom in on groups and individuals at close range, where the researcher needs a detailed understanding of the phenomena (Creswell & Poth, 2018). Such details can only be obtained by engaging closely with people, “allowing them to tell the stories unencumbered by what we expect to find or what we have read in the literature” (Creswell & Poth, 2018, p. 68). Hence, a qualitative inductive research approach will lend explorative power of unfolding data through the accounts of people involved or closely connected to the events under investigation (Blaikie & Priest, 2019; Corbin & Strauss, 2008). A qualitative research method corresponds well with the objective to “seek meaning” as “constructed

and interpreted with individuals” (Gray, 2018, p. 193), which complies with the ontological stance on constructivism. In this paradigm, processes—rather than objects—are at center stage (Rasche & Chia, 2009).

1.6.4.1 Case selection

The purpose of this phenomenon-driven research project (Eisenhardt & Graebner, 2007) is to obtain a deeper understanding of how the TMT microprocesses affect hybrid organizing processes. Due to scarce knowledge in the domain of micro-level hybrid organizing, compiling data from managers closely connected to the events under investigation is essential (Gioia et al., 2012; Yin, 2014). A case study can be defined as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2003, p. 13), which makes the case study particularly useful in social enquiries.

Therefore, I engaged in an qualitative explanatory case study, “not in the hope of proving anything, but rather in the hope of learning something!” (Eysenck, 1976, p. 9), which is particularly suitable for investigating processes and answering “how” and “why” questions (Yin, 2003). As a starting point for selecting a case, we looked for a company that has followed an institutional logic over decades and, at some point in time, decided to induce a different institutional logic. I identified the focal company of this research project as an “extreme case” (Flyvbjerg, 2006; Yin, 2018a), because, as a consequence of market deregulation, the BoD decided to introduce a new institutional logic into the TMT by granting it a hybrid mandate. Selecting an “extreme case” attempts to counter the criticism of difficulties to generalize from single case studies (Flyvbjerg, 2006; Yin, 2018a).

Single case studies are often criticized for a lack of rigor, objectivity, generalizability (Rowley, 2002; Yin, 2014), and transferability (Miles, Huberman, & Saldana, 2014). As described by Yin (2003), however, it is possible to improve analytic generalization (developing theory from data, creating theory at a higher aggregate level of abstraction) from a single case study by following four tests of validity in the research design: construct validity, internal validity, external validity, and reliability (Yin, 2014), which will be elaborated later in this chapter. One of the strengths of case study research is how the individual case may offer new insight not obtainable through other strategies (Rowley, 2002). Case studies are “particularly well suited to new research areas or research areas for which existing theory seems inadequate” (Eisenhardt, 1989, pp. 548-549).

1.6.4.2 Data collection

In the empirical investigations, we used several sources of data and data collection methods, informing the analysis of each individual research paper. As the primary data source for all three

research papers, we used interview data guided by purposeful sampling (Kumar, Stern, & Anderson, 1993a) and semi-structured interview guides, prepared and designed to fill the purpose of the research question in each research paper. Additionally, we collected archival data from minutes of BoD meetings from the period 1997–2021, business cases, management presentations, annual reports, press releases, personal observations, and governance documents from 2018–2020. The reason for a larger timespan for selecting archival data was primarily because we conducted a quantitative content analysis in Research Paper 2, which aimed at investigating changes in the construct of entrepreneurial attention in the TMT.

The intention of collecting data from interviews is not to obtain objective, non-biased facts, but rather to create rich accounts of agents' lived experiences, depicting what could be determined as a realistic view of an event (Crouch & McKenzie, 2006). Following a constructivist approach, I cannot understand and interpret interview accounts without relating them to the context, which is why the context in the research setting is described in detail in Section 1.5.

See Table 2 below for an overview of the methods and sources of data collection. For an overview of the data sources used in each research paper, see the appended papers. Interviews were mainly conducted in the period May 3, 2020, to August 6, 2020 (explorative data collection) and from April 29, 2021, to June 23, 2021. A total of 32 people were interviewed. Reflecting on the interview process, I have most likely spent excessive time on the interviews, because looking back, data-saturation was achieved, with a good margin, prior to finishing the last interviews. However, I did learn that people who I had not expected to have relevant and important information, did contribute with valuable information through snowballing, and by identifying emerging patterns through triangulation. The process was very time-consuming but worth the effort measured in terms of the depth and richness of the data collected.

Table 2: Overview of sources and data collection

Main data sources	n =	Data period	Organizational position
Interviews	14	2000–2013	L0, L1, L2
Interviews	22	2018–2020	L0, L1, L2
Interviews	6	2011–2021	L0, L1, L2, L3
Interviews	5	2011–2021	L3
Business case	2	2012	
Business case	1	2014	
Business case	2	2015	
Business case	2	2019	
Business case	2	2020	
Press releases	3	2020–2021	
Management presentations	5	2019–2021	
Minutes from BoD meeting	18 (2/year)	1997–2005	
Minutes from BoD meeting	3	2006	
Minutes from BoD meeting	20 (4/year)	2007–2011	
Minutes from BoD meeting	12	2012	
Minutes from BoD meeting	16	2013–2014	
Minutes from BoD meeting	8 (4/year)	2015–2016	
Minutes from BoD meeting	18 (9/year)	2017–2018	
Minutes from BoD meeting	8	2019	
Minutes from BoD meeting	11	2020	
Minutes from BoD meeting	6	2021	
Governance documents	3	2018–2020	

L0: Board member, L1: CEO, L2: Executive referring to the CEO, L3: Executive referring to L2.

1.6.4.3 Interviews and informal observations

I interviewed executives who took part in the transformation processes, either as TMT or BoD members or because they were closely related to the TMT during the main period of investigation

(2009–2019). The opportunity to compile first-hand accounts from executives is quite rare, which provided rich data casting light on their lived experiences of the processes unfolding during hybrid organizing. The interviewees were remarkably candid about the events, experiences, and their thoughts about what was going on during the transformations, which is why we carefully omitted some statements in the research papers to avoid jeopardizing or harming any of them. The origins of the data used in the research papers were anonymized, with a few exceptions in the case of publicly available data.

To substantiate and refine the findings, I conducted follow-up interviews in the course of the data analysis when the emerging concepts were inconclusive or unclear. During the 1.5–3-hour interview sessions, I noted observations such as body language, hesitation, emotions, and changes in intonation to supplement the content of the spoken statements made in the interviews. After each interview, I immediately wrote a rough transcription of the interview to capture the main learnings and thereafter transcribed the interviews manually in full, for the interviews used in the analyses.

1.6.5 Quality and rigor in qualitative studies

It is important that the researcher demonstrates the quality and reliability of the research process independently from the applied research methodology (Nowell, Norris, White, & Moules, 2017; Yin, 2003). Commonly used quality criteria, which are considered to help achieve trustworthiness in qualitative research, are proposed to be addressed by four quality criteria: 1) construct validity, 2) internal validity, 3) external validity, and 4) reliability (Yin, 2014). In the following, these criteria are explained and related to the chosen research approach.

Further, Merriam (1998, p. 151) argues that “rigor in a qualitative research derives from the researcher’s presence, the nature of the interaction between researcher and participants, the triangulation of data, the interpretation of perceptions, and rich, thick description.” To address these elements, a rich description was provided of the industry context and the focal company selected as case. During the data-coding process, emerging concepts, constructs, and connections between aggregated theoretical dimensions were discussed between the authors in each research paper. The findings in my solo paper were discussed with peers before presenting the paper at the conference. Codes were triangulated between different data sources and data types. The findings were also discussed with executive members of the TMT in the case company.

Construct validity is about securing that the researcher selects the type of change which is to be observed, to address the research objective, and to show that “the selected measures... do indeed the reflect specific types of change that have been selected” (Yin, 2003, p. 34). To deal with this, Yin

(2003) suggests using multiple data sources to create a connected flow of evidence and discussing draft findings with the interviewed informants. I addressed these suggestions by using interview data, archival data, and personal observations in the data-collection and analysis processes. Further, I discussed my emerging findings with the TMT executives. When using interview data, I used the epoché method (Gadamer, 1975; Zahavi, 2017) and triangulate emerging constructed perceptions of concepts between interviewees' statements. Epoché is "the process the researcher engages in to remove, or at least become aware of prejudices, viewpoints or assumptions regarding the phenomenon under investigation" (Merriam, 1998, p. 158). I have strived to fulfil this consideration by asking myself during the course of the analysis whether my findings could mean something else. Moreover, I discussed the emerging concepts and relations with my co-authors and peers, and not least confronting the interviewees in subsequent interview phases with my understandings.

Internal validity is particularly relevant for explanatory case studies in which the researcher attempts to unfold causal relations. Here, Yin (2003) suggests that conceptual connections are underpinned by strong arguments grounded in data. I have addressed this concern in the analysis and theory-building phases by striving to create coherent explanations and looking for mutual, supportive data, such as multiple quotes from different interviewees and other forms of data that together build strong arguments. Whether the arguments were found convincing was tested in the peer review at conferences, PhD workshops, and discussions with fellow researchers.

External validity deals with whether the research findings can be generalized beyond the case setting. As already pointed out, this has been a major critique of single case studies. We have addressed this by selecting an "extreme case" (Yin, 2018a), anticipating this to be the best attempt to select an appropriate case for theory-building and by generalizing the coding into theory (Yin (2003)). Further, external validity should be tested through replication studies (Bettis, Helfat, & Shaver, 2016), in different and similar settings.

Reliability is concerned with securing that a researcher can at a later time follow the same procedures for the same case (not another one) and arrive at the same or similar results (Yin, 2003). To accommodate this concern, I documented the procedures I followed when collecting and selecting data. In the method sections of the research papers, I described the data collection methods. I described the type of data collected (and how), how interviews were conducted, how and why archival data was collected, and the basis for selecting interviewees, which followed the method of purposeful sampling, recommended by Kumar et al. (1993a).

1.7 Analysis

Data analysis is a vital and pivotal element in qualitative research, the purpose being to obtain a deeper understanding of the data and build a robust structure of explanatory power related to the research objective (Creswell & Poth, 2018). When little is known at the outset of the investigations in social research, Blaikie and Priest (2019) suggest an inductive approach. In the inductive coding process, data are analyzed using the Gioia method (Gioia et al., 2012) for coding data. In this process, NVivo was used, going back and forth between the data, emerging categories, and the literature. By doing so, we build theoretical and aggregate dimensions, and connected the emerging concepts (Gioia et al., 2012) to create meaningful structures. This process structures data into clusters of commonalities, which—when connected with meaningful findings—will help to answer the research question.

Data are initially grouped into first-order code, paying attention to what the different data sources may “have to say” relating to the investigated phenomenon. The first-order codes are then clustered into second-order themes (theoretical categories) looking for patterns of first-order codes that may create meaning aggregating to a higher level of abstraction. The last step includes clustering the theoretical categories into aggregate theoretical dimensions, typically constituting concepts or, if the purpose is to measure any value of the developed dimension, relevant constructs. In this process, the ontological and epistemological stances play a central role together with the researcher’s own reflexivity, as any emerging concept and connections between concepts must be challenged and questioned, constantly comparing any findings to the existing literature to clarify whether the findings may add to or can be explained by the literature (Gioia et al., 2012; Locke, 2003; Nowell et al., 2017). As such, the research partly applied an abductive method, meaning that, in practice, a combination of deductive and inductive analyses was applied by going back and forth between emerging patterns driven by the data and the existing literature (Gehman et al., 2018).

As mentioned in section 1.2, the investigation in this dissertation was based on a qualitative case study in which several events of relevance to the sub-research questions of the three research papers were embedded. Figure 4 depicts the important strategic events in the focal company’s history, which has informed the research focus of the dissertation, (Madsen et al., 2022, p. 43).

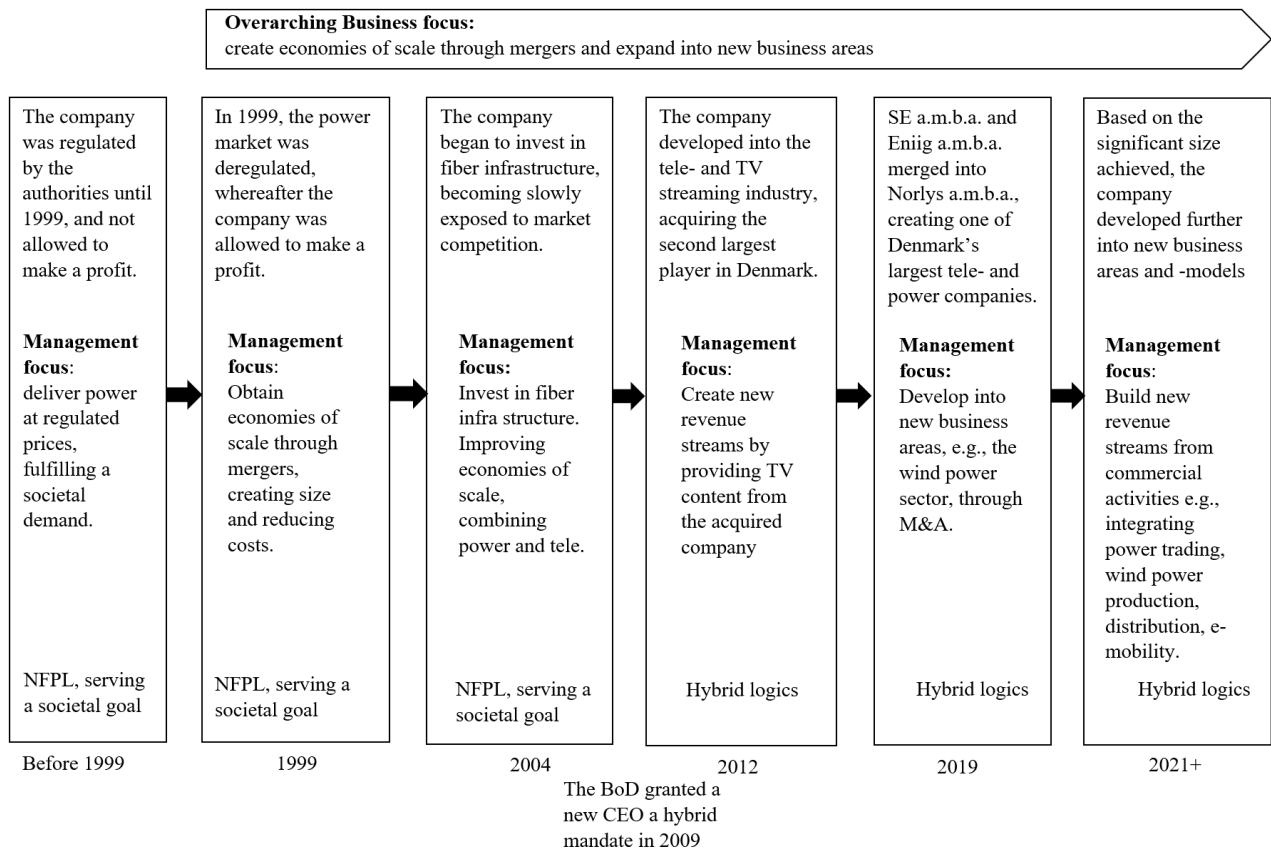


Figure 4: Sequence of strategic events challenging institutional logics (1999–2021), (Madsen et al., 2022, p. 43)

1.7.1 Individual papers and overview of contributions

In the following, the connection between the three research papers is explained in a time and space perspective.

Paper 1. “A look inside the hive: The role of executive relations affecting tensions in burgeoning hybrid organizing” is about the very early days of hybrid organizing in the period 2009–2014. It covers the first phase of hybrid organizing, initially circumventing the tensions and conflicts known as the notorious companions of hybrid organizing (Boone et al., 2021), albeit postponing paradoxes and tensions to a later stage, which caused the BoD to make changes to the TMT, leading to the topic of Paper 2.

Paper 2. “Negotiated attention: An investigation of the formation of TMT attentional focus” investigates how the TMT shaped and negotiated the attentional focus in the period 2013–2015, after re-composing the team, which radically altered the top management’s strategic focus. This paper is the precursor to Paper 3, where the TMT obtained BoD support to continue the hybridization process,

leading the company to make significant investments in both the regulated (NFPL) and commercial (FPL) business areas.

Paper 3. “Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid” is about addressing how TMT practices influenced hybrid organizing in the years 2013–2019, combining not-for-profit and for-profit logics through a concept we labelled “enveloping logics,” omitting the “curse” of having to either compromise, decouple or combine multiple logics, often at the expense of one another (Pache & Santos, 2013).

Contribution from Paper 1, “A look inside the hive: The role of executive relations affecting tensions in burgeoning hybrid organizing.”

Table 3: Presentation of Paper 1

Title	A look inside the hive: The role of executive relations affecting tensions in burgeoning hybrid organizing.
Gap in the literature	Despite intense research in hybrid organizing, “the becoming” of hybrid organizing and how TMT microprocesses are formed and shaped in the navigation of multiple logics in the very first hybrid organizing phase remains under-explored (Denis et al., 2015; Friedman & Carmeli, 2017; Smith & Lewis, 2011). Further, field-level institutional logics are thoroughly investigated—but not at the inter-individual level (Dufays & Huybrechts, 2016). This calls for further research addressing micro-level dynamics in institutional theory (Dorado, 2013; Fine & Hallett, 2014).
Research question	How do executive relations affect navigating paradoxes and tensions experienced during the first infusion of an external FPL into an existing NFPL context?
Methodology	The study is based on a qualitative, empirical case study. The case company is considered an “extreme case” (Yin, 2014), particularly suited for answering the research question.
Data	Interview data based on semi-structured interview guides supplemented with archival documents covering the investigated period.
Academic contributions	This research advances the research streams of hybrid organizing, paradox theory, and relationship theory by offering a process model of how microprocesses unfold during the first encounter between an FPL and an NFPL, explaining the role of interpersonal relations.
Practical contributions	With this study, I hope to motivate executives to pay attention to the impact of interpersonal relations in the TMT and reflect on how the nature of interpersonal relations may affect executive thinking when navigating multiple logics (and in general), with the objective to improve executive decision-making, thereby reducing the risk of loss of corporate performance in hybrid organizing (Boone et al., 2021).
Presented at	The 42nd EBES Conference in Lisbon, January 12, 2023
Addressed journals	<i>Scandinavian Journal of Management</i>
Status	In review in <i>Scandinavian Journal of Management</i>

Contribution from Paper 2, “Negotiated attention: An investigation of the formation of TMT attentional focus”

Table 4: Presentation of Paper 2

Title	Negotiated attention: An investigation of the formation of TMT attentional focus
Gap in the literature	Despite extensive research on TMT attention relating to strategic shift, the literature is missing out on how managerial mechanisms unfold at the micro level and how individual-level ambitions and relative power may speak to each other, affecting the executive attention at group level and ultimately relating to the strategic shift (Tanikawa & Jung, 2019)
Research question	How is attentional focus formed within the TMT?
Methodology	The study is based on a qualitative, empirical case study. The case company is considered an “extreme case” (Yin, 2014), particularly suited for answering the research question.
Data	Interview data, based on semi-structured interview guides, supplemented with archival documents covering the investigated period.
Academic contributions	We add to research in the fields of strategic shift, the attention-based view of the firm (Ocasio, 1997), and the role of the upper echelon theory (Cho & Hambrick, 2006; Neely, Lovelace, Cowen, & Hiller, 2020; Tanikawa & Jung, 2019) by explaining how group-level attentional focus may be formed and shaped by individual executives’ attention, ambitions, and relative power positions.
Practical contributions	We hope our research sheds little light on some previously unknown pitfalls in TMT processes relating to strategic shifts. We offer the TMT and BoD insights into how and why strategy formation takes certain directions in the strategy-formation process, offering opportunity to reflect consciously on facets of the strategic-shift process that have previously been lacking in the practitioner toolbox (Bouquet & Birkinshaw, 2011).
Presented at	
Addressed journals	<i>Journal of Business Research</i>
Status	In review in <i>Journal of Business Research</i>

Contribution from Paper 3, “Understanding the role of top management practices in organizational change: Transforming a not-for-profit-organization into a commercial hybrid.”

Table 5: Presentation of Paper 3

Title	“Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid”
Gap in the literature	While research on hybridity and hybrid organizing has come a long way, it is short on illuminating how microprocesses of how management changes singular logics to a plural logic of hybridity (Lee & Battilana, 2020); and particularly on what role managerial practices may play herein.
Research question	How do TMT practices influence organizational transformation from a not-for-profit to a hybrid form of organization?
Methodology	The study is based on a qualitative, empirical case study considered an “extreme case” (Yin, 2014) particularly suited for answering the research question.
Data	Interview data based on semi-structured interview guides supplemented with archival documents covering the investigated period.
Academic contributions	We offer an in-depth qualitative case study and develop a process model explaining how institutional logics may develop over time, unfolding how TMT practices adapted from outside the industry may support hybrid organizing processes. This contribution advances the research on hybrid organizing and organizational change by illustrating a process model of how opposing logics may co-exist using a concept we refer to as “enveloping logics.” We identified a portfolio of TMT practices adopted from external industries over two decades, which supported the coexistence of plural logics. To our knowledge, this has not been offered previously.
Practical contributions	We hope our contribution fills a gap in the practitioner toolbox by offering an additional option to navigate dual logics using the concept of enveloping logics and embracing two opposing logics equally.
Presented at	<ul style="list-style-type: none"> a) “Strategic Management Society” paper development workshop: Paper presented at SMS 41st Annual Conference in Toronto, September 18–21, 2021 b) 39th EBES Conference, Rome, April 6–8, 2022 c) Presented at the 82nd Annual Meeting of the “Academy of Management,” Seattle, August 5–9, 2022. Published in AOM Conference Proceeding 2022, 2022(1), 3079–3079. Understanding the Role of Top Management Practices in Organizational Hybridization Academy of Management Proceedings (aom.org)
Addressed Journals	<i>Long Range Planning, Journal of Management Studies</i>
Status	In review in the <i>Journal of Management Studies</i>

2. Paper 1

A look inside the hive: The role of executive relations affecting tensions in burgeoning hybrid organizing

Abstract

Hybrid organizing- combining multiple institutional logics- is an increasingly relevant yet under-explored phenomenon that requires further investigation into how the management teams (TMT's) form and maintain the underlying processes. Through 21 in-depth interviews of TMT members and board of directors over seven years, I provide a detailed insight into how executives navigate and respond to hybrid organizing in the burgeoning phase of hybridization. The process model illuminates the critical executive processes of navigating paradoxes and paradoxical outcomes in a setting of multiple institutional logics. The study suggests that interpersonal relations may have a constructive or a destructive effect on hybrid organizing, depending on TMT heterogeneity, personal traits, and cognitive tolerance to tensions and conflicts.

Keywords

TMT relationships, paradoxes, tensions, conflicts, hybrid organizing, CEO and BoD relationship.

Introduction

As a rising number of companies face different and often contradictory stakeholder expectations, for example, societal and commercial objectives (Margolis & Walsh, 2003; Mitzinneck & Besharov, 2019; Pache & Santos, 2010) leading to hybrid objectives, the TMT is challenged by navigating and handling opposing logics (Battilana & Lee, 2014). Pursuing multiple objectives simultaneously can cause paradoxes, tensions, and conflicts, sometimes requiring complex managerial responses (Ambos, Fuchs, & Zimmermann, 2020).

Such tensions and paradoxes may occur at the organizational-, group-, or individual level (Medved et al., 2001). Turning to the field of psychology, zooming in on the individual level, scholars argue paradoxical tensions can initiate constructive or destructive responses and affect individuals' feelings and emotions (Kahn, 1990; Schneider, 1990). Recent research argues that emotions and interpersonal relations affect responses to paradox and tension (van Helvert-Beugels et al., 2020), which is echoed by Schad et al. (2016, p. 40) who call for further research on the role of emotions "...early studies highlight emotions as critical in surfacing and thwarting paradox, but we still know relatively little about the variations of their role".

In that vein, the emergence of hybrids is still an under-explored phenomenon, and even more so the first initial micro-processes hereof (Dufays & Huybrechts, 2016; Lee & Battilana, 2020). Research is underdeveloped on the role of interpersonal relationships and responses to paradox and tensions (Jarzabkowski, Lê, & Van de Ven, 2013; Schad et al., 2016) and the literature has been scarce about how individual executives and TMTs navigate paradoxes and tensions (Besharov & Smith, 2014; Smith, 2014), and to my knowledge completely silent about how individual executives navigate paradox and tensions in a first encounter with dual logics in the process of hybrid organizing (Lounsbury & Boxenbaum, 2013).

This is of relevance because paradox, tensions, and conflicts are known companions in hybrid organizing (Boone et al., 2021), and found to affect interpersonal relations (van Helvert-Beugels et

al., 2020) which in turn is found to relate to firm performance (Srouf et al., 2022). Further, interpersonal relations may be pivotal to achieve support for going new routes (Boone et al., 2021) as in the case of introducing a for-profit-logic (FPL) into a not-for-profit-logic (NFPL) context.

There has been a plethora of research in hybridity, paradox, and tensions (Battilana & Lee, 2014; Boone et al., 2021; Lewis, 2000; Lüscher & Lewis, 2008; Schad et al., 2016; Smith & Lewis, 2011) but knowledge is scarce on how individual executives navigating paradoxes in the initial insertion of an FPL into a NFPL context, i.e., the “big bang”. Therefore, if we can understand how the TMT navigates paradoxes and tensions in an emerging hybrid setting (“the big bang”) and what role interpersonal relations play herein, we may gain insight into so far hidden phenomena that will add new knowledge to the research stream of TMT processes, hybrid organizing, and paradox theory.

The purpose of this paper is to develop a process model explaining how the TMT navigated paradoxes and tensions within the TMT during the infusion of an external FPL into an existing NFPL, and how interpersonal relations may affect a burgeoning process of hybrid organizing.

The investigations are guided by the following research question:

How do executive relations affect navigating paradoxes and tensions experienced during the first infusion of an external FPL into an existing NFPL context?

In answering this question, I investigate the first infusion of an FPL in 2009 into a NFPL context through an empirical case study, so far missing in the literature on hybrid organizing. The study use a micro-foundation approach (Foss & Linder, 2019) in a process perspective (Abdallah et al., 2019) with a focus on micro-relational foundations (Carmeli et al., 2016) of hybrid organizing, which can help unfold how TMT executives navigate paradoxical tensions and conflicts in the process of burgeoning hybrid organizing.

Theoretical background

Hybrid organizing

Hybrid organizing can be understood as the process of organizations combining elements of different institutional logics (de Mon et al., 2021), defined as commonly accepted templates of organizational beliefs, values, rules, and assumptions which direct organizational actors' decision-making (Thornton & Ocasio, 1999). The concept of hybrid organizing can be defined as “the activities, structures, processes, and meanings by which organizations make sense of and combine multiple organizational forms” (Battilana & Lee, 2014, p. 403). Because institutional logics are embedded in actors' behavioral patterns (Sirris, 2019), there may be both positive and negative outcomes of combining logics, depending on how executives respond to paradoxes and tensions.

Recent research suggests that responses to problems of a hybrid nature can be understood as a choice between decoupling, compromising, and combining competing logics (Pache & Santos, 2013). For example, Jay (2013) found that combining multiple logics can stimulate innovation, and Boudes, Pinz, and Kreutzer (2020) argue that hybrid organizing may help decision-makers navigate opposing economic and societal goals simultaneously by combining a multitude of institutional logics that individually fails to meet opposing objectives. Further, contemporary research argues that hybrid organizing may offer new roadmaps of organizing by a synthesis of apparent opposing logics to overcome new types of problems (Gümüşay, Marti, Trittin-Ulbrich, & Wickert, 2022). An example of possible negative outcome of combining multiple logics is being a notorious catalyst of conflicts, tensions, and mission drift (Boone et al., 2021).

Paradox and tensions

The origin of the concept of paradox can be traced back to ancient times in both western and eastern philosophy, and is understood as opposite poles which seem to not make sense when existing at the same time, however, existing because of their counterpart, for example good versus bad, yin versus

yang (Lewis, 2000; Schad et al., 2016). Ontologically, a paradox can be understood as a concept constructed by individuals emerging from polarized social and cognitive constructions (Lewis, 2000), based on thoughts, actions, and beliefs (Ford & Backoff, 1988).

The concept of paradox is described by Smith and Lewis (2011, p. 382) as "...contradictory yet interrelated elements that exist simultaneously and persist over time". Their definition comprises two subsequent elements of a paradox: tensions, and responses. In their definition, tensions emerge from elements that appear logic when considered individually but non-logic when considered at the same time, and responses constitute actions that attempts to navigate such tensions (Jarzabkowski et al., 2013). We can understand tensions through the definition by Epstein et al. (2015, p. 37) as "two phenomena in a dynamic relationship that involve both competition and complementarity". In this understanding, the concept confers meaning to interpersonal relationships, as dissonance between individuals cognitive patterns, values, and beliefs (Smith & Tushman, 2005).

Recent research describes four types of paradox: the paradoxes of belonging, organizing, learning, and performing (Jarzabkowski et al., 2013; Schad et al., 2016). Jarzabkowski et al. (2013) developed a framework of relationships among the three paradoxes of belonging, organizing, and performing. The belonging paradox, relating to the organizational level, is about competing identities within the organization (Ashforth & Reingen, 2014). The paradox of organizing, relating to the organizational level, is concerned with how organizations create different processes and structures, i.e., different organizational designs to accommodate for certain outcomes (Smith & Tushman, 2005). The learning paradox is concerned with tensions between what has been and what is to come, for example exploration and exploitation (Carmeli, Ben-Hador, Waldman, & Rupp, 2009; Lüscher & Lewis, 2008; Smith, 2014) which may relate both to the individual level and the organizational level. The performing paradox, becoming salient at micro level (Jarzabkowski et al., 2013), is about individuals dealing with diverse goals and outcomes arising from different demands imposed on the organization, for example societal and commercial goals. The paradox of performing emerges from the demand for

individuals to enact opposing and contradicting roles and tasks which occurs at micro level, “individuals struggle to respond to either the conflicting demands embodied within their own roles or the conflicting demands arising from the roles of others with whom they share joint tasks” (Jarzabkowski et al., 2013, p. 247).

A wide repertoire on responses to paradoxes has been described over the past four decades, (Ashforth & Reingen, 2014; Jarzabkowski et al., 2013; Kraatz & Block, 2008; Pache & Santos, 2013; Poole & Van-De-Ven, 1989; Schad et al., 2016). Poole and Van-De-Ven (1989) segregates navigating paradoxes into four distinct types of dealing with paradoxes: opposition (accepting the paradox and making the best out of it), spatial separation (separating the problem into macro-micro levels, dealing with tensions in spatial separations), temporal separation (one part of the paradox prevailing at one time and another at a different time), and synthesis (paradox resolution by a combination of the other types of paradoxes).

Another way of demarcating responses to paradox is suggested by Jarzabkowski et al. (2013). They segregate paradoxical responses in defensive and active responses. These are comprised of defensive responses like projection, isolation, and repression (Freud, 1966), and splitting and projection (Ashforth & Reingen, 2014). Defensive responses may cause reduced tensions in the short term, however only temporarily (Pache & Santos, 2013). Lewis (2000) created a framework of six defensive responses: splitting (polarizing opposites), projecting (redirecting blame at other organizational groups), repression (denial of paradoxes), regression (using past actions that has provided comfort), reaction formation (over-emphasizing the validity or feeling of existing objectives opposite the threatening objective), and ambivalence (a compromise of conflicts of emotions, reducing the pressure of opposites), (Jarzabkowski et al., 2013; Lewis, 2000).

Active responses to paradoxes strive for navigating tensions with the objective to accept tensions and paradoxes as natural elements in organizational activities (Jarzabkowski et al., 2013). Active responses to paradox and tensions, which acknowledge paradoxes as natural conditions, comprise

confrontation (addressing tensions), acceptance (positive attitude towards balancing tensions), and transcendence (leveraging the paradoxical problem to a higher level rejecting paradoxes of elements to be opposites and to be acknowledged as a complex phenomenon), (Jarzabkowski et al., 2013; Smith & Lewis, 2011). Transcendence may be achieved through reframing the paradox (Seo, Putnam, & Bartunek, 2004), which is a process of acknowledging both ends to a continuum as equals (Kraatz & Block, 2008).

To investigate the phenomenon, the lens of paradox and tensions are selected, because they are considered inherent elements of navigating multiple institutional logics as underlying drivers of conflicts (Smith & Lewis, 2011).

Interpersonal relations

Human relations between individuals, within groups, and across sub-groups in organizations are important because “organizations depend on individuals to interact and form connections to accomplish the work of the organization” (Dutton & Heaphy, 2003, p. 264). Relations may be different in nature (Finkel et al., 2017), characterized by “...conflict, hostility, sexual attraction, friendship, loyalty, or economic exchange...the definition does not specify whether the relation of the actors is co-operative or the opposite” (Mucha, 2006, p. 123).

Carmeli et al. (2016, p. 49) nuance the concept of interpersonal relations. He defines the concept of caring in a relationship as “... caring for another person is about expressing concern about him or her. Care in relationships among organizational members is characterized by mutuality, active empathy, access to help among team members, lenient judgment towards participants in the team, and courage”, which is referred to as an “emotional relationship”. Other scholars understand interpersonal relations differently. For example, Dutton and Heaphy (2003, p. 263) understand a relationship as “Human connections (of)...individuals to interact and form connections to accomplish the work of the organization”, which is referred to as a “work relationship”. The difference between

these two understandings of interpersonal relations is whether the relation is inwards-focused on the TMT members, with the focal point being the well-being of individuals, or outwards-focused on the task of solving organizational problems. This is not to say that these two types of a relationship cannot coexist simultaneously, and in most organizations, most likely will be combined with different weight. However, the distinction defines a taxonomy of different foci, which may help to investigate the role of interpersonal relations. In this paper, the definition by Kelley et al. (1983, p. 38) is used as a “strong, frequent, and diverse interdependence that lasts over a considerable period of time” and further refine this definition by the interpersonal relationship characterized as either an “emotional relationship” or a “work relationship”.

Interpersonal relations, independent of whether we understand a relation as an emotional relation or a work relation, may embed an element of mutuality, by which is meant an element of something one desires from another (Hutzschenreuter, Kleindienst, & Greger, 2014). Drawing on the definition of power by Emerson (1962, p. 32) “...power resides implicitly in the other’s dependency”, this concept can be understood as one actor possessing something that another actor wants, meaning a relation becomes of value and can constitute a form of relative power among actors. In this understanding, this may have the consequence of restricting actors’ possible responses to paradoxes, because members of the TMT may want to avoid damaging interpersonal relations in the TMT, risking being isolated from the group (the paradox of belonging). Because relations have value, the fear of losing value delimits TMT members legitimate agency, ”Power manifests not just in explicit attempts to influence behaviors, but also as “a network of relations constantly in tension” (Foucault, 1979, p. 26), whereby relations may be used to propagate specific actors interests and in doing so internalize a form of power (Hutzschenreuter et al., 2014).

Interpersonal relational dynamics among executive members may raise numerous emotional responses affecting TMT decision making (Kisfalvi & Pitcher, 2003; Liu & Maitlis, 2014). Conflicts of values and beliefs may be reduced by a readiness to consent (Gebert, Boerner, & Kearney, 2010),

however, TMT members having a poor relationship with the strongest executive member(s) are often found to leave the organization (Ma & Seidl, 2017), underpinning the element of power in relationships. Tensions, often resulting from frustration, are closely connected to feelings and emotions and may cause stress, discomfort, and anxiety (Putnam et al., 2016), which may, when juxtaposed through individuals cognition (Smith & Tushman, 2005) create a paradoxical outcome.

Changes, like inducing an FPL into an existing NFPL context, may create new objectives, roles, and relationships between team members (Seo et al., 2004), often causing insecurity, confusion and contradictory cognitive interpretation of situations, processes, and events, leaving actors struggling with roles and relationships (Lüscher & Lewis, 2008). Responding to such tensions, developing interpersonal relations is found to reduce relational constraints (Ma & Seidl, 2017) which in turn may reduce the risk of tensions and conflicts leading to paradoxical outcome.

Interpersonal relations is considered to be an helpful lens in this study because human relations, their nature, and purpose are closely related to emotions and feelings which are known to create or reduce tensions and conflicts (Agote, Aramburu, & Lines, 2015).

Method

Context and research setting

The European power market was deregulated in 1999 due to a European political agenda of pursuing increased efficiency in the market, striving for reduced power prices for the end customers across Europe. Until the deregulation of the power market, the focal company was operating a government regulated monopoly of power distribution and power sale to their customers. Their customers were identical with the owners of the company because all customers in the geographical distribution area of the regulated power companies automatically became owners when they connected to the power grid of the company, based on the legislation in place up until the deregulation in 1999.

The focal company offered services to the end consumer at cost prices, and good technicians were considered good managers. The focus in the management was on running the grid technically optimal, with very little focus on commercial issues “*a CEO... was typically promoted from within the company, he was an engineer in something related to electricity ... and what they generally lacked was the understanding that you actually have to fight for the customers...*”, (BoD member, 2012). Given the new market opportunities of deregulating the market and when the incumbent CEO retired in 2009, the BoD decided to insert a new type of CEO with the objective to pursue possible commercial opportunities simultaneously with the regulated businesses.

“When I first entered the company in 2009, I felt like entering the office of a municipality...what intrigued me was the fantastic challenge in a customer-owned energy company to change the old culture” (CEO, the focal company, 2009).

Focal company

The focal company in this paper, is currently one of Scandinavia’s largest integrated conglomerates operating within telecom, tele- and power infrastructure, and energy services active within the industry and private household segment. The company has 709,000 shareholders and around 1.5 million customers, employing 2,500 employees. They have subsidiaries with a full national footprint (2019) and from 2022 is active outside the country of origin.

The company is still owned by the customers, as most other similar companies in the industry in the country of origin. The board of directors are elected through a democratic process among members of the local distribution area, who have a meter connected to the grid. Some of the BoD members are experienced business professionals, however most BoD members are not.

Research approach

To make sense of the data, I first developed a rich case study for the most interesting events in the period of 2009-2015 (Langley, 1999). This time period was selected because the objective was to investigate the micro-processes in the TMT upon the first encounter of an FPL being infused into a NFPL institutional logic, beginning with the insertion of an external commercial CEO in 2009. To allow for processes to develop, 2015 was selected to be the end point of the investigated period in which a new external CFO was inserted in 2013, selected by the BoD as response to a period of explorative and lossmaking investments. This approach seems supported by “Overall, longitudinal methods—both qualitative (Jarzabkowski et al., 2013) and quantitative (Klarner & Raisch, 2013)—appear to be particularly well suited for paradox research.” (Schad et al., 2016).

Recent literature argues that navigating multiple logics is unequivocally bound to cause tensions, conflicts, and paradoxes (Boone et al., 2021). Hence, the baseline assumption is that the insertion of a new commercial CEO into an existing regulated non-commercial context would cause tensions, conflicts, and paradoxes. Based on this assumption, I investigated how the TMT navigated such phenomena pursuing a hybrid mandate granted by the BoD. On that note, it is assumed that if such micro-processes are not managed properly, the process of hybrid organizing may be questioned and ultimately stopped by the BoD. An overview of three identified distinct phases and important events, and examples of tensions, paradoxes, conflicts, and managerial responses for the period from 2009-2015, is depicted in Table 2.

First, the interviews of top executives and managers broadly analyzed, referring to the top executive team who were part of the organization at least two years before the first infusion of the new FPL in 2009 and until 2015, to identify key events of paradoxes and tensions emerging from inducing an FPL into an existing NFPL context in the TMT (Smith & Lewis, 2011).

Secondly, the relevant main events were identified in the period studied, and segregated the events into three distinct phases, see Table 2 for an overview.

Thirdly, to get a deeper understanding of how relational ties affected executives navigating and managing paradoxes and tensions as they emerged and unfolded during the period, NVivo was used to code (Gioia et al., 2012) the data for any relation between relational ties between executives and paradoxes and tensions in the TMT.

Fourthly, the theoretical categories and theoretical dimensions were connected into a process model, explaining the findings, depicted in Figure 2.

The unit of analysis is the TMT, and as the research question is concerned with how managerial responses unfold over time, a process approach is considered to be the most relevant for the investigations (Abdallah et al., 2019), “Process thinking involves considering phenomena dynamically – in terms of movement, activity, events, change and temporal evolution” (Langley, 2007, p. 271).

As complex social processes and events are investigated, where my knowledge is limited at the outset of the project, a qualitative inductive research approach is particular suitable for such study (Blaikie & Priest, 2019; Corbin & Strauss, 2008).

The selected focal company seems suitable for investigating the research question because the insertion of a CEO from a very different context in 2009 than the existing context of the focal company prior to the insertion is expected to constitute an “extreme case” which is considered suitable for studying abrupt changes in institutional logics (Yin, 2018a).

Sample and data collection

I used semi-structured interviews, questioning interviewees about their lived experiences in or related to the TMT around the time period of investigation. 21 in-depth interviews were conducted, with a

duration between typically 1 and 2.5 hours, using purposeful sampling (Kumar et al., 1993a). Hereof, four interviewed executives were in the TMT in the period from 2009-2015 and are still part of the organization in executive positions today. Two interviewed executives were in the organization from 2007-2021. I took a personal decision to omit statements that would potentially harm any individual's reputation, and all used quotes were anonymized to protect the interviewees.

During the coding (Gioia et al., 2012) Two additional interviews were conducted, of one hour duration per interview with executives who were in executive positions in the period 2007 – 2015 to calibrate my understanding as patterns of theoretical categories and concepts emerged from the coding. Additionally, BoD members, who were on the BoD's in the period from 2007 – 2021, were interviewed.

An overview of data sources used for the analyses is depicted in Table 1. L0 refers to BoD members, L1 to the CEO, L2 are executives referring to the CEO and L3 are executives referring to L2. The interviews were supplemented with archival data of 37 minutes from BoD meetings, to investigate TMT compositions, arguments, and debates about changes in the TMT composition and tensional issues between the TMT and the BoD. Further, the archival data helped me to identify significant managerial events and understand relational and paradoxical phenomena and tensions at play.

Table 1: Overview of data sources

Main data sources	n=	Data period	Organizational position
Interviews	21	2009-2015	L0, L1, L2, L3
Interviews (follow-up)	2	2007-2015	L2, L3
Minutes from BoD meeting	3	2006	
Minutes from BoD meeting	6	2005-2009	
Minutes from BoD meeting	4	2009	
Minutes from BoD meeting	4	2010	
Minutes from BoD meeting	4	2011	
Minutes from BoD meeting	4	2012	
Minutes from BoD meeting	4	2013	
Minutes from BoD meeting	4	2014	
Minutes from BoD meeting	4	2015	

L0: Board member, L1: CEO, L2: Executive referring to the CEO, L3: Executive referring to L2.

Data analysis

The overall approach was phenomenon driven inductive coding (Gioia et al., 2012), with the objective to build theory from case study research (Yin, 2014). I analyzed interview data and archival data from the period of two years before the BoD inserted a new CEO in 2009 and until 2015, allowing a period of “settling in” of executives’ responses to the first encounter of multiple institutional logics and to be able to follow processes of unfolding how executives navigate competing logics from the beginning of the first infusion of an FPL into a NFPL contextual setting. The data was imported into, and analyzed with the aid of NVivo, see Table 1 for an overview of data sources. At the outset of my analysis, it was unclear whether there were any form of tensions and conflicts or paradoxes in the TMT upon the TMT being granted a hybrid mandate by the BoD. Nevertheless, this was assumed to

be the case, however I did not know at the starting point, if such would support, constrain, or reject a process of beginning hybrid organizing.

The paper use a grounded theory approach (Glaser & Strauss, 1967), in the process of encoding several first order-codes, from the data according to the Gioia-method (Gioia et al., 2012). The first-order codes are combined to aggregate theoretical dimensions, iterating back and forth between data and emerging categories and theoretical dimensions. Whenever new findings emerged that I could not make sense of or relate, I read relevant theory about the phenomena, going back to coding, and adjusting categories, concepts, and relations questioning my previous findings. At the beginning I was surprised that apparently no conflicts nor tensions arose in the TMT when the new FPL mission was introduced. However, a deeper analysis of the nature and different characteristics of the individual TMT relations, revealed possible explanations of this phenomenon.

The findings were discussed with two executive members, one who was a member of the TMT and one who were closely related to the TMT in the period 2007-2015, in separate follow-up interviews. During the process of coding I particularly asked myself whether any finding could represent something else, reflecting on my own possible presumptions (Gadamer, 1975), and the coding, concepts, and their connections (Gioia et al., 2012; Locke, 2003) were adjusted, if any new finding gave rise to new insight. I occasionally performed theory driven coding in the process of understanding tensions related to paradoxical outcome. The coded data structure is schematically depicted in Figure 1.

Findings

I set out by presenting an overview of the order of main events in a narrative approach, of the period of investigation (Cornelissen, 2017), which informs the following analysis. The main events are segregated into three distinct phases depicted in Table 2.

Table 2: Overview of main events in burgeoning hybrid organizing

Phase 1 2009-2011	Phase 2 2012-2014	Phase 3 2014-2015
<p>BoD appoints a new CEO who is inserted in the TMT in 2009, with a commercial focus, contrasting the societal focus of the retiring CEO. This was the first infusion of an FPL into an NFPL context.</p>	<p>A CEO from an acquired company was inserted into the focal company's TMT, which created a heterogenous TMT. However, this caused tensions and conflicts between an FPL and a NFPL, based on differences in executives' cognitive patterns, values, beliefs, and leadership styles.</p> <p>The first apparent paradoxical outcome at the organizational level was the experienced CEO from the acquired company leaving the group, reversing the executive team to a homogeneous TMT, characterized by harmony based on interpersonal relations, sharing the same values, and beliefs.</p>	<p>The insertion of a new CFO in 2013 created a TMT not predominantly based on interpersonal relations and shared values and beliefs, but more so differences in competencies and differences in managerial focus, which created a more heterogeneous TMT.</p>
<p>The new CEO inserted two new TMT members based on selective hiring of people with the same managerial values and beliefs, and employment background, creating a homogeneous TMT.</p>	<p>The next apparent paradoxical outcome at the organizational level was insertion of TMT members from the focal company TMT, into the acquired company although not or less experienced in the fields of operation.</p>	<p>The executive members of opposing foci, invested in their interpersonal relations, achieving a balance of opposing cognitive patterns, reducing TMT tensions, and risks of conflicts, yet maintaining a more heterogeneous TMT</p>
<p>The CEO engaged in activities of building relationships within the TMT and towards the BoD.</p>	<p>Loss of group performance occurred, causing the BoD to question the composition of the TMT related to delivering on the hybrid mandate, which caused tensions between the TMT and the BoD.</p>	<p>The TMT continued activities of BoD involvement, building stronger relational ties between the TMT and the BoD.</p>
<p>A series of explorative investments were completed within new business areas, pursuing an FPL of developing commercial activities at the same time of continuing the existing business of non-commercial societal activities, combining hybrid logics.</p>	<p>The BoD selected a new CFO for insertion in the TMT, with the objective to induce heterogeneity into the TMT.</p>	<p>The change of the TMT caused an improvement of company group performance, clearing BoD and TMT tensions.</p>
<p>The TMT delivered initial positive results on the hybrid mandate granted by the BoD</p>		

The data structure from the coding, is depicted in Figure 1.

Process model

Figure 2 illustrates the process model of relational processes in burgeoning hybrid organizing. Phase 1 explains the initial dynamics of the micro-processes in the TMT, which surprisingly was characterized by a period of harmony, with no or very few tensions, conflicts, or salient paradoxes in the TMT. On a note, the response by the TMT to potential tensions and paradoxes in Phase 1, is not described in the framework of (Putnam et al., 2016), which will be elaborated in the following section. Phase 2 is characterized by an “Either/Or Approach” as defense mechanism “...strategies that individuals use to deny the existence of contradictions... and paradoxes” (Putnam et al., 2016, p. 122). The period is portrayed by disharmony, management tensions, conflicts, turmoil, and paradoxical outcomes. This was mainly induced by a change in composition of the TMT, arising from inserting a CEO from an acquired company in 2012, into the TMT of the focal company, with reference to the acquirer CEO of the focal company. The phase was signified by loss of company performance, which caused tensions between the BoD and the TMT. Phase 3 is characterized by a “Both/And Approach” of paradoxical thinking (Putnam et al., 2016). This arose from a BoD-intervention of changing the TMT composition, which induced tensions in the TMT, however this time tensions were balanced through investment in interpersonal relations, and by embracing diversities and heterogeneity.

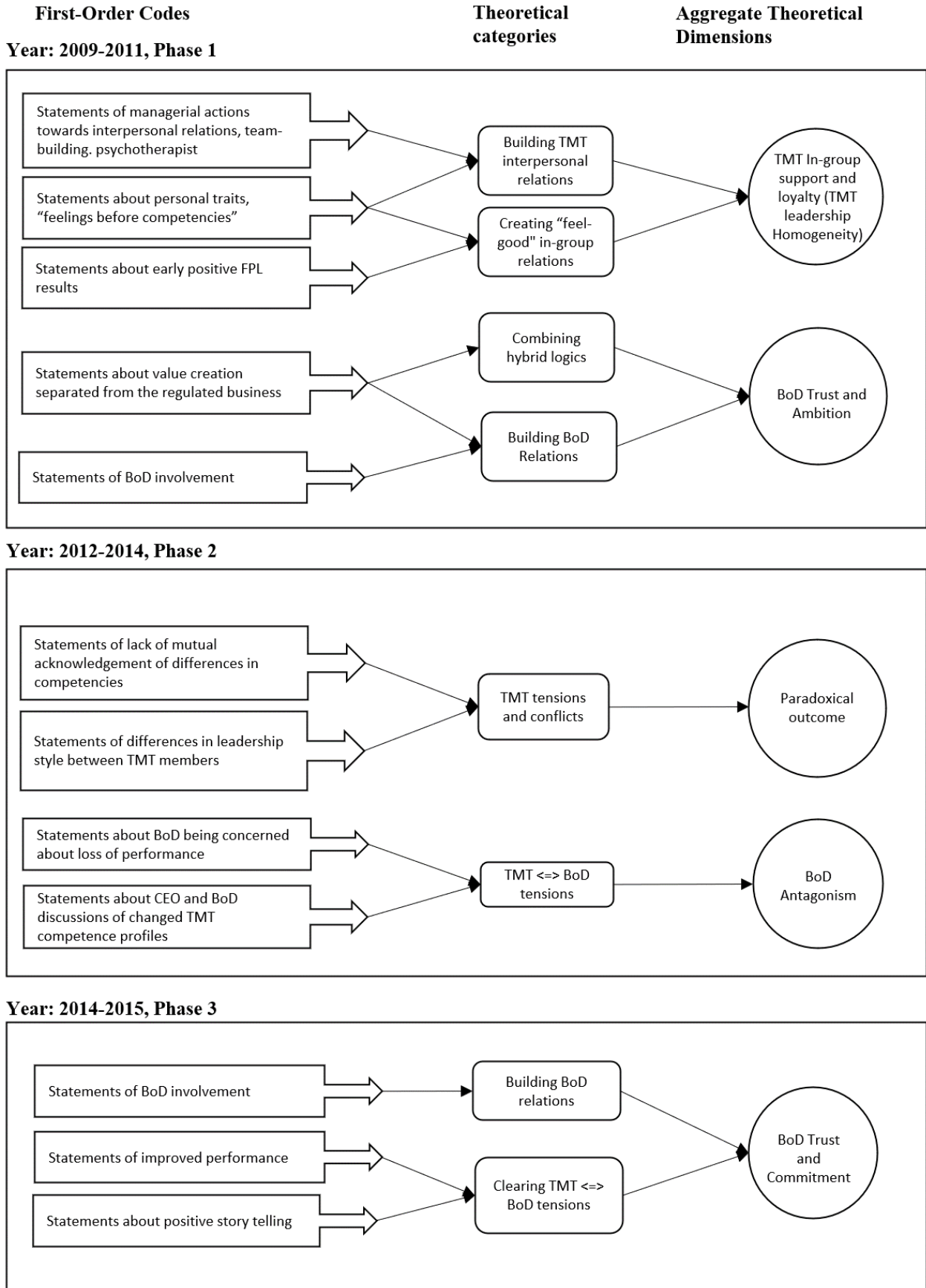


Figure 1: Overview of data structure

The role of relational processes in emerging hybrid organizing

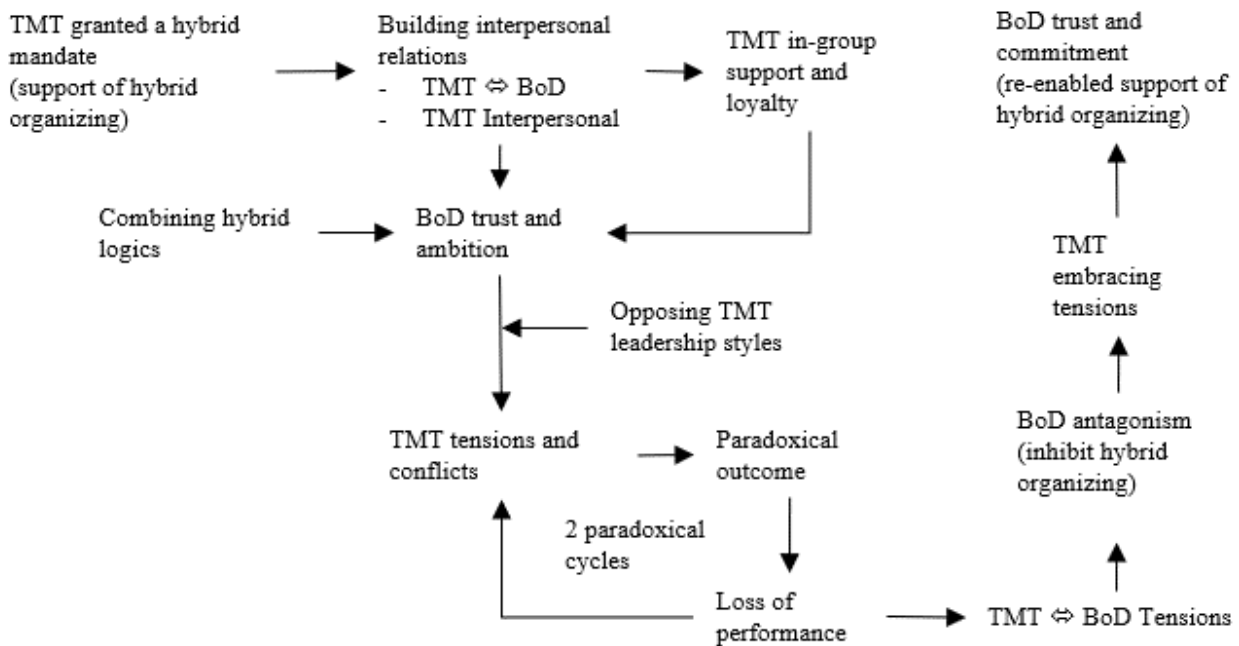


Figure 2: Process model of navigating paradoxes and tensions in emerging hybrid organizing

In the following sections, the three phases of emerging hybridization is explained, relating to the main events in Table 2, and the process model in Figure 2.

Phase 1: Eliminating tensions (2009-2011)

The Hybrid mandates

Triggered by new opportunities after the deregulation, the BoD decided to pursue a hybrid mandate granted to a new CEO: running the existing regulated distribution activities as optimal as possible, and at the same time develop the company in the direction of making a profitable business, “...*where it really started was when... the minister of energy ... changed the legislation... so we were actually probably in 2006 before it really took off, it has a lot to do with the fact that we suddenly got the funds to do it... the discussion was in the board about we have a number of billions, what should we do with them?*”, (BoD member, 2006). As a consequence, the BoD inserted a new CEO in 2009, originating from a quite different industry and context “...*it was new to take one from the outside and really take a completely different type, one with a commercial view of the company*”, (BoD member, 2009).

Building interpersonal relations and TMT in-group support

Until 2009, the leadership style in the focal company was characterized by a strong hierarchy and reluctance to speak openly, which upon entrance in 2009, the new CEO tried to change, *“It was difficult in the beginning of 2009, where managers in the management meetings had to talk about mistakes and errors. This was not accepted during the time of the previous CEO”*, (TMT executive about the first days of the CEO entering the company in 2009). The new CEO immediately, upon insertion, worked on changing the culture *“The day after the BoD decided to hire the new CEO, he was shown around the company, he said “remove the number plate reservation for the CEO car”, but no one dared to park there because you would get criticism from the old CEO for something like that”*, (L2 executive, 2009). This is important as it may explain why the TMT was dominated by the new executives entering the TMT between 2009-2010.

Recent research shows that TMT heterogeneity in terms of industrial experience and demographics is positively related to firm performance, depending on how they combine with personal traits of TMT members (Díaz-Fernández et al., 2020). At the same time, research shows that TMT heterogeneity is related to potential conflicts and tensions, whereas the opposite can be said about homogeneous TMTs (Amason, 1996; Hambrick & Mason, 1984; Wang, Ge, Hu, & Zhang, 2020). Homogeneous TMTs are related to an absence of diversity in TMT personal traits and demographics (Díaz-Fernández et al., 2020).

The leadership philosophy of the inserted CEO was about *“...it was actually about a recipe for leadership, which was not about leading, but about creating followers”*, (L2 executive, 2010). This echoes a defensive response to possible tensions and conflicts, reducing tensions and conflicts temporarily in the short term (Pache & Santos, 2013). Development of interpersonal relations is found to reduce potential tensions and conflicts (Ma & Seidl, 2017). It is common for a new CEO to make changes within the TMT shortly after the insertion (Hambrick & Fukutomi, 1991), however, the focus

for selecting TMT members may have a significant impact on how the TMT interrelate and act upon managerial challenges (Simons & Peterson, 2000).

Before starting the new position, the CEO hired a new CCO who started the same day as the CEO in 2009 with the same values and beliefs about leadership “...*this leadership style was something I bought into, and we tried to create a culture around it*” (L2 executive, 2010). Both had a common history of previous employment at the same company. The CCO was appointed sales director but had no experience within this area “...*he didn't really have any experience within sales...*”, (L2 executive about the CCO, 2010). In 2010, the CEO hired a new TMT member, a COO having no significant previous experience in the field of energy, also sharing a long history of previous employment from the same company as the CEO and the CCO “*but we were brought in by him (CEO) because we knew each other from our previous employment...*” (L2, executive, 2011), “...*he surrounds himself with people he likes*”, (L2, executive, 2012). Recent research argues that it is in the interest of the CEO to win the loyalty of TMT members (Hutzschenreuter et al., 2014), to obtain support in the TMT going new routes, which may explain the relational approach of hiring.

Additional to the three new executives, the TMT was also comprised of three members carried over from the existing TMT. However, these were not considered to be “in-group” members as they represented the former management culture of not speaking openly about their opinion “...*I think we could speak freely, but I would say that at that time, I was one of the new ones, it may well be that some of the old ones may have had difficulty in feeling that they could speak freely*”, (L2 executive, 2010). It was accepted to speak freely with no tensions present because the in-group was built upon a common leadership philosophy, a common history, and a loyalty towards the CEO, who hired them.

To develop and build personal relationships within the TMT, a psychotherapist was used in team sessions with the purpose to unfold and share personal feelings and experiences. “*We also used a psychotherapist who had been super good at building the connection between us as a team...that was someone that he brought along from our previous place of employment... he created a confidential*

space between us, where you can open up...tensions could happen, but we all really wanted each other”, (L2, executive, 2011).

This common history, shared values, and beliefs among executives, and actively building relations led to a homogeneous TMT and in-group loyalty among the members, reducing and managing tensions and conflicts “*...it's a premise, with this leadership style, that when you part ways, it's like saying goodbye to a semi-friend...in return, you also get teams that are made of something that, for me at least, runs so deep that it is people I have a relationship with to this day”*, (L2 executive, 2012). At the same time, this may create a form of control over TMT members, a “pragmatic paradox” (Berti & Simpson, 2021). If team members in reality do not have the possibility to express their true opinion because they cannot afford to jeopardize the relationship, they experience the concept of a “pragmatic paradox” (Berti & Simpson, 2021), which comes with the risk of imprinting personal preferences into organizational outcome (Hambrick & Fukutomi, 1991).

The canvas of strong relationship and loyalty within the TMT, combined with the ambition to develop the company commercially, combining the existing NFPL with a newly granted FPL, created a period of positive results of delivering on the hybrid mandate “*...in the beginning of 2009 we (TMT) took the initiative to found a consortium across energy companies in the industry...because we were all too small to purchase TV packages from the big companies...”*, (L2, executive, 2010). “*...a collaboration began to evolve across the divisions that sort of started to work quite well... especially in the commercial disciplines, we invested in marketing, but also lowered prices in periods for few customers on board, and we actually started to see customer growth”*, (L3 executive, 2010).

Based on temporal literature (Boone et al., 2021), I would have expected tensions, conflicts, and paradoxes to be present in this phase, where the TMT tried to work with a FPL and a NFPL simultaneously for the first time in the focal company. Due to skillful selective hiring of executives for the TMT, based on positive interpersonal relations and shared values and beliefs, no tensions, conflicts, or paradoxes emerged, however, at the same time this caused a latent organizational paradox

(Lindberg, Rantatalo, & Hällgren, 2017), which was triggered in the phase that followed, but was restrained by the loyalty and relationships within the TMT.

BoD trust and ambition

Initially delivering on the hybrid mandate granted by the BoD, a positive and supportive relation between the TMT and the BoD was established “*we succeeded in getting the fiber business off the ground...we were lucky in the board and the board of representatives, there was such a good atmosphere because we just did it so well, we just delivered*”, (L2 executive, 2010). This manifested itself in the BoD having a strong trust in the TMT, supporting ambitious expansive investments in the coming years, and pursuing the hybrid mandate “*...he presented a strategy where he showed that we have to invest a billion a year for the next 4 years, it was clearly in confidence in what they came up with, what they did and the analysis that was done, we could trust that*”, (BoD member, 2011).

To maintain and develop the relations between the BoD and the TMT, the TMT utilized the power of communication and storytelling (Auvinen, Aaltio, & Blomqvist, 2013; Boje, 1991), which was used recursively in the period “*...he always sets the agenda, he is good at maintaining his supportive base – that's why so much is granted*”, (L2 executive, 2011). This seems acknowledged by the BoD, “*I will never forget the first board meeting, he was hired as CEO in 2009...he went on for 1 hour and spoke without a script and presented a new investment plan, everyone on the board and the board were impressed...we have so many opportunities for growth*” (BoD member, 2009).

To sum up, I expected the period to be characterized by tensions, conflicts and paradoxes as the literature argues that this is to be expected in hybrid organizing (Boone et al., 2021). Surprisingly this was not the case. The analysis shows that tensions and conflicts were mitigated by designing a TMT characterized by mutual values and beliefs, in-group loyalty, and emotional relationships.

Phase 2: Paradoxical managerial tensions (2012-2014)

TMT tensions and conflicts

In 2012, the focal company acquired the market leader within TV and streaming services in the country from an industrial capital fund. The fund inserted a new CEO in the target in 2011, with the objective to improve the value of the company, preparing the company for a later sale. The CEO from the acquired company was inserted in the TMT of the focal company in 2013. His leadership style was quite different from the CEO of the focal company, *“he (CEO of the focal company) was very emotional, and he (CEO of the acquisition) was very rational... ...he (CEO of the acquisition) was used to being constantly measured on performance, in (the focal company) you had a feel-good culture – this caused conflicts”*, (L2 executive, 2013).

Injecting heterogeneity in the TMT caused tensions and conflicts, which made it difficult to build interpersonal relations between the new executive team member and the existing TMT, *“he saw the leadership style (of the CEO from the focal company) more like a “religion” than business operation, values came above everything else, it's a problem that it trumps facts”*, (L2 executive, 2013). This caused a sub-division in the TMT group, creating an out-group complementary to the in-group of members sharing the same values and beliefs (Ashforth & Reingen, 2014).

Paradoxical outcome – the first cycle

The TMT of the acquired company was a typical demographically heterogeneous team with different expertise within their fields of responsibility. The difference in leadership style between the acquirer TMT and the acquired TMT caused a clash of cognitive patterns (Smith & Tushman, 2010) *“... he (CEO of the focal company) was much into emotions and the CEO (of the acquisition) was much into rationality”*, (L2 executive, 2013). This caused the first cycle of paradoxical outcome at the organizational level, engaged by not giving space to diversity, which caused a highly capable executive to leave the group despite the buyer's vision of acquiring the company was also to get

access to and incorporate experienced and successful executives and managers into the group business model. “...*the TMT in the (acquired) company had a reputation as super professionals*” (L2 executive, 2013). “...*he (CEO of the focal company) wanted everyone from the company (the acquisition) to "confess to his religion" - the seven rules of conduct, the CEO (of the acquisition) did not want that and left the company*”, (L3 executive, 2014).

The CEO from the acquired company, appointed by an industrial capital fund, was inducing a belief in TMT heterogeneity as valuable into the existing homogeneous TMT “...*the CEO (of the acquisition) was setting his team based on diversity and competences*”, (L2 executive, 2013). “...*you could probably say it was two extremes that met, I mean a capital fund and a cooperative, I mean an extreme customer focus over here and that you could only spend dollar for dollar, and over here there was infrastructure and that we actually had money enough*”, (L3 executive, 2013).

This event seems to be a paradoxical outcome at the organizational level, because the focal company also acquired the target because of the skills and experience in the TMT of operating the business in an area unknown to the focal company “...*(we) bought the company because of their competencies...*”, (L3 executive, 2013) and at the same time, the most experienced individual in acquired company left the group. I argue that the paradoxical outcome is at the organizational level and not individual level, because this paradox had a negative effect on the organizational performance, but at the individual level it may not be a paradox, as it could be explained by a power struggle between two executives, which is not considered a paradox.

The years that followed was characterized by loss of performance. The integration of the acquisition was less of a success because billing systems could not cope with the integration of customer bases, customers complained, and financial performance was declining “*The integration after he stopped in 2014 was a complete mess, nine months of chaos where you couldn't invoice etc. - the customers were furious*”, (L2 executive, 2014). The encounter of opposing leadership styles

caused tensions and conflicts at the interpersonal level in the TMT, triggering the latent paradox embedded in Phase 1.

Paradoxical outcome – the second cycle

The second cycle of paradoxical outcome at the organizational level surfaced around the same time as an attempt to rectify the degrading performance and solve the many challenges in the period. Executives from the TMT of the focal company were inserted in the top management of the acquisition, despite having no experience within the fields of operation. This constituted a paradoxical outcome at the organizational level because the mantra of the CEO was “*setting the strongest team...*”, (L2 executive, 2015), however, related to the contextual setting of the leadership philosophy that “*relations are more important than competencies*”, (L2 executive, 2013) this seems to constitute a paradox. This leadership philosophy contradicts the literature on TMT performance research, which argues that diversity and differences in demography and experiences is positively related to firm performance (Díaz-Fernández et al., 2020).

TMT- BoD tensions and antagonism

This period of inadvertent chaos and increased loss of performance caused tensions between the TMT and the BoD “*...so the board said, "you said we had a gold mine" now we have to take a write down, what is going on?*”, (L2 executive, 2014). The BoD became increasingly worried about the chaos “*The board became concerned that the company was losing money and things were going badly, the new CFO should be a counterweight to the CEO*”, (L2 executive, 2013). The BoD agreed with the CEO that new competencies were needed in the TMT to get control of the turmoil, exposing antagonism towards further investments until performance was restored, inhibiting hybrid organizing to continue, “*The representatives demanded that we narrowed down, so we started selling companies off*”, (BoD member, 2014)...” *When we pulled out of... (collaboration X)... there was a disagreement between BoD and TMT with tension in both camps*”, (L2 executive, 2014).

To sum up, in this period the tensions and conflicts were caused by dissonance of executive leadership styles, which caused paradoxical outcomes at the organizational level, TMT and BoD tensions, and eventually BoD antagonism, inhibiting continued hybrid organizing. The period is portrayed by tensions and conflicts causing destructive effects on hybrid organizing.

Phase 3: Balancing and accepting tensions (2014-2015)

TMT embracing tensions

The CEO suggested a CFO, again with a previous employment at same company as the existing two executives he inserted into the TMT in 2009 and 2010, but the BoD decided to insert a CFO with a different track record and leadership style, inducing heterogeneity into the TMT. This however, challenged the existing leadership philosophy, but this time the tensions were accepted and managed by opposite leadership styles acknowledging one another. When engaging in building interpersonal relationships between executives having opposed cognitive patterns, the tensions were navigated and embraced, evolving a stronger and more performance driven TMT “...*(they) were extremely close during this process, ...and very invested in their relationship*” (L2 executive, 2014). The fact that the BoD insisted on the selection of the CFO, granted the new CFO a strong position compared to the CEO, which in turn created a condition that diversity should be navigated towards the type of a work relationship. These changes all in all caused an improvement in group performance, echoing the findings by Simons and Peterson (2000) that heterogeneity in TMTs is positively related to firm performance. This corresponds to an active paradoxical response navigating and balancing tensions (Jarzabkowski et al., 2013; Smith & Lewis, 2011).

I suggest that the contextual setting of interpersonal relations plays a significant role for the process of hybrid organizing to develop. If the interpersonal relations within the TMT does not support differences in cognitive patterns (Smith & Tushman, 2010), heterogeneity may cause conflicts and tensions, and reduce the quality of decision-making. However, when embracing diversity, supported

by investing in interpersonal relations, tensions at individual level and paradoxical outcomes at the organizational level may be reduced, improving TMT decision-making.

BoD Trust and Commitment

As the company performance began to improve and the challenges from combining systems and functions from acquisition were gradually resolved, the tensions between the BoD and the TMT gradually began to decrease. To support this development, the communication from the TMT towards the BoD was pivoting around value creation, and visions of a possible new profitable business growth emerged “...I'd say in 7-8 years this company is 4-5 times bigger...”, (BoD member, 2015), echoing the purpose of the hybrid mandate, through storytelling (Boje, 1991). “...he is the type that build storylines (the CEO) ... he is good at drizzling magic powder...very admirable”, (L2 executive, 2014).

In the process of combining multiple logics, members of the organization can become confused about where they belong, whether they are belonging to or should belong to the old NFPL or the new FPL (Jarzabkowski et al., 2013). This was attempted to be remedied with respect to the TMT and board relation by the process of TMT engaging in relational activities involving the BoD. The TMT involved the BoD in the executive processes of strategy formation in recurring cycles over the years, and intensified at the end of 2015, assembling larger groups of representatives who are the board of consumers positioned above the BoD. The purpose of the meetings was to create a forum for the discussion of and sharing of thoughts of possible strategic directions and opportunities for growth and development of the company in the perspective of a FPL while simultaneously discussing activities targeted the NFPL, “ that's why it's so important with the dialogue meetings (with the board of representatives) there the word is free, there are a lot of people who express their opinion, it's so important...the quality has been raised significantly because their level of information has been raised significantly”, (BoD member, 2015). Changing the sense of group belonging, and by debating values

and visions, may help reduce or balance the paradox of belonging during hybrid organizing (Jarzabkowski et al., 2013).

After the restructuring of the TMT and delivering improved performance from 2014-2015, supported by BoD involvement processes, the BoD gradually became convinced that the TMT as a team had the required skills and competences to deliver on their hybrid mandate. This initiated a process of recreating a trustful relationship between the TMT and the BoD and recommitment from the BoD for continued hybridization. On a note, this emphasize the importance of the TMT as a heterogeneous group in the process of building trust and confidence (Hambrick & Fukutomi, 1991).

To sum up, the intervention in the TMT caused tensions and conflicts in the TMT, but this time by the means of investing in interpersonal relations, affecting cognitive flexibility positively (Schad et al., 2016) and the direct intervention from the BoD, tensions were balanced, causing constructive effects on hybrid organizing.

Discussion

As more companies face a multitude of opposing stakeholder expectations, managerial challenges of navigating multiple logics simultaneously increase in complexity and importance. With little in the toolbox to draw upon managing such processes, the objective with this paper is to shed light on the initial phases of how executives respond to the tensions, conflicts, and paradoxes that emerge in the early days of mixing multiple logics, illuminating what may jeopardize or help the processes of becoming a hybrid organizational form, anchoring around the TMT and the BoD as the most powerful groups in the company.

Theoretical implications and contributions

By reviewing the literature, I found that the field of hybrid organizing has been thoroughly investigated (Battilana & Lee, 2014; Boone et al., 2021) at different level of analysis (Battilana & Lee, 2014; Besharov & Smith, 2014; Boone et al., 2021; Jay, 2013; Lüscher & Lewis, 2008; Medved

et al., 2001; Smith & Lewis, 2011) through a multitude of theoretical lenses and combinations e.g., sense-making (Maitlis & Christianson, 2014), paradox theory (Jay, 2013; Lewis, 2000), identity (Smith & Besharov, 2019), dialectics (Putnam et al., 2016), power (Besharov & Smith, 2014).

However, the literature is scarce on illuminating how interpersonal relationships connects to paradox theory, and further to my knowledge, no studies exist about how an emerging hybrid organizing unfolds and takes form in the very first period of combining opposing logics.

Research on hybrid organizing made me expect that the first encounter with dual logics would cause conflicts, tensions, and paradoxes (Ambos et al., 2020; Smith & Lewis, 2011). Surprisingly, the findings show, that the first phase of navigation opposing logics in the period of 2009-2011 exposed no significant tensions, paradoxes, or conflicts. I argue that the leadership philosophy of the new CEO caused a managerial response to potential tensions through selective hiring, facilitating a homogeneous TMT of similar managerial values and beliefs based on interpersonal relations. These interpersonal relations formed an inter-group loyalty towards the leadership style, the hybrid mandate, and the CEO (Hutzschenreuter et al., 2014), which reduced tensions, conflicts, and potential paradoxes. Executives were hired by the CEO based on similarities of values and leadership philosophy, creating positive interpersonal relations and a “feel-good” and harmonic TMT environment, which I suggest, reduced managerial conflicts and tensions. This adds a nuance of microfoundations to the existing literature on paradox theory in hybrid organizing, which posit that pursuing societal and commercial goals simultaneously cause tensions and conflicts, requiring complex managerial responses (Ambos et al., 2020).

I argue that a possible consequence of a dominant focus on emotional relationships and less on a work relationship, and less on creating a heterogeneous TMT of diverse competencies, may have been facilitating a loss of performance in the period 2012-2014, following the first phase of hybrid organizing. This resonates with recent research on the relation between performance and TMT

heterogeneity (Díaz-Fernández et al., 2020), however the findings add to the literature, by arguing that heterogeneity may cause conflicts and tensions leading to paradoxical outcome at organizational level if executive relations in a given situational context do not accept diversity. This contributes to a call for further research on micro-dynamics on paradox theory by Friedman and Carmeli (2017). This finding was noted during the first paradoxical outcome in the second phase of the period and manifested through the apparent paradoxical event of the CEO communicating the mantra of “setting the strongest team” and at the same time striving for creating a homogeneous TMT, based on emotional relationships. This may have caused the paradoxical outcome of the experienced CEO from the acquired company left the group, although he was the most experienced in the field of business of the acquired company.

Conflicts and paradoxes are notoriously known to be companions in hybrid organizing (Boone et al., 2021), and to have an influence on interpersonal relations (van Helvert-Beugels et al., 2020), I suggest the reverse may be the case, as this study illuminated that tensed interpersonal relations may have been the trigger of paradoxical outcome.

The third phase, in the period 2014-2015, following a period of loss of performance, caused the BoD to worry about several explorative loss-making investments and paradoxical outcomes at the organizational level, leading to antagonism about further hybrid organizing pursuing an FPL. This eventually caused a BoD intervention, creating heterogeneity in the TMT by inserting an external CFO with different leadership philosophy than the existing TMT. I argue that this forced the TMT to embrace diversity, given that the BoD decided on selecting the CFO, and in doing so, they created a canvas for diversity. When the top executives invested in their interpersonal relationship, although having diverse leadership philosophy, tensions and conflicts were reduced to a level that was sustainable, affecting the cognitive flexibility of the TMT positively, eventually leading to improved group performance and renewed BoD support of hybrid organizing. This suggests that interpersonal

relationships may have an effect on individuals cognitive flexibility (Haffar & Searcy, 2019; Ross & Nisbett, 2011).

Smith and Lewis (2011) hypothesize that iterative processes of splitting and integration may be managerial actions to overcome paradoxical tensions, however, the findings suggest, that this seemed not to be the case in Phase 2 (depicted in Figure 1) but rather lead to a paradoxical outcome. I argue that the nature of interpersonal relations between executives has an effect on such phenomenon. In Phase 2 the relationship between top executives (the CEO of the acquirer and the CEO of the acquired company) was not mutual acknowledging differences, whereas the opposite was the case in Phase 3 between the CEO and the CFO, although tensions were present in both cases. In Phase 2 the result was a paradoxical outcome at the organizational level, causing loss of performance, whereas in Phase 3, the result was improved company performance.

Smith and Tushman (2005) developed a framework based on paradox theory (Lewis, 2000; Poole & Van-De-Ven, 1989) explaining that paradoxes may be managed by and rooted in cognitive patterns, values, and beliefs, and they argue that “The potential team conflicts associated with differentiating may be offset by processes of integrating (integrative thinking)” (Smith & Tushman, 2005, p. 529). However, this seems to build on a rational approach of “understanding” and embracing diversity, missing out on that interpersonal relations may impede or support cognitive flexibility (Schad et al., 2016), adding to research by (Putnam et al., 2016) who suggests future research on rationality and emotions in contradictions. Smith and Tushman (2005, p. 528) refer to “leadership style” as a concept that may have relevance, but do not go deeper into what this may comprise. The findings add to their framework, by suggesting that interpersonal relationships induce a nuance to their framework on “integrative thinking” by suggesting a so far unrevealed interplay of the “rational” versus “emotional”. The findings responds to a call for further research on emotions in process theory by Shotter and Tsoukas (2014) who argue that emotions in perceptual processes are widely ignored.

Carmeli et al. (2016) found that caring relationships and paying attention to psychological aspects in TMTs help build strategic capabilities and responses to changes in the external environment. However, Carmeli et al. (2016) may miss out on that nurturing interpersonal relations in the TMT is not enough to build capabilities if caring is not combined with an attention to heterogeneity and an acceptance of cognitive diversity in the executive team (Jaw & Lin, 2009).

Positive relations among TMT members is suggested to have a positive outcome on decision processes (Friedman & Carmeli, 2017). However, that is not to say positive relations always cause valuable paradoxes (Lüscher & Lewis, 2008), nor that this is sufficient. Friedman and Carmeli (2017) may overlook that positive relations, if they are predominantly “emotional relationships” (Carmeli et al., 2016) and less of “work relationships” (Dutton & Heaphy, 2003), may become in the way of good performance.

The framework of Putnam et al. (2016) describes three individual and distinct responses to paradoxes and tensions, however the framework does not comprise the response found in Phase 1 in Figure 1, where tensions and paradoxes were omitted by designing the TMT based on interpersonal emotional relations, therefore I suggest to further develop the framework by adding a fourth response of relational actions, based on the findings in Phase 1 in Figure 1. I argue that homogeneous executive groups of members with similar or common values and beliefs are less exposed to conflicts and tensions than heterogeneous TMT groups.

The findings suggest, that in order to build a supportive relation to the BoD, conflicts arising from paradoxes and dilemmas should be navigated consciously in and by the TMT. In the process of hybrid organizing, storytelling seems not to be sufficient to receive continued BoD support of hybrid organizing. The analysis shows, that the BoD did not continue support and commitment to the process of hybridization, until the TMT turned around the degrading performance of the group, showing the

hybrid mandate was just and valuable, underpinning the importance of maintaining BoD support for hybrid organizing to develop.

In sum, this paper adds to a call for further research in microfoundations of “the becoming” of hybrid organizing (Denis et al., 2015; Friedman & Carmeli, 2017; Smith & Lewis, 2011) and adds mainly to the existing literature in four ways. My main findings are:

First, I add to the TMT and heterogeneity research streams and paradox theory by explaining that heterogeneity may not always support company performance (Díaz-Fernández et al., 2020), but may cause loss of performance arising from conflicts and paradoxical outcomes if executive relations do not acknowledge diversity, which seems to be supported by (Amason, 1996). Further, I argue that caring relationships may not help build capabilities (Carmeli et al., 2016) if heterogeneity and acceptance of diversity is not an integral part of the TMT behavior.

Secondly, research on hybrid organizing suggests that navigating multiple logics notoriously cause conflicts, tensions, and paradoxes (Ambos et al., 2020; Smith & Lewis, 2011). However, I found that TMT interpersonal relationships may eliminate tensions and conflicts if the contextual setting in the TMT is characterized by a positive emotional interpersonal relationship (Carmeli et al., 2016) between TMT members. This seems to contradict (Zhang, Wang, & Sun, 2022, p. 1) who posit that “...few have considered TMT conflict, which “is inevitable in any TMT””. However, if the relationship is characterized predominantly by an emotional relationship and less of a work relationship, this may be in the way of good performance. Conversely, tensions and conflicts may increase, causing paradoxical outcomes if interpersonal relationships are negative. I hereby add to the theory of hybrid organizing, paradox theory, and TMT behavioral theory.

Thirdly, I advance research on relationship theory (Dutton & Heaphy, 2003) and paradox theory (Jay, 2013; Lewis, 2000) by suggesting that interpersonal relationships may have an effect on individuals cognitive flexibility and subsequently paradoxical thinking (Putnam et al., 2016).

Fourthly, I suggest to add a new dimension to the framework of managing strategic contradictions, by Smith and Tushman (2005), by adding the concept of interpersonal relations, as the study found interpersonal relations to affect paradoxical thinking. I suggest that interpersonal relations may affect emotions, which may contradict rationality, in the sense that “understanding” is not only a rational process but may be affected by emotional aspects impeding or supporting cognitive flexibility.

Practical implications

Executives at the apex of the organization constantly grapple with tensions, conflicts of opposing opportunities, and even more so if they engage in hybrid organizing. Doing so, they risk pitfalls of getting lost in the complex processes of navigating multiple foci. This study aims to shed light on how interpersonal relations may relate to executives navigating paradoxes and tensions in the emerging phase of hybrid organizing. The study encourages executives to pay attention to interpersonal relations, reflecting on the nature hereof, and how relations may affect executive thinking and cognitive flexibility, when navigating opposing logics within the same time and space.

The findings may help practitioners steer through challenging waters, evading loss of organizational performance known to be a notorious phenomenon in hybrid organizing (Boone et al., 2021). On a closing note, I hope this study may help practitioners becoming aware of until now unknown phenomena in balancing opposing logics and not to evade tensions and conflicts, but to embrace them, by understanding what mechanisms are at play, which in turn may reduce negative cognitive dissonance (Schad et al., 2016).

Limitations

Data from the interviews may be biased and altered by the interviewed agents, given the retrospective study of events, which means interviewees had to look several years back, attempting to recall situations of significance in which they took part or were observers. Further, it is to be expected that information from interviewees may be affected by personal and emotional involvements in the events

of investigation. I attempted to remedy these limitations by asking semi-structured questions in the interviews and triangulate data and findings between interviewees and between data types. Further, I subsequently discussed my findings with two executive members, from the investigated period.

Suggestions for future research

Commonly, it is not possible to generalize findings from a single qualitative case study, however I hope my contributions may motivate scholars to investigate the findings in quantitative studies, and to investigate whether the findings have a bearing in different contextual executive settings as diverse demographics and personal traits. An interesting avenue for future research could also be to test the bearing of my suggestions in a different contextual setting of executive TMT compositions, for example, investigating case companies with different combinations of homogeneous versus heterogeneous compositions and interpersonal relations when dealing with opposing logics. Another avenue would be to further deepen our understanding of different types of relationships in the TMT, and the relation of different types of relationships, demographics, and personal traits, in navigating paradoxes and tensions in the TMT.

Conclusion

Research on the emergence of hybrid organizing is still underexplored, particularly the micro-processes of navigating tensions and paradoxes in the first stages of hybrid organizing (Dufays & Huybrechts, 2016; Lee & Battilana, 2020). The paper explains how micro-processes in the TMT, in the context of hybrid organizing, unfold in the early days of emergence, and suggest that interpersonal relations have a pivotal role in understanding how tensions and conflicts unfold over time and affect the process of hybrid organizing. I suggest that designing emotional harmonious relationships in the TMT may inhibit or reduce tensions and conflicts known to be inevitable elements of navigating multiple logics. However, if executives are not paying attention to the value of TMT heterogeneity and acknowledge cognitive diversity, conflicts, tensions, and paradoxical outcomes may become postponed into the future, jeopardizing hybrid organizing.

I suggest that if the hybrid mandate survives the first encounter of infusing a FPL into a NFPL context and the TMT manage to balance tensions, conflicts, and paradoxes, it is instrumental to create a visible success, to obtain support for developing the organization into a hybrid form. Failure in doing so, may confer attention to voices of skepticism, doubt, and resistance to going new routes, jeopardizing the process of hybrid organizing. I argue that it is essential that the TMT manage to deliver on the hybrid mandate in the early phase of navigating multiple logics, to obtain sustained support of hybrid organizing.

In sum, I hope with my contribution to the extant literature, to inspire scholars to test and challenge my findings, to advance research in relational science, paradox theory, and hybrid organizing.

Funding

The focal company contributed to funding of the PhD student program, but I received no financial support for the research or the publication of this article.

References

- Abdallah, C., Lusiani, M., & Langley, A. (2019). Performing process research. In B. Boyd, T. R. Crook, J. K. Lé, & A. D. Smith (Eds.), *Standing on the Shoulders of Giants: Traditions and Innovations in Research Methodology* (Vol. 11, pp. 91-113): Emerald Publishing Limited.
- Agote, L., Aramburu, N., & Lines, R. (2015). Authentic Leadership Perception, Trust in the Leader, and Followers' Emotions in Organizational Change Processes. *The Journal of Applied Behavioral Science*, 52(1), 35-63. doi:10.1177/0021886315617531
- Amason, A. C. (1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: resolving a paradox for top management teams. *Academy of Management Journal*, 39(1), 123-148.
- Ambos, T. C., Fuchs, S. H., & Zimmermann, A. (2020). Managing interrelated tensions in headquarters–subsidiary relationships: The case of a multinational hybrid organization. *Journal of International Business Studies*, 51(6), 906-932. doi:10.1057/s41267-020-00307-z
- Ashforth, B. E., & Reingen, P. H. (2014). Functions of Dysfunction. *Administrative Science Quarterly*, 59(3), 474-516. doi:10.1177/0001839214537811
- Auvinen, T., Aaltio, I., & Blomqvist, K. (2013). Constructing leadership by storytelling – the meaning of trust and narratives. *Leadership & Organization Development Journal*, 34(6), 496-514. doi:10.1108/lodj-10-2011-0102
- Battilana, J., & Lee, M. (2014). Advancing research on hybrid Organizing – Insights from the study of social Enterprises. *The Academy of Management Annals*, 8(1), 397-441. doi:10.5465/19416520.2014.893615
- Berti, M., & Simpson, A. V. (2021). The Dark Side of Organizational Paradoxes: The Dynamics of Disempowerment. *Academy of Management Review*, 46(2), 252-274. doi:10.5465/amr.2017.0208
- Besharov, M. L., & Smith, W. K. (2014). Multiple institutional logics in organizations: Explaining their varied nature and implications. *Academy of Management Review*, 39(3), 364-381. doi:10.5465/amr.2011.0431
- Blaikie, N., & Priest, J. (2019). *Designing Social Research* (3 ed.): Polity Press.
- Boje, D. M. (1991). The Storytelling Organization: A Study of Story Performance in an Office-Supply Firm. *Administrative Science Quarterly*.
- Boone, C., Özcan, S., & Li, J. (2021). How are competing logics combined in managerial Teams? The impact of branch founding team hybridity on the growth of islamic bank branches in Turkey, 2002–19. *Journal of Management Studies*. doi:10.1111/joms.12788
- Boudes, M., Pinz, A., & Kreutzer, K. (2020). Hybrids and hybrid organizing for sustainability. *Academy of Management Proceedings*.
- Carmeli, A., Ben-Hador, B., Waldman, D. A., & Rupp, D. E. (2009). How leaders cultivate social capital and nurture employee vigor: implications for job performance. *J Appl Psychol*, 94(6), 1553-1561. doi:10.1037/a0016429
- Carmeli, A., Jones, C. D., & Binyamin, G. (2016). The power of caring and generativity in building strategic adaptability. *Journal of Occupational and Organizational Psychology*, 89(1), 46-72. doi:10.1111/joop.12106
- Corbin, J., & Strauss, A. (2008). *Basics of Qualitative Research : Techniques and Procedures for Developing Grounded Theory*. Sage.
- Cornelissen, J. (2017). Editor's comments: Developing propositions, a process model, or a typology? Addressing the challenges of writing theory without a Boilerplate. *Academy of Management Review*, 42(1), 1-9. doi:10.5465/amr.2016.0196
- de Mon, I. A., Gabaldón, P., & Nuñez, M. (2021). Social entrepreneurs: Making sense of tensions through the application of alternative strategies of hybrid organizations. *International*

- Entrepreneurship and Management Journal*, 18(2), 975-997. doi:10.1007/s11365-020-00731-5
- Denis, J.-L., Ferlie, E., & Van Gestel, N. (2015). Understanding hybridity in public organizations. *Public Administration*, 93(2), 273-289. doi:10.1111/padm.12175
- Díaz-Fernández, M. C., González- Rodríguez, M. R., & Simonetti, B. (2020). Top management team diversity and high performance: An integrative approach based on upper echelons and complexity theory. *European Management Journal*, 38(1), 157-168. doi:10.1016/j.emj.2019.06.006
- Dufays, F., & Huybrechts, B. (2016). Where do hybrids come from? Entrepreneurial team heterogeneity as an avenue for the emergence of hybrid organizations. *International Small Business Journal: Researching Entrepreneurship*, 34(6), 777-796. doi:10.1177/0266242615585152
- Dutton, J. E., & Heaphy, E. (2003). The power of high quality connections. In K. Cameron, J. E. Dutton, & R. Quinn (Eds.), *Positive Organizational Scholarship*: Berrett-Koehler.
- Emerson, R. M. (1962). Power-Dependence relations. *American Sociological Review*, 27(1), 31-41.
- Epstein, M. J., Buhovac, A. R., & Yuthas, K. (2015). Managing social, environmental and financial performance simultaneously. *Long Range Planning*, 48(1), 35-45. doi:10.1016/j.lrp.2012.11.001
- Finkel, E. J., Simpson, J. A., & Eastwick, P. W. (2017). The psychology of close relationships: Fourteen core principles. *Annual Review of Psychology*, 68, 383-411. doi:10.1146/annurev-psych-010416-044038
- Ford, J. D., & Backoff, R. H. (1988). Organizational change in and out of dualities and paradox. In R. E. Quinn & K. S. Cameron (Eds.), *Paradox and Transformation: Toward a Theory of Change in Organization and Management*: Ballinger Publishing Company.
- Foss, N. J., & Linder, S. (2019). *Microfoundations*: Cambridge University Press.
- Foucault, M. (1979). *Discipline and punish : the birth of the prison*: Vintage Books.
- Freud, A. (1966). *The Ego and the Mechanisms of Defence*: Karnac Books.
- Friedman, Y., & Carmeli, A. (2017). The influence of decision comprehensiveness on innovative behaviors in small entrepreneurial firms: The power of connectivity. *Innovation*, 20(1), 61-83. doi:10.1080/14479338.2017.1369141
- Gadamer, H.-G. (1975). *Truth and Method*: Continuum.
- Gebert, D., Boerner, S., & Kearney, E. (2010). Fostering Team Innovation: Why Is It Important to Combine Opposing Action Strategies? *Organization Science*, 21(3), 593-608. doi:10.1287/orsc.1090.0485
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2012). Seeking qualitative rigor in inductive research. *Organizational Research Methods*, 16(1), 15-31. doi:10.1177/1094428112452151
- Glaser, B. G., & Strauss, A. L. (1967). *The Discovery of Grounded Theory Strategies for Qualitative Research*: AldineTransaction.
- Gümüşay, A. A., Marti, E., Trittin-Ulbrich, H., & Wickert, C. (2022). *Organizing for societal grand challenges*: Emerald Publishing Limited.
- Haffar, M., & Searcy, C. (2019). How organizational logics shape trade-off decision-making in sustainability. *Long Range Planning*, 52(6). doi:10.1016/j.lrp.2019.101912
- Hambrick, D. C., & Fukutomi, G. D. (1991). The seasons of a CEO's tenure. *The Academy of Management Review*.
- Hambrick, D. C., & Mason, P. A. (1984). Upper echelons. *The Academy of Management Review*, 9(3).
- Hutzschenreuter, T., Kleindienst, I., & Greger, C. (2014). What Determines Demographic Similarity Between Incumbent CEOs and Their Successors? A CEO Informal Power Perspective. *Managerial and Decision Economics*, 36(7), 421-438. doi:10.1002/mde.2679

- Jarzabkowski, P., Lê, J. K., & Van de Ven, A. H. (2013). Responding to competing strategic demands: How organizing, belonging, and performing paradoxes coevolve. *Strategic Organization*, 11(3), 245-280. doi:10.1177/1476127013481016
- Jaw, Y.-L., & Lin, W.-T. (2009). Corporate elite characteristics and firm's internationalization: CEO-level and TMT-level roles. *The International Journal of Human Resource Management*, 20(1), 220-233. doi:10.1080/09585190802528797
- Jay, J. (2013). Navigating paradox as a mechanism of change and innovation in hybrid organizations. *Academy of Management Journal*, 56(1), 137-159. doi:10.5465/amj.2010.0772
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*.
- Kelley, H., Berscheid, E., Christensen, A., Harvey, J., & Huston, T. (1983). *Close Relationships*: W. H. Freeman.
- Kisfalvi, V., & Pitcher, P. (2003). Doing what feels right. *Journal of Management Inquiry*, 12(1), 42-66. doi:10.1177/1056492602250518
- Kraatz, M. S., & Block, E. S. (2008). Organizational implications of institutional pluralism. In R. Greenwood, C. Oliver, K. Sahlin-Andersson, & R. Suddaby (Eds.), *The Handbook of Organizational Institutionalism*: Sage.
- Kumar, N., Stern, L. w., & Anderson, j. c. (1993). Conducting interorganizational research using key informants. *Academy of Management Journal*, 36(6).
- Langley, A. (1999). Strategies for theorizing from process data. *Academy of Management Review*.
- Langley, A. (2007). Process thinking in strategic organization. *Strategic Organization*, 5(3), 271-282. doi:10.1177/1476127007079965
- Lee, M., & Battilana, J. (2020). How the zebra got its stripes: Individual founder imprinting and hybrid social ventures. In *Organizational Hybridity: Perspectives, Processes, Promises* (Vol. 69, pp. 139-165).
- Lewis, M. W. (2000). Exploring paradox toward a more comprehensive guide. *Academy of Management Review*.
- Lindberg, O., Rantatalo, O., & Hällgren, M. (2017). Making sense through false syntheses: Working with paradoxes in the reorganization of the Swedish police. *Scandinavian Journal of Management*, 33(3), 175-184. doi:10.1016/j.scaman.2017.06.003
- Liu, F., & Maitlis, S. (2014). Emotional Dynamics and Strategizing Processes: A Study of Strategic Conversations in Top Team Meetings. *Journal of Management Studies*, 51(2), 202-234. doi:10.1111/j.1467-6486.2012.01087.x
- Locke, K. D. (2003). *Grounded Theory in Management Research*: Sage.
- Lounsbury, M., & Boxenbaum, E. (2013). *Institutional Logics in Action, Part B* (M. Lounsbury & E. Boxenbaum Eds. First ed. Vol. 39B): Emerald Books.
- Lüscher, L. S., & Lewis, M. W. (2008). Organizational change and managerial sensemaking: Working through paradox. *Academy of Management Journal*.
- Ma, S., & Seidl, D. (2017). New CEOs and their collaborators: Divergence and convergence between the strategic leadership constellation and the top management team. *Strategic Management Journal*, 39(3), 606-638. doi:10.1002/smj.2721
- Maitlis, S., & Christianson, M. (2014). Sensemaking in organizations: Taking stock and moving forward. *The Academy of Management Annals*, 8(1), 57-125. doi:10.1080/19416520.2014.873177
- Margolis, J. D., & Walsh, J. P. (2003). Misery loves companies: Rethinking social initiatives by business. *Administrative Science Quarterly*.
- Medved, C. E., Morrison, K., Dearing, J. W., Larson, R. S., Cline, G., & Brummans, B. H. (2001). Tensions in community health improvement initiatives: Communication and collaboration in a managed care environment. *Journal of Applied Communication Research*.

- Mitzinneck, B. C., & Besharov, M. L. (2019). Managing value tensions in collective social entrepreneurship: The role of temporal, structural, and collaborative compromise. *Journal of Business Ethics*, 159(2), 381-400. doi:10.1007/s10551-018-4048-2
- Mucha, J. (2006). The concept of "Social Relations" in classic analytical interpretative sociology: Weber and Znaiecki. *Poznan Studies in the Philosophy of the Sciences and the Humanities*.
- Pache, A.-C., & Santos, F. (2010). When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands. *Academy of Management Review*, 35.
- Pache, A.-C., & Santos, F. (2013). Inside the hybrid organization: Selective coupling as a response to competing institutional logics. *Academy of Management Journal*, 56(4), 972-1001. doi:10.5465/amj.2011.0405
- Poole, M. S., & Van-De-Ven, A. H. (1989). Using Paradox to Build Management and Organization Theories. *Academy of Management Review*.
- Putnam, L. L., Fairhurst, G. T., & Banghart, S. (2016). Contradictions, dialectics, and paradoxes in organizations: A constitutive approach. *The Academy of Management Annals*, 10(1), 65-171. doi:10.5465/19416520.2016.1162421
- Ross, L., & Nisbett, R. E. (2011). *The person and the situation perspectives of social psychology*: McGraw-Hill.
- Schad, J., Lewis, M. W., Raisch, S., & Smith, W. K. (2016). Paradox research in management science: Looking back to move forward. *The Academy of Management Annals*, 10(1), 5-64. doi:10.1080/19416520.2016.1162422
- Schneider, K. J. (1990). *The paradoxical self: Toward an understanding of our contradictory nature*: Insight Books.
- Seo, M.-G., Putnam, L. L., & Bartunek, J. M. (2004). *Handbook of Organizational Change and Innovation*: Oxford University Press.
- Shotter, J., & Tsoukas, H. (2014). In Search of Phronesis: Leadership and the Art of Judgment. *Academy of Management Learning & Education*, 13(2), 224-243. doi:10.5465/amle.2013.0201
- Simons, T. L., & Peterson, R. S. (2000). Task conflict and relationship conflict in top management teams: The pivotal role of intragroup trust. *Journal of Applied Psychology*.
- Sirris, S. (2019). Coherent identities and roles? Hybrid professional managers' prioritizing of coexisting institutional logics in differing contexts. *Scandinavian Journal of Management*, 35(4). doi:10.1016/j.scaman.2019.101063
- Smith, W. K. (2014). Dynamic Decision Making: A Model of Senior Leaders Managing Strategic Paradoxes. *Academy of Management Journal*, 57(6), 1592-1623. doi:10.5465/amj.2011.0932
- Smith, W. K., & Besharov, M. L. (2019). Bowing before dual gods: How structured flexibility sustains organizational hybridity. *Administrative Science Quarterly*, 64(1), 1-44. doi:10.1177/0001839217750826
- Smith, W. K., & Lewis, M. W. (2011). Toward a theory of paradox: A dynamic equilibrium model of organizing. *Academy of Management Review*, 36(2), 381-403.
- Smith, W. K., & Tushman, M. L. (2005). Managing strategic contradictions: A top management model for managing innovation streams. *Organization Science*. doi:10.1287/orsc.1050.0134
- Smith, W. K., & Tushman, M. L. (2010). Managing Strategic Contradictions: A Top Management Team Model for Simultaneously Exploring and Exploiting. In F. Bournois, J. Duval-Hamel, S. Roussillon, & J.-L. Scaringella (Eds.), *Handbook of Top Management Teams*: PALGRAVE MACMILLAN.
- Srouf, Y., Shefer, N., & Carmeli, A. (2022). Positive Chair-CEO work relationships: Micro-relational foundations of organizational capabilities. *Long Range Planning*, 55(3). doi:10.1016/j.lrp.2021.102124

- Thornton, P., & Ocasio, W. (1999). Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958–1990. *American Journal of Sociology*, *105*(3), 801-843.
- van Helvert-Beugels, J., Nordqvist, M., & Flören, R. (2020). Managing tensions as paradox in CEO succession: The case of nonfamily CEO in a family firm. *International Small Business Journal: Researching Entrepreneurship*, *38*(3), 211-242. doi:10.1177/0266242619898609
- Wang, Q., Ge, Y., Hu, C., & Zhang, W. (2020). A Relationship Model between Top Management Team Cognitive Heterogeneity and Strategic Decision Quality and Its Implications for Sustainability. *Complexity*, *2020*, 1-12. doi:10.1155/2020/8851711
- Yin, R. K. (2014). *Case Study Research Design and Methods* (5 ed.): Sage.
- Yin, R. K. (2018). *Case Study Research and Applications Ddesign and Methods* (6 ed.): Sage.
- Zhang, Z., Wang, D., & Sun, W. (2022). TMT conflict, organizational structure, and entrepreneurial orientation: An attention-based view. *Scandinavian Journal of Management*, *38*(4). doi:10.1016/j.scaman.2022.101231

3. Paper 2

Negotiated attention: An investigation of the formation of TMT attentional focus

Abstract

Top management team (TMT) attention plays a vital role in shaping a firm's strategic direction, yet little is known about how attentional focus is formed within the TMT. Using a microfoundations approach, we examine the mechanisms behind the formation of TMT attentional focus. Through archival data from the past 25 years and 45 in-depth interviews with former and current members of the TMT and board of directors, we provide a detailed understanding of how TMT attentional focus is formed. Our findings indicate that attentional focus is the result of a negotiation, which is influenced by TMT members' distinct interests and ambitions coupled with their relative power position within the TMT.

Keywords

TMT attentional focus, power relations, TMT dynamics, microfoundations, strategic shift

Introduction

Management research has long established that the top management team (TMT) plays a crucial role in determining firm behavior (Finkelstein, Hambrick, & Cannella, 2009). Early work drew on the concept of bounded rationality (Cyert & March, 1963) and argued that top executives are confronted with information environments far too rich to fully process all stimuli contained therein (Walsh, 1995). Upper echelons theory argues that to meet this information challenge, top executives employ cognitive maps, that is, knowledge structures (Carpenter et al., 2004; Hambrick & Mason, 1984). These knowledge structures that represent top executives' information worlds transform the too rich information environments into traceable ones, allowing top executives to make strategic decisions (Walsh, 1995). Later, Ocasio (1997) introduced the attention-based view of the firm, arguing that what top executives do is contingent on the issues and answers they focus their attention on. As a complement to upper echelons theory, the attention-based view of the firm also rests on the assumption of bounded rationality (Cyert & March, 1963; Simon, 1957) and argues that what top executives focus their attention on depends on the particular context or situation they find themselves in, which in turn depends on structural distribution of attention within the firm that is contingent on the firm's rules, resources and social relationships (Ocasio, 1997). Importantly, Ocasio (1997) highlights that the CEO and the TMT are the most important players in attention regulation and goes on to reason that the attentional focus is shaped by top executives' interests and identities.

Notwithstanding the difference between upper echelons theory (Hambrick & Mason, 1984) and the attention-based view of the firm (Ocasio, 1997), the major argument underlying both is that firm behavior is an outcome of the TMT's attentional focus. While this argument is consistent with both organizational and psychological research showing that attention allocation is the critical first step in decision-making processes (Daft & Weick, 1984; Fiske & Taylor, 1991; Ocasio, 2011; Smith, Houghton, Hood, & Ryman, 2006), it fails to consider how attentional focus is formed in the TMT. This is an important neglect because a TMT is neither a monolithic group nor does it function as a

democracy (Buyl et al., 2014; Cyert & March, 1963; Hambrick, 1994). Quite the contrary, TMTs are typically comprised of individuals with diverse backgrounds, experiences, and perspectives. Because each member brings their unique set of values, interest, and biases to any administrative situation (March & Simon, 1958), this can lead to conflict within the team (Wenke, Zapkau, & Schwens, 2021). However, this is important because TMT members do not have equal say and, as such, it seems likely that members' relative power position within the TMT affects the outcome of such conflict. Hence, because TMT's attentional focus can have significant consequences for the firm, understanding how attentional focus forms in a group of diverse top executives is imperative.

To address this gap in the literature, we ask the following question: *How is attentional focus formed within the TMT?* Based on the above reasoning, our baseline assumption is that TMT members have different ambitions and relative power positions within the TMT and that these differences affect the formation of the TMT's attentional focus. Like Cho and Hambrick (2006) who investigated how changes in the TMT composition and compensation affect TMT attentional focus, the context of our study is a natural experiment, provided by the deregulation of the power industry in a Northern European country. Different from Cho and Hambrick (2006), we apply an in-depth case study approach (Yin, 2018b) to investigate how TMT attentional focus is formed and what role ambitions and relative power positions play in this context.

Based on a unique dataset comprising archival data such as minutes from board meetings for the past 25 years and 45 in-depth interviews with former and current members of the TMT and board of directors (BoD) we are able to develop an understanding of the mechanisms within the TMT that influence and shape the attentional focus of the TMT as a group. Our research design allows us to overcome the widely noted limitation of TMT research that it relies heavily on demographic variables and that—as a consequence of this—it does not allow an investigation of the mechanisms that link TMTs to firm outcomes (Hambrick, 2010). Put differently, we open the proverbial “black box” of the TMT and investigate the actual dynamics and processes that occur within the TMT.

Background

TMT Attention

Over a century ago, American psychologist William James (1890, pp. 403-404) reasoned that attention

“...is the taking possession by the mind, in clear and vivid form, of one out of what seem several simultaneously possible objects or trains of thought. Focalization, concentration, of consciousness are of its essence. It implies withdrawal from some things in order to deal effectively with others and is a condition which has a real opposite in the confused, dazed, scatter-brained state which in French is called *distracted*, and *Zerstreuung* in German.”

Following this definition, the crucial importance of attention lies in that it determines action because it is the first step in the tripartite information processing sequence of attention, interpretation, and action (Abrahamson & Hambrick, 1997; Daft & Weick, 1984).

Notably, theories of social cognition typically build on two main assumptions regarding the nature of human information processing (Kiesler & Sproull, 1982). First, individuals are characterized by bounded rationality (Cyert & March, 1963; Simon, 1957), that is, the amount of information individuals—including executives—are confronted with by far exceeds their ability to process it. Second, the cognitive processes underlying information processes—perceiving, encoding, storing, retrieving, and inferring—vary along a continuum of the amount of attention, effort, and higher-level thinking required (Kahneman, 1973). At the lower end of the continuum, the processes function without demanding the conscious allocation of attention to the respective stimuli, while at the higher end of the continuum, the processes require the effortful allocation of attention (Kahneman, 1973; Schneider & Shiffrin, 1977). Importantly, while attention is a scarce and limited resource, individuals can allocate their attention with considerable freedom among different stimuli (Kahneman, 1973).

Because attention is a limited resource that prevents executives from attending to all stimuli, the important question is: What issues do executives focus their attention on?

In developing upper-echelons theory, Hambrick and Mason (1984) argue that executives' characteristics shape what they focus their attention on. Specifically, Hambrick and Mason (1984) argue that characteristics such as age, tenure, functional background, industry experience, education, or socioeconomic roots serve to filter and distort the information executives are confronted with and, as such, affect executives' focus of attention (Cho & Hambrick, 2006). Acknowledging that executives are embedded in the firm, Ocasio builds on and complements upper-echelons theory and develops the attention-based view of the firm arguing executives' attentional focus is affected and formed by the context, the presence of issues, and possible responses, relational processes between TMT members as well as legitimacy, personality, structural positions, skills, values and beliefs, and interests of executives (Ocasio, 1997).

The attention-based view (Ocasio, 1997) adds to our understanding of how firms behave and has been adopted in both theoretical (Barnett, 2008; Ocasio & Joseph, 2005) and empirical work (Bouquet & Birkinshaw, 2008, 2011; Bouquet, Morrison, & Birkinshaw, 2009; Rerup, 2009; Sullivan, 2010). However, notwithstanding the contribution of prior work, it seems that we still lack an understanding of what is going on inside the "black-box" of shaping and forming attentional focus on the TMT level. Thus, it is the objective of this research to advance our knowledge on how attentional focus is formed within the TMT, thereby acknowledging that a TMT is composed of distinct individuals that have different characteristics that affect what issues they focus their attention on and differ in along their ambitions and relative power positions within the TMT.

Top Management Teams

The term "top management team" (TMT) refers to the group of most influential executives at the strategic apex of the firm (Hambrick, 1994). Members of the TMT are charged with the complex and challenging task of formulating and implementing the firm's adaptive responses to changes in its

environment (Hambrick, 1994; Hambrick & Mason, 1984). At the core, TMT members are information workers that face information overload and ambiguity of stimuli (Hambrick, 1994; Sproull, 1984). The myriads of stimuli emanating from the firm's internal and external environment are typically vague, ill-defined, and often even competing (Hambrick, 1994; Walsh, 1995). Hence, because of bounded rationality (Cyert & March, 1963), any situation the firm faces is not assessed in its entirety but, rather, partly as a result of the allocation of scarce managerial attention (Ocasio, 1997; Sproull, 1984).

Over the past decades, scholars have investigated the link between TMT characteristics and firm behavior and performance (Carpenter et al., 2004; Finkelstein, Hambrick, & Cannella, 2009; Lin & Lin, 2019). Specifically, research has investigated how different characteristics such as, for example, age, educational background, functional experience, or status — embedded in individual TMT members—affect the TMT's cognition, mostly the allocation of attention, and firm outcomes (Hambrick & Mason, 1984).

Research specifically investigating the consequences of the team's composition found that TMT heterogeneity affects the dynamics within the team and, as a consequence, decision processes and strategy formation (Bunderson & Sutcliffe, 2002; Neely et al., 2020; Wang et al., 2020). Amason and Sapienza (1997), for example, showed that the diversity of members led to cognitive and affective conflict in TMTs. While the authors found cognitive conflict to improve decision-making quality, affective conflict was dysfunctional. Likewise, Wang et al. (2020), found that TMT heterogeneity positively affects strategic decision-making quality. Importantly, however, Wang et al. (2020) make the common, yet crucial implicit assumption namely that each TMT member has equal say in strategic decision making and that their 'set of givens' (March & Simon, 1958) they bring to the administrative situation are considered equally. In fact, the equality of individual effects is the dominant reasoning within TMT research (Nielsen, 2010).

However, research has argued and shown that top management teams “may have little “teamness” to them” (Hambrick, 1994, p. 172). An important aspect in this regard is the relative power within the TMT. Power is defined as the “capacity of individual actors to exert their will” (Finkelstein, 1992, p. 506), which implicitly resides in less powerful actor’s dependency upon the powerful actor and, thus, reflects the powerful actor’s ability to bring about an intended outcome despite others’ resistance (Emerson, 1962, p. 32). In support of this, research has shown that relative power within the TMT was found to influence strategic decision-making and firm behavior (Bowman & Kakabadse, 1997; Finkelstein, 1992; Hambrick, 1981; Li & Jones, 2018; Tanikawa & Jung, 2019).

Notably, however, power merely represents the ability to bring about an intended outcome but does not specify the intention (Bigley & Wiersema, 2002; Hutzschenreuter, Kleindienst, & Greger, 2015). However, the intention may be specified by actors’ interests and ambitions. For each individual TMT member, the distinct personal interests direct the respective member’s attentional focus (Carmeli & Schaubroeck, 2006). While interest refers to an emotion that captures an attraction towards a given subject (Silvia, 2001), ambition may be understood as the persistent and generalized striving to attain an outcome (Judge & Kammeyer-Mueller, 2012). A central property of ambition is the desire to achieve a certain level of success and status (Judge & Kammeyer-Mueller, 2012).

In a firm, the TMT exists within a hierarchical structure (Hambrick, 1994). Hence, what an individual TMT member can do and achieve in situations where diverse interests, views, and opinions within the TMT emerge is, amongst others, contingent on both the relative power of the member within the TMT and the member’s ambition to have the TMT focus attention on their personal interest, view, and opinion.

Hambrick and Mason (1984) argued that the TMT acts on collective attention and perception of what is important to the firm. However, following from the previous discussion, it seems reasonable to assume that TMT members’ individual ambitions and relative power positions are important in

determining the ‘what’ of collective attention and perception. This reflects the focal question of our research: *How is attentional focus formed within the TMT?*

Method

Context and research setting

Similar to (Cho & Hambrick, 2006) the context of our study is a natural experiment—provided by the deregulation of the power industry in a Northern European country—which abruptly confronted TMT with substantially new stimuli, suggesting a shift in TMT attention focus. Although we investigate a setting similar to (Cho & Hambrick, 2006), we adopt a qualitative research approach that allows us to open the proverbial “black box” of how attentional focus is formed in a TMT. We investigate the dynamics of the TMT and how these dynamics affect the TMT’s attentional focus.

Up until 1999, the European power market was a regulated industry, in which firms had no possibility of making a profit. Products and services were offered to consumers at cost-price and any given deficit was allowed to be recovered through an increase in price in the following year. Attentional focus was, therefore, on technical issues and maintaining costs as low as possible rather than on commercial issues.

In 1999, the European power market underwent deregulation with the aim of improving efficiency, reduce costs, and lower energy prices for consumers (Trong & Limann, 2009). This deregulation led to three waves of mergers and acquisitions within the industry between 1999 and 2012, resulting in significant changes to the industry in the country of the case firm. Specifically, industry consolidation led to an 87% reduction in the number of energy distribution firms between 2000 and 2021. Historically, these distribution firms were established, owned, and operated by customers in local distribution areas, who also controlled the power production, transmission, and sales.

Case firm

Our case firm is a large Scandinavian firm that today operates within infrastructure, telecom, and energy services for both business and private customers. As of 2019, the firm had 709,000

shareholders, 1.5 million customer relationships, 2,500 employees, and subsidiaries throughout the entire country. The firm is known for being one of the most innovative, rapidly expanding, and fastest-growing telecommunication and energy firm in the deregulated power market. Much of the growth comes from more than 40 mergers and acquisitions the firm has performed over the past two decades. During the same period, the firm's top management team underwent multiple changes. However, two key executives have been TMT members since 2009 and remain so today, while four other executives who were TMT members in 2009 still hold leadership positions within the firm. Having unique access to these and other executives in the firm allows us to trace the formation of the TMT's attentional focus.

As is typical for firms in the industry, the case firm is owned by its customers. Because of this, the BoD is elected through a democratic process among the firm's customers in the local distribution area. This leads to the situation that, while some members of the board have professional business and management experience, the majority does not. The year 2009 marks a turning point for the case firm. In that year, the BoD hired an outside CEO with commercial experience and focus. Previous CEOs were typically hired among internally among executives with strong technical abilities and focus.

Research approach

We explore the formation of TMT attention focus. To achieve this aim, we use a microfoundations approach (Foss & Linder, 2019). Hence, different from (Cho & Hambrick, 2006) we analyze individual TMT members' interactions, behaviors, and debates surrounding strategic events such as large investments, as, for example, reflected by mergers and acquisitions that took place between 2000 and 2021. Because of their significance for the firm, such events provide a suitable lens for understanding how attention is shaped, reshaped, and formed within the TMT. We investigate the TMT dynamics and how these dynamics affect TMT attentional focus.

We apply an in-depth case study approach (Yin, 2018b). Because we investigate the formation of TMT attentional focus within a firm exposed to an abrupt change in its business boundary due to industry deregulation, our case constitutes what Yin (2018b) refers to as an “extreme case.”

As a baseline, we expect to observe a shift in TMT attentional focus. Because we investigate TMT attentional focus following an industry deregulation, we expect a shift in TMT attentional focus towards entrepreneurial orientation relative to an engineering orientation (Cho & Hambrick, 2006; Dufays & Huybrechts, 2016; Klotz, Hmieleski, Bradley, & Busenitz, 2013). However, this requires that the TMT is interested in, ambitious about, and capable of exploiting the entrepreneurial opportunities that may follow an industry deregulation.

Our unit of analysis is the firm’s TMT. Specifically, we investigate how attention is shaped and formed within the TMT. Focusing on the TMT-level, we aim to gain a more detailed understanding of the formation of TMT’s attentional focus and, by that, firm behavior that complements prior research on the firm level (Cho & Hambrick, 2006; Ocasio, 1997).

Sample and data collection

We used a purposeful sample (Kumar, Stern, & Anderson, 1993b), interviewing executives who were part of the firm’s development following the industry deregulation in 1999. Specifically, interviewees were selected based on being either former or current TMT members, either as CEO (Level 1, L1) or reporting to L1, that is, being L2 or L3, reporting to L2 managers at the time important events we investigate occurred. In addition, we interviewed members of the BoD (Level 0, L0), who were actively involved in the firm’s policy between 2000 and 2021. Overall, we investigated their lived experiences by means of 45 semi-structured interviews, each of which lasted between 1 and 2.5 hours each. Table 1 depicts an overview of the data sources. Additionally, we got access to and investigated a total of 107 BoD meeting minutes for the period 1997 to 2021, business cases, and governance documents to triangulate our insights derived from the interviews.

Table 1: Overview of data sources

Main data sources	n=	Data period	Organizational position
Interviews	12	2000-2013	L0, L1, L2
Interviews	22	2018-2020	L0, L1, L2
Interviews	6	2011-2021	L0, L1, L2, L3
Interviews	5	2011-2021	L3
Business case	2	2012	
Business case	1	2014	
Business case	2	2015	
Business case	2	2019	
Business case	2	2020	
Press releases	3	2020-2021	
Management presentations	5	2019-2021	
Minutes from BoD meeting	18 (2/year)	1997-2005	
Minutes from BoD meeting	3	2006	
Minutes from BoD meeting	20 (4/year)	2007-2011	
Minutes from BoD meeting	12	2012	
Minutes from BoD meeting	10 (5/year)	2013-2014	
Minutes from BoD meeting	8 (4/year)	2015-2016	
Minutes from BoD meeting	18 (9/year)	2017-2018	
Minutes from BoD meeting	5	2019	
Minutes from BoD meeting	7	2020	
Minutes from BoD meeting	6	2021	
Governance documents	3	2018-2020	

L0: Board member, L1: CEO, L2: Executive referring to the CEO, L3: Executive referring to L2.

Data analysis

We conducted the data analysis in two parts. The first part investigates our baseline expectation according to which we expect to observe a shift in TMT attentional focus as a direct result of the deregulation of the case firm's industry. Our reasoning was that a shift in TMT attentional focus requires the (re-)formation of the TMT attentional focus and as such offers a suitable opportunity for the second part of the analysis, that is, how TMT attentional focus formed in our case firm.

Baseline expectation: Shift in TMT attentional focus. Like Cho and Hambrick (2006) we expect that industry deregulation represents an environmental shock for the firms in the respective industry that forces—or at least encourages—a shift in TMT attentional focus. Specifically, we expect to observe a shift from an engineering orientation—the focus on efficiently and effectively producing and delivering a product or service to customers—towards an entrepreneurial orientation—the focus on adjustment or choice of the product-market domain, that is, addressing the question of what products and services to offer and to what customers (Cho & Hambrick, 2006; Miles & Snow, 1978).

It is normal procedure in the case firm, that the CEO discuss with the chairman, the topics to present at the BoD meetings. The TMT participates in the BoD meetings, and it is often the CEO who suggests the themes to be addressed at the meetings. Therefore, the topics discussed in the BoD's, can be said to be proxies for the attentional focus of the TMT. To investigate whether a change in TMT attentional focus occurred within the case firm, we replicated the approach taken by Cho and Hambrick (2006). Hence, we used computer aided text analysis of the text to determine TMT attentional focus – an approach that has been used by prior research to capture executive cognition and attention (Gerstner, König, Enders, & Hambrick, 2013; Kaplan, 2008). We used the dictionary developed and used by Cho and Hambrick (2006), that the authors kindly shared with us (see Cho & Hambrick, 2006, pp. 459-460 for details on the development of the dictionary) and applied it to the BoD meetings' minutes.⁶

⁶ Specifically, we used the original dictionary of Cho and Hambrick (2006) and translated it to the language of our case firm. To account for differences in industry-specific terms between the airline industry and the power industry, we

The major argument underlying our approach is the Whorf-Sapir hypothesis (Sapir, 1944; Whorf, 1956), according to which words that a person uses more frequently are cognitively more central to this person than words that the person uses less often. The frequency of words, thus, reflects what is on the person's mind, or stated differently, what the person's attentional focuses is (Cho & Hambrick, 2006; Kabanoff & Brown, 2008). Following this logic, we, thus, calculated the occurrence of words associated with the entrepreneurial orientation and the occurrence of words associated with the engineering orientation. To be able to show whether the TMT's attentional focus shifted over the years, we followed Cho and Hambrick (2006, p. 460) and calculated entrepreneurial attention as the ratio of the number of entrepreneurial words divided by the sum of both entrepreneurial and engineering words.

Formation of TMT attentional focus. At the outset, we relied on Cho and Hambrick (2006), in particular their hypothesis, as coding categories for the coding of our data (Corbin & Strauss, 2008; Skjott Linneberg & Korsgaard, 2019). Thereafter, we extended our approach to include also inductive coding (Gioia et al., 2012). The reason for doing so was to “give voice” to our data, not to miss out on potential new findings, and to allow a finer grained analysis of the formation of TMT attentional focus.

Specifically, we used the coding principles suggested by Gioia et al. (2012) clustering the data into first-order codes, combining them into theoretical categories, and aggregated theoretical dimension. In this process, we iterated forth and back between data, emerging patterns and concepts, turning to literature to clarify any emerging mechanism and connection between the dimensions we considered explanatory (Locke, 2003). In doing so, we discussed our findings between the authors to validate and change the emerging structures to reach saturation. The coded data structure is depicted in Figure 1.

added the words “consumer”, “planning”, “kWh”, and “metering” to the vocabulary of the “Engineering problem” and deleted the words “engine”, “motor”, “gear”, “supplies”, “mechanical”, “security”, “taxable”.

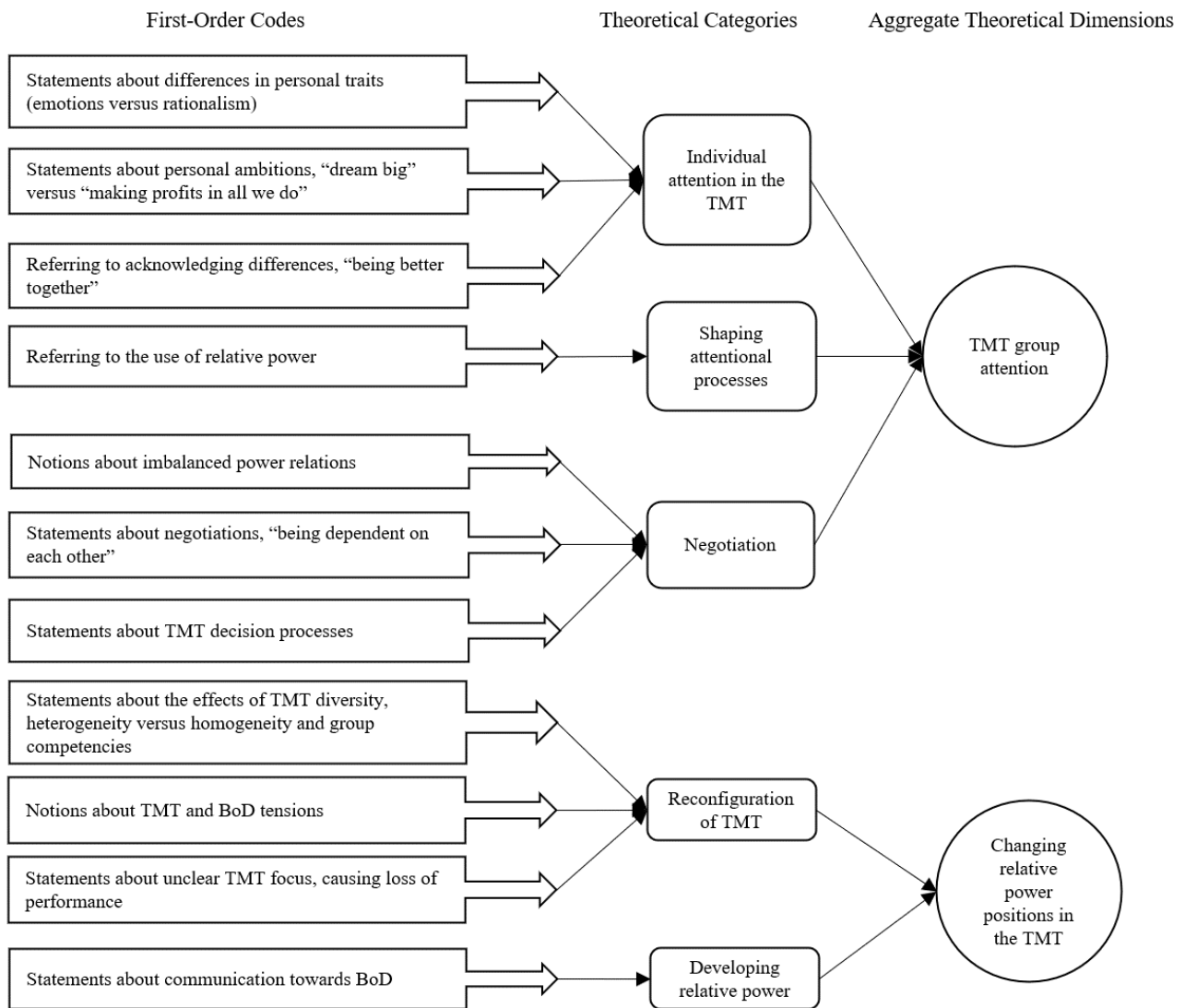


Figure 1: Coding scheme

Findings

We set out investigating our baseline expectation. Specifically, we investigated whether the deregulation in the European power market was followed by a shift in TMT attentional focus in our case firm. Thereafter, we turned to the analysis of how TMT attentional focus was formed.

Shifts in TMT attention following industry deregulation

The 1999 deregulation promptly changed the boundary conditions of the European power industry. Specifically, executives in the European power industry experienced a great increase in their product-market discretion (Hambrick & Finkelstein, 1987) having now the latitude to manage their business in ways allowing them to generate and to appropriate profits. As such, the deregulation can be understood as encouraging a shift from an engineering orientation towards an entrepreneurial orientation (Cho & Hambrick, 2006).

Figure 2 shows entrepreneurial attention scores of our case firm for the period from 1999 to 2021. Conversely, to our baseline expectation, we do not observe an immediate sharp increase in entrepreneurial attention scores of our case. In fact, the data show that following the 1999 industry deregulation, entrepreneurial attention initially decreased. Specifically, while the entrepreneurial attention score was 0.53 in 1999—the year of the industry deregulation—it dropped to 0.38 in 2008, reflecting a decrease by more than 28% $((0.53-0.38)/0.53)$. In contrast, from 2008 to 2012, we observe a steep increase in entrepreneurial attention with the score increasing from 0.38 in 2008 to 0.83 in 2012, reflecting an increase of entrepreneurial attention of more than 118% $(0.83-0.38)/0.38)$. The increase in entrepreneurial attention coincides with the hiring of a new CEO in 2009, which was based on a decision of the BoD to grasp the opportunities provided by the industry deregulation. As a BoD member recalled:

“We wanted to hire a new CEO from the outside and really take a completely different type, that is, one with a commercial view of the company.” (BoD member)

While our baseline expectation was to observe an increase in entrepreneurial attention because of the industry deregulation, it seems that it was the BoD’s hire of an outside CEO that was instrumental for the increase in entrepreneurial attention. Hence, the industry deregulation was a necessary but not a sufficient condition for the change in entrepreneurial attention. The relative change in attentional focus from the engineering problem to the entrepreneurial problem only occurred after the

composition of the TMT changed due to the hiring of the outside CEO as, for example, reflected by the following quote of a level 2 executive, who has been employed in the firm since 1989.

“Before the new CEO came in, customers were called load points. The former CEO was good at mergers, but to consider him to be commercial was not the case, the culture was not commercial, this first changed when the new CEO came in 2009” (L2 executive)

A possible explanation for why we—different from (Cho & Hambrick, 2006)—do not observe a change in attentional focus directly after the industry deregulation may be the nature of the industry. While the airline industry was strictly regulated before its deregulation in 1978, it was nonetheless highly competitive, and airlines competed for customers who even before the deregulation had a choice between alternative airlines. The power industry, however, is different in that it provided the firms with local monopolies prior to the deregulation. Hence, prior to the 1999 deregulation, electricity firms did not have to compete for customers and customers were used to having a default supplier. The long-term relationship between the monopolists and the customers created a (forced) customer loyalty, which together with power being a necessary but low-involvement good, substantially contributed to customers’ switching inertia (Yang, 2014). Thus, the pressure for firms in the power industry to react to the industry deregulation was significantly lower as compared firms in the airline industry. In fact, firms in the power industry may have seen the deregulation as providing an opportunity, whereas firms in the airline industry interpreted the deregulation as a threat. In line with this interpretation, research has shown that reactions to being confronted with either an opportunity or a threat differ, with a threat leading to higher risk and larger magnitude reactions (Bowman, 1982; Dutton & Jackson, 1987; Kahneman & Tversky, 1979).

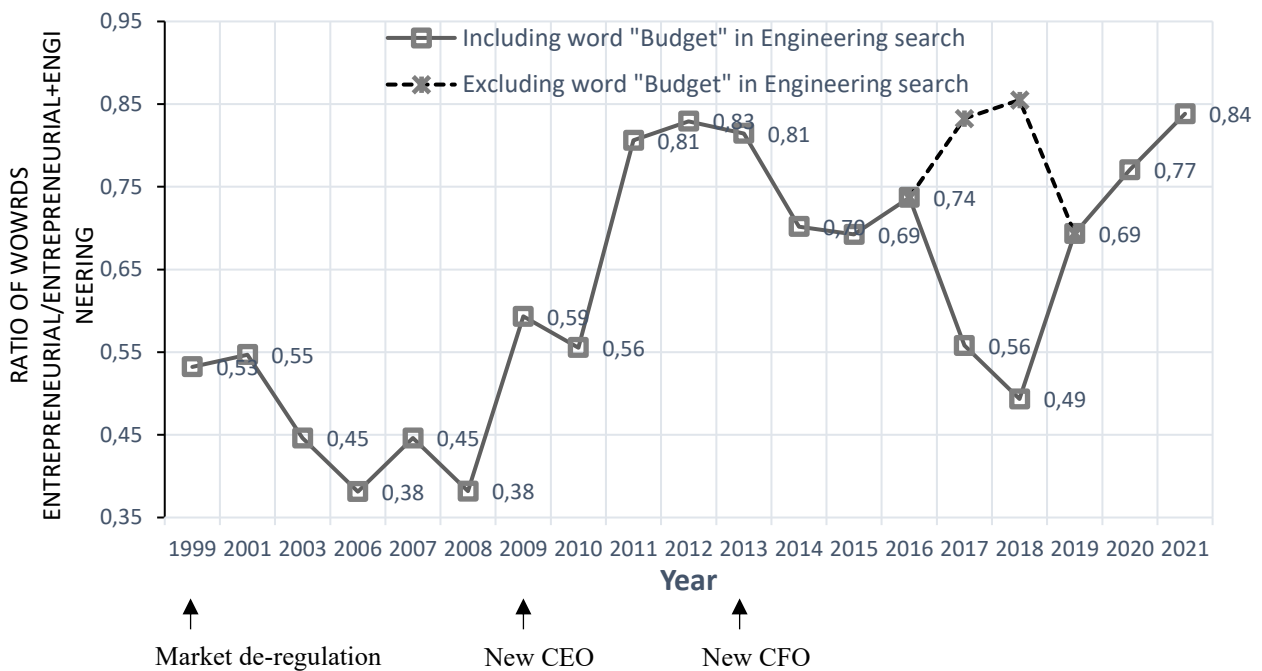


Figure 2: Shift in attentional focus

This means that the opportunity provided by the deregulation in the power industry was not seized until an appropriate catalyst was added to the firm. We argue that in our case firm, this catalyst was the outside CEO, in particular, his interest and ambition of exploiting commercial opportunities.

However, following the increase in entrepreneurial attention between 2008 and 2012, we observe an almost 40% decrease in entrepreneurial attention from 0.81 in 2013 to 0.49 in 2018. Our data reveal that this shift in attentional focus again coincides with a change in the TMT composition. In 2013, the BoD hired an external chief financial officer (CFO) because of the precarious situation of the case firm. An interviewee remembered:

“The board became concerned that the company was losing money and things were going badly, the new CFO should be a counterweight to the CEO”, (L2 executive)

Asked about the reasons for change in attentional focus, an interviewee stated:

“I will say that the main reason for this is the entrance of a new CFO in 2013.” (L2 executive)

We turned to our data to investigate the exceptionally steep decrease in entrepreneurial attention occurring between 2016 and 2018. Specifically, we investigated what occupied the TMT's attention in 2017 and 2018. To that end, we performed an in-depth analysis of the 18 BoD meeting minutes from these two years. We learned that during that period, the TMT attentional focus was on internal issues. Specifically, the economic situation of the case firm was a particular concern as reflected by the frequent use of words such as “budget”, “costs”, or “efficiency”, all of which are words characterizing the engineering problem (Cho & Hambrick, 2006; Miles & Snow, 1978). Interestingly, these words were primarily used by the CFO.

To understand what caused the relative shift in TMT attentional focus from the entrepreneurial to the engineering problem, we investigated the case firm's growth. We learned that the case firm engaged in three mergers with firm from the within the same industry in the 10-year period from 1999 to 2008. However, in the subsequent 10-year period from 2009 to 2018, the case firm engaged in five mergers and acquisitions—three mergers within the same industry and two large acquisitions into new businesses—and several explorative investments into new businesses.

Following the theory of the growth of the firm (Penrose, 1959) firms face constraints with respect to their growth and development (Lockett, Wiklund, Davidsson, & Girma, 2011) and periods of high growth are typically followed by relative inactivity (Vermeulen & Barkema, 2002). Firm growth reflects the identification and exploitation of growth opportunities in the market space and, as such, reflects a focus on the entrepreneurial problem. However, extensive firm growth in one period requires a subsequent period, during which the growth is “digested” (Vermeulen & Barkema, 2002). Because the focus of the digestion period is on the firm's internal environment, this should be reflected by a relative increase in TMT attentional focus on the engineering rather than the entrepreneurial problem. Acquisitions, for example, create the need to integrate systems and processes. Not doing so may yield disorder, inefficiency, and ultimately negatively affect firm performance.

To corroborate our reasoning that the 2016 to 2018 shift in TMT attentional focus was indeed reflecting a digestion period, we recalculated the entrepreneurial attention scores for 2017 and 2018 removing the word “budget” from the dictionary reflecting the engineering problem. The dotted line in Figure 2 shows that the exclusion of the word “budget” yields a significantly higher entrepreneurial attention score. We interpret this finding in support of reasoning on the digestion period.

As two interviewees remembered:

“[The growth period led to] several months of chaos where you could not invoice, etc. - the customers were not happy.” (L2 executive).

“After we got cleaned up, we were able to make money.” (L2 executive).

The tension between growth and profitability was expressed by one interviewee stating:

“...I think the CFO should be credited for achieving profitability and the CEO for the growth” (L3 executive).

Interestingly, the interviewee linked the different attentional foci to different TMT members: The CEO is credited for growth reflecting an attentional focus on the entrepreneurial problem, while the CFO is credited for profitability, indicating an attentional focus on the engineering problem. Importantly, the statement provides support for our reasoning that the presence of ambition within the TMT is a necessary prerequisite for a shift in TMT attentional focus; here the CEO’s ambitions to pursue commercial opportunities and the CFO’s ambition to turn the firm profitable.

The formation of TMT attentional focus

The role of relative power positions

The dominant reasoning within TMT research is the equality of TMT members’ individual effects (Nielsen, 2010), which implies that each TMT member has equal power. However, research has shown that TMTs are hierarchical entities (Buyl et al., 2014) and, thus, power is unevenly distributed within the TMT.

In the case firm, power within the TMT was defined by the right to hire or fire members of the TMT combined with a direct reporting line to the BoD. The relevance of the direct reporting line to the BoD originates in the local corporate governance context. The case firm is located in a country that follows a two-tier model of corporate governance, according to which no person is allowed to sit on the TMT and the BoD simultaneously. This strict personnel separation makes the communication channel from the TMT to the BoD a crucial element of power.

Based on the archival data we had access to, we constructed the relative power positions within the TMT both before and after the TMT's reconfiguration around 2012, when the most significant shift in TMT composition took place after the hiring of the outside CEO in 2009. In 2013, the BoD hired a CFO from outside the industry. Figure 3 depicts the organization chart of the TMT that shows highlights the relative power positions of the individual TMT members. Specifically, the location together with the solid lines in Figure 3 represents a TMT member's formal power, that is, this member's ability to exert their will over another TMT member. Conversely, the dotted line represents the communication channels from TMT members to the BoD. Following the hire of the CFO in 2013, the BoD granted the CFO a direct line of report, that is, a direct communication channel to the BoD—something that previously was exclusively reserved for the CEO. This direct communication channel to the BoD significantly changed the CFO's relative power position within the TMT. Because CEO and CFO now both had a direct line to the BoD, the CFO's power increased relative to the CEO, with consequences for the how the TMT attentional focus was formed.

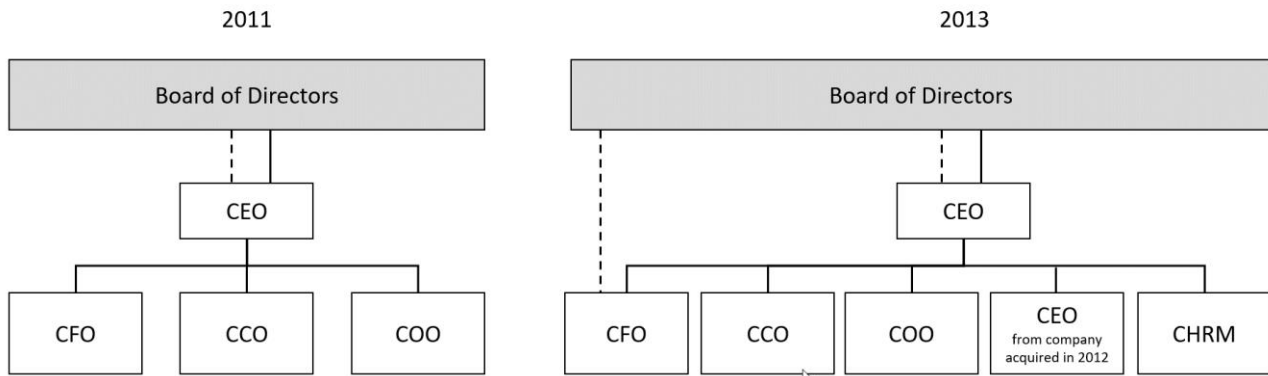


Figure 3: TMT relative power position. Solid line: reference. Dotted line: reporting

Directly after taking office in 2009, the CEO hired a colleague from his former employer into the position of the chief commercial officer (CCO). One year later, in 2010 the CEO hired a chief operating officer (COO), with not significant industry experience, into the TMT. Like the CCO, the COO was a long-time colleague of the CEO in his prior firm. Over the years, the CEO hired more executives into the TMT. As one of them reflected:

“We were brought in by him (CEO) because we knew each other from our previous employment...he surrounds himself with people he likes” (L2 executive).

Hence, prior to the hiring of the CFO through the BoD was clearly the most powerful member in the TMT and, as such, defining the TMT attentional focus. This is reflected in the statement by a level 3 executive:

“The big change came when he (CFO) was hired...because he is the only one who dares to speak against him (CEO)” (L2 executive).

However, the period from 2009 to 2012 was characterized by several loss-making explorative investments. The CEO reflected on this period, stating that:

“There is no doubt that there were too many small sides jumps at one point. We had too many small ventures that were not value-creating, leaps and bounds have been weeded out” (CEO, the press, 2020)

Faced with this situation, the BoD initiated changes in the TMT. Most importantly, the BoD hired a new CFO in 2013 from outside the industry. The intention of this hire was to adjust the competencies and the relative power relations within the TMT. To this end, the CFO was granted more power than his predecessor, reaching almost the same power level as the CEO. While the CFO referred to the CEO, the CFO reported directly to the BoD, giving him direct access to the case firm's most powerful decision-making body. A BoD member remembered:

"...we had to focus the business ... we had to have a qualified counterpart (to the CEO)",
(BoD member)

The CFO joined the TMT with an explicit attentional focus on profitability and, as such, had a different—almost opposing—attentional focus than the CEO did. As a level 3 executive summarized:

"The new CFO's focus was on profitability and professionalism (...) but he (the CEO) articulated his ambition for growth" (L3 executive).

The granting of additional power to the CFO created a somewhat paradoxical situation (Greve, 2008; Hutzschenreuter, Borchers, & Harhoff, 2021): On the one side, the CFO with an attentional focus on profitability. On the other side, the CEO with an attentional focus on growth—regardless of profitability. The almost identical power the CEO and the CFO had created the necessity for the two TMT members to negotiate the firm's attentional focus.

The conceptualization of power residing implicitly in an actor's dependence of another actor is helpful in understanding what happened in the case firm: The BoD reconfigured the TMT by hiring the CFO. The clear objective was to re-balance the power relations in the TMT that were realized by granting the CFO a direct line of communication to the BoD. This balancing of power between the two most powerful TMT members—the CEO and the CFO—led to a situation where both became dependent on each other. Neither the CEO nor the CFO could single-handedly define the TMT's attentional focus. Rather, the two learned that each of them had a distinct attentional focus. This

learning paved the ground for the negotiation of the TMT's attentional focus on value-creating activities. Growth was pursued (=CEO attentional focus) but only if the respective investments passed strict criteria regarding profitability (=CFO attentional focus).

Crucial in this situation was the insight that power is not only a capacity to exert will over another but can also be understood as a valuable asset if a member can obtain support from a more powerful member. As a TMT member reasoned.

"We are better together than individually (in the TMT) he (TMT member) told that their decisions (in the TMT) had improved over the years, as he said the CEO was to credit for the growth and the CFO ensured profitability." (L2 executive).

Similarly, a level 3 executive stated:

"They (the CEO and the CFO) are a good team that, due to their strengths and differences, but mutual respect, works very strongly in relation to creating value in the company" (L3 executive).

Prior to adjusting the relative power positions, the TMT's attentional focus was not negotiated. Rather, it reflected the most powerful member of the TMT, the CEO.

The change of the TMT composition—specifically the balancing of the relative power—led to what we refer to as *negotiated attention*. The negotiation aspect highlights that no TMT member can single-handedly decide on the TMT's attentional focus, but that it is the outcome of a decision-making process between TMT members (Thompson, Wang, & Gunia, 2010). More formally, negotiated attention refers to the balancing of diverging attentional foci in a group and the agreeing on a compromise based on the mechanism of relative power position within the group. Hence, in a firm, this means that the TMT's attentional focus is the result of the relative power positions within the top management team.

In developing the attention-based view of the firm (Ocasio, 1997, p. 188) concluded that "what particular context or situation decision-makers find themselves in, and how they attend to it, depends

on how the firm's rules, resources, and social relationships regulate and control the distribution and allocation of issues, answers, and decision-makers into specific activities, communications, and procedures." Our findings go beyond this and highlight that powerful individuals within the TMT can change the context. It may not (only) be the institutionalized rules and values that frame the interest and attention of decision-makers. Rather, new TMT members may change the "rules" and, in doing so, shift the norms and the framing, as to "how" attention is shaped and formed. As two interviewees reasoned, the CEO—when he was the most powerful TMT member—change the context by altering the self-perception of TMT members.

"...before the acquisition (in 2013), we were very limited to a local area... we hereafter became nationwide..." (L3 executive)

and

"I would say in 7-8 years, this company is 4-5 times bigger ... and the bottom line is 5 times bigger, there are so many possibilities ... (referring to an argument of the CEO)."
(BoD member).

Hence, while Ocasio (1997) assumes the institutionalized rules to be given and non-changeable, our findings suggest that under certain circumstances, TMT members are in fact able to change the institutionalized rules. In that understanding the causality not necessarily runs only from institutionalized rules to attentional focus, but may well run the opposite way, that is, from an individual's attentional focus to institutionalized rules—the CFO hired from the outside brought with him a distinct attentional focus on profitability and was able to institutionalize this focus in the firm.

"...because the change came when we got what I call the professional management from the outside... well, it has only just begun, it will be huge" (BoD member).

The role of individual ambitions

Because power merely represents the ability to bring about an outcome—for example, having the TMT attention to focus on a specific issue—but does not specify the outcome (Hutzschenreuter et al., 2015), we analyzed our data to identify the mechanism that was decisive in specifying the respective outcome. Our analysis suggests that individual ambitions are decisive in defining the outcome. Specifically, we found that the process of attention formation is initiated by individual ambitions. It is these ambitions that subsequently control the individual's attentional focus. Kisfalvi and Pitcher (2003, p. 62) reasoned that “the fact that a CEO's core priorities are highly emotionally charged makes them resistant to rational cognitive arguments.” Our findings echoes their reasoning in that we find that the stronger the ambitions were, the less likely the individual's attention was allocated to alternative issues. As a level 2 executive stated:

“The business cases were very much based on hopes and dreams, and when you want things to happen, you sometimes forget the analyses...He (CEO) was sometimes not listening but wanted to pursue growth.” (L2 executive)

Our findings suggest that an individual's attentional focus is shaped by ambition and that coupled with a strong power position, the individual's attention may become (part of) the TMT attentional focus. For example, our data reveal that for the period before the BoD hired the CFO in 2013, in which the CEO was undisputedly the most powerful TMT member, the TMT's attentional focus was (almost) exclusively framed by his ambitions for growth. As two level 3 executive's reason:

“He (CEO) is essential in being a shaman of growth, driven by a hunger for development, growth, and progress...who does not want to be part of that?” (L3 executive).

“There are many others involved in (the strategy process) and it's true he (CEO) runs in the front (of us) with the tab high and says, “that is what we are going to do”...” (L3 executive).

After the hiring of the CFO in 2013, the power balance in the TMT changed and because the CFO was driven by different ambitions than the CEO, the TMT's attentional focus changed. While the CEO's ambitions were captured in the concept of corporate growth (at any cost), the CFO's ambitions were centered around efficiency and profitability. The contrast in ambitions is captured in statements by two level 2 executives stating that:

"He (CEO) was much driven by emotions and the other (CFO) was very rational" (L2 executive)

"It is the CFO who asks the critical questions, and the CEO is (creating) dreams." (L2 executive).

The CFO's ambitions regarding efficiency and profitability stood in direct opposition to the CEO's ambition for growth. Because the BoD had empowered the CFO, the CEO was no longer in the position to single-handedly make his attentional focus the focus of the TMT. Rather, the forming of the TMT's attentional focus was a matter of negotiated attention, where the item of negotiation was defined by the CEO's and CFO's ambitions. That the CFO's ambition on efficiency and profitability became a part of the TMT's attentional focus is reflected both the sharp decline in entrepreneurial orientation for the period 2013 to 2018 (see Figure 2) and in the quote of a level 3 executive stating:

"That is, if the CFO or the BoD are not agreeing, then we don't do it... it must make sense financially and strategically." (L3 executive)

In sum, we found that the formation of TMT attentional focus is best explained by the interplay of individual ambitions and relative power positions within the TMT. Initially, the TMT's attentional focus reflected the CEO's ambitions for growth and his uncontested power position within the TMT. With the hiring of the CFO in 2013 and his empowering, the situation changed. The CFO's ambitions were on efficiency and profitability. Importantly, however, because the CFO was as powerful as the CEO, the CFO achieved to incorporate his ambitions—that is the item of his attentional focus—by

means of a negotiation process with the CEO into the TMT's attentional focus. Thus, the TMT's attentional focus was not a game of "voice of equals" and "democracy". Quite the contrary. We found that the formation of TMT attentional focus is the result of individual ambitions and relative power position. In the case of equally powerful TMT members, TMT attention is the result of negotiated attention.

While we agree with (Ocasio, 1997, p. 196) that "attention structures provide the decision-makers with a structured set of interests and identities" our findings suggest that causality may also run the other way: It may well be that the set of interests and identities is shaped by the ambitions of a powerful TMT member—ambitions that may later be institutionalized in the firm's attentional structures. In this context, a BoD member reasons

" Creating the next step, and looking at the future vision, it comes from the absolute top ...what we are presented today, that is mega what's been achieved here...there are so many possibilities ... well it's just the beginning, it can be huge." (BoD member).

Discussion

This study set out to further our understanding of how attentional focus is formed within TMTs based on a unique dataset comprising archival data such as minutes from board meeting for the past 25 years and 45 in-depth interviews with former and current members of the TMT and BoD. Our research design allowed us to open the proverbial "black box" of the TMT and investigate the actual dynamics and processes that occur within the firm's top group. As such, we were able to overcome the widely acknowledged limitation of TMT research that it relies heavily on demographics and, as such, does not allow an investigation of the dynamics and processes within the TMT (Hambrick, 2010).

The central outcome of our research is the concept of negotiated attention, that captures the essence of how attentional focus is formed within TMTs. We find that a TMT member's ambition defines the member's individual attentional focus. However, because (a) TMT members' attentional foci are typically diverse and (b) TMTs represent a hierarchy rather than a heterarchy, it is ultimately a TMT

member's relative power position that determines whether and to what degree the member's individual attentional focus is reflected in the TMT attentional focus. Figure 4 summarizes our main findings.

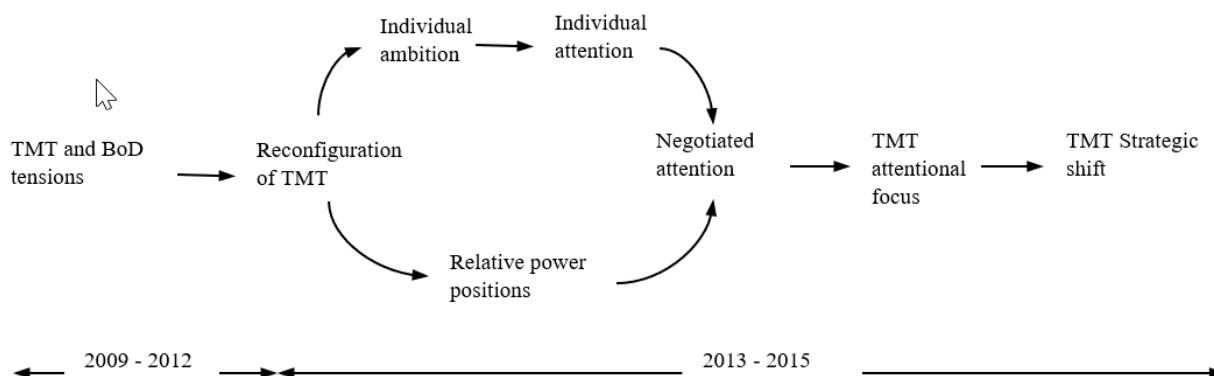


Figure 4: A model of how TMT attentional focus is formed in the case firm

Prior research has investigated the relationship between executive characteristics and firm strategic shift (Carpenter et al., 2004; Hambrick & Mason, 1984). Importantly, research focusing on TMT heterogeneity returned inconsistent results (Peterson et al., 2003; Pitcher & Smith, 2001). Cho and Hambrick (2006) made an important contribution to this literature stream by merging upper-echelons theory with the attention-based view of the firm. However, focusing on executive demographics, the authors could not uncover the dynamics and processes at work within the TMT. Nonetheless, Cho and Hambrick (2006, p. 466) reason that “although we did not distinguish CEOs from the rest of the TMT, it is also possible that a new CEO brings about more attentional change than does a change in another executive position. Furthermore, the origin of the new CEO (e.g., inside versus outside the focal organization or industry), or his power, or both, may also moderate the relationships.”

Our study complements and extends prior research by seizing the future research suggestion offered by (Cho & Hambrick, 2006) and responding to calls for further research explaining the formation of group attention in TMTs (Bouquet & Birkinshaw, 2011; Fu, Tang, & Chen, 2019; Kisfalvi & Pitcher, 2003). Our research highlights that TMT attentional focus is driven by individual members' ambitions and ultimately shaped by members' relative power position. In the presence of

substantial differences in power positions, TMT attention is dominated by the individual possessing the strongest power position within the TMT. In our case firm, this was the case prior to the hiring of the CFO in 2013. Up until then, the CEO was by far the most powerful member of the TMT and, as such, was able to make his individual attentional focus the attentional focus of the TMT. In the absence of substantial differences in power positions, the TMT attentional focus is the outcome of a negotiation of the diverging individual attentional foci. This was the case after the hiring of the CFO in 2013. From then onwards, the TMT attentional focus was the outcome of a negotiated attention.

Our findings highlight that executives that combine a strong relative power position and ambitions may alter the context relevant for the allocation of attention. In developing the attention-based theory of the firm, Ocasio (1997), assumes that it is the context that defines what issues and answers decision-makers focus their attention on. However, we found that under specific circumstances, it may well be that decision-makers change the context and, as a result, change what issues and answers become central for the firm.

Moreover, Cho and Hambrick (2006) found that the attentional focus of TMTs in the airline industry shifted immediately after the deregulation of the airline industry. Our study shows that industry deregulation was no such trigger in our case firm. The change in TMT attentional focus came several years after the deregulation and was triggered by the reconfiguration of the TMT. The hiring of the CEO in 2009 added new competencies and, more importantly, strong new ambitions to the firm's TMT, which ultimately led to a shift in the attentional focus. Hence, while a deregulation in itself is an external change of boundaries (Cho & Hambrick, 2006) it may not be enough to cause a change in TMT attentional focus. In such cases, an internal trigger is needed to cause a shift in TMT attentional focus. Our study highlights that the reconfiguration of the TMT may be such an internal trigger because it alters TMT members' relative power positions and ambitions that we found to be essential to cause TMT attentional change.

Finally, our findings add to research by Smith et al. (2006), who hypothesize that power distribution across the TMT affects the decision-making process, but do not explain the underlying mechanisms “Although our research did not study the underlying decision-making processes inside TMT functioning, it is possible that power distribution captures a component of such processes” Smith et al. (2006, p. 628). Based on our findings, we argue that it is insufficient to look at contextual settings as demographics. While the authors argue that “the distinctive demographic profiles of the two powerful executives in the high performing subset have critical implications for information processing dynamics on the team” Smith et al. (2006, p. 628), our study shows that individual ambition combined with relative power position, may add to the understanding of the relation between power distribution and firm performance.

Suggestions for future research and limitations

An interesting avenue for future research is to operationalize the combined concepts of ambition and relative power position of individual TMT members into constructs that may be measured in strength and relative significance. This would allow a quantitative investigation focusing on (a) under what conditions do the constructs become influential, (b) to what degree do these constructs exert influence on TMT attentional focus. Furthermore, a promising avenue is to investigate to what extent the strength of individual executives’ attentions affects group level attentional focus (Frankenberger & Sauer, 2019; Li, Maggitti, Smith, Tesluk, & Katila, 2013; Wu & Bi, 2012).

Following that route, it seems interesting to investigate the bearing of our suggestions in different settings, for example, for a case company not having experienced an external change of business environment as abrupt as a deregulation. Another avenue is to investigate the interplay of sub-groups or coalitions ambitions and power positions within the TMT. We investigated the relation between two top executives in the TMT as they were by far the dominant members in shaping and negotiating attention. However, it may well be that through coalitions, TMT members with relatively weak individual power positions can become powerful enough to shape TMT attentional focus.

As with every study, there are limitations in this study and our findings should be considered in light of these. First, because our study is based on a single qualitative case study, it is not possible to generalize our findings directly to other firms. Second, our interview data may be biased because of memory displacement, subjectivity of the interviewees, or simply because we focused on events occurring in the past. We attempted to resolve this limitation using semi-structured interviews and triangulating interviews and archival documents to gain robustness in our findings.

Moreover, the BoD is a powerful group of decision-makers in firms. As such, the BoD may have influenced the formation of the TMT's attentional focus beyond the hiring of the CEO and, later, the CFO. However, the question of how BoD's may affect TMTs attentional foci is beyond the scope of the present study.

Conclusion

We opened the proverbial black box to understand how TMT attentional focus is formed. In a nutshell, we found that TMT members' ambition and relative power positions are crucial determinants in the formation of TMT attentional focus. Our findings suggest that TMT attentional focus is the outcome of a negotiation, rather than a rational-analytical process. This implies that, equipped with enough power, individual executives may be able to alter the context that the attention-based view sees critical in defining executives' attention allocation.

References

- Abrahamson, E., & Hambrick, D. C. (1997). Attentional homogeneity in industries: the effect of discretion. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 18(S1), 513-532.
- Amason, A. C., & Sapienza, H. J. (1997). The effects of top management team size and interaction norms on cognitive and affective conflict. *Journal of Management*, 23(4), 495-516.
- Barnett, M. L. (2008). An attention-based view of real options reasoning. *Academy of management review*, 33(3), 606-628.
- Bigley, G. A., & Wiersema, M. F. (2002). New CEOs and corporate strategic refocusing: How experience as heir apparent influences the use of power. *Administrative Science Quarterly*, 47(4), 707-727.
- Bouquet, C., & Birkinshaw, J. (2008). Weight versus voice: How foreign subsidiaries gain attention from corporate headquarters. *Academy of Management Journal*, 51(3), 577-601.
- Bouquet, C., & Birkinshaw, J. (2011). How global strategies emerge: An attention perspective. *Global Strategy Journal*. doi:10.1111/j.2042-5805.2011.00022.x
- Bouquet, C., Morrison, A., & Birkinshaw, J. (2009). International attention and multinational enterprise performance. *Journal of International Business Studies*, 40, 108-131.
- Bowman, C., & Kakabadse, A. (1997). Top management ownership of the strategy problem. *Long Range Planning*, 30.
- Bowman, E. H. (1982). Risk seeking by troubled firms. *Sloan Management Review (pre-1986)*, 23(4), 33.
- Bunderson, J. S., & Sutcliffe, K. M. (2002). Comparing alternative conceptualizations of functional diversity in management teams: Process and performance effects. *Academy of Management Journal*, 45.
- Buyl, T., Boone, C., & Hendriks, W. (2014). Top management team members' decision influence and cooperative behaviour: An empirical study in the information technology industry. *British Journal of Management*, 25(2), 285-304. doi:10.1111/1467-8551.12004
- Carmeli, A., & Schaubroeck, J. (2006). Top management team behavioral integration, decision quality, and organizational decline. *The Leadership Quarterly*, 17(5), 441-453. doi:10.1016/j.leaqua.2006.06.001
- Carpenter, M. A., Geletkanycz, M. A., & Sanders, W. G. (2004). Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management*, 30(6), 749-778. doi:10.1016/j.jm.2004.06.001
- Cho, T. S., & Hambrick, D. C. (2006). Attention as the Mediator Between Top Management Team Characteristics and Strategic Change: The Case of Airline Deregulation. *Organization Science*, 17(4), 453-469. doi:10.1287/orsc.1060.0192
- Corbin, J., & Strauss, A. (2008). *Basics of Qualitative Research : Techniques and Procedures for Developing Grounded Theory*. Sage Publications , Inc.
- Cyert, R. M., & March, J. G. (1963). *A Behavioral Theory of the Firm*: Prentice-Hall.
- Daft, R. L., & Weick, K. E. (1984). Toward a model of organizations as interpretation systems. *Academy of management review*, 9(2), 284-295.
- Dufays, F., & Huybrechts, B. (2016). Where do hybrids come from? Entrepreneurial team heterogeneity as an avenue for the emergence of hybrid organizations. *International Small Business Journal: Researching Entrepreneurship*, 34.
- Dutton, J. E., & Jackson, S. E. (1987). Categorizing strategic issues: Links to organizational action. *Academy of management review*, 12(1), 76-90.
- Emerson, R. M. (1962). Power-Dependence relations. *American Sociological Review*, 27(1), 31-41.
- Finkelstein, S. (1992). Power in top management teams: Dimensions, measurement, and validation. *Academy of Management Journal*, 35(3), 505-538.

- Finkelstein, S., Hambrick, D. C., & Cannella, A. A. (2009). *Strategic Leadership Theory and Research on Executives, Top Management Teams, and Boards*: Oxford University Press.
- Fiske, S. T., & Taylor, S. E. (1991). *Social cognition*: McGraw-Hill Book Company.
- Foss, N. J., & Linder, S. (2019). *Microfoundations*: Cambridge University Press.
- Frankenberger, K., & Sauer, R. (2019). Cognitive antecedents of business models: Exploring the link between attention and business model design over time. *Long Range Planning*, 52(3), 283-304. doi:10.1016/j.lrp.2018.05.001
- Fu, R., Tang, Y., & Chen, G. (2019). Chief sustainability officers and corporate social (ir)responsibility. *Strategic Management Journal*, 41(4), 656-680. doi:10.1002/smj.3113
- Gerstner, W.-C., König, A., Enders, A., & Hambrick, D. C. (2013). CEO narcissism, audience engagement, and organizational adoption of technological discontinuities. *Administrative Science Quarterly*, 58(2), 257-291.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2012). Seeking qualitative rigor in inductive research. *Organizational Research Methods*, 16(1), 15-31. doi:10.1177/1094428112452151
- Greve, H. R. (2008). A behavioral theory of firm growth: Sequential attention to size and performance goals. *Academy of Management Journal*, 51(3), 476-494.
- Hambrick, D. C. (1981). Environment, strategy, and power within top management teams. *Administrative Science Quarterly*.
- Hambrick, D. C. (1994). Top management groups: A conceptual integration and reconsideration of the team label. *Research in Organizational Behavior*, 16, 171-213.
- Hambrick, D. C. (2010). *Handbook of Top Management Teams* (F. Bournois, S. Roussillon, J.-L. Scaringella, & J. Duval-Hamel Eds.): Palgrave Macmillian.
- Hambrick, D. C., & Finkelstein, S. (1987). Managerial discretion: A bridge between polar views of organizational outcomes. *Research in Organizational Behavior*.
- Hambrick, D. C., & Mason, P. A. (1984). Upper Echelons. *The Academy of Management Review*.
- Hutzschenreuter, T., Borchers, S. A., & Harhoff, P. L. (2021). Competitors matter: How competitors' actions moderate the influence of firm profitability on the prioritization between growth and efficiency increase. *Managerial and Decision Economics*, 42(2), 326-342.
- Hutzschenreuter, T., Kleindienst, I., & Greger, C. (2015). What determines demographic similarity between incumbent CEOs and their successors? A CEO informal power perspective. *Managerial and Decision Economics*, 36(7), 421-438.
- James, W. (1890). *The Principles of Psychology*. New York: Holt.
- Judge, T. A., & Kammeyer-Mueller, J. D. (2012). On the value of aiming high: the causes and consequences of ambition. *J Appl Psychol*, 97(4), 758-775. doi:10.1037/a0028084
- Kabanoff, B., & Brown, S. (2008). Knowledge structures of prospectors, analyzers, and defenders: Content, structure, stability, and performance. *Strategic Management Journal*, 29(2), 149-171.
- Kahneman, D. (1973). *Attention and effort* (Vol. 1063): Citeseer.
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 363-391.
- Kaplan, S. (2008). Framing contests: Strategy making under uncertainty. *Organization Science*, 19(5), 729-752.
- Kiesler, S., & Sproull, L. (1982). Managerial response to changing environments: Perspectives on problem sensing from social cognition. *Administrative Science Quarterly*, 548-570.
- Kisfalvi, V., & Pitcher, P. (2003). Doing what feels right. *Journal of Management Inquiry*, 12(1), 42-66. doi:10.1177/1056492602250518
- Klotz, A. C., Hmieleski, K. M., Bradley, B. H., & Busenitz, L. W. (2013). New Venture Teams. *Journal of Management*, 40(1), 226-255. doi:10.1177/0149206313493325
- Kumar, N., Stern, L. w., & Anderson, j. c. (1993). Conducting interorganizational research using key informants. *Academy of Management Journal*.

- Li, M., & Jones, C. D. (2018). The effects of TMT faultlines and CEO-TMT power disparity on competitive behavior and firm performance. *Group & Organization Management, 44*(5), 874-914. doi:10.1177/1059601118813790
- Li, Q., Maggitti, P. G., Smith, K. G., Tesluk, P. E., & Katila, R. (2013). Top Management Attention to Innovation: The Role of Search Selection and Intensity in New Product Introductions. *Academy of Management Journal, 56*(3), 893-916. doi:10.5465/amj.2010.0844
- Lin, H.-C., & Lin, P.-C. (2019). The interplay between CEO-TMT exchange level and differentiation: Implications for firm competitive behaviors and performance. *Journal of Business Research, 95*, 171-181. doi:10.1016/j.jbusres.2018.10.034
- Locke, K. D. (2003). *Grounded Theory in Management Research*: Sage.
- Lockett, A., Wiklund, J., Davidsson, P., & Girma, S. (2011). Organic and acquisitive growth: Re-examining, testing and extending Penrose's growth theory. *Journal of management studies, 48*(1), 48-74.
- March, J. G., & Simon, H. A. (1958). *Organizations*. New York: Wiley.
- Miles, R. E., & Snow, C. C. (1978). *Organizational strategy, structure and process*. New York: McGraw Hill.
- Neely, B. H., Lovelace, J. B., Cowen, A. P., & Hiller, N. J. (2020). Metacritiques of upper echelons theory: Verdicts and recommendations for future research. *Journal of Management, 46*(6), 1029-1062. doi:10.1177/0149206320908640
- Nielsen, S. (2010). Top management team diversity: A review of theories and methodologies. *International Journal of Management Reviews, 12*(1), 1468-2370. doi:10.1111/j.1468-2370.2009.00263.x
- Ocasio, W. (1997). Towards an attention-based view of the firm. *Strategic Management Journal, 18*(S1), 187-206.
- Ocasio, W. (2011). Attention to attention. *Organization Science, 22*(5), 1286-1296.
- Ocasio, W., & Joseph, J. (2005). An attention-based theory of strategy formulation: Linking micro- and macroperspectives in strategy processes. In *Strategy process* (Vol. 22, pp. 39-61): Emerald Group Publishing Limited.
- Penrose, E. (1959). *The Theory of the Growth of the Firm*. Oxford: Blackwell.
- Peterson, R. S., Smith, D. B., Martorana, P. V., & Owens, P. D. (2003). The impact of chief executive officer personality on top management team dynamics: one mechanism by which leadership affects organizational performance. *Journal of Applied Psychology, 88*(5), 795-808. doi:10.1037/0021-9010.88.5.795
- Pitcher, P., & Smith, A. D. (2001). Top management team heterogeneity: Personality, power, and proxies. *Organization Science, 12*(1), 1-18. doi:10.1287/orsc.12.1.1.10120
- Rerup, C. (2009). Attentional triangulation: Learning from unexpected rare crises. *Organization Science, 20*(5), 876-893.
- Sapir, E. (1944). Grading, a study in semantics. *Philosophy of science, 11*(2), 93-116.
- Schneider, W., & Shiffrin, R. M. (1977). Controlled and automatic human information processing: I. Detection, search, and attention. *Psychological review, 84*(1), 1.
- Silvia, P. J. (2001). Interest and Interests: The Psychology of Constructive Capriciousness. *Review of General Psychology, 5*(3), 270-290. doi:10.1037/1089-2680.5.3.270
- Simon, H. A. (1957). *Models of man; social and rational*. New York: Wiley.
- Skjott Linneberg, M., & Korsgaard, S. (2019). Coding qualitative data: a synthesis guiding the novice. *Qualitative Research Journal, 19*(3), 259-270. doi:10.1108/qjrj-12-2018-0012
- Smith, A., Houghton, S. M., Hood, J. N., & Ryman, J. A. (2006). Power relationships among top managers: Does top management team power distribution matter for organizational performance? *Journal of Business Research, 59*(5), 622-629. doi:10.1016/j.jbusres.2005.10.012
- Sproull, L. S. (1984). The nature of managerial attention. *Advances in information processing in organizations, 1*, 9-27.

- Sullivan, B. N. (2010). Competition and beyond: Problems and attention allocation in the organizational rulemaking process. *Organization Science*, 21(2), 432-450.
- Tanikawa, T., & Jung, Y. (2019). CEO power and top management team tenure diversity: Implications for firm performance. *Journal of Leadership & Organizational Studies*, 26(2), 256-272. doi:10.1177/1548051818789371
- Thompson, L. L., Wang, J., & Gunia, B. C. (2010). Negotiation. *Annu Rev Psychol*, 61, 491-515. doi:10.1146/annurev.psych.093008.100458
- Trong, M. D., & Limann, J. (2009). *Kampen om energien*: Børsens Forlag.
- Vermeulen, F., & Barkema, H. (2002). Pace, rhythm, and scope: Process dependence in building a profitable multinational corporation. *Strategic Management Journal*, 23(7), 637-653.
- Walsh, J. P. (1995). Managerial and organizational cognition: Notes from a trip down memory lane. *Organization Science*, 6(3), 280-321.
- Wang, Q., Ge, Y., Hu, C., & Zhang, W. (2020). A Relationship Model between Top Management Team Cognitive Heterogeneity and Strategic Decision Quality and Its Implications for Sustainability. *Complexity*, 2020, 1-12. doi:10.1155/2020/8851711
- Wenke, K., Zapkau, F. B., & Schwens, C. (2021). Too small to do it all? A meta-analysis on the relative relationships of exploration, exploitation, and ambidexterity with SME performance. *Journal of Business Research*, 132(2021), 653-665. doi:10.1016/j.jbusres.2020.10.018
- Whorf, B. L. (1956). *Language, thought, and reality: selected writings of...*(Edited by John B. Carroll.).
- Wu, J., & Bi, Y. (2012). *Top Management Team Attention and International Strategy: A Case Study*. Paper presented at the 2012 Fifth International Conference on Business Intelligence and Financial Engineering.
- Yang, Y. (2014). Understanding household switching behavior in the retail electricity market. *Energy policy*, 69, 406-414.
- Yin, R. K. (2018). *Case study research and applications design and methods* (6 ed.).

4. Paper 3

Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid

Abstract

Hybrid organizing -a combination of multiple organizational forms- is an increasingly prevalent yet under-researched phenomenon that requires further exploration into the underlying mechanisms that form and maintain it. Drawing on a qualitative case study comprising in-depth interviews of top management team (TMT) members and archival data over 20 years, we analyze how TMT practices shape an organizational transformation from being a regulated monopoly dominated by a not-for-profit logic (NFPL) into a hybrid organizational form. From the case study, we find that supposedly conflicting logics may not always involve competition and compromise but can become enveloped, forming a hybrid of both a for-profit-logic (FPL) and a NFPL. We also find that TMT practices play a central role in creating this hybrid enveloped logic, i.e., one logic supporting another logic, embracing, and synthesizing both equally. We develop a process model explaining how the TMT created an “enveloped logic” over a period of 10 years and what role adapting and deploying TMT practices played herein.

Keywords

Hybrid organizing, Institutional logics, Legitimacy, Identity, TMT practices

Introduction

In view of contemporary organizational practices and business paradigms, organizational frameworks of public enterprises, commercial companies, and charity organizations related to the private-, public- and not-for-profit sectors have become increasingly blurred over the past decades (Battilana & Lee, 2014; Kraatz & Block, 2008). The distinction between different forms of organizing has become increasingly cloudy, and balancing different institutional logics has become pressingly challenging, giving rise to hybrid organizing (Battilana & Lee, 2014; Quélin, Kivleniece, & Lazzarini, 2017). Hybrid organizing -defined as “activities, structures, processes. and meanings by which organizations make sense of and combine multiple organizational forms” (Battilana & Lee, 2014, p. 397)- is characterized by several challenges stemming from tensions it inherits, such as mission drift, cognitive confusion, and performance loss (Boone et al., 2021). Hybrid organizing is driven by a plurality of externally imposed expectations. It is often instigated by consumer behaviors pushing company ethics and sustainable agendas or politicians expecting companies to take societal responsibility, requiring management to simultaneously pursue societal and economic goals (White, Lockett, Currie, & Hayton, 2020).

Conflicts and tensions inherent in hybrid organizing are induced by differences in institutional logics (Boone et al., 2021), which are defined as patterns of beliefs, practices, values, assumptions, and rules that determine what “makes sense” and what is considered legitimate (Almandoz, 2012; Thornton & Ocasio, 1999). Executives increasingly face a multitude of different incongruent stakeholder pressures of, for example, shareholders’ interests in making a profit, consumers being increasingly focused on social responsibility, sustainability, and the role companies play in societal missions, informed by a hybridity (Gümüşay et al., 2022). Boundaries are blurring, challenging top management teams (TMT) to make sense of what they face and deal with a complex plurality of interests and practices. Sensemaking is the nexus of creating meaning that, in turn, connects identity and legitimacy into action (Greenwood et al., 2008; Weick et al., 2005). Thus, sensemaking is a key

micro-mechanism that enables a cognitive process that guides organizational behavior and various ways that organizational practices interact at the micro-level (Jennings & Greenwood, 2003).

However, while research on hybridity informs which organizational practices may be selected and combined as a consequence of hybridity, little is known about how managerial practices may support or hinder the process of hybridization (Pache & Santos, 2013). The literature on organizational practices spans many fields and is anchored around management tools and behaviors (Jarzabkowski et al., 2007; Katz, 1974; Visnjic et al., 2021). Nonetheless, it offers little insight into TMT practices' role in developing and transforming NFPL into a hybrid organizational logic. Furthermore, research is scarce on the interplay of legitimacy and identity in forming hybrid organizations (Battilana & Dorado, 2010). Research suggests that hybrid organizations typically try to reject one logic, demarcate logics, or achieve partial conformity through compromises (Battilana & Lee, 2014) but overlook the possibility of framing and embracing different logics in organizational change. In particular, what is missing is what roles actors play and how they engage with differences in logics, thereby shaping a balanced institutional logics, as pointed out by Battilana and Lee (2014, p. 415), who note the need to examine "the processes and conditions through which integrated activities are constructed, as well as the relationship of these practices with other dimensions of hybrid organizing".

TMTs are pivotal in convincing the board of directors (BoD) to engage in essential strategic shifts (Simsek, Heavey, & Fox, 2018; Zhong, Wan, & Ren, 2021). This is neither an easy nor a trivial challenge. Therefore, understanding the balance of plural logics in the process of organizational change is imperative and relevant to a multitude of industries across the globe. Understanding how these processes may lead to navigating different logics may make the difference between succeeding or failing in re-directing the company's strategy in industries with changing boundaries. However, radically changing strategic direction may cause skepticism in the organization and eventually rejection of instrumental and highly needed changes proposed by TMT.

Thus, there is a pressing need to better understand how TMT engages in organizational change and influences BoD in transforming from not-for-profit organizations to commercial hybrids.

Considering the identified research gap, the phenomenon's relevance, and our rare access to the executive teams, their thoughts, and actions over more than a decade, we examine the role of TMT practices in organizational change, particularly in transforming a not-for-profit organization into a commercial hybrid. By doing so, we respond to a call for future research by White et al. (2020), calling for further research on the interplay between changing context and management practices in longitudinal research designs.

Our research is guided by the following question: "*How do TMT practices influence organizational transformation from a not-for-profit to a hybrid form of organization?*"

This study focuses on the hybridization process of how the focal company attempts to evolve from an existing institutional *single* logic into a *hybrid* logic emerging from within an existing organization. Thereby we take a different stance than previous research that focuses on *maintaining* a form of being hybridized, e.g., Gümüşay et al. (2022) investigating the maintenance of hybrid organizing in Islamic banks. We attempt to explain how to *become* hybridized. In so doing, we investigate how TMT transformed the institutional logics at the BoD level, in only a 10-year period, from a static, low-risk, not-for-profit regulated power distribution company, to a dynamic hybrid (not-for-profit and for-profit) organization, by analyzing archival documents from 1999 to 2021, in addition to 45 interviews of top executives who have taken part in transforming the organization.

Our study offers three important contributions. First, we contribute to the literature on hybrid organizations as well as organizational change by suggesting a process model explaining how supposedly conflicting logics may be developed into an enveloped logic by building upon the values, mission, and beliefs from the original organizational logic, when introducing new for-profit logics (Thornton & Ocasio, 1999). Using existing values and beliefs linked to a new for-profit logic supports legitimacy and creates a canvas for sensemaking in a new enveloping and stabilizing a new hybrid organizational logic. Second, we found that adopting organizational and managerial

practices from admired and well-renowned companies in competitive industries created a cognitive acceptance of enveloped logic, by becoming increasingly professionalized, creating legitimacy and support for initiatives of change. Third, we identified a multitude of TMT practices adopted and deployed over two decades to support the coexistence of plural logics, and at the later stage of hybridization, to optimize organizational performance.

Theoretical background

Below, we review the literature on change in hybrid organizations and the general role of TMT practices in organizational change.

Hybrid organizations and their relevance

The concept of hybridity can be understood as a phenomenon constructed by distinct parts with opposing characteristics (Battilana & Lee, 2014). We define hybrid organizations as “..that combines different institutional logics in unprecedented ways” (Battilana & Dorado, 2010, p. 1419). Hybridity denotes the synthesis and joint manifestation of two distinct organizational phenomena, such as organizational forms -legitimate templates for building organizations- (Battilana & Lee, 2014), structures, and logics. In an organizational context, this means that a hybrid organization is composed of different and distinct cultures, identities, values, beliefs, and norms (Almandoz, 2012), which in turn creates a canvas of institutional logics (Battilana & Dorado, 2010).

As the challenges socioeconomic actors face have been dramatically shifting over the last decades and the meaning/core function of organizations have been contested (Wickert, Post, Doh, Prescott, & Prencipe, 2021), hybrid organizing has emerged as a relatively new form of organizing to tackle such nascent challenges (Boudes, Pinz, Hinings, et al., 2020; Gümüşay et al., 2022). Thus, recent research suggests that hybrid organizing can help address the economic, environmental, and societal challenges of modern times (Boudes, Pinz, Hinings, et al., 2020). Businesses have to find new ways to “make a difference” (Wickert et al., 2021), and extant research suggests hybrid organizing may unlock new opportunities by synthesizing and combining distinct logics and organizational forms to transcend unprecedented problems business face (Gümüşay et al., 2022).

With their growing relevance in mind, hybrid organizations have been investigated through different lenses of identity, power, institutional logics, and organizational forms (Battilana & Lee, 2014; Greenwood et al., 2010; Thornton & Ocasio, 1999). This line of research typically highlights that achieving hybridity can be understood as decoupling, compromising, and combining competing logics (Pache & Santos, 2013). These alternatives require different sets of practices to be implemented and have different implications for organizations. In this research, the primary focus is on combining competing logics in the pursuit of realizing social missions while engaging in commercial activities to cultivate and sustain operations.

Hybrid organizations often become unwilling victims of conflicting missions, sensemaking, and the multiplicity of logics, causing sub-par performance (Boone et al., 2021). While TMTs grapple with conflicting cognitive mechanisms, lack of consensus on pursuing multiple missions may induce conflicts and communication problems (Wenke et al., 2021). While research on social sciences found that conflicting internal demands in organizations compete on different organizational identities, identity is a central concept in the process of transforming organizational form (Jay, 2013). The presence of plural organizational identities is found to be the epicenter of organizational conflicts and contradictory cognitive sensemaking (Fiol, Pratt, & O'Connor, 2009). In such a context, TMTs struggle with BoD acceptance when suggesting new strategic avenues, not within the existing legitimized set of boundaries because legitimacy is granted to actions that fit the institutional logics (Kraatz & Block, 2008).

Institutional logics signify institutionalized beliefs and organizational practices, which guide organizational members in their activities and actions (Greenwood et al., 2010; Thornton et al., 2012). Norms, attention, strategy, legitimacy, authority, and identity can be understood as the “building blocks” of institutional logics in general, i.e., not specifically for an FPL or a NFPL (Thornton et al., 2012). Hence, considering the TMT of an organization, institutional logics, in general, is understood as what makes sense within and between TMT and BoD and directs their strategic decisions. These beliefs, which over time have become embedded in the culture, justify

and explain managerial actions (Berger & Luckmann, 1991). Changes in these logics are expected to create new strategic attention and opportunities, for example, by inserting TMT members in the organization with different educational and experiential backgrounds than the predecessors (Sine & David, 2003). Institutional logics are shaped and changed by organizational actors' cognitive sensemaking, identity, values, beliefs, rules, regulations, and practices (Friedland & Alford, 1991; Thornton & Ocasio, 2008). "Actors mobilize one or another logic in which they are embedded to make sense of their social world and, in this way, eventually contribute to construct and/or transform them" (Dufays & Huybrechts, 2016, p. 6). In this vein, TMTs emerge as instrumental actors shaping and transforming institutional logics through specific practices.

Legitimacy and identity in organizations

Institutional theory has predominantly focused on legitimacy at the macro- and meso-level (Deephouse et al., 2017), whereas Haack and Sieweke (2018) point out that legitimacy is a multilevel phenomenon, occurring not only at the institutional level but simultaneously at the individual level.

Organizational legitimacy of actions and activities carried out in the organization exists if there is conformity between the social values and the norms of exerted behavior at the organizational level (Dowling & Pfeffer, 1975). Research on legitimacy has been vastly explored (Haack et al., 2020; Lamin & Zaheer, 2012; Patriotta et al., 2011; Tost, 2011). From these repertoires, we focus on the cognitive processes of organizational legitimacy, defining legitimacy as "...organizational legitimacy is a broad concept, encompassing... their acceptance of the firms' actions as being appropriate and in conformity with societal norms and values (Lamin & Zaheer, 2012, p. 48).

In this understanding, the legitimization process creates a canvas of justification of discourse and actions. Likewise, legitimacy is both important and particularly relevant in investigating hybridization because seemingly opposite logics may compete for dominance in that context. The same can be said about legitimacy because what is legitimate to do and worth promoting depends on the social embeddedness of such constructs. Combining seemingly opposing logics constitutes

merging what is legitimate, which may engender opposing understandings of legitimacy. Executives follow institutional cues in shaping organizations to be congruent with social expectations, thereby legitimating organizations (Dart, 2004). Legitimacy can be considered a pivotal element of institutionalism. At the same time, societal and commercial missions are characterized by different purposes, whereby the legitimacy of what is considered right, can, in the context of institutional logics, be viewed as opposing elements of a continuum, hence pointing at legitimacy as having explanatory power in the process of hybridization (Dart, 2004).

The concept of organizational identity has increased in relevance and importance to researchers and practitioners over the past decades, trying to understand and influence strategic change (Ravasi & Phillips, 2011). Identity is an important construct guiding strategic change and how organizational members develop relationships with and among stakeholders (Gioia et al., 2010). Building on the findings by He and Brown (2013), identity is considered pivotal in decision-making, conflict handling, issue interpretation, and communication, which are central elements of hybrid organizations (Battilana & Lee, 2014). Such elements are embedded in contradictory phenomena rooted in what is legitimate to do in apparently opposing logics, whereby organizational identity is considered a key element in the understanding formation of legitimacy (Sillince & Brown, 2009).

TMT practices

TMTs comprise the executive chamber of organizations and dominate the strategy of their organizations. The most powerful and influential groups of stakeholders are commonly considered TMT and BoD (Hambrick & Mason, 1984; Peterson et al., 2003). As such, both are responsible for and in the position to shift the company's strategic direction in response to changes in external boundaries (Díaz-Fernández et al., 2020). Therefore, it is particularly relevant to investigate what TMT practices may relate to organizational change and how such practices may be used purposefully in a real-life case study of hybrid organizing.

Management practices can be understood as the manifestation of skills and abilities in organizational processes that signify the role of leadership as the canvas for managerial actions (Katz, 1974). In this research, we follow the definition of TMT practices from Jarzabkowski et al. (2007, p. 9) as “routinized types of behavior which consist of several elements, interconnected to one another: forms of bodily activities, forms of mental activities, “things” and their use, a background knowledge in the form of understanding, know-how, states of emotion and motivational knowledge.” As such, we emphasize patterns of managerial behavior and tools (“things”) used by TMT in the managerial processes. For example, by paying attention to conformity with the values and beliefs of the target group, rhetoric can be seen as an important TMT behavioral practice mechanism to elevate support from key organizational groups like BoD (Lawrence, Suddaby, & Leca, 2009). “Rhetoric is spoken and written discourse that justifies the use of a set of techniques for managing organizations or their employees” (Abrahamson, 1996, p. 259).

Then, how can rhetoric create the belief that a TMT practice is effective and meaningful? Extant research highlights that rhetoric must induce the target group to believe that the practice used is both a rational choice and a state-of-the-art practice, which can be achieved by doing what the largest successful companies do, i.e., importing practices from outside the industry (Abrahamson, 1996). “It must create the belief that the technique allows managers to pursue an important managerial goal in the most efficient fashion. It must, therefore, articulate (a) why it is imperative for managers to pursue this goal and b) why this technique provides the most efficient means to attain these goals” (Abrahamson, 1996, p. 267).

The literature provides rich insights into plural identities, values, beliefs, and norms in hybrid organizations, as well as taxonomies of managerial responses to a multitude of logics. However, little is known about the micro-processes of how management develops organizations from singular logics to a plural logic of hybridity (Lee & Battilana, 2020). Further, our knowledge is scarce about the role managerial practices may play in the transformation process. Below, we set out in-depth

qualitative research that leads to a process model explaining how institutional logics develop and envelope over time, explaining how adapted TMT practices may support change processes.

Method

Context and research setting

The context of this research is one of the country's largest conglomerates within infrastructure, energy, telecom, and TV services to private- and business customers. The company has 1,5 million customer relations, 709.000 shareholders, 2.500 employees, and subsidiaries in 12 locations in the country (2019). The company is the result of more than 40 mergers and acquisitions over the past 20 years. This focal company and its evolution offer suitable research settings to examine the role of TMT practices in transforming not-for-profit organizations into commercial hybrids. Like the rest of the industry, the company was, in 1999, a monopoly driven by a not-for-profit logic (NFPL) and societal goals, meaning following a primary objective of serving society, delivering products and services at a cost price. In 2021, the focal company was driven by a for-profit logic (FPL) alongside societal goals stemming from its tradition of having NFPL. As such, the company has gone through transformative processes of transitioning from purely NFPL to NFPL-FPL hybrid, and TMT practices played an instrumental role in that transformation, as detailed below.

Before the deregulation in 1999, the distribution companies were owners of the production companies, and sales to end customers were at regulated prices. The distribution companies were in 1999, and still are today, owned by the consumers in the local distribution areas, in a legal form called a.m.b.a. (Andelsselskab Med Begrænset Ansvar: Limited liability cooperatives). The deregulation caused power production and power sale to be exposed to competitive market forces. However, as power distribution companies were natural infrastructural monopolies, most were not existentially threatened by the deregulation of the market, as they could continue to operate within the new regulated tariffs of power distribution. Therefore, deregulation mainly offered new opportunities and was less of a threat to survival.

As a consequence of the deregulation in 1999 and the opportunities that followed, BoD began to look for a profile with clear commercial credentials as soon as the incumbent CEO retired in 2009. Before the deregulation of the industry, CEOs were typically hired from within the industry based on their technical merits “... so it means that I was involved in the hiring of a new director, it was new to take one from the outside, a completely different type, i.e., one with a commercial view of the company. It was new because a director from inside was an engineer in something with electricity, but they generally lacked the understanding that you actually have to fight for the customers in a commercial company (BoD member, 2009). The choice was based on an ambition by the BoD, to develop the company into new business areas, hence granting the new CEO a hybrid mandate. In 2009, BoD hired a new CEO from outside the power industry with an ambitious and strong growth agenda “We are part of an industry that is subject to massive technological change, and we want to be a significant player in the market” (CEO, the press, 2020).

Before the EU market deregulation, the focal company was a regulated not-for-profit power distribution company. Their commercial activities were 0 % in 1999 and increased to 85 % in 2019, measured on the ratio of not-for-profit turnover divided by the total turnover. The company has developed from NFPL to a hybrid organization, comprising two institutional logics of serving society and making a profit.

BoD is elected democratically among the customers who have an electrical meter connected to the power grid in the distribution area, according to the Articles of Association for the Focal company. Some are traditional professionals who deal with financial and strategic questions and larger investments, but most are not. Many BoD members are typically not trained in traditional professional business domains like strategy development, mergers and acquisitions (M&As), or large-scale risk-prone-investment decisions.

Research approach

Our research interest is about understanding how TMT practices may support TMT in achieving BoD acceptance of an organizational transformation from a long-term institutionalized NFPL to a

hybrid organization. The focal company is particularly suited for examining changes in institutional logics because it represents an “extreme case” in organizational hybridization (please see Yin, 2014).

A process approach (Abdallah et al., 2019) is particularly useful when investigating our phenomena of interest. As pointed out by Cloutier and Langley (2020) and Langley et al. (2013), one of the strengths of process theorizing is the ability to address the why and how given events evolve and emerge over time. This is why we found a process approach particularly suitable for answering our research question, as we investigate how TMT practices affect the logics of BoD by observing several events of strategic decisions of large investments in the period 1999-2021.

Corbin and Strauss (2008) suggest a qualitative research approach for investigating complex social processes and phenomena, where little insight is known at the beginning of the research process, which characterizes the situation in our focal research endeavor. We use an inductive research method (Blaikie & Priest, 2019), where we utilize insights we gained from data to draw conclusions and build our process-based conceptual framework.

The unit of analysis is TMT and their interaction with BoD, observing practices used by TMT to change the institutional logics. Our approach is a “Toolkit-based approach” (Abdallah et al., 2019), whose primary feature is a stronger focus on conceptual relationships than on chronological phases of events. For further reference to our “Toolkit-based approach”, see Abdallah et al. (2019). This method emphasizes unraveling the relations of phenomena, how they emerge, and their interrelatedness and connects very well to the coding principles by Gioia et al. (2012), which presents a rigorous method of data analysis. One of the strengths of process theorizing is the ability to address why and how given events emerged, explaining the links between the events.

Sample and data collection

We collected and analyzed intimate, in-depth interview data with the focal company’s TMT members, covering longitudinal data from 1999 to 2021 as a primary source. In total, we collected 45 semi-structured interviews with a typical duration of between 1 and 2,5 hours, a total of 5.125

minutes, transcribed to 1744 pages. These data were supplemented by archival data, podcasts, press releases from the same period (Yazan, 2015), and personal observations from within the organization.

We employed purposeful sampling (Kumar et al., 1993a), selecting interviewees who took part in the transformation processes themselves. Interviews focused on participants narrating their own lived experiences. Primary interviewees were members of TMT, either as CEO (L1) or reporting directly to the CEO (L2) or L3 managers (referring til L2), in the period around the investigated events. Additionally, we triangulated interviews with TMT members and with archival documents and collected interviews with BoD members (L0) who were present in the complete period from 2011 to 2021, which enabled us to acquire both perspectives on the organizational change processes of transitioning from NFPL to FPL-NFPL hybrid.

We identified five events of strategic importance related to challenging the institutional logics from 1999 to 2021, depicted in Figure 1. An overview of data sources is listed in Table 1.

Table 1: Overview of data sources

Main data sources	n=	Data period	Organizational position
Interviews	12	2011-2013	L0, L1, L2
Interviews	22	2018-2020	L0, L1, L2
Interviews	6	2011-2020	L0, L1, L2, L3
Interviews	5	2011-2020	L3
Business case	3	2012-2014	
Business case	2	2015	
Business case	4	2019-2020	
Press releases	3	2020-2021	
Management presentations	5	2019-2021	
Resume from BoD meeting	9	2010	
Resume from BoD meeting	6	2011	
Resume from BoD meeting	8	2012	
Resume from BoD meeting	8	2013	
Resume from BoD meeting	8	2014	
Resume from BoD meeting	2	2015	
Resume from BoD meeting	2	2016	
Resume from BoD meeting	3	2017	
Resume from BoD meeting	10	2018	
Resume from BoD meeting	8	2019	
Resume from BoD meeting	11	2020	
Resume from BoD meeting	4	2021	
Governance documents	3	2018-2020	

L0: Board member, L1: CEO, L2: Executive referring to the CEO, L3: Executive referring to L2.

Data analysis

Actors in organizational roles frequently use the vocabularies of professions to create cognitive meaning (Greenwood et al., 2008). Therefore, in our analysis, we looked for used vocabularies, tools, and managerial behavior in situations where logic is tested, like significant investment cases,

strategic discussions, and M&As. See Appendix A for an overview of identified tools and behaviors (management practices).

Coding was done according to suggestions by Gioia et al. (2012). Furthermore, beyond identifying the main theoretical categories through coding, our analysis was also guided by the suggestions by Cloutier and Langley (2020) for doing process research: “The trick of process theorizing is to remain focused on the multi-faceted doings that underpin apparently stabilized entities rather than on the entities themselves.” (Cloutier & Langley, 2020, p. 5). Thus, we focused on revealing the connections between processes beyond identifying the theoretical categories. We coded numerous first-order codes, which were combined into 10 theoretical categories, which, in turn, resulted in 4 aggregate theoretical dimensions. Having done the first coding, we discussed and triangulated the findings among the authors to develop meaningful axial categories and selective themes. Furthermore, during the conceptualization, we conducted two interviews with L2 and L3 executives, over the phone, for 15-30 minutes to test our understanding, asking about the meanings and dimensions we constructed from the data. After discussing the findings among the authors and agreeing upon meaningful changes, we adjusted the coding and their interrelations (Gioia et al., 2012; Locke, 2003). We structured and summarized the developed coding scheme of TMT practices schematically in Figure 2.

Findings

Summary of main related events

Before laying out the conceptual framework of the process of formation of hybrid logics, we set out by starting with a narrative storyline (Cornelissen, 2017), describing the most significant sequence of strategic events challenging institutional logics from 1999 to 2021 as the backdrop of transitioning from single to hybrid logics. Hence, this “order of events”, depicted in Figure 1, will inform our investigations.

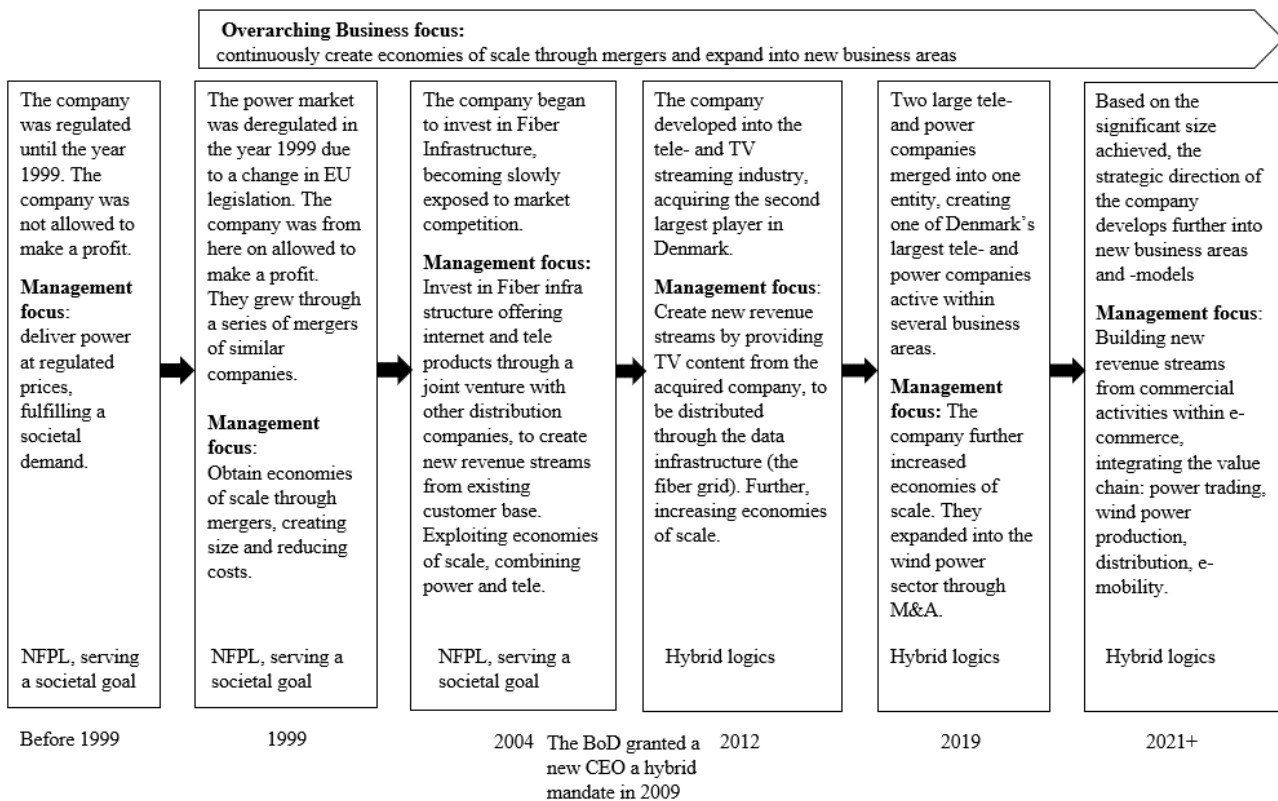


Figure 1: Sequence of strategic events challenging institutional logics during the period 1999-2021

In 2000, given the regime of a regulated monopoly, the dominant logic was not-for-profit with the mission of serving society, the hallmark of good management was delivering power at the lowest costs, with the lowest possible outage time. Managers were promoted if they were good technicians

“...we hired a new CEO (2009) and also later the CFO (2013)... it was new to take one from the outside and really take a completely different type. That is, one with a commercial view of the company, and again it was new because a CEO was (previously) grown from within. He was typically an engineer in something with electricity” (BoD member, 2009 and 2013).

The commercial focus was not a valued property, given that it was impossible to act commercially before the deregulation. Due to the deregulation of the power market, management began to pursue a merger strategy to reap economies of scale and reduce costs. In 2004 the focal company began investments in fiber grids in their power distribution area. It was what they did; they dug cables into

the ground, providing services at cost to their cooperative owners. In 2009 a new growth-focused CEO was inserted in TMT because BoD became increasingly aware of the new opportunities the deregulated brought along. *“The first thing he said upon entering the organization in 2009 (the CEO) was: “we need a sales department”...”* (BoD member, 2009).

Between 2009 and 2012, the management experimented with many new small-scale ventures and acquisitions, searching for a new commercial opportunity, however, with little commercial success, as noted below:

“There is no doubt that there were too many small sides jumps at one point. We had too many small ventures that were not value-creating, leaps and bounds have been weeded out” (CEO, the press, 2020).

In that period, TMT began to induce FPL into the organization, and in 2012, they acquired one of the largest TV and streaming -players in the market. The start was not easy, as the streaming industry changed almost overnight with Netflix entering the market. That created some tensions within TMT, testing the validity of FPL. In 2013, TMT was recomposed by inserting a strong commercial CFO in TMT *“...a new CFO in 2013 ... we needed a qualified counterweight ... professionally he stands insanely strong, he is a strong person”* (BoD member, 2013).

In the following period, from 2013 up until 2019, the focal company sorted out the challenges from the big acquisition in 2019 and continued expanding into new business areas via M&A. In this period, the plural logics were developed into a stable hybrid logic covering both societal and profit-driven goals of NFPL. An example of NFPL in the traditional sense is large investments in fiber infrastructures: *“We have unique opportunities due to “the long money” which no one else in the industry has...”* (L2, Executive 3, 2016).

The focal company combined plural institutional logics of NFPL and FPL, which we describe in Table 2.

Table 2: Dual systems of taken-for-granted meanings in the societal NFPL and FPL

Element	NFPL	FPL
<i>Organizational identity</i>	Services as societal activity, securing vital societal infrastructures	Services and products for profit, giving “more” back to society
<i>Legitimacy</i>	Delivering services to society within the mission. Managerial: “A good technician”	Being profitable either in the long run or short-term, depending on investment type, being within the mission. Managerial: “A good businessman”
<i>Mission</i>	Serving society, delivering power at cost-price, with a low power outage	Profitably driving the agenda of digitalization and green conversion, serving society.
<i>Investment logics</i>	Long-term payback time, no return-on-investment requirements	Long-term payback time on infrastructure, short payback time on other activities, ROI requirements
<i>Dominant practices</i>	Presenting budgets and deviations detail level. Follow technical rules of operating production facilities. Follow existing rules. Focus on local issues	Business cases, rhetoric sharing visions, professionalization, communication, economic reporting on portfolio level. Focus on local, national issues and international opportunities
<i>Values, beliefs</i>	Together we stand strong. We can achieve more in the cooperative to reduce costs	Together we stand strong. We can achieve more in the cooperative by making profits
<i>Hiring managers</i>	From within the system	From commercial industries

Figure 2 summarizes our data structure.

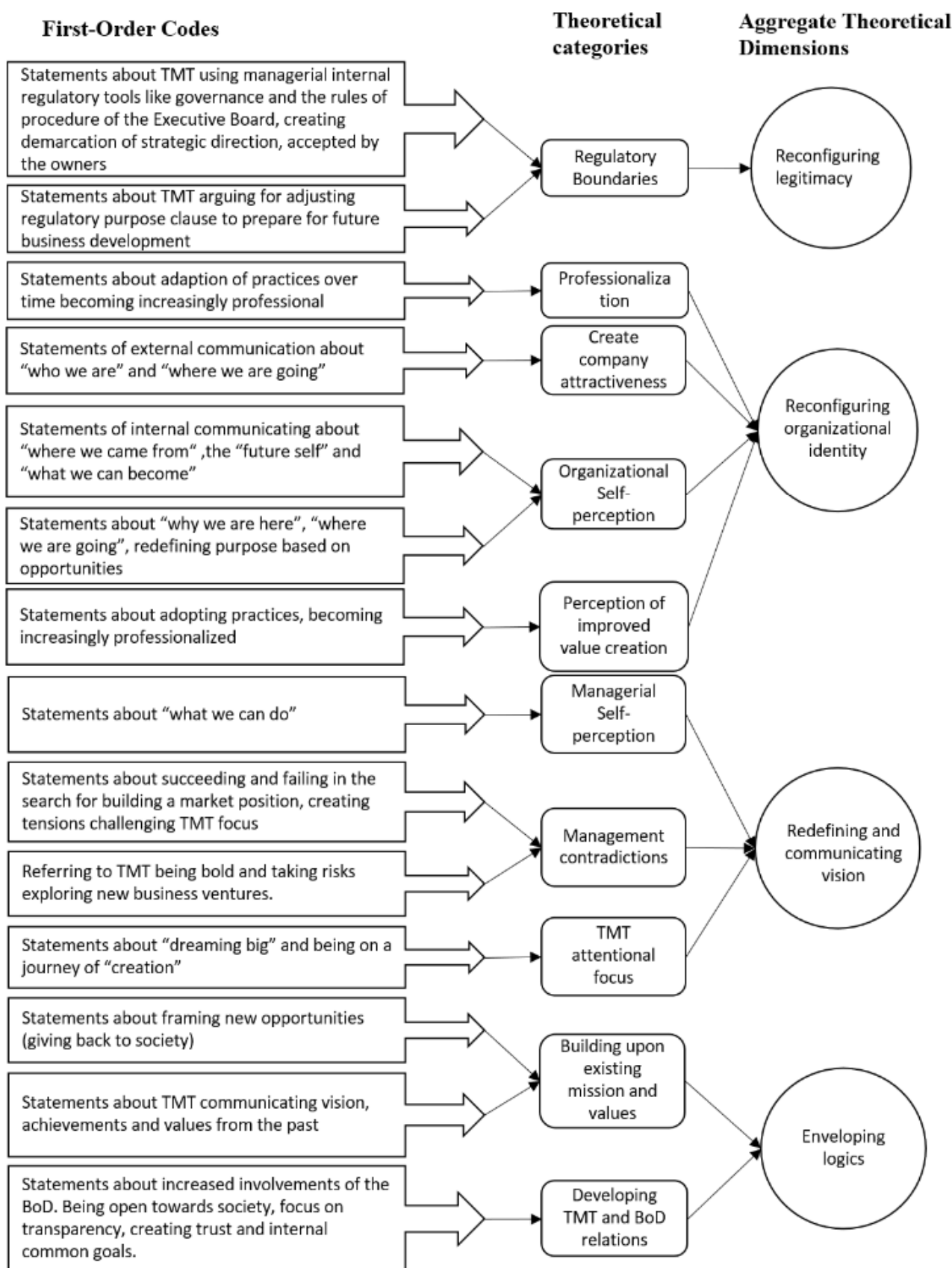


Figure 2: Overview of the data structure for TMT practices

Conceptual framework of forming hybrid logics

Figure 3 depicts our conceptual framework. As seen in Figure 3, our conceptual framework delineates three distinct phases while focusing primarily on Phase 2. Phase 1 explains the pretext of the organizational change we analyze, where external forces trigger change and present BoD with management tensions and conflicts to grapple with. Phase 2 represents the main phase where the transformation of a not-for-profit organization into a commercial hybrid takes place and where TMT practices are relevant and instrumental in this transformation process. Finally, phase 3 briefly explains the recent routinization and institutionalization of change.

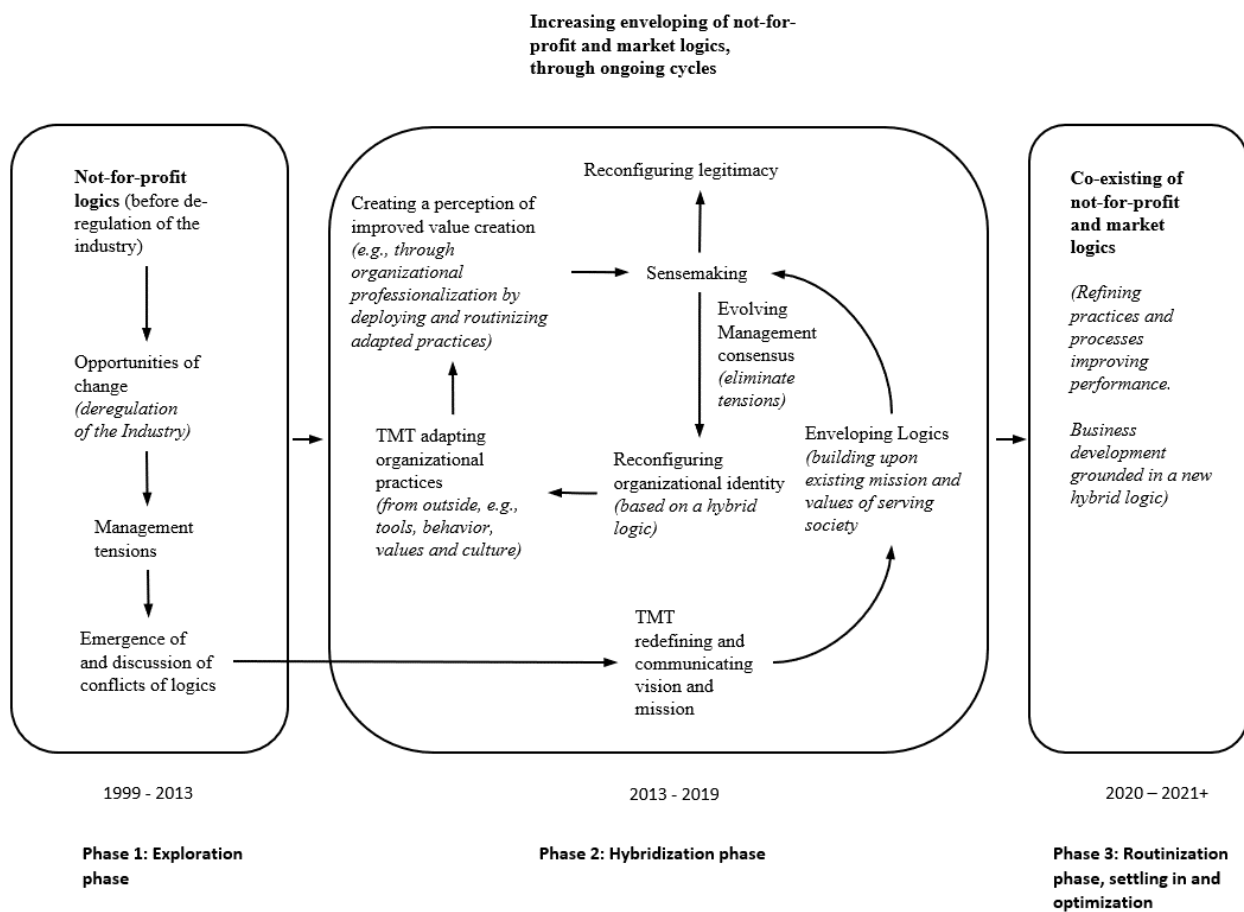


Figure 3: A conceptual framework of the process of formation of hybrid enveloping logics

Phase 1: Exploring opportunities (1999-2013)

Opportunities of change

When markets are challenged with radical changes like deregulation, entrepreneurial opportunities and threads emerge (Sine & David, 2003). However, opportunities are not embraced automatically. They need to be congruent with the institutionalized values and norms of the organization. Hence, TMT must reconfigure these values (Greenwood et al., 2008). TMTs introducing new opportunities do not automatically make sense to BoD if they are not within existing boundaries of mission, values, and core activities that challenge such initiatives' legitimacy (Kraatz & Block, 2008). Herein TMT may play a central role in translating and reshaping the cognitive stands of BoD to reconfigure how BoD makes sense of new strategic opportunities.

Before the deregulation in 1999, distribution companies' equity was restricted to re-invest only in distribution infrastructure. Due to deregulatory changes in legislation, distribution companies' equity was no longer restricted. Combined with inserting a new CEO with ambitions of growth, this created entrepreneurial opportunities to go "new routes", "*...but where it really started, it was when (in 2006) you really got this equity released, where the Minister of Energy changed the legislation ... we suddenly got the funds to be able to do it (invest in fiber infrastructure)...*" (BoD member, 2006). This manifested in a series of explorative investments in new businesses from 2009 to 2012.

Management tensions

When challenging something as deeply rooted in an organization as long-term institutionalized logics, which occurred in the period after inserting a newly appointed commercial CEO in 2009, contradictions and tensions arise in the management. The organization was a not-for-profit organization until 2009, with the sole purpose of serving society with services at a cost. From 2009 to 2012, TMT tested many new for-profit ventures that were less successful, causing internal tensions in the team. The following statement embodies these tensions: "*And you were also in a situation where you started a lot of things, but you were not a situation where you made money on what you did*" (L2, Executive 1, 2012). This was the first encounter with plural logics causing

conflicts and confusion in the mission. Eventually, the decision was made to insert a new and commercially experienced CFO in TMT in 2013, to balance the competencies and power position of TMT.

The first adoption of new TMT practices from outside the industry came about in 2013, after four years of loss-making investments searching for opportunities for growth, which caused tensions and contradictive opinions in the management and rivalry between the deep-rooted NFPL and the emerging FPL. These initial TMT practices were implemented by new members entering TMT. Examples hereof focus on tools for managing efficiency, profitability, and service level measures (see Appendix A for an overview). The purpose hereof was mainly to monitor and control the company's performance instead of creating the perception of improved value creation in the hybridization process between TMT and BoD, which is described in phase 2. This notion is mentioned in the following way:

"I posed a question about why we believe in this, ... and we probably also got learning in the management in those years... and I said we simply need to be more cynical instead of based on hopes and dreams when we do things. We also started to focus the activities on the firm, and we started to get rid of some of all that, that did not make sense" (L2, Executive 1, 2014)

The emergence of and discussion of conflicts

Management tensions offered the opportunity to discuss the emerging conflicts and confusion of mission based on the rebalancing of TMT. At the beginning of this phase, TMT was deeply involved in and spent significant time discussing conflicting logics and strategic dilemmas like investment cases and what to grant and what not to grant. At that time, the debate and communication were about becoming "business-like", engaging in profitable projects, promoting FPL, and reinventing the company's mission. The idea of becoming "business-like" collided with the long-term investment decision of offering fiber infrastructure to the local communities, which was a decision made around the deregulation in 1999 and was indeed not profitable then. An example of such a dilemma was a situation in the early years after the deregulation, where TMT

discussed whether to continue investments in fiber infrastructure. On the one hand, it was a large project already set in motion in the period of NFPL, drawing heavily on capital allocation. On the other hand, it could not be argued to be a profitable investment measured against traditional ROI criteria and therefore did not comply with the idea of becoming business-like, i.e., a FPL.

By redefining value creation in the context of NFPL of giving back to society, the investments in fiber infrastructure were argued to be a value offering, non-conform with traditional FPL investment criteria, but nevertheless a form of value creation for the local communities. Most other investments were, however, measured against business cases and traditional ROI requirements. *“We are obliged by the BoD, to create a certain ROI...such a dilemma is the fiber infrastructure rollout”* (L3 executive 1, 2013). Such tensions and conflicts were important in shaping a new mission and the creation of what we refer to as an enveloped logic, where both NFPL and FPL could co-exist, made possible by the TMT communicating the FPL mission as supporting a NFPL, in the sense that making a profit has the potential of “giving more back to society”, hence simultaneously conforming to a NFPL mission. This was the starting point of redefining the company’s vision and mission, comprising both NFPL and FPL possibilities.

Phase 2: Hybridization of logics (2013-2019)

TMT redefining and communicating vision and mission

There was a strong desire to develop the company in a new, more expansive direction among some TMT members, whereas other members were more driven by becoming profitable. These tensions eventually caused TMT to redefine a new vision and mission for the company, but at that stage not presented to nor accepted by BoD. The next challenge was for TMT to make a new potential hybrid strategy make sense to the ultimate decision-makers, BoD. For example, at the beginning of phase 1 (see Figure 3), TMT struggled with competing investment logics for infrastructure assets that were not profitable in the short- or medium-term. Likewise, investments in non-infrastructure assets were required to be profitable in the short term to be granted by BoD. If TMT would simply present a new strategic direction for the company, not in any way coherent with the prevailing logic, there

would be a risk of BoD rejection, as this would be outside the institutional logics (Kraatz & Block, 2008).

Enveloping logics

Enveloping logics, i.e., one logic supporting another logic, embracing, and synthesizing both, emerged as the key step in hybridizing logics. The concept has a primary and a secondary logic, which we describe as enveloping logics. The *primary logic* is the old logic of societal service and “we are here to give back to the community”, supporting all the organization does. The *secondary logic* is a FPL, which means that company activities must be driven by profit and growth with a flavor of societal payback. Some initiatives are typically short-term, focusing primarily on return on investment (ROI), as seen in many market-based industries. Some are of more long-term nature, with a payback time of investments of +30 years. These are typically activities from NFPL business core, which are carried over in the hybrid regime.

An example hereof was the distribution activity which was the only activity in the group until 2004 when the company started to invest in fiber infra structure. It was driven by NFPL because the investments did not create profit back then. Still, the management extended these investments because it constituted a fast internet and TV service not provided by the competitors due to a lack of profitability.

The nature of being a consumer-owned company and giving back to the same society that owned the company was kept in place as a *primary logic*, NFPL of serving the community. In the beginning, regulated services were still at a cost price, showing the presence of NFPL. Still, at the end of the period, regulated services were no longer at cost price but contained a surplus, which eventually would be given back to society. While this could seem unorthodox, the logic behind this was that the management required the cash flow for upcoming investments and, not the least, to show that the *secondary logic* is driven by profits. The *secondary logic* of investing in new businesses or M&As outside the historically core business, given that the business case showed to

be profitable, the same way that traditional FPL worked in competitive markets, the logic was that this form of value creation would eventually be given back to society. This is described as:

“It is a strong commercial energy business, and you have a strong commercial telco where you have both customers and networks..... if you use these commercial logics to ensure that electricity distribution can potentially be free for the owners ...” (L2, Executive 2, 2018)

The enveloping process is supported by TMT using practices of both communication (sharing of information) and rhetoric (a set of techniques for managing organizations or their employees) about opportunities within for-profit activities but framed by values and beliefs from the original NFPL meaning “giving back to society”. This is important because this builds cognitive links between the two logics and thereby building the new hybrid logic as an enveloping mechanism between the two logics. This link between the past and the future and building upon values and beliefs from one logic created a connection to another logic, establishing a hybrid logic by enveloping it. For example, note the following:

“We are born from the cooperative movement, and we must cherish being consumer-owned... We believe that a cooperative idea is a strong form of ownership, and that active ownership can give us competitive advantages. We will contribute to strengthening and further anchor the cooperative owner model as an attractive business model for all our stakeholders” (The vision and mission statement document of the focal company, 2019)

Thereby the company could link FPL to the existing NFPL, without creating rivaling logics, by building upon the concept we call enveloping logics.

The TMT provided the conditions for sensemaking through reflection at the BoD level by bringing practices from outside industries into the organization, used by well-renowned, admired, and successful companies. One participant noted: *“About 2015, we began to invite well-known top CEOs from outside to discuss....”* (L3, Executive 2, 2015). Temporal reflection and discussion in and between TMT and BoD provided a process by which the members could deal with dilemmas resolving such through sensemaking (Lavie, Stettner, & Tushman, 2010). By doing so, a reflection

of “if we do this, we get the same results” was created, and a sense of becoming more professionalized supported cognitive acceptance. The following quote illustrates this point: *“I certainly think we have experienced an increasing degree of professionalization and a maturation of a number of management processes”* (L2, Executive 3, 2018). By TMT ongoingly articulating the story about values and beliefs from NFPL, which they call the a.m.b.a. 1.0 era, i.e., the time before the deregulation, a perception of still being within well-known territory constituted the canvas for developing the cooperative foundation to the next level, becoming the hybrid mission called a.m.b.a. 2.0, which paved the way for a new hybrid enveloped logic as exemplified by the following quote: *“...at the dialogue meetings we say we work on a.m.b.a. 2.0 ...we are working on a new ownership strategy”* (BoD member, 2018). This indicated that the hybridization occurs within the original foundation of NFPL, denoted by the “a.m.b.a”. articulation used by a BoD member.

TMT recurrently articulated and communicated the suggested vision and mission comprising FPL of growth through new business and M&A, in the dialog with BoD, as being within the same logics as NFPL. For example, the mission guided by NFPL is based on serving society. FPL is still based on serving society but rhetorically articulated through the revised mission of driving the agenda of digitalization and green conversion, serving society. The emphasis on adopting digitalization and green conversion agenda is illustrated below:

“...I think we have the world’s strongest “why”. This is what our contribution to digitalization and green transformation can do...I say to them ...I can promise you, that it will not be boring”, (L3, Executive 3, 2018).

The TMT established and facilitated several intensive workshops with BoD from 2012 to 2014 to develop the cooperative mission to what was called a.m.b.a. 2.0. In this process, BoD has been significantly involved in co-creating the new mission through discussion, to that end, through a SWOT model as a tool. In this process, the need for renewal of the organizational NFPL was initiated and developed. TMT catalyzed inducing opportunities and logics of how a new form of

value creation through FPL would benefit the owners. These opportunities and possible threads were important drivers of the process of enveloping the two logics. Possible conflicts of logic between long-term investments in infrastructure having low ROI and short-term investments with high ROI were avoided by communicating that both types of investments were creating value for society and that these investment types are thus not opposites. The following quote on fiber investments illustrates this point: *“We perceive fiber investments as a way to push value back to the owners”* (CEO, the press, 2020). By this, it is meant that by investing in fiber, which no one else would do because of low profitability measured on ROI, owners who are also customers, achieve fast internet, which is of value to them. By engaging BoD in the process, co-ownership and enthusiasm were achieved. Further, a sense of being a “chosen one” by being on BoD in a company and becoming a market leader strengthened the desire to participate in the new mission. This enthusiasm is exemplified as: *“TMT presented the vision for the company, ... insisting on growth and business progress...I say, wow who does not want to be part of that?”* (L3, Executive 3, 2019). This mission motivated BoD to support the business development initiatives of TMT. Similar workshops were routinized annually until today, involving BoD in developing the company’s mission, purpose, and strategic direction *“...social relationships encourage ...to develop “trust, norms, and identity, as well as to believe in a common vision and purpose”* (Fischer-Kreer, Greven, Eichwald, Bendig, & Brettel, 2021). In doing so, the management created a sense that the two distinct logics do not rival. No single logic has become dominant. What was achieved was instead an enveloped logic.

As of 2021, the distribution company is still operating in a regulated regime. However, now with the possibility to make a profit if the costs are kept low. The management optimized the profit within this regime by sophisticated O&M modeling, hence complying with FPL. An executive notes the role of this regime:

“That is also why I moved down into the regulated monopoly and helped run it as if it were exposed to competition. For me, it is by far the most commercial I have ever worked with, i.e.,

the regulated monopoly ... I would like to help develop the electricity grid and the way it works. It is the same task, but we solve it differently and as if we are in full competition” (L3 Executive 4, 2016).

In that sense, NFPL and FPL were not seen as two opposite ends of a continuum. On the contrary, this acceptance and recognition enabled enveloping logics and steered the way toward reconfiguring legitimacy.

Reconfiguring legitimacy

The legitimacy of doing what TMT does is rooted in the internal perception of what makes sense to do. BoD would not accept strategic actions outside these manifested boundaries in the focal company. Therefore, changing business focus and pursuing new opportunities require a redefinition of what is legitimate to do. But how then to act according to plural logics when entering new business areas and new types of investments? TMT deployed practices from outside competitive industries adapted from admired and well-reputed large competitive companies, thereby creating a system for evaluating investments and acquisitions. Examples hereof are governance structures, business cases, risk assessment, portfolios of investment projects, an investment committee, and investment criteria like ROI (see Appendix A for a list of practices and examples of their occurrence). Using these tools, the management could evaluate what would be acceptable projects with acceptable ROI, framed by the given organizational logic. The management was thereby able to present each business case for BoD for the final decision, adjustments, or rejection. In return, this caused a cognition of being professional. As Battilana and Lee (2014, p. 410) note, “Legitimacy is granted to organizations that fit institutionalized expectations, and resources are frequently awarded on this basis.”

The governance structure defines the boundaries where legitimate business activities can be conducted. Reconfiguring legitimacy means that BoD has adopted new governance structures and principles. These structures have been adopted from large well-renowned listed companies in the country of the focal company and are further supported by the branch organization of the power

industry. As such, they became accepted by internal (the organization) and external stakeholders (the consumers in the infrastructure areas), which inversely creates new boundaries of legitimate business operation. This resonates well with Gioia et al. (2010), pointing out that isomorphism confers legitimacy. Isomorphism denotes companies adapting practices from well-renowned companies outside the focal case company's industry to obtain legitimacy.

As a management practice, governance creates rationality and a "comfort zone" for obtaining supportive decisions by BoD. For example, a BoD member states: *"I can tell you the decision to buy was made according to the article of association"* (BoD member, 2012). Therefore, it becomes important for TMT to develop these boundaries over time as the company's portfolio and businesses expand beyond the agreed borders of legitimacy if approval for new strategic initiatives is to be obtained. Hence this is a recursive process of securing an adequate fit between the mission and existing governance. When legitimacy is established and is within these boundaries, actions do not need further justification.

The company has a mix of financial and non-financial goals expressed and navigated through different practices (see Appendix A for examples hereof). By having both financial and non-financial goals, and tools to present these, the condition for possible competing missions were present in the TMT. These tools and behaviors served as stabilizing practices for maintaining balance in the hybrid logic organization, especially important in phase 2 for forming an enveloped logic.

The first change of legitimacy, manifested by governance change, was agreed on at a BoD meeting in 2012. The first large acquisition, entering a new industry, was made in 2012. Dowling and Pfeffer (1975) highlight that legitimacy is created by congruence, meaning that the values associated with the organizations' activities and the accepted behavior of the social system in the organization support one another. In this understanding reconfiguring organizational identity corresponds to the values propagated by TMT through recurrent TMT rhetoric and storytelling. "Who we are" is a central part of identity, the accepted behavior of the organization, framed by

purpose and mission, is related to “what we do”. Therefore, if there is congruence between “who we are” and “what we do”, TMT operates within the borders of legitimacy. Reconfiguring legitimacy was obtained through the sensemaking process in the dialog between TMT and BoD, reflecting upon the emerging new mission called a.m.b.a. 2.0 and what boundaries, in turn, would be required to change. Furthermore, this was induced and orchestrated through workshops and bilateral meetings between BoD and TMT, maturing over time and establishing congruence. Thereby the process of “reconfiguring legitimacy” was reciprocally connected to the process of “reconfiguring organizational identity”.

Reconfiguring organizational identity

From recent research, identity has been found to be an important concept guiding organizational activities, like strategic decision-making, and how organizations develop relationships with stakeholders (Gioia et al., 2010). Our findings revealed that, at the beginning of the transition, the company’s identity was no longer meaningful, coming from a regulated, deeply rooted, and institutionalized “modus operandi” in 1999. Following the introduction of a deregulated competitive environment in 2000, a new organizational identity had to be developed (cf. Gioia et al., 2010). In the process of changing the organizational identity, TMT adopted practices used by large, nationally well-known listed companies from different industries in the country by inviting top executives into the organization and asking them to talk about what they do, how, and why. By being inspired by and deploying external TMT behavior (isomorphism), the self-perception of the organization changed over time, transforming the identity of not just the organization but also the perceived identity in BoD. This change is highlighted below:

“Now, if I ask you about your perception of the identity in 2012 before the purchase, how would you describe yourself (Interviewer)?... Well, we were infrastructure” (L3, Executive 4, 2012).

“It’s also our ownership of (acquired company), there we became international, and there are now plenty of opportunities” (BoD member, 2013).

We found that as the company has become larger and grown its product portfolio, driven by the acquisition in 2012, TMT and BoD have changed their self-perception. The interviews indicated that M&A indeed influences organizational identity, causing TMT and BoD to “dream bigger”. For example, to illustrate the BoD’s perception of the future, looking 7-8 years ahead:

“And I’d say, on the board, we supported the good ideas they (TMT) came up with... which was also needed, because we’re becoming another company... “I’d say in 7-8 years this company is 4-5 times bigger” (BoD member, 2018)

By adopting practices from well-renowned TMTs from external industries, TMT created a link between the internal organization’s self-perception and the public image of a proven, well-estimated large profitable company. It was built on the implicit assumption that becoming similar to these public admired organizations and companies instigates the same success and profitability these organizations enjoy. This followed a logic of becoming like them by doing like them (DiMaggio & Powell, 1983), which adds to the sensemaking reconfiguring identity.

The link between the organization’s internal self-perception and the public image established a “mirror effect” whereby organizational members began to see themselves as the “reference company”. From DiMaggio and Powell (1983), we found that such coercive isomorphic mechanism often comes from external pressure exerted on the organization. In this case, however, it was used by TMT as a tool for changing the identity towards becoming “professionalized” and a perception of improved value creation, as noted by one participant: *“...what we are presented today, that is, bloody hell, that’s mega what’s been achieved here... what has been promised and said... we now see the fruits of” (BoD member, 2018).*

The process of “reconfiguring organizational identity” was strongly connected to the recursive processes of storytelling, ongoingly referring to the enveloped logic of the redefined mission of “a.m.b.a. 2.0”, by TMT communicating continuously improved value creation. TMT supported professionalization by using and communicating to BoD a variety of tools. These tools include, for example, divisionalized financial reporting, management terms such as ROI, cash conversion

measures, the weighted average cost of capital (WACC), and key performance indicators (KPIs), which were not used during the regulated regime, to mention a few. We observed that next to none of these were present on the agendas in 2000 but were frequently used in the archival documents from 2013 and onwards (see Appendix A).

From research by Gioia et al. (2010, p. 2), we found “...leaders’ expressions of core organizational values, as well as the actions taken to disseminate these values, influence identity construction.” This underpins our observations, through storytelling in the press, podcasts on identity on LinkedIn and radio, town hall meetings, monthly department meetings, and quarterly BoD meetings, that TMT recursively communicated the values from NFPL-era as a canvas for new hybrid logic, synthesizing identity (Kraatz & Block, 2008), thereby stabilizing the emerging change of identity as noted below:

“Corona has, unfortunately, hit us a little negatively, and we can also see some of the measurements being done now that we have not been around enough, talking about our cultural identity” (TMT, Podcast about identity, LinkedIn, 2020).

In this phase, the company struggled with the overall profit, which was improved in the next phase-routinization. At the end of the second phase, TMT practices were more an outcome of becoming an increasingly professionalized and specialized organization and adapting and utilizing tools and practices from competitive industries, like risk management systems and executive boards, BoD educational programs, inserting external board members, whistleblowers, rules of compliance, CSR systems and reporting, investment boards and project portfolio management systems (PPM) (see Appendix A for more examples). Connecting to the end of this phase, the third phase was when the organization became increasingly preoccupied with improving operational profitability through the routinization of the adapted practices.

Phase 3: Routinization - “settling in” and optimization (2020-2021+)

Adapted tools and managerial behaviors were at the center of the third phase, not to support the perception of becoming increasingly professional but as tools for optimizing the company’s

performance. In this phase, the profitability increased by addressing the need for simplifying and unifying systems and operational processes through various operational and economic tools. The discussions between TMT and BoD evolved around a future state of utilizing profitability, turnover, and EBITDA percentage of turnover to materialize through directing the strategic focus on internationalization and particularly on M&A as a means hereof. We observed more and more traditional performance tools being deployed in this phase, like risk-reporting and policies, routinized reporting systems of operations and financial key figures, investment templates in PowerPoint and Excel for investments, and implementation of follow-up systems securing performance, see Appendix A for further details.

To sum up, the process of enveloping logics, through sensemaking of being on the canvas of NFPL values, created a need to change legitimacy boundaries and redefine the organizational identity, which drove TMT to adapt management practices from competitive industries, creating a perception of professionalization. This, in turn, chambered a perception of improving value creation which, via sensemaking, caused a change in organizational identity. In this recurring process from 2013 to 2019, TMT balanced the original NFPL and FPL via the mechanism of enveloping logics, creating an organizational cognitive hybrid of two logics.

Discussion

The core premise of our paper is the development of a process-based conceptual framework grounded in rich qualitative data to explain the role of TMT practices in transforming not-for-profit organizations into commercial hybrids. In so doing, we also introduce the concept and process of enveloping logics, comprising both NFPL and FPL, as a means of successfully transforming into a hybrid organization and navigating hybrid organizing activities. Our findings reveal how TMTs create a form of enveloping where the logics do not compete but rather cooperate and enhance one another by managerial processes of bringing together supposedly contradictory logics (cf. Boone et al., 2021). Consequently, we found that TMTs can adopt enveloping logics processes and

reconfiguring legitimacy and organizational identity to successfully transform institutional logics and bring BoD on board with the dramatic changes the companies go through.

Theoretical implications

Our study attempts to explain the formation of hybridity -understood as organizations combining the supposedly competing logics (Boone et al., 2021). Research on hybrid organizing (Battilana & Lee, 2014) and TMT practices (Jennings & Greenwood, 2003) suggests that hybrid organizing and TMT practices influence organizational change. However, these two lines of research have not spoken to each other and have remained fragmented thus far. They have also offered limited insights into how TMT practices may underlie organizational transformation from single to hybrid logics. We bridge this gap by offering a conceptual process model explaining the role of TMT practices in the emergence of a hybrid logic of NFPL and FPL.

First, we add to the existing literature on hybrid organizations and organizational change (Battilana & Lee, 2014; Boone et al., 2021; Kraatz & Block, 2008). We develop a process model explaining the mechanisms of how seemingly conflicting logics may be developed into an enveloped logic by building upon an existing organizational logic of values and beliefs and omitting the current understanding of conflicts or compromises as the outcome of hybrid organizing (Boone et al., 2021). In so doing, we also identify a range of unique TMT practices temporally adopted over 20 years during the formation of hybrid organizational logic. We found that, by using the mission, values, and beliefs from the existing NFPL as a canvas for redefining a new mission, a hybrid organizational enveloped logic may emerge through a recursive sensemaking process and reconfiguring identity and legitimacy. In this process, sensemaking was supported by a perception of improved value creation through a temporal process of professionalization. Likewise, our research highlights that the phenomenon of compromise and conflicts of logics described in recent research (Battilana & Lee, 2014) may be overcome by enveloping logics.

Second, we explain that TMT practices create a perception of becoming professionalized, which, in turn, creates a perception of improved value creation, which, through reflection and sensemaking,

influence the organizational self-perception and identity, adding to recent research on hybrid organizations. In this vein, our research also highlights the merits of hybrid organizing and how two distinct logics could be simultaneously embraced and synthesized through enveloping logics. By detailing the process of reflection and sensemaking, we reveal mechanisms involved in successful organizational transformation and the adoption of hybrid logics.

Furthermore, we found that different logics may exist simultaneously in time and space, co-existing through enveloping FPL activities by identities, values, and beliefs of NFPL. Recent research has investigated conflicting logics and how they were navigated, building upon mechanisms of segmentation, bridging, and demarcation, explaining a “balancing of logics” (Smets, Jarzabkowski, Burke, & Spee, 2015). However, these findings differ from our findings in the sense that “balancing logics” is not based on an understanding of coexistence but on different logics that exist in different times and spaces comprising a tradeoff. In contrast, we find that two distinct logics can, in fact, co-exist and be synthesized through enveloping rather than “balancing logics”.

Similarly, recent research investigated how practices may be used as a lens for avoiding conflicting cognitive interpretations and meaning, balancing dual missions by regulating potential conflicts through managerial practices (Smith & Besharov, 2019). Comparing our study to these findings, we investigate how TMT practices are brought into play when forming a new logic and one mission, consisting of the supposedly conflicting logics of NFPL and FPL. In that sense, our study explains how TMT may use practices to evade cognitive confusion by uniting NFPL and FPL in one overarching mission and identity, which at the same time separates our findings from a study from the study by Smith and Besharov (2019).

Moreover, several researchers (e.g., Pache & Santos, 2013) investigated how a hybrid organization manages different logics, building upon the dimensions “selective coupling” and “compromise”. This line of research suggests that selective coupling allows hybrids to satisfy symbolic concerns (Pache & Santos, 2013). In contrast, symbolism is not at the center of our study. We found that TMT indeed aligned their saying and their doing of “making profit increasing the

potential of giving back to society”. An example hereof was a divestment of one-third of their fiber infrastructure in 2022, releasing capital to make it possible to increase NFPL activities of investments in the local consumer areas. The concept of compromising, highlighted by earlier research, denotes a way of explaining how different logics still compete but are balanced by compromise. In contrast, hereto, we suggest that different logics do not necessarily have to compete but may support one another, existing side by side in the sense that the overall premise is “giving back to society” i.e., NFPL in the traditional sense but enriched by FPL making it possible to improve value creation to the benefit of the local owners. At the heart of the findings in earlier research in this line of thought (e.g., Pache & Santos, 2013) is the understanding of selective coupling as a means of obtaining legitimacy from the outside world explicated through the concept of a “Trojan Horse” (Pache & Santos, 2013, p. 994). Our study found that the purpose of enveloping logics was not legitimacy from the outside world, but to obtain internal acceptance of and support for the process of hybrid organizing. Further, while earlier research explains how different logics may be balanced through selective coupling, businesses still operate with two opposing logics. We found that supposedly opposing logics may be fused and may form a new mission, embracing both logics equally.

Practical implications

Companies operating in competitive and commercial industries are increasingly challenged with dual objectives of making a profit and simultaneously complying with customer demands of corporate responsibility, which may not always be directly linked to FPL. As a result, blurring boundaries of business logics emerge, calling for revisiting and rejuvenating business strategies. By understanding the processes at play when engaging with their organizations, particularly their BoDs, practitioners may benefit from the insight we offer, explaining how managerial practices can be used to form and shape an enveloped logic, embracing supposedly conflicting dual logics. If not paying attention to discrepancies between the internal values, beliefs, and norms and external changes in the business environment, it may be difficult or impossible for top managers to obtain

support from BoDs and their organization to change its strategic focus. So far, literature has suggested that managers choose between compromising or demarcating logics to avoid cognitive confusion and loss of performance. Our contribution fills a gap in the practitioner's view by offering an additional option of navigating dual foci, the concept of enveloping logics embracing both equally as an alternative to managers being forced to choose between them. In a traditional industry setting, this should be understood as simultaneously serving society and creating profit for the owners.

Limitations

Data from interviews may be subject to bias due to unprecise designed interview questions and memory flaws of the interviewees, going several years back in time. This limitation is partly resolved and reduced by using semi-structured interviews, cross-referring data from different interviewees and archival documentation, and triangulating findings between researchers.

Notwithstanding, managers may be inclined to remember events, including their own actions and performance, more positively and less historically correct. This could have been reduced substantially by performing a longitudinal study over the past 5-10 years, which would have given a more detailed and fine-grained insight into the phenomenon. However, this was not possible, given the time constraints of the investigation.

Furthermore, we investigated relations in and between TMT and BoD and have not investigated phenomena below the top executive level. We found inconsistency at the organizational level, below the L3 management level. It, therefore, seems to be an existing management challenge to investigate to what extent hybridity extends to the rest of the organization.

Suggestions for future research

An avenue for future research could be to investigate these findings in a quantitative study, within the same or similar setting (cf. Ethiraj, Gambardella, & Helfat, 2016), to test insights gained from this research. Further, the proposed framework may be used for testing theoretical hypotheses in a different setting, e.g., outside a cooperative-owned industry or by studying companies changing

their business focus not coming from a long-term stable environment. In countries like Sweden and Germany, the industry is characterized by power companies having transformed in the same period, based on the same EU legislation being implemented simultaneously across Europe. The ownership structure, however, is quite different. Power companies are, to a great extent, owned by financial and industrial investors. It would be interesting to investigate whether the suggested framework has a bearing in such a setting. By interviewing top executive managers, we addressed the source of information at close range, which gave us deep rich data for our analysis. This leads us to believe the model has a bearing in the explored setting.

We would like to highlight that the findings are based on a single case study, although comprising data over two decades from 45 executive interviews supplemented by archival data from the same period. We, therefore, suggest an avenue for further research replicating the findings, both in similar settings based on several cases and in different settings of companies governed by another type of ownership.

Conclusion

Not-for-profit and for-profit companies alike have, over the recent years, faced challenges of blurring boundaries (Kraatz & Block, 2008), serving both societal and commercial goals simultaneously (Battilana & Lee, 2014). Such companies often struggle with internal tensions, degraded performance, and organizational cognitive confusion (Boone et al., 2021). Surprisingly, we found that seemingly opposite logics may not always compete for dominance. We believe that hybrid enveloped logic can emerge, contrasting the common understanding from the literature that logics compete and compromise with the risk of causing mission drift. This may be orchestrated through a process of enveloping logics, acknowledging entangled old and new elements of identity, values, beliefs, and company mission, which may be influenced and managed by TMT early in the hybridization process through the adaption of management practices from outside the industry.

By mapping and explaining the hybridization process and the conditions under which it occurs, this article contributes to the theory of the formation of hybrid logics, as well as suggests important

practical implications for top managers challenged by changing boundaries and introducing managerial responses to hybridization. This extends the existing understanding of hybridity as a victim of conflicting missions and logic by suggesting an enveloping mechanism, not preferring one logic over another but embracing both simultaneously, building upon the existing logic as a canvas in the formation process of hybridity.

Funding acknowledgment

The focal company contributed to funding the Ph.D. student program, but the authors received no financial support for the research or the publication of this article.

References

- Abdallah, C., Lusiani, M., & Langley, A. 2019. Performing process research. In B. Boyd, T. R. Crook, J. K. Lé, & A. D. Smith (Eds.), *Standing on the Shoulders of Giants: Traditions and Innovations in Research Methodology*, Vol. 11: 91-113: Emerald Publishing Limited.
- Abrahamson, E. 1996. Management fashion. *Academy of Management Review*, 21(1).
- Almandoz, J. 2012. Arriving at the starting line: The Impact of Community and Financial Logics on New Banking Ventures. *Academy of Management Journal*, 55(6).
- Battilana, J., & Dorado, S. 2010. Building sustainable hybrid organizations: The case of commercial microfinance organizations. *Academy of Management Journal*, 53(6).
- Battilana, J., & Lee, M. 2014. Advancing research on hybrid Organizing – Insights from the study of social Enterprises. *The Academy of Management Annals*, 8(1): 397-441.
- Berger, P. L., & Luckmann, T. 1991. *The Social Construction of Reality. A Treatise in the Sociology of Knowledge.*: Penguin Books.
- Blaikie, N., & Priest, J. 2019. *Designing Social Research* (3 ed.): Polity Press.
- Boone, C., Özcan, S., & Li, J. 2021. How are competing logics combined in managerial Teams? The impact of branch founding team hybridity on the growth of islamic bank branches in Turkey, 2002–19. *Journal of Management Studies*.
- Boudes, M., Pinz, A., Hinings, C. R., Kreutzer, K., Pache, A.-C., Godfroid, C., Guemuesay, A. A., Huybrechts, B., & Mitzinneck, B. C. 2020. Hybrids and Hybrid Organizing for Sustainability. *Academy of Management Proceedings*, 2020(1): 18628.
- Cloutier, C., & Langley, A. 2020. What makes a process theoretical contribution? *Organization Theory*, 1(1).
- Corbin, J., & Strauss, A. 2008. *Basics of Qualitative Research : Techniques and Procedures for Developing Grounded Theory*: Sage.
- Cornelissen, J. 2017. Editor's comments: Developing propositions, a process model, or a typology? Addressing the challenges of writing theory without a Boilerplate. *Academy of Management Review*, 42(1): 1-9.
- Dart, R. 2004. The legitimacy of social enterprise. *Nonprofit management & leadership*, 4(4).
- Deephouse, D. L., Bundy, J., Tost, L. P., & man, M. C. S. 2017. Organizational legitimacy: Six key questions. In R. Greenwood, C. Oliver, T. B. Lawrence, & R. E. Meyer (Eds.), *The SAGE Handbook of Organizational Institutionalism*: Sage.
- Díaz-Fernández, M. C., González- Rodríguez, M. R., & Simonetti, B. 2020. Top management team diversity and high performance: An integrative approach based on upper echelons and complexity theory. *European Management Journal*, 38(1): 157-168.
- DiMaggio, P. J., & Powell, W. W. 1983. Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2).
- Dowling, J., & Pfeffer, J. 1975. Organizational legitimacy: Social Values and Organizational Behavior>. *Pacific sociological review*, 18(1).
- Dufays, F., & Huybrechts, B. 2016. Where do hybrids come from? Entrepreneurial team heterogeneity as an avenue for the emergence of hybrid organizations. *International Small Business Journal: Researching Entrepreneurship*, 34.
- Ethiraj, S. K., Gambardella, A., & Helfat, C. E. 2016. Replication in strategic management. *Strategic Management Journal*, 37(11): 2191-2192.
- Fiol, C. M., Pratt, M. G., & O'Connor, E. J. 2009. Managing intractable identity conflicts. *Academy of Management Review*, 34(1).
- Fischer-Kreer, D., Greven, A., Eichwald, I. C., Bendig, D., & Brettel, M. 2021. Organizational Psychological Capital in Family Firms: the Role of Family Firm Heterogeneity. *Journal of Business Research*, 73: 413-441.

- Friedland, R., & Alford, R. 1991. Bringing society back in: Symbols, practices, and institutional contradictions. In W. W. Powell, & P. J. DiMaggio (Eds.), *The New Institutionalism in Organizational Analysis*: 232-263: University of Chicago Press.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. 2012. Seeking qualitative rigor in inductive research. *Organizational Research Methods*, 16(1): 15-31.
- Gioia, D. A., Price, K. N., Hamilton, A. L., & Thomas, J. B. 2010. Forging an identity: An insider-outsider study of processes involved in the formation of organizational identity. *Administrative Science Quarterly*, 55(2010).
- Greenwood, R., Díaz, A. M., Li, S. X., & Lorente, J. C. 2010. The multiplicity of institutional logics and the heterogeneity of organizational responses. *Organization Science*, 21(2): 521-539.
- Greenwood, R., Oliver, C., Suddaby, R., & Sahlin, a. K. 2008. *The SAGE Handbook of Organizational Institutionalism*: Sage.
- Gümüşay, A. A., Marti, E., Trittin-Ulbrich, H., & Wickert, C. 2022. *Organizing for societal grand challenges*. Bingle, UK: Emerald Publishing.
- Hambrick, D. C., & Mason, P. A. 1984. Upper echelons. *The Academy of Management Review*, 9(3).
- He, H., & Brown, A. D. 2013. Organizational identity and organizational identification. *Group & Organization Management*, 38(1): 3-35.
- Haack, P., Schilke, O., & Zucker, L. 2020. Legitimacy revisited: disentangling propriety, validity, and consensus. *Journal of Management Studies*, 58(3): 749-781.
- Haack, P., & Sieweke, J. 2018. The Legitimacy of Inequality: Integrating the Perspectives of System Justification and Social Judgment. *Journal of Management Studies*, 55(3): 486-516.
- Jarzabkowski, P., Balogun, J., & Seidl, D. 2007. Strategizing: The challenges of a practice perspective. *Human Relations*, 60(1): 5-27.
- Jay, J. 2013. Navigating paradox as a mechanism of change and innovation in hybrid organizations. *Academy of Management Journal*, 56(1): 137-159.
- Jennings, P. D., & Greenwood, R. 2003. Constructing the iron cage: Institutional theory and enactment. In R. Westwood, & S. Clegg (Eds.), *Debating Organization: Point-Counterpoint in Organization Studies*: 195-207: Blackwell.
- Katz, R. L. 1974. Skills of an effective administrator. *Harvard Business Review*.
- Kraatz, M. S., & Block, E. S. 2008. Organizational implications of institutional pluralism. In R. Greenwood, C. Oliver, K. Sahlin-Andersson, & R. Suddaby (Eds.), *The Handbook of Organizational Institutionalism*: Sage.
- Kumar, N., Stern, L. w., & Anderson, j. c. 1993. Conducting interorganizational research using key informants. *Academy of Management Journal*, 36(6).
- Lamin, A., & Zaheer, S. 2012. Wall Street vs. Main Street: Firm strategies for defending legitimacy and their impact on Ddfferent stakeholders. *Organization Science*, 23(1): 47-66.
- Langley, A., Smallman, C., Tsoukas, H., & Van de Ven, A. H. 2013. Process studies of change in organization and management: Unveiling temporality, activity, and flow. *Academy of Management Journal*, 56(1): 1-13.
- Lavie, D., Stettner, U., & Tushman, M. L. 2010. Exploration and Exploitation Within and Across Organizations. *Academy of Management Annals*, 4(1): 109-155.
- Lawrence, T. B., Suddaby, R., & Leca, B. 2009. *Institutional work: Actors and agency in institutional studies of organizations*: Cambridge University Press.
- Lee, M., & Battilana, J. 2020. How the zebra got its stripes: Individual founder imprinting and hybrid social ventures, *Organizational Hybridity: Perspectives, Processes, Promises*, Vol. 69: 139-165.
- Locke, K. D. 2003. *Grounded Theory in Management Research*: Sage.
- Pache, A.-C., & Santos, F. 2013. Inside the hybrid organization: Selective coupling as a response to competing institutional logics. *Academy of Management Journal*, 56(4): 972-1001.
- Patriotta, G., Gond, J.-P., & Schultz, F. 2011. Maintaining legitimacy: Controversies, orders of worth, and public justifications. *Journal of Management Studies*, 48(8): 1804-1836.

- Peterson, R. S., Smith, D. B., Martorana, P. V., & Owens, P. D. 2003. The impact of chief executive officer personality on top management team dynamics: one mechanism by which leadership affects organizational performance. *Journal of Applied Psychology*, 88(5): 795-808.
- Quélin, B. V., Kivleniece, I., & Lazzarini, S. 2017. Public-Private Collaboration, Hybridity and Social Value: Towards New Theoretical Perspectives. *Journal of Management Studies*, 54(6): 763-792.
- Ravasi, D., & Phillips, N. 2011. Strategies of alignment. *Strategic Organization*, 9(2): 103-135.
- Sillince, J. A. A., & Brown, A. D. 2009. Multiple organizational identities and legitimacy: The rhetoric of police websites. *Human Relations*, 62(12): 1829-1856.
- Simsek, Z., Heavey, C., & Fox, B. C. 2018. Interfaces of Strategic Leaders: A Conceptual Framework, Review, and Research Agenda. *Journal of Management*, 44(1): 280-324.
- Sine, W. D., & David, R. J. 2003. Environmental jolts, institutional change, and the creation of entrepreneurial opportunity in the US electric power industry. *Research Policy*, 32(2003): 185-207.
- Smets, M., Jarzabkowski, P., Burke, G. T., & Spee, P. 2015. Reinsurance Trading in Lloyd's of London: Balancing Conflicting-yet-Complementary Logics in Practice. *Academy of Management Journal*, 58(3): 932-970.
- Smith, W. K., & Besharov, M. L. 2019. Bowing before dual gods: How structured flexibility sustains organizational hybridity. *Administrative Science Quarterly*, 64(1): 1-44.
- Thornton, P., & Ocasio, W. 1999. Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958–1990. *American Journal of Sociology*, 105(3): 801-843.
- Thornton, P., & Ocasio, W. 2008. Institutional logic. In R. Greenwood, C. Oliver, R. Suddaby, & K. Sahlin (Eds.), *The SAGE handbook of organizational institutionalism*: 99-129: Sage.
- Thornton, P., Ocasio, W., & Lounsbury, M. 2012. *The Institutional Logics Perspective A New Approach to Culture, Structure and Process*: Oxford University Press.
- Tost, L. P. 2011. An integrative model of legitimacy judgments. *Academy of Management Review*, 36(4): 686-710.
- Visnjic, I., Jovanovic, M., & Raisch, S. 2021. Managing the transition to a dual business model: Tradeoff, paradox, and routinized practices. *Organization Science*: 1-26.
- Weick, K. E., Sutcliffe, K. M., & Obstfeld, D. 2005. Organizing and the process of sensemaking. *Organization Science*, 16(4): 409-421.
- Wenke, K., Zapkau, F. B., & Schwens, C. 2021. Too small to do it all? A meta-analysis on the relative relationships of exploration, exploitation, and ambidexterity with SME performance. *Journal of Business Research*, 132(2021): 653-665.
- White, L., Lockett, A., Currie, G., & Hayton, J. 2020. Hybrid Context, Management Practices and Organizational Performance: A Configurational Approach. *Journal of Management Studies*, 58(3): 718-748.
- Wickert, C., Post, C., Doh, J. P., Prescott, J. E., & Prencipe, A. 2021. Management Research that Makes a Difference: Broadening the Meaning of Impact. *Journal of Management Studies*, 58(2): 297-320.
- Yazan, B. 2015. Three approaches to case study methods in education: Yin, Merriam, and Stake. *Qualitative Report*.
- Yin, R. K. 2014. *Case Study Research Design and Methods* (5 ed.): Sage.
- Zhong, X., Wan, H., & Ren, G. 2021. Can TMT vertical pay disparity promote firm innovation performance? The moderating role of CEO power and board characteristics. *European Journal of Innovation Management*, 25(4): 1161-1182.

Appendix A: Examples of TMT practices (tools and behaviors) adapted and deployed in the three phases of the process model

	Tool	Behavior	Observed in	Example of how they influenced logics
<i>Phase 1: 1999-2013</i>				
1999		Customers were referred to as “load points” with a Mindset of being “infrastructure”	Interview	Cost and budget-driven, no competition. NFPL
2000	Budget planning	Technical focus	Archival documents	No competition. NFPL
2000	Technical, operational reporting of, e.g., no. of sold electrical power (kWh), few details. Budget planning	Focus on internals	Archival documents	Technical focus. No competition. NFPL
2009	Limited reporting. Benchmark on power distribution costs (Before new CEO appointment in 2009)		Archival documents	Cost focus, NFPL
2009		Discourse about “customers” instead of “load points” (after the entrance of the new CEO in 2009)	Interview	Introduction of FPL
2010	Introduction of simple KPIs	Beginning to focus on external opportunities	Archival documents	Developing focus on markets
2010	Focus on infrastructures	Developing focus on organizational characteristics	Archival documents	Example of investment for societal purposes but as a possible emerging business. Forming hybrid logic
2010	Dialog meetings involving owner representatives	The emergence of dialog meetings between TMT and owner representatives, discussions of logics, vision, and mission	Archival documents	Forming hybrid logics
2011	Introduction of performance bonus	TMT focus on articulating unitedness, the “old logics” at the same time as discussing vision and mission	Archival documents	Forming hybrid logics, an example of “enveloping”

2011	Rhetoric	TMT rhetoric about improved value creation and responsibility at the same time as profitability is most important, having “a legitimate right” to develop the company, communicating being best in class perception	Archival documents	Engaging BoD in the idea of improved value creation is to the benefit of the community. Linking responsibility with the legitimacy of developing the company
2012	Use of external consultants in larger investment cases	Perception of professionalization	Archival documents	Improved value creation, hybrid
2012	Rhetoric	TMT articulating the need to invest in expanding the business to make a profit to be able to give back to the community	Archival documents	Sensemaking
	Rhetoric	TMT questioning the amount of capital to be tied up in infrastructure	Archival documents	Initiating discussion, reflection, challenging existing logics and sensemaking
2012	Adjusted governance to legitimize strategic actions. BoD changed the “Article of Association” in 2012 prior to acquiring a large company outside the core business area of the acquiring company		Archival documents	Reconfiguring legitimacy, process of hybridization
<i>Phase 2: 2013-2019</i>				
2013	Creation of a public affairs department	TMT oriented toward external stakeholders	Archival documents	Supporting the sense of evolving
2013	Rhetoric, scenario presentations in PowerPoint	TMT challenging the existing vision and mission, referring positively to a possible prosperous future in a new FPL, relating to the existing logic of unitedness and community values	Archival documents	Causing reflection and sensemaking

2013	Linking positive images from large international companies to a possible future and self-perception	Linking positive images from large international companies to a possible future and self-perception	Archival documents	Creating images, cognitive processes of connecting possible future positions to large successful international companies
2013	Rhetoric	Articulate possible lost opportunities of not being pro-active	Archival documents	Creating a sense of a need to act, sensemaking
2013		Increased involvement of owners, discussing purpose and mission	Archival documents	Challenging boundaries of legitimacy, reconfiguring legitimacy, reaching BoD acceptance on reconfigured purpose and legitimacy, including new business areas
2013	Rhetoric, communication of being within the “old logic” of driven by serving the community, discussion of how to develop the community owner model of “unitedness”	TMT ongoing articulation of successes in new businesses, ongoing discussion, and communication of the vision	Archival documents	Communicating, perception of being successful and “on the right way”, sensemaking
2013	More complex financial KPIs in reporting	TMT changed by a new CFO entering TMT	Archival documents	Professionalization, hybridization logic
2013		Introducing becoming international	Archival documents	Ongoing driving the self-perception of what to become
2014	Communication, dream big	TMT communicating its vision and mission of transforming from a local to a national company	Archival documents	Communicating, perception of success, sensemaking
2014	Efficiency measures, profitability measures, service level measurement, sales budget KPI, up-time KPI, profit/customer KPI, project deliveries KPI, level of	TMT showing “control of business”	Archival documents	Cognition of becoming more professional, related to identity

	customer service KPI, product sales KPI, response time call center, up-time IT systems, PMI costs follow up			
2014	Business reviews. Customer Churn, cross-selling, customer satisfaction measurement, management evaluation, employee satisfaction measurement		Archival documents	Cognition of becoming more professional, related to identity
2014	Communication, Rhetoric.	Discussing vision and mission, comparing to external well-renowned successful companies in other industries, but still referring to the historical roots of “unitedness” and historical achievements in NFPL era- together we can achieve more.	Archival documents	Creating images and cognitive processes of connecting possible future positions to large successful companies. Linking logics, sensemaking
2018	Introduction of risk- and revision boards, adapted from a merger target	BoD involvement	Archival documents	Developing TMT and BoD relations, sensemaking
2018	Development of educational programs for BoD members	BoD involvement. Communication of vision and mission, a fruitful future, dreaming big	Archival documents	Developing TMT and BoD relations, becoming more professionalized, sensemaking
2018	Creation of a guide for “Good management”	TMT and BoD involvement, creating the guide together	Archival documents	Developing TMT and BoD relations, becoming more professionalized
2019	Revised ROI requirements, guiding investments in business areas of NFPL and FPL	TMT and BoD dialog and sensemaking	Archival documents	Balancing plural logics
2019	External board members selected based on traditional professional merits and competencies. Establishment of BoD for each business unit, consisting of external BoD and owner BoD members	Articulate organizational professionalization	Archival documents	Developing TMT and BoD relations, becoming more professionalized

	External advisory boards to support BoD	Using the rhetoric of value-creating; NFPL institutionalized values of unity and giving back to society, combined with FPL mission	Archival documents	Communicating, perception of professionalization, sensemaking
2019	Increase detailed investment requirement of ROI for specific types of projects	Staging forecasts of growth creating a sense of pride	Archival documents	Communicating, perception of professionalization
2019	Bonus models, including increased and diversified use of financial targets and soft targets like customer loyalty and employee job satisfaction		Archival documents	Communicating, perception of professionalization
2019	Increased TMT group to broaden the portfolio of competencies		Archival documents	Communicating, perception of professionalization
2019	Use of international job titles	Increased focus on purchase costs	Archival documents	Identity, professionalization
2019	Establishment of diverse groups of governance, Whistleblowers, Rules of compliance, CSR systems and reporting, Investment boards, Investment boards, Asset management systems		Archival documents	Cognition of becoming more professional, related to identity
2019	Cash conversion, gearing, NPS (net promoter score of customer satisfaction)		Archival documents	Emerging optimization focus, market focus, FPL
2019	TMT Rhetoric	Triggering the sense of being part of something unique	Archival documents	Developing TMT and BoD relations
2019		Ongoing dialog meetings with owners, discussing and developing the cooperative owner model of giving back to the community linking to FPL of expanding the company	Archival documents	Enveloping logics, sensemaking
2019	Routinely presenting at BoD meetings; M&A portfolio overviews, Risk reporting.		Archival documents	Optimization focus

<i>Phase 3: 2020-2021+</i>				
2020	Revision of governance		Archival documents	Adapting strategic governance direction
2020	Several new management expressions such as NOV, IRR, ROIC, WACC		Archival documents	Optimization focus
2020		Terms and concepts from NFPL era used in FPL argumentation	Archival documents	Linking logics
2020	Routinized risk reporting and use of M&A portfolio overview and in TMT meetings		Archival documents	Cognition of becoming more professional, related to identity
2020	Routinized offering of educational programs for BoD members		Archival documents	Developing TMT and BoD relations, becoming more professionalized
2020	Risk policies and market analysis sharing in TMT for relevant business units are routinized and standardized		Archival documents	Optimization focus
2020		Connecting arguments of new investments (FPL) to be an extension of previous investments in the era of infrastructure (NFPL)	Archival documents	Connecting logics
2020		Increased brand exposure focus	Archival documents	Market orientation, FPL
2021	Revised template for investments, governed by the investment board. Focus on long-term planning, CAPEX planning, continuous follow-up, and optimization. Focus on quality of decision presentations, use templates in PowerPoint and excel for all investment suggestions, incl. extended use of formalized business case presentations		Archival documents	Cognition of becoming more professional, related to identity

2021	Standard templates are routinized for reporting on business level and presenting M&A targets		Archival documents	Optimization focus
------	--	--	--------------------	--------------------

NFPL: Not-for-profit logic. FPL: For-profit logic. Archival documents are anonymized

5. Discussion and conclusion

This chapter discusses the research contributions of the three research papers and the overall contribution summarizing all three papers. The implications for practitioners engaging in hybrid organizing are outlined, and the limitations and suggestions of the study for future research avenues are presented.

The role of interpersonal relations in emerging hybrid organizing

Research on hybrid organizing argues that combining plural logics causes tensions and paradoxes (Ambos et al., 2020; Smith & Lewis, 2011). However, the findings suggest that depending on the nature of the interpersonal relations between the TMT executives, tensions and conflicts may be limited and even omitted if the interpersonal relations can be considered more of an emotional relationship and less of a work relationship. In such a setting, conflicts, tensions, and paradoxical outcomes may be postponed and emerge at a later time (Madsen, 2022a). Tensions in interpersonal relations, combined with scarce cognitive flexibility, may trigger paradoxical outcomes. This contradicts the findings by Smith and Lewis (2011), who argue that iterative splitting and integration may overcome paradoxical tensions. The findings suggest that interpersonal emotional relations may affect cognitive flexibility (Putnam et al., 2016; Schad et al., 2016) and eventually intensify conflicts and paradoxes, which adds to paradox theory (Jay, 2013; Lewis, 2000) and relationship theory (Dutton & Heaphy, 2003). Further, the research adds to relationship theory (Smith & Tushman, 2005), which seems to build on the rational foundation of “understanding,” rooted in cognitive patterns, values, and beliefs, which may reduce paradoxes and tensions. I suggest that Smith and Tushman (2005) may miss out on the effect that negative interpersonal emotional relations may have on cognitive flexibility (Putnam et al., 2016; Schad et al., 2016) and eventually intensify conflicts and paradoxes.

Individual ambitions and the role of power in attentional focus

The TMT is neither a monolithic entity nor a democracy (Buyl et al., 2014; Cyert & March, 1963; Hambrick, 1994; White, 1992). Conversely, Cho and Hambrick (2006) suggest that TMT diversity grants members an equal say. However, as power is not distributed evenly across the TMT team (Eisenhardt & Bourgeois, 1988; Pitcher & Smith, 2001), our research suggests that TMT attention is enacted at the group level but shaped and negotiated by relative power positions and ambitions at the individual level. We introduce the concept “negotiated attention” (Madsen & Kleindienst, 2022, p. 21), explaining how the TMT attentional focus is formed by negotiating ambitions and attention through the relative power position and ambitions of executives in the group, eventually affecting

strategic shift. We thereby address a call for further research on “the becoming” of group-level executive attention (Bouquet & Birkinshaw, 2011; Fu et al., 2019; Kisfalvi & Pitcher, 2003).

The role of top management practices in organizational change

The temporal literature suggests that hybrid organizing must make use of either partial conformity through compromising, separation of logics, or rejection of one logic over another (Battilana & Lee, 2014). We argue that opposing logics may coexist on equal terms by building on the societal values, beliefs, and mission of the institutional logics of the NFPL context (i.e., building on the original institutional logic). An FPL can become “enveloped” by the NFPL through changing legitimacy and identity in the hybrid organizing process, thereby amalgamating apparently opposing logics on equal terms. We found managerial practices from well-renowned companies outside the industry to support the process of changing the self-perception and identity, supporting a change of what is considered to be legitimate to do, pointing at isomorphism to confer legitimacy (Gioia et al., 2010). We hereby contribute to research on hybrid organizing (Battilana & Lee, 2014; Boone et al., 2021; Kraatz & Block, 2008), legitimacy (Haack et al., 2020; Lamin & Zaheer, 2012; Patriotta et al., 2011; Tost, 2011), and identity (Battilana & Dorado, 2010; He & Brown, 2013; Ravasi & Phillips, 2011), synthesizing these research fields and reducing the gap of understanding how legitimacy and identity affect hybrid-organizing microprocesses.

In the following section, the research contributions from the individual research papers are connected in Figure 5, positioning them in relation to the overall research question.

5.1 Overall contribution of the dissertation

I started out with the research question guiding this dissertation: *How do top executives manage multiple logics in their organizations during hybridization?*

To answer this question, three research papers were developed, positioned at different timeline positions covering the period 2009–2019.

The contributions made by each of the three papers are integrated in a “Grand Model,” illustrated in Figure 5.

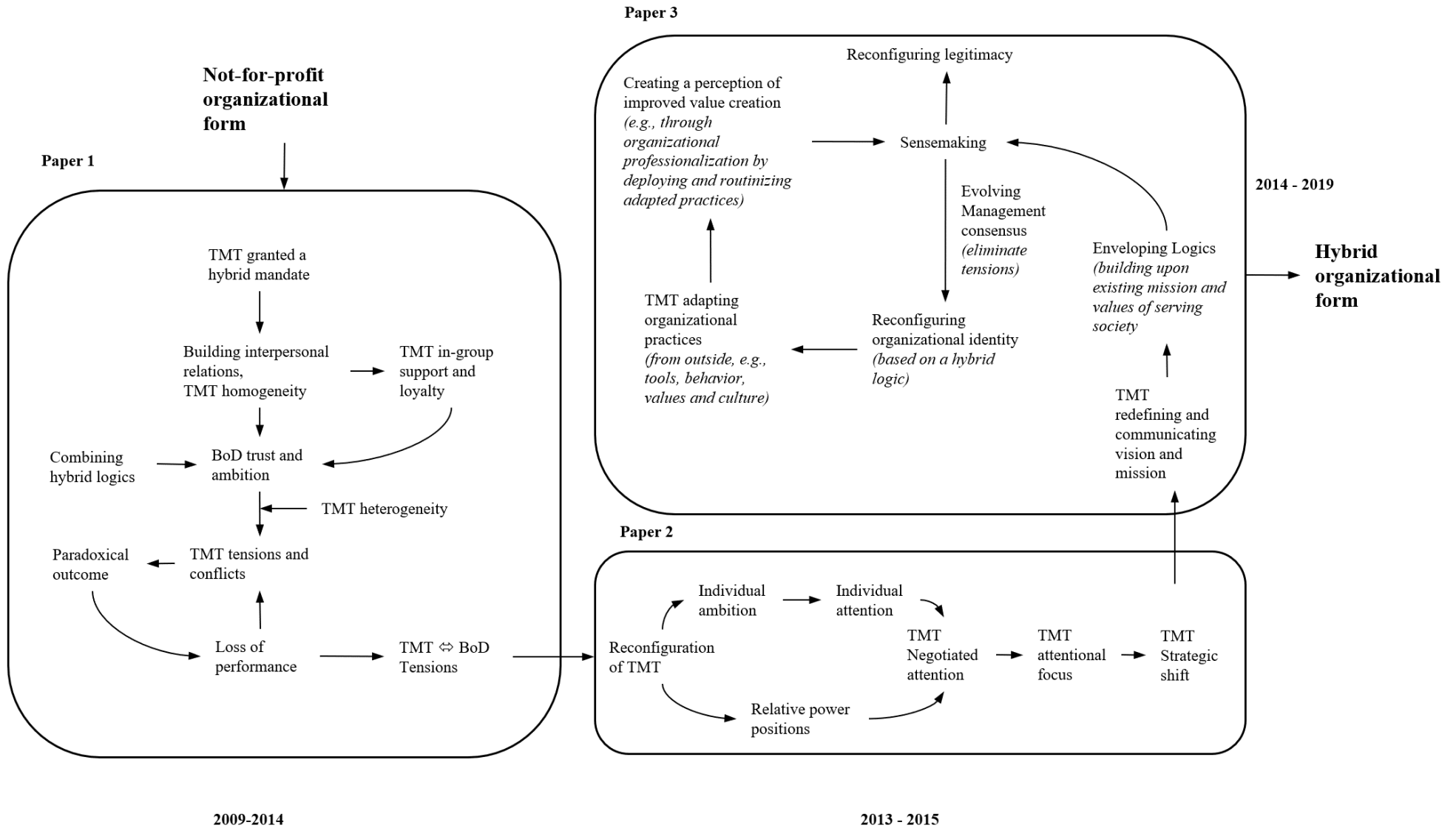


Figure 5: "Grand Model" of hybrid organizing

The first paper accounts for the early “becoming” of hybrid organizing (2009–2014). The research reduces the gap in the literature about the first phases of hybrid organizing (Denis et al., 2015; Friedman & Carmeli, 2017; Smith & Lewis, 2011) in a micro-foundation perspective. The developed process model offers insight into TMT microprocesses, explaining how interpersonal relations within the TMT affect the tensions, conflicts, and paradoxical outcomes inherently connected to hybrid organizing (Boone et al., 2021). The paper connects to the second research paper, as the hybridization process outcome described in Paper 1 was a period of financial losses on explorative FPL-investments, characterized by a lack of focus on which strategic direction to pursue. This caused the BoD to insert a new CFO into the TMT in 2013, which was the beginning of the next phase of hybrid organizing. If this change in TMT composition had not been enacted, we argue that the hybrid-organizing process would have come to a halt, as the BoD was becoming increasingly reluctant to support the FPL agenda. The second paper explains how the TMT attentional focus was negotiated and shaped through the “negotiated attention” mechanism (Madsen & Kleindienst, 2022). The outcome of the second phase of hybrid organizing was a stronger focus on strategic direction, which the BoD acknowledged and supported to continue hybridization, driving the hybrid-organizing agenda to the next level. The second paper connects to the third, as the negotiated attention of the TMT fostered a new corporate vision and strategic direction, which was the input to the third phase of hybrid organizing, depicted in the process model in Paper 3, explaining the creation of a hybrid logic formed by processual activities reconfiguring legitimacy and identity, moving outside the executive team and the BoD, and affecting the organizational level.

Connected in a “Grand Model” in Figure 5, the three research papers thus combine in an attempt at explaining the transformation from a not-for-profit organizational form to a hybrid organizational form, answering the research question:

How do top executives manage multiple logics in their organizations during hybridization?

5.2 Managerial implications

The research in this dissertation is relevant for practitioners engaging in pursuing multiple missions and activities rooted in different institutional logics. This study offers several contributions to practitioners grappling with how to navigate apparently opposing logics. Because the findings are explained in a timeline approach, it is possible for practitioners to draw insights from the different phases of hybrid organizing, tapping into a concrete phase which may be of interest.

First, the research encourages practitioners to be aware of the nature of interpersonal relations and how such relations may affect executives’ personal cognitive flexibility, which in turn affect

executive decision-making. The study further suggests to embrace diversity and conflicts in the TMT, as long as they can be navigated constructively, limiting negative cognitive dissonance.

Secondly, the findings may be valuable to TMTs and BoDs engaging in strategic shifts by offering new insight into the microprocesses of how and why strategy formation unfolds and how the attentional focus within the upper echelons is formed and shaped, which has been previously unexplored (Bouquet & Birkinshaw, 2011). Not least, it is important for the BoD to be aware of and understand how personal ambitions and power relations within the TMT affect the propositions they present to the BoD.

Thirdly, the study offers a process model explaining how multiple logics may be “enveloped,” omitting trade-offs or rejection of one another, embracing multiple institutional logics equally, supporting one another, and avoiding the pitfalls emerging at the organizational level when changing from a single institutional logic to a hybrid organizational form.

In sum, the dissertation offers insights into thus far unrevealed executive processes in hybrid organizing, related to different phases of hybridization and organizational change. With this contribution, we hope to inspire TMTs and BoDs to be aware of what is at play in the previously concealed hybrid-organizing processes.

5.3 Limitations and suggestions for future research

Like all research, our findings have their limitations. Interview data may be biased, altered, and remembered differently depending on the specific interviewee. They can also be affected by emotional and personal engagement in the historical events. Researchers’ interpretations and how they construct social reality may be flawed due to personal bias and presumptions. The study is conducted on a single case study involving 45 interviews and 96 archival documents. While single case studies are often criticized for generalizability, attempt is made to remedy this by selecting an “extreme case” (Flyvbjerg, 2006; Yin, 2018a). The purpose of this dissertation is not to offer proof of anything; rather, it is to provide insight into previously unrevealed phenomena.

An interesting avenue for future research could be to investigate whether it makes a difference if hybrid organizing develops from commercial origins toward the inclusion of a societal mission versus hybridity developing from societal origins toward the inclusion of a commercial mission. It could also be interesting to investigate the validity of the findings in different contexts of TMT compositions. This could be explored in case companies with varying combinations of heterogeneity and homogeneity and different types of interpersonal relations in case settings of hybrid institutional logics. Another avenue would be to further deepen our understanding of different types of

relationships in the TMT and the relations between different types of relationships, demographics, and personal traits when navigating paradoxes and tensions in the TMT.

Further, it would be interesting to operationalize a combination of the concepts of relative power position and the ambitions of TMT members, developing a construct that may investigate their strength and relative significance.

Finally, another suggestion for further research could be to test the research findings in a quantitative study (cf. Ethiraj et al., 2016). On that note, the suggested process models and findings could be used to test hypotheses in different settings, such as companies that are not cooperatively owned.

5.4 Conclusion

The dissertation investigates an increasingly relevant research area—of importance to scholars and executives alike. The literature has thus far been missing on hybrid-organizing microprocesses in a longitudinal perspective. The overall objective of the research project was to unfold important executive actions and behaviors, together with the hereto related mechanisms. The research objective was investigated through a qualitative case study of a company transforming over two decades from a regulated, not-for-profit organizational form to a hybrid form of societal and commercial objectives. The findings imply that such complex processes can be navigated and balanced—and pitfalls avoided—when the TMT and BoD acknowledge and understand that personal relations, relative power positions, ambitions, and managerial attention are interwoven in complex social structures, which should be dealt with consciously, before engaging in organization-level hybridity.

In sum, executive microprocesses are affected by interpersonal relations, personal ambitions, and relative power positions in the TMT, which in turn forms and shapes the managerial focus and strategic direction of the company. However, this is not enough to cause hybrid organizing. Tensions and conflicts are to be dealt with during the process, as multiple logics may collide and cause mission drift and hurt performance, which may in turn jeopardize the support for continued hybrid organizing. When the TMT and BoD are aligned at the strategic level, and the BoD supports the TMT, the organization-level hybridization process can proceed, which encompasses microprocesses reconfiguring organizational identity and legitimacy through sense-making. Management practices play a pivotal role in such microprocesses, transforming the self-perception of the organization into a hybrid organizational form.

References

- Abdallah, C., Lusiani, M., & Langley, A. (2019). Performing process research. In B. Boyd, T. R. Crook, J. K. Lé, & A. D. Smith (Eds.), *Standing on the Shoulders of Giants: Traditions and Innovations in Research Methodology* (Vol. 11, pp. 91-113): Emerald Publishing Limited.
- Abrahamson, E. (1996). Management fashion. *Academy of Management Review*, 21(1).
- Abrahamson, E., & Hambrick, D. C. (1997). Attentional homogeneity in industries: the effect of discretion. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 18(S1), 513-532.
- Agote, L., Aramburu, N., & Lines, R. (2015). Authentic Leadership Perception, Trust in the Leader, and Followers' Emotions in Organizational Change Processes. *The Journal of Applied Behavioral Science*, 52(1), 35-63. doi:10.1177/0021886315617531
- Almandoz, J. (2012). Arriving at the starting line: The Impact of Community and Financial Logics on New Banking Ventures. *Academy of Management Journal*, 55(6).
- Amason, A. C. (1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: resolving a paradox for top management teams. *Academy of Management Journal*, 39(1), 123-148.
- Amason, A. C., & Sapienza, H. J. (1997). The effects of top management team size and interaction norms on cognitive and affective conflict. *Journal of Management*, 23(4), 495-516.
- Ambos, T. C., Fuchs, S. H., & Zimmermann, A. (2020). Managing interrelated tensions in headquarters–subsidiary relationships: The case of a multinational hybrid organization. *Journal of International Business Studies*, 51(6), 906-932. doi:10.1057/s41267-020-00307-z
- Ashforth, B. E., & Reingen, P. H. (2014). Functions of Dysfunction. *Administrative Science Quarterly*, 59(3), 474-516. doi:10.1177/0001839214537811
- Auvinen, T., Aaltio, I., & Blomqvist, K. (2013). Constructing leadership by storytelling – the meaning of trust and narratives. *Leadership & Organization Development Journal*, 34(6), 496-514. doi:10.1108/lodj-10-2011-0102
- Barnett, M. L. (2008). An attention-based view of real options reasoning. *Academy of management review*, 33(3), 606-628.
- Battilana, J., & Dorado, S. (2010). Building sustainable hybrid organizations: The case of commercial microfinance organizations. *Academy of Management Journal*, 53(6).
- Battilana, J., & Lee, M. (2014). Advancing research on hybrid Organizing – Insights from the study of social Enterprises. *The Academy of Management Annals*, 8(1), 397-441. doi:10.5465/19416520.2014.893615
- Berger, P. L., & Luckmann, T. (1991). *The Social Construction of Reality. A Treatise in the Sociology of Knowledge.*: Penguin Books.
- Berti, M., & Simpson, A. V. (2021). The Dark Side of Organizational Paradoxes: The Dynamics of Disempowerment. *Academy of Management Review*, 46(2), 252-274. doi:10.5465/amr.2017.0208
- Besharov, M. L., & Smith, W. K. (2014). Multiple institutional logics in organizations: Explaining their varied nature and implications. *Academy of Management Review*, 39(3), 364-381. doi:10.5465/amr.2011.0431
- Bettis, R. A., Helfat, C. E., & Shaver, J. M. (2016). The necessity, logic, and forms of replication. *Strategic Management Journal*, 37(11), 2193-2203. doi:10.1002/smj.2580
- Bigley, G. A., & Wiersema, M. F. (2002). New CEOs and corporate strategic refocusing: How experience as heir apparent influences the use of power. *Administrative Science Quarterly*, 47(4), 707-727.
- Bjerregaard, T., & Jonasson, C. (2014). Organizational responses to contending institutional logics: The moderating effect of group dynamics. *British Journal of Management*, 25(4), 651-666. doi:10.1111/1467-8551.12014
- Blaikie, N., & Priest, J. (2017). *Social Research Paradigms in Action*: Polity Press.

- Blaikie, N., & Priest, J. (2019). *Designing Social Research* (3 ed.): Polity Press.
- Boje, D. M. (1991). The Storytelling Organization: A Study of Story Performance in an Office-Supply Firm. *Administrative Science Quarterly*.
- Boone, C., Özcan, S., & Li, J. (2021). How are competing logics combined in managerial Teams? The impact of branch founding team hybridity on the growth of islamic bank branches in Turkey, 2002–19. *Journal of Management Studies*. doi:10.1111/joms.12788
- Boudes, M., Pinz, A., Hinings, C. R., Kreutzer, K., Pache, A.-C., Godfroid, C., . . . Mitzinneck, B. C. (2020). Hybrids and Hybrid Organizing for Sustainability. *Academy of Management Proceedings*, 2020(1), 18628. doi:10.5465/AMBPP.2020.18628symposium
- Boudes, M., Pinz, A., & Kreutzer, K. (2020). Hybrids and hybrid organizing for sustainability. *Academy of Management Proceedings*.
- Bouquet, C., & Birkinshaw, J. (2008). Weight versus voice: How foreign subsidiaries gain attention from corporate headquarters. *Academy of Management Journal*, 51(3), 577-601.
- Bouquet, C., & Birkinshaw, J. (2011). How global strategies emerge: An attention perspective. *Global Strategy Journal*. doi:10.1111/j.2042-5805.2011.00022.x
- Bouquet, C., Morrison, A., & Birkinshaw, J. (2009). International attention and multinational enterprise performance. *Journal of International Business Studies*, 40, 108-131.
- Bowman, C., & Kakabadse, A. (1997). Top management ownership of the strategy problem. *Long Range Planning*, 30.
- Bowman, E. H. (1982). Risk seeking by troubled firms. *Sloan Management Review (pre-1986)*, 23(4), 33.
- Bunderson, J. S., & Sutcliffe, K. M. (2002). Comparing alternative conceptualizations of functional diversity in management teams: Process and performance effects. *Academy of Management Journal*, 45.
- Buyl, T., Boone, C., & Hendriks, W. (2014). Top management team members' decision influence and cooperative behaviour: An empirical study in the information technology industry. *British Journal of Management*, 25(2), 285-304. doi:10.1111/1467-8551.12004
- Böcher, S. B. (1944). Danmarks elektrificering. *Geografisk Tidsskrift*, 47.
- Carmeli, A., Ben-Hador, B., Waldman, D. A., & Rupp, D. E. (2009). How leaders cultivate social capital and nurture employee vigor: implications for job performance. *J Appl Psychol*, 94(6), 1553-1561. doi:10.1037/a0016429
- Carmeli, A., Jones, C. D., & Binyamin, G. (2016). The power of caring and generativity in building strategic adaptability. *Journal of Occupational and Organizational Psychology*, 89(1), 46-72. doi:10.1111/joop.12106
- Carmeli, A., & Schaubroeck, J. (2006). Top management team behavioral integration, decision quality, and organizational decline. *The Leadership Quarterly*, 17(5), 441-453. doi:10.1016/j.leaqua.2006.06.001
- Carpenter, M. A., Geletkanycz, M. A., & Sanders, W. G. (2004). Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management*, 30(6), 749-778. doi:10.1016/j.jm.2004.06.001
- Cho, T. S., & Hambrick, D. C. (2006). Attention as the mediator between top management team characteristics and strategic change: The case of airline deregulation. *Organization Science*, 17(4), 453-469. doi:10.1287/orsc.1060.0192
- Christensen, C. M., Alton, R., Rising, C., & Waldeck, A. (2011). The big idea: The new M&A playbook. *Harvard Business Review*.
- Cloutier, C., & Langley, A. (2020). What makes a process theoretical contribution? *Organization Theory*, 1(1). doi:10.1177/2631787720902473
- Corbin, J., & Strauss, A. (2008). *Basics of Qualitative Research : Techniques and Procedures for Developing Grounded Theory*: Sage.
- Corley, K. G., & Gioia, D. A. (2011). Building theory about theory building: What constitutes a theoretical contribution? *Academy of Management Review*, 36(1), 12-32.

- Cornelissen, J. (2017). Editor's comments: Developing propositions, a process model, or a typology? Addressing the challenges of writing theory without a Boilerplate. *Academy of Management Review*, 42(1), 1-9. doi:10.5465/amr.2016.0196
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative Inquiry & Research Design* (4 ed.): Sage.
- Crouch, M., & McKenzie, H. (2006). The logic of small samples in interview-based qualitative research. *Social Science Information*, 45(4), 483-499. doi:10.1177/0539018406069584
- Cyert, R. M., & March, J. G. (1963). *A Behavioral Theory of the Firm*: Prentice-Hall.
- Daft, R. L., & Weick, K. E. (1984). Toward a model of organizations as interpretation systems. *Academy of management review*, 9(2), 284-295.
- Dansk-Energi. (2020). *Data provided by the Branch Organization Dansk Energi*. Retrieved from Dart, R. (2004). The legitimacy of social enterprise. *Nonprofit management & leadership*, 4(4).
- de Mon, I. A., Gabaldón, P., & Nuñez, M. (2021). Social entrepreneurs: Making sense of tensions through the application of alternative strategies of hybrid organizations. *International Entrepreneurship and Management Journal*, 18(2), 975-997. doi:10.1007/s11365-020-00731-5
- Deephouse, D. L., Bundy, J., Tost, L. P., & man, M. C. S. (2017). Organizational legitimacy: Six key questions. In R. Greenwood, C. Oliver, T. B. Lawrence, & R. E. Meyer (Eds.), *The SAGE Handbook of Organizational Institutionalism*: Sage.
- Denis, J.-L., Ferlie, E., & Van Gestel, N. (2015). Understanding hybridity in public organizations. *Public Administration*, 93(2), 273-289. doi:10.1111/padm.12175
- Díaz-Fernández, M. C., González- Rodríguez, M. R., & Simonetti, B. (2020). Top management team diversity and high performance: An integrative approach based on upper echelons and complexity theory. *European Management Journal*, 38(1), 157-168. doi:10.1016/j.emj.2019.06.006
- DiMaggio, P. J., & Powell, W. W. (1983). Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2).
- Dorado, S. (2013). Small groups as context for institutional entrepreneurship: An exploration of the emergence of commercial microfinance in Bolivia. *Organization Studies*, 34(4), 533-557. doi:10.1177/0170840612470255
- Dowling, J., & Pfeffer, J. (1975). Organizational legitimacy: Social Values and Organizational Behavior>. *Pacific sociological review*, 18(1).
- Dufays, F., & Huybrechts, B. (2016). Where do hybrids come from? Entrepreneurial team heterogeneity as an avenue for the emergence of hybrid organizations. *International Small Business Journal: Researching Entrepreneurship*, 34(6), 777-796. doi:10.1177/0266242615585152
- Dutton, J. E., & Heaphy, E. (2003). The power of high quality connections. In K. Cameron, J. E. Dutton, & R. Quinn (Eds.), *Positive Organizational Scholarship*: Berrett-Koehler.
- Dutton, J. E., & Jackson, S. E. (1987). Categorizing strategic issues: Links to organizational action. *Academy of management review*, 12(1), 76-90.
- Ebrahim, A., Battilana, J., & Mair, J. (2014). The governance of social enterprises: Mission drift and accountability challenges in hybrid organizations. *Research in Organizational Behavior*, 34, 81-100. doi:10.1016/j.riob.2014.09.001
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*.
- Eisenhardt, K. M., & Bourgeois, L. J. (1988). Politics of strategic decision making in High-Velocity environments Towards a midrange theory. *Academy of Management Journal*.
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: opportunities and challenges. *Academy of Management Journal*, 5(1).
- Emerson, R. M. (1962). Power-Dependence relations. *American Sociological Review*, 27(1), 31-41.

- Epstein, M. J., Buhovac, A. R., & Yuthas, K. (2015). Managing social, environmental and financial performance simultaneously. *Long Range Planning*, 48(1), 35-45. doi:10.1016/j.lrp.2012.11.001
- Ethiraj, S. K., Gambardella, A., & Helfat, C. E. (2016). Replication in strategic management. *Strategic Management Journal*, 37(11), 2191-2192. doi:10.1002/smj.2581
- Eysenck, H. J. (1976). *Case Studies in Behaviour Therapy*: Routledge.
- Fayard, A.-L., & Van Maanen, J. (2015). Making culture visible: Reflections on corporate ethnography. *Journal of Organizational Ethnography*, 4(1), 4-27. doi:10.1108/joe-12-2014-0040
- Fayard, A., Maanen, L. V., & J. Weeks. (2016). Contract ethnography in corporate settings: Innovation from entanglement. In R. Kramer & K. Elsbach (Eds.), *Handbook of Qualitative Organizational Research: Innovative Pathways and Methods* (pp. 45-53): New York: Routledge.
- Fine, G. A., & Hallett, T. (2014). Group cultures and the everyday life of organizations: Interaction orders and meso-analysis. *Organization Studies*, 35(12), 1773-1792. doi:10.1177/0170840614546153
- Finkel, E. J., Simpson, J. A., & Eastwick, P. W. (2017). The psychology of close relationships: Fourteen core principles. *Annual Review of Psychology*, 68, 383-411. doi:10.1146/annurev-psych-010416-044038
- Finkelstein, S. (1992). Power in top management teams: Dimensions, measurement, and validation. *Academy of Management Journal*, 35(3), 505-538.
- Finkelstein, S., Hambrick, D. C., & Cannella-Jr, A. A. (2009). *Strategic Leadership Theory and Research on Executives, Top Management Teams, and Boards*: Oxford University Press.
- Finkelstein, S., Hambrick, D. C., & Cannella, A. A. (2009). *Strategic Leadership Theory and Research on Executives, Top Management Teams, and Boards*: Oxford University Press.
- Fiol, C. M., Pratt, M. G., & O'Connor, E. J. (2009). Managing intractable identity conflicts. *Academy of Management Review*, 34(1).
- Fischer-Kreer, D., Greven, A., Eichwald, I. C., Bendig, D., & Brettel, M. (2021). Organizational Psychological Capital in Family Firms: the Role of Family Firm Heterogeneity. *Journal of Business Research*, 73, 413-441. doi:10.1007/s41471-021-00124-6
- Fiske, S. T., & Taylor, S. E. (1991). *Social cognition*: McGraw-Hill Book Company.
- Flyvbjerg, B. (2006). Five misunderstandings about case-study research. *Qualitative Inquiry*, 12(2).
- Ford, J. D., & Backoff, R. H. (1988). Organizational change in and out of dualities and paradox. In R. E. Quinn & K. S. Cameron (Eds.), *Paradox and Transformation: Toward a Theory of Change in Organization and Management*: Ballinger Publishing Company.
- Foss, N. J., & Linder, S. (2019). *Microfoundations*: Cambridge University Press.
- Foucault, M. (1979). *Discipline and punish : the birth of the prison*: Vintage Books.
- Frankenberger, K., & Sauer, R. (2019). Cognitive antecedents of business models: Exploring the link between attention and business model design over time. *Long Range Planning*, 52(3), 283-304. doi:10.1016/j.lrp.2018.05.001
- Freud, A. (1966). *The Ego and the Mechanisms of Defence*: Karnac Books.
- Friedland, R., & Alford, R. (1991). Bringing society back in: Symbols, practices, and institutional contradictions. In W. W. Powell & P. J. DiMaggio (Eds.), *The New Institutionalism in Organizational Analysis* (pp. 232-263): University of Chicago Press.
- Friedman, Y., & Carmeli, A. (2017). The influence of decision comprehensiveness on innovative behaviors in small entrepreneurial firms: The power of connectivity. *Innovation*, 20(1), 61-83. doi:10.1080/14479338.2017.1369141
- Fu, R., Tang, Y., & Chen, G. (2019). Chief sustainability officers and corporate social (ir)responsibility. *Strategic Management Journal*, 41(4), 656-680. doi:10.1002/smj.3113

- Furlong, P., & Marsh, D. (2010). A skin not a sweater: Ontology and epistemology in political science. In D. Marsh & G. Stoker (Eds.), *Theory and Methods in Political Science* (3 ed.): Palgrave Macmillan.
- Gadamer, H.-G. (1975). *Truth and Method*: Continuum.
- Gebert, D., Boerner, S., & Kearney, E. (2010). Fostering Team Innovation: Why Is It Important to Combine Opposing Action Strategies? *Organization Science*, 21(3), 593-608. doi:10.1287/orsc.1090.0485
- Gehman, J., Glaser, V. L., Eisenhardt, K. M., Gioia, D., Langley, A., & Corley, K. G. (2018). Finding theory–method fit: A comparison of three qualitative approaches to theory building. *Journal of Management Inquiry*, 27(3), 284-300. doi:10.1177/1056492617706029
- Gerstner, W.-C., König, A., Enders, A., & Hambrick, D. C. (2013). CEO narcissism, audience engagement, and organizational adoption of technological discontinuities. *Administrative Science Quarterly*, 58(2), 257-291.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2012). Seeking qualitative rigor in inductive research. *Organizational Research Methods*, 16(1), 15-31. doi:10.1177/1094428112452151
- Gioia, D. A., Price, K. N., Hamilton, A. L., & Thomas, J. B. (2010). Forging an identity: An insider-outsider study of processes involved in the formation of organizational identity. *Administrative Science Quarterly*, 55(2010).
- Glaser, B. G., & Strauss, A. L. (1967). *The Discovery of Grounded Theory Strategies for Qualitative Research*: AldineTransaction.
- Good, D., & Michel, E. J. (2013). Individual ambidexterity: Exploring and exploiting in dynamic contexts. *Journal of Psychology*, 147(5), 435-453. doi:10.1080/00223980.2012.710663
- Gray, D. E. (2018). *Doing Research In The Real World* (4 ed.): SAGE.
- Greenwood, R., Díaz, A. M., Li, S. X., & Lorente, J. C. (2010). The multiplicity of institutional logics and the heterogeneity of organizational responses. *Organization Science*, 21(2), 521-539. doi:10.1287/orsc.1090.0453
- Greenwood, R., Oliver, C., Suddaby, R., & Sahlin, a. K. (2008). *The SAGE Handbook of Organizational Institutionalism*: Sage.
- Greiner, L. E. (1998). Evolution and revolution as organizations grow. *Harvard Business Review*.
- Greve, H. R. (2008). A behavioral theory of firm growth: Sequential attention to size and performance goals. *Academy of Management Journal*, 51(3), 476-494.
- Grix, J. (2002). Introducing students to the generic terminology of social research. *Politics*, 22(3).
- Gümüşay, A. A., Marti, E., Trittin-Ulbrich, H., & Wickert, C. (2022). *Organizing for societal grand challenges*. Bingle, UK: Emerald Publishing.
- Haffar, M., & Searcy, C. (2019). How organizational logics shape trade-off decision-making in sustainability. *Long Range Planning*, 52(6). doi:10.1016/j.lrp.2019.101912
- Hambrick, D. C. (1981). Environment, strategy, and power within top management teams. *Administrative Science Quarterly*.
- Hambrick, D. C. (1994). Top management groups: A conceptual integration and reconsideration of the team label. *Research in Organizational Behavior*, 16, 171-213.
- Hambrick, D. C. (2010). *Handbook of Top Management Teams* (F. Bournois, S. Roussillon, J.-L. Scaringella, & J. Duval-Hamel Eds.): Palgrave Macmillian.
- Hambrick, D. C., & Finkelstein, S. (1987). Managerial discretion: A bridge between polar views of organizational outcomes. *Research in Organizational Behavior*.
- Hambrick, D. C., & Fukutomi, G. D. (1991). The seasons of a CEO's tenure. *The Academy of Management Review*.
- Hambrick, D. C., & Mason, P. A. (1984). Upper echelons. *The Academy of Management Review*, 9(3).
- Haspeslagh, P. C., & Jemison, D. B. (1991). *Managing Acquisitions Creating Value Through Corporate Renewal*. Canada: The Free Press.

- He, H., & Brown, A. D. (2013). Organizational identity and organizational identification. *Group & Organization Management*, 38(1), 3-35. doi:10.1177/1059601112473815
- Heider, F. (1958). *The Psychology of Interpersonal Relations*: John Wiley & Sons.
- Hinings, B. (2011). Connections between institutional logics and organizational culture. *Journal of Management Inquiry*, 21(1), 98-101. doi:10.1177/1056492611419798
- Hutzschenreuter, T., Borchers, S. A., & Harhoff, P. L. (2021). Competitors matter: How competitors' actions moderate the influence of firm profitability on the prioritization between growth and efficiency increase. *Managerial and Decision Economics*, 42(2), 326-342.
- Hutzschenreuter, T., Kleindienst, I., & Greger, C. (2014). What Determines Demographic Similarity Between Incumbent CEOs and Their Successors? A CEO Informal Power Perspective. *Managerial and Decision Economics*, 36(7), 421-438. doi:10.1002/mde.2679
- Hutzschenreuter, T., Kleindienst, I., & Greger, C. (2015). What determines demographic similarity between incumbent CEOs and their successors? A CEO informal power perspective. *Managerial and Decision Economics*, 36(7), 421-438.
- Haack, P., Schilke, O., & Zucker, L. (2020). Legitimacy revisited: disentangling propriety, validity, and consensus. *Journal of Management Studies*, 58(3), 749-781. doi:10.1111/joms.12615
- Haack, P., & Sieweke, J. (2018). The Legitimacy of Inequality: Integrating the Perspectives of System Justification and Social Judgment. *Journal of Management Studies*, 55(3), 486-516. doi:10.1111/joms.12323
- James, W. (1890). *The Principles of Psychology*. New York: Holt.
- Jarzabkowski, P., Balogun, J., & Seidl, D. (2007). Strategizing: The challenges of a practice perspective. *Human Relations*, 60(1), 5-27. doi:10.1177/0018726707075703
- Jarzabkowski, P., Lê, J. K., & Van de Ven, A. H. (2013). Responding to competing strategic demands: How organizing, belonging, and performing paradoxes coevolve. *Strategic Organization*, 11(3), 245-280. doi:10.1177/1476127013481016
- Jaw, Y.-L., & Lin, W.-T. (2009). Corporate elite characteristics and firm's internationalization: CEO-level and TMT-level roles. *The International Journal of Human Resource Management*, 20(1), 220-233. doi:10.1080/09585190802528797
- Jay, J. (2013). Navigating paradox as a mechanism of change and innovation in hybrid organizations. *Academy of Management Journal*, 56(1), 137-159. doi:10.5465/amj.2010.0772
- Jennings, P. D., & Greenwood, R. (2003). Constructing the iron cage: Institutional theory and enactment. In R. Westwood & S. Clegg (Eds.), *Debating Organization: Point-Counterpoint in Organization Studies* (pp. 195-207): Blackwell.
- Johl, S. K., & Renganathan, S. (2009). Strategies for gaining access in doing fieldwork: Reflection of two researchers. *Electronic Journal of Business Research Methods*, 8(1).
- Judge, T. A., & Kammeyer-Mueller, J. D. (2012). On the value of aiming high: the causes and consequences of ambition. *J Appl Psychol*, 97(4), 758-775. doi:10.1037/a0028084
- Kabanoff, B., & Brown, S. (2008). Knowledge structures of prospectors, analyzers, and defenders: Content, structure, stability, and performance. *Strategic Management Journal*, 29(2), 149-171.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*.
- Kahneman, D. (1973). *Attention and effort* (Vol. 1063): Citeseer.
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 363-391.
- Kaplan, S. (2008). Framing contests: Strategy making under uncertainty. *Organization Science*, 19(5), 729-752.
- Katz, R. L. (1974). Skills of an effective administrator. *Harvard Business Review*.

- Kelley, H., Berscheid, E., Christensen, A., Harvey, J., & Huston, T. (1983). *Close Relationships*: W. H. Freeman.
- Kiesler, S., & Sproull, L. (1982). Managerial response to changing environments: Perspectives on problem sensing from social cognition. *Administrative Science Quarterly*, 548-570.
- Kisfalvi, V., & Pitcher, P. (2003). Doing what feels right. *Journal of Management Inquiry*, 12(1), 42-66. doi:10.1177/1056492602250518
- Kjær, P. M. (2018). Elværkshistorie: 1882-2000.
- Klotz, A. C., Hmieleski, K. M., Bradley, B. H., & Busenitz, L. W. (2013). New Venture Teams. *Journal of Management*, 40(1), 226-255. doi:10.1177/0149206313493325
- Knutsson, H., & Thomasson, A. (2017). Exploring organisational hybridity from a learning perspective. *Qualitative Research in Accounting & Management*, 14(4), 430-447. doi:10.1108/qram-04-2016-0030
- Krogh, N. O. (2008, 25-6-2008). Syd Energis direktør vil stoppe. *Jyske Vestkysten*.
- Kraatz, M. S., & Block, E. S. (2008). Organizational implications of institutional pluralism. In R. Greenwood, C. Oliver, K. Sahlin-Andersson, & R. Suddaby (Eds.), *The Handbook of Organizational Institutionalism*: Sage.
- Kumar, N., Stern, L. w., & Anderson, j. c. (1993a). Conducting interorganizational research using key informants. *Academy of Management Journal*, 36(6).
- Kumar, N., Stern, L. w., & Anderson, j. c. (1993b). Conducting interorganizational research using key informants. *Academy of Management Journal*.
- Lamin, A., & Zaheer, S. (2012). Wall Street vs. Main Street: Firm strategies for defending legitimacy and their impact on Ddfferent stakeholders. *Organization Science*, 23(1), 47-66. doi:10.1287/orsc.1100.0631
- Langley, A. (1999). Strategies for theorizing from process data. *Academy of Management Review*.
- Langley, A. (2007). Process thinking in strategic organization. *Strategic Organization*, 5(3), 271-282. doi:10.1177/1476127007079965
- Langley, A., Smallman, C., Tsoukas, H., & Van de Ven, A. H. (2013). Process studies of change in organization and management: Unveiling temporality, activity, and flow. *Academy of Management Journal*, 56(1), 1-13. doi:10.5465/amj.2013.4001
- Lavie, D., Stettner, U., & Tushman, M. L. (2010). Exploration and Exploitation Within and Across Organizations. *ACADEMY OF MANAGEMENT ANNALS*, 4(1), 109-155. doi:10.5465/19416521003691287
- Lawrence, T. B., Suddaby, R., & Leca, B. (2009). *Institutional work: Actors and agency in institutional studies of organizations*: Cambridge University Press.
- Lee, M., & Battilana, J. (2020). How the zebra got its stripes: Individual founder imprinting and hybrid social ventures. In *Organizational Hybridity: Perspectives, Processes, Promises* (Vol. 69, pp. 139-165).
- Lewis, M. W. (2000). Exploring paradox toward a more comprehensive guide. *Academy of Management Review*.
- Lewis, M. W., & Kelemen, M. L. (2002). Multiparadigm inquiry: Exploring organizational pluralism and paradox. *Human Relations*, 55(2).
- Li, M., & Jones, C. D. (2018). The effects of TMT faultlines and CEO-TMT power disparity on competitive behavior and firm performance. *Group & Organization Management*, 44(5), 874-914. doi:10.1177/1059601118813790
- Li, Q., Maggitti, P. G., Smith, K. G., Tesluk, P. E., & Katila, R. (2013). Top Management Attention to Innovation: The Role of Search Selection and Intensity in New Product Introductions. *Academy of Management Journal*, 56(3), 893-916. doi:10.5465/amj.2010.0844
- Lin, H.-C., & Lin, P.-C. (2019). The interplay between CEO-TMT exchange level and differentiation: Implications for firm competitive behaviors and performance. *Journal of Business Research*, 95, 171-181. doi:10.1016/j.jbusres.2018.10.034

- Lincoln, Y. S., & Guba, E. G. (2005). Paradigmatic controversies, contradictions, and emerging confluences. In N. K. Denzin & Y. S. Lincoln (Eds.), *The Sage Handbook of Qualitative Research* (pp. 191-215): Sage.
- Lindberg, O., Rantatalo, O., & Hällgren, M. (2017). Making sense through false syntheses: Working with paradoxes in the reorganization of the Swedish police. *Scandinavian Journal of Management*, 33(3), 175-184. doi:10.1016/j.scaman.2017.06.003
- Liu, F., & Maitlis, S. (2014). Emotional Dynamics and Strategizing Processes: A Study of Strategic Conversations in Top Team Meetings. *Journal of Management Studies*, 51(2), 202-234. doi:10.1111/j.1467-6486.2012.01087.x
- Locke, K. D. (2003). *Grounded Theory in Management Research*: Sage.
- Lockett, A., Wiklund, J., Davidsson, P., & Girma, S. (2011). Organic and acquisitive growth: Re-examining, testing and extending Penrose's growth theory. *Journal of management studies*, 48(1), 48-74.
- Lounsbury, M., & Boxenbaum, E. (2013). *Institutional Logics in Action, Part B* (M. Lounsbury & E. Boxenbaum Eds. First ed. Vol. 39B): Emerald Books.
- Lüscher, L. S., & Lewis, M. W. (2008). Organizational change and managerial sensemaking: Working through paradox. *Academy of Management Journal*.
- Ma, S., & Seidl, D. (2017). New CEOs and their collaborators: Divergence and convergence between the strategic leadership constellation and the top management team. *Strategic Management Journal*, 39(3), 606-638. doi:10.1002/smj.2721
- Madsen, J. B. (2022a). *A look inside the hive: The role of executive relations, affecting tensions in burgeoning hybrid organizing*. Paper presented at the 42nd EBES Conference, Lisbon, Portugal.
- Madsen, J. B. (2022b). *Practitioner paper case company: M&A as a management competence – becoming a market leader*.
- Madsen, J. B., Gölgeci, I., & Goduscheit, R. C. (2022). *Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid*. Paper presented at the The 82nd Annual Meeting of the “Academy of Management”, Seattle WA.
- Madsen, J. B., & Kleindienst, I. (2022). *Negotiated attention: An investigation of the formation of TMT attentional focus*. *Journal of Business Research*.
- Maitlis, S., & Christianson, M. (2014). Sensemaking in organizations: Taking stock and moving forward. *The Academy of Management Annals*, 8(1), 57-125. doi:10.1080/19416520.2014.873177
- March, J. G., & Simon, H. A. (1958). *Organizations*. New York: Wiley.
- Margolis, J. D., & Walsh, J. P. (2003). Misery loves companies: Rethinking social initiatives by business. *Administrative Science Quarterly*.
- Marsh, D., & Stoker, G. (2010). *Theory and Methods in Political Science* (D. Marsh & G. Stoker Eds. 3 ed.): Macmillan Distribution.
- Medved, C. E., Morrison, K., Dearing, J. W., Larson, R. S., Cline, G., & Brummans, B. H. (2001). Tensions in community health improvement initiatives: Communication and collaboration in a managed care environment. *Journal of Applied Communication Research*.
- Meier, N., & Dopson, S. (2021). What is context? Methodological reflections on the relationship between context, actors, and change. In *Managing Healthcare Organisations in Challenging Policy Contexts* (pp. 93-110): Springer.
- Merriam, S. B. (1998). *Qualitative Research and Case Study Applications in Education* (2 ed.): Jossey-Bass.
- Miles, M. B., Huberman, A. M., & Saldana, J. (2014). *Qualitative Data Analysis A Methods Sourcebook* (3 Ed.): Sage.
- Miles, R. E., & Snow, C. C. (1978). *Organizational strategy, structure and process*. New York: McGraw Hill.

- Mitzinneck, B. C., & Besharov, M. L. (2019). Managing value tensions in collective social entrepreneurship: The role of temporal, structural, and collaborative compromise. *Journal of Business Ethics*, 159(2), 381-400. doi:10.1007/s10551-018-4048-2
- Mucha, J. (2006). The concept of "Social Relations" in classic analytical interpretative sociology: Weber and Znaiecki. *Poznan Studies in the Philosophy of the Sciences and the Humanities*.
- Murray, F. (2010). The oncomouse that roared: Hybrid exchange strategies as a source of distinction at the boundary of overlapping institutions. *American Journal of Sociology*, 116(2).
- Murthy, D. (2008). Digital ethnography: An examination of the use of new technologies for social research. *Sociology*, 42(5), 837-855.
- Maanen, J. V., & Klob, D. (1985). The professional apprentice: Observations on fieldwork role into organisational setting. *Research in Sociology of Organisations*, 4, 1-3.
- Neely, B. H., Lovelace, J. B., Cowen, A. P., & Hiller, N. J. (2020). Metacritiques of upper echelons theory: Verdicts and recommendations for future research. *Journal of Management*, 46(6), 1029-1062. doi:10.1177/0149206320908640
- Nielsen, S. (2010). Top management team diversity: A review of theories and methodologies. *International Journal of Management Reviews*. doi:10.1111/j.1468-2370.2009.00263.x
- Nowell, L. S., Norris, J. M., White, D. E., & Moules, N. J. (2017). Thematic analysis. *International Journal of Qualitative Methods*, 16(1). doi:10.1177/1609406917733847
- Ocasio, W. (1997). Towards an attention-based view of the firm. *Strategic Management Journal*, 18.
- Ocasio, W. (2011). Attention to attention. *Organization Science*, 22(5), 1286-1296.
- Ocasio, W., & Joseph, J. (2005). An attention-based theory of strategy formulation: Linking micro- and macroperspectives in strategy processes. In *Strategy process* (Vol. 22, pp. 39-61): Emerald Group Publishing Limited.
- Ocasio, W., Thornton, P. H., & Lounsbury, M. (2017). Advances to the institutional logics perspective. In R. Greenwood, C. Oliver, T. B. Lawrence, & R. E. Meyer (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 509-531): SAGE Reference.
- Pache, A.-C., & Santos, F. (2010). When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands. *Academy of Management Review*, 35.
- Pache, A.-C., & Santos, F. (2013). Inside the hybrid organization: Selective coupling as a response to competing institutional logics. *Academy of Management Journal*, 56(4), 972-1001. doi:10.5465/amj.2011.0405
- Patriotta, G., Gond, J.-P., & Schultz, F. (2011). Maintaining legitimacy: Controversies, orders of worth, and public justifications. *Journal of Management Studies*, 48(8), 1804-1836. doi:10.1111/j.1467-6486.2010.00990.x
- Penrose, E. (1959). *The Theory of the Growth of the Firm*. Oxford: Blackwell.
- Pentland, B. T. (1999). Building process theory with narrative: From description to explanation. *The Academy of Management Review*, 24(4).
- Peterson, R. S., Smith, D. B., Martorana, P. V., & Owens, P. D. (2003). The impact of chief executive officer personality on top management team dynamics: one mechanism by which leadership affects organizational performance. *Journal of Applied Psychology*, 88(5), 795-808. doi:10.1037/0021-9010.88.5.795
- Pitcher, P., & Smith, A. D. (2001). Top management team heterogeneity: Personality, power, and proxies. *Organization Science*, 12(1), 1-18. doi:10.1287/orsc.12.1.1.10120
- Poole, M. S., & Van-De-Ven, A. H. (1989). Using Paradox to Build Management and Organization Theories. *Academy of Management Review*.
- Putnam, L. L., Fairhurst, G. T., & Banghart, S. (2016). Contradictions, dialectics, and paradoxes in organizations: A constitutive approach. *The Academy of Management Annals*, 10(1), 65-171. doi:10.5465/19416520.2016.1162421

- Quélin, B. V., Kivleniece, I., & Lazzarini, S. (2017). Public-Private Collaboration, Hybridity and Social Value: Towards New Theoretical Perspectives. *Journal of Management Studies*, 54(6), 763-792. doi:10.1111/joms.12274
- Rasche, A., & Chia, R. (2009). Researching strategy practices: A genealogical social theory perspective. *Organization Studies*, 30(7), 713-734. doi:10.1177/0170840609104809
- Rasmussen, E. (2011). Understanding academic entrepreneurship: Exploring the emergence of university spin-off ventures using process theories. *International Small Business Journal: Researching Entrepreneurship*, 29(5), 448-471. doi:10.1177/0266242610385395
- Ravasi, D., & Phillips, N. (2011). Strategies of alignment. *Strategic Organization*, 9(2), 103-135. doi:10.1177/1476127011403453
- Reay, T., & Hinings, C. R. (2009). Managing the rivalry of competing institutional logics. *Organization Studies*, 30(6), 629-652. doi:10.1177/0170840609104803
- Reis, N. R., Carvalho, F., & Ferreira, J. V. (2015). An overview of three decades of mergers and acquisitions research. *Revista Ibero-Americana de Estratégia*, 14(02), 51-71. doi:10.5585/ijsm.v14i2.2222
- Rerup, C. (2009). Attentional triangulation: Learning from unexpected rare crises. *Organization Science*, 20(5), 876-893.
- Ross, L., & Nisbett, R. E. (2011). *The person and the situation perspectives of social psychology*: McGraw-Hill.
- Rousseau, D. M., & Fried, Y. (2001). Location, location, location: Contextualizing organizational research. *Journal of Organizational Behavior*, 22, 1-13.
- Rowley, J. (2002). Using case study in research. *Management Research News*, 25.
- Sapir, E. (1944). Grading, a study in semantics. *Philosophy of science*, 11(2), 93-116.
- Schad, J., Lewis, M. W., Raisch, S., & Smith, W. K. (2016). Paradox research in management science: Looking back to move forward. *The Academy of Management Annals*, 10(1), 5-64. doi:10.1080/19416520.2016.1162422
- Schein, E. H. (1996). Culture: The missing concept in organization studies. *Administrative Science Quarterly*.
- Schneider, K. J. (1990). *The paradoxical self: Toward an understanding of four contradictory nature*: Insight Books.
- Schneider, W., & Shiffrin, R. M. (1977). Controlled and automatic human information processing: I. Detection, search, and attention. *Psychological review*, 84(1), 1.
- Seo, M.-G., Putnam, L. L., & Bartunek, J. M. (2004). *Handbook of Organizational Change and Innovation*: Oxford University Press.
- Shotter, J., & Tsoukas, H. (2014). In Search of Phronesis: Leadership and the Art of Judgment. *Academy of Management Learning & Education*, 13(2), 224-243. doi:10.5465/amle.2013.0201
- Sillince, J. A. A., & Brown, A. D. (2009). Multiple organizational identities and legitimacy: The rhetoric of police websites. *Human Relations*, 62(12), 1829-1856. doi:10.1177/0018726709336626
- Silvia, P. J. (2001). Interest and Interests: The Psychology of Constructive Capriciousness. *Review of General Psychology*, 5(3), 270-290. doi:10.1037/1089-2680.5.3.270
- Simon, H. A. (1957). *Models of man; social and rational*. New York: Wiley.
- Simons, T. L., & Peterson, R. S. (2000). Task conflict and relationship conflict in top management teams: The pivotal role of intragroup trust. *Journal of Applied Psychology*.
- Simsek, Z., Heavey, C., & Fox, B. C. (2018). Interfaces of Strategic Leaders: A Conceptual Framework, Review, and Research Agenda. *Journal of Management*, 44(1), 280-324. doi:10.1177/0149206317739108
- Sine, W. D., & David, R. J. (2003). Environmental jolts, institutional change, and the creation of entrepreneurial opportunity in the US electric power industry. *Research Policy*, 32(2003), 185-207.

- Sirris, S. (2019). Coherent identities and roles? Hybrid professional managers' prioritizing of coexisting institutional logics in differing contexts. *Scandinavian Journal of Management*, 35(4). doi:10.1016/j.scaman.2019.101063
- Skjott Linneberg, M., & Korsgaard, S. (2019). Coding qualitative data: a synthesis guiding the novice. *Qualitative Research Journal*, 19(3), 259-270. doi:10.1108/qrj-12-2018-0012
- Smets, M., Jarzabkowski, P., Burke, G. T., & Spee, P. (2015). Reinsurance Trading in Lloyd's of London: Balancing Conflicting-yet-Complementary Logics in Practice. *Academy of Management Journal*, 58(3), 932-970. doi:10.5465/amj.2012.0638
- Smith, A., Houghton, S. M., Hood, J. N., & Ryman, J. A. (2006). Power relationships among top managers: Does top management team power distribution matter for organizational performance? *Journal of Business Research*, 59(5), 622-629. doi:10.1016/j.jbusres.2005.10.012
- Smith, R., & Anderson, A. R. (2007). *Handbook of Qualitative Research Methods in Entrepreneurship* (H. Neergaard & J. P. Ulhøi Eds.): Edward Elgar.
- Smith, W. K. (2014). Dynamic Decision Making: A Model of Senior Leaders Managing Strategic Paradoxes. *Academy of Management Journal*, 57(6), 1592-1623. doi:10.5465/amj.2011.0932
- Smith, W. K., & Besharov, M. L. (2019). Bowing before dual gods: How structured flexibility sustains organizational hybridity. *Administrative Science Quarterly*, 64(1), 1-44. doi:10.1177/0001839217750826
- Smith, W. K., & Lewis, M. W. (2011). Toward a theory of paradox: A dynamic equilibrium model of organizing. *Academy of Management Review*, 36(2), 381-403.
- Smith, W. K., & Tushman, M. L. (2005). Managing strategic contradictions: A top management model for managing innovation streams. *Organization Science*. doi:10.1287/orsc.1050.0134
- Smith, W. K., & Tushman, M. L. (2010). Managing Strategic Contradictions: A Top Management Team Model for Simultaneously Exploring and Exploiting. In F. Bournois, J. Duval-Hamel, S. Roussillon, & J.-L. Scaringella (Eds.), *Handbook of Top Management Teams*: Palgrave Macmillan.
- Sproull, L. S. (1984). The nature of managerial attention. *Advances in information processing in organizations*, 1, 9-27.
- Srouf, Y., Shefer, N., & Carmeli, A. (2022). Positive Chair-CEO work relationships: Micro-relational foundations of organizational capabilities. *Long Range Planning*, 55(3). doi:10.1016/j.lrp.2021.102124
- Sullivan, B. N. (2010). Competition and beyond: Problems and attention allocation in the organizational rulemaking process. *Organization Science*, 21(2), 432-450.
- Takahashi, A. R. W., & Araujo, L. (2019). Case study research: Opening up research opportunities. *RAUSP Management Journal*, 55(1), 100-111. doi:10.1108/rausp-05-2019-0109
- Tanikawa, T., & Jung, Y. (2019). CEO power and top management team tenure diversity: Implications for firm performance. *Journal of Leadership & Organizational Studies*, 26(2), 256-272. doi:10.1177/1548051818789371
- Thompson, L. L., Wang, J., & Gunia, B. C. (2010). Negotiation. *Annu Rev Psychol*, 61, 491-515. doi:10.1146/annurev.psych.093008.100458
- Thornton, P., & Ocasio, W. (1999). Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958-1990. *American Journal of Sociology*, 105(3), 801-843.
- Thornton, P., & Ocasio, W. (2008). Institutional logic. In R. Greenwood, C. Oliver, R. Suddaby, & K. Sahlin (Eds.), *The SAGE handbook of organizational institutionalism*: (pp. 99-129): Sage.
- Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The Institutional Logics Perspective: A New Approach to Culture, Structure and Process*: Oxford University Press.

- Tost, L. P. (2011). An integrative model of legitimacy judgments. *Academy of Management Review*, 36(4), 686-710. doi:10.5465/amr.2010.0227
- Trong, M. D., & Limann, J. (2009). *Kampen om energien*: Børsens Forlag.
- Van-de-Ven, A. H. (2007). *Engaged Scholarship A Guide for Organizational and Social Research*: Oxford University Press.
- van Helvert-Beugels, J., Nordqvist, M., & Flören, R. (2020). Managing tensions as paradox in CEO succession: The case of nonfamily CEO in a family firm. *International Small Business Journal: Researching Entrepreneurship*, 38(3), 211-242. doi:10.1177/0266242619898609
- Vermeulen, F., & Barkema, H. (2002). Pace, rhythm, and scope: Process dependence in building a profitable multinational corporation. *Strategic Management Journal*, 23(7), 637-653.
- Visnjic, I., Jovanovic, M., & Raisch, S. (2021). Managing the transition to a dual business model: Tradeoff, paradox, and routinized practices. *Organization Science*, 1-26. doi:10.1287/orsc.2021.1519
- Wadel, C. (1991). *Feltarbeid i egen kultur*: Cappelen Damm akademisk.
- Walsh, J. P. (1995). Managerial and organizational cognition: Notes from a trip down memory lane. *Organization Science*, 6(3), 280-321.
- Wang, Q., Ge, Y., Hu, C., & Zhang, W. (2020). A Relationship Model between Top Management Team Cognitive Heterogeneity and Strategic Decision Quality and Its Implications for Sustainability. *Complexity*, 2020, 1-12. doi:10.1155/2020/8851711
- Wasserman, J., & Jeffrey, C. (2007). *Assessing sdstrustful populations: Lesson from ethnographic research with street homeless*. Paper presented at the Annual meeting of the American Sociological Association.
- Wegener, C. (2013). "Would you like a cup of coffee?" Using the researcher's insider and outsider positions as a sensitising concept. *Ethnography and Education*, 9(2), 153-166. doi:10.1080/17457823.2013.841082
- Weick, K. E., Sutcliffe, K. M., & Obstfeld, D. (2005). Organizing and the process of sensemaking. *Organization Science*, 16(4), 409-421. doi:10.1287/orsc.1050.0133
- Wenke, K., Zapkau, F. B., & Schwens, C. (2021). Too small to do it all? A meta-analysis on the relative relationships of exploration, exploitation, and ambidexterity with SME performance. *Journal of Business Research*, 132(2021), 653-665. doi:10.1016/j.jbusres.2020.10.018
- White, H. (1992). *Identity and Control A Structural Theory of Social Action*: Princeton University Press.
- White, L., Lockett, A., Currie, G., & Hayton, J. (2020). Hybrid Context, Management Practices and Organizational Performance: A Configurational Approach. *Journal of Management Studies*, 58(3), 718-748. doi:10.1111/joms.12609
- Whorf, B. L. (1956). *Language, thought, and reality: selected writings of...*(Edited by John B. Carroll.).
- Wickert, C., Post, C., Doh, J. P., Prescott, J. E., & Prencipe, A. (2021). Management Research that Makes a Difference: Broadening the Meaning of Impact. *Journal of Management Studies*, 58(2), 297-320. doi:<https://doi.org/10.1111/joms.12666>
- Wu, J., & Bi, Y. (2012). *Top Management Team Attention and International Strategy: A Case Study*. Paper presented at the 2012 Fifth International Conference on Business Intelligence and Financial Engineering.
- Yang, Y. (2014). Understanding household switching behavior in the retail electricity market. *Energy policy*, 69, 406-414.
- Yazan, B. (2015). Three approaches to case study methods in education: Yin, Merriam, and Stake. *Qualitative Report*.
- Yin, R. K. (2003). Case Study Research Design and Methods. In (2 ed., Vol. 5): Sage
- Yin, R. K. (2014). *Case Study Research Design and Methods* (5 ed.): Sage.
- Yin, R. K. (2018a). *Case Study Research and Applications Ddesign and Methods* (6 ed.): Sage.
- Yin, R. K. (2018b). *Case study research and applications design and methods* (6 ed.).

- Zahavi, D. (2017). *Fænomenologi* (6 ed.): Samfundslitteratur, Roskilde Universitetsforlag.
- Zhang, Z., Wang, D., & Sun, W. (2022). TMT conflict, organizational structure, and entrepreneurial orientation: An attention-based view. *Scandinavian Journal of Management*, 38(4). doi:10.1016/j.scaman.2022.101231
- Zhong, X., Wan, H., & Ren, G. (2021). Can TMT vertical pay disparity promote firm innovation performance? The moderating role of CEO power and board characteristics. *European Journal of Innovation Management*, 25(4), 1161-1182. doi:10.1108/ejim-10-2020-0434
- Økonomi, & Erhvervsministeriet. (2004). *Aftale mellem regeringen (Venstre og Det Konservative Folkeparti) og Socialdemokraterne, Dansk Folkeparti, Socialistisk Folkeparti, Det Radikale Venstre og Kristendemokraterne om fremtidssikring af energinfrastrukturen*.

Appendices

Appendix A. Co-author declarations for Paper 2

Declaration of co-authorship*

Full name of the PhD student: Jørn Bue Madsen

This declaration concerns the following article/manuscript:

Title:	Negotiated attention: an investigation of the formation of TMT attentional focus
Authors:	Jørn Bue Madsen, Ingo Kleindienst

The article/manuscript is: Published Accepted Submitted In preparation

If published, state full reference:

If accepted or submitted, state journal: *Journal of Business Research*

Has the article/manuscript previously been used in other PhD or doctoral dissertations?

No Yes If yes, give details:


The PhD student has contributed to the elements of this article/manuscript as follows:

- A. Has essentially done all the work
- B. Major contribution
- C. Equal contribution
- D. Minor contribution
- E. Not relevant

Element	Extent (A-E)
---------	--------------

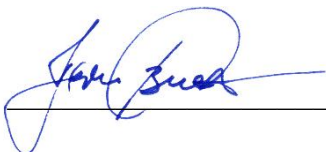
1. Formulation/identification of the scientific problem	B
2. Planning of the experiments/methodology design and development	A
3. Involvement in the experimental work/clinical studies/data collection	A
4. Interpretation of the results	B
5. Writing of the first draft of the manuscript	B
6. Finalization of the manuscript and submission	C

Signatures of the co-authors

Date	Name	Signature
08.02.2023	Ingo Kleindienst	

In case of further co-authors please attach appendix

Date: 08.02.2023



Signature of the PhD student

Appendix B. Co-author declarations for Paper 3

Declaration of co-authorship*

Full name of the PhD student: Jørn Bue Madsen

This declaration concerns the following article/manuscript:

Title:	Understanding the role of top management practices in organizational change: Transforming a not-for-profit organization into a commercial hybrid
Authors:	Jørn Bue Madsen, Ismail Gölgeci, Rene Chester Goduscheit

The article/manuscript is: Published Accepted Submitted In preparation

If published, state full reference: [Understanding the Role of Top Management Practices in Organizational Hybridization | Academy of Management Proceedings \(aom.org\)](#)

Academy of Management Annual Meeting Proceedings. 2022, 2022(1), 3079–3079

If accepted or submitted, state journal: Journal of Management Studies

Has the article/manuscript previously been used in other PhD or doctoral dissertations?



No Yes If yes, give details:

The PhD student has contributed to the elements of this article/manuscript as follows:

- A. Has essentially done all the work
- B. Major contribution
- C. Equal contribution
- D. Minor contribution
- E. Not relevant

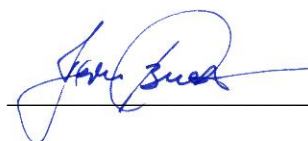
Element	Extent (A-E)
1. Formulation/identification of the scientific problem	A
2. Planning of the experiments/methodology design and development	A
3. Involvement in the experimental work/clinical studies/data collection	A
4. Interpretation of the results	B
5. Writing of the first draft of the manuscript	A
6. Finalization of the manuscript and submission	C

Signatures of the co-authors

Date	Name	Signature
08/02/2023	Ismail Gölgeci	
08/02/2023	René Chester Goduscheit	

In case of further co-authors please attach appendix

Date: 08/02/2023



Signature of the PhD student