

Fields of Tensions and Alliances - Changing Practices in the Swedish Music Industry

Kjell Arvidsson

Lecturer in Business Administration, Organization & Leadership and Music & Event
Management

Daniel Johansson

Lecturer in Computer Science and Music and Cultural Studies
School of Business and Economics, Linnaeus University, Kalmar, Sweden

kjell.arvidsson@lnu.se

daniel@trendmaze.com

Abstract

The paper highlights changes in practices in the grey zone between business and culture as being a field of tensions and alliances between idealistic, missionary purposes, and business logics, with the empirical case of the music industry in Sweden.

The aim is to develop the discussion of changes in art companies further by introducing the concept of a field of tensions and alliances (Kraatz and Block, 2008), created by different institutional logics (March 1994, March & Olsen 2004). The concept is further developed by using stakeholder theory, described and developed by Friedman (2002), Friedman & Miles (2008) and Miles (2011). The research question is; *how can introducing the concept of fields of tension and alliances improve the understanding of changes in practices within cultural industries, specifically with the example of the Swedish music industry?*

The empirical findings comes from two big studies of the music industry in Sweden, (Arvidsson, 2007 and Johansson, 2013) using qualitative interviews, observations and collection of secondary data.

The conclusion is that the concept gives new insights in changes in the music industry and should be possible to use also on other studies of culture industries as well as other mission organizations, both on field - and organizational level. Further research is suggested as developing the concept to a full scale theoretical model but also go deeper in the analyze of the music industry and to try analyze also other organizations and organizational fields with the same concept.

Keywords

Culture industry, Music business, Field of tensions and alliances, Institutional pluralism, Stakeholders.

Introduction

This paper highlights changes in practices in the grey zone between business and culture as being a field of tensions and alliances between idealistic, missionary purposes, and business logics, with the empirical case of the music industry in Sweden. The aim is to develop the discussion of changes in art companies further by introducing the concept of a field of tensions and alliances (Kraatz and Block, 2008), created by different institutional logics (March 1994, March & Olsen 2004). Collins & Porras (1994) name this the genius "and" to avoid the tyrannic "or", which is close to the discussion of Art Firms (Björkman, 1999, Guillet de Monthoux, 2004).

Previously Wikström (2006, p. 131 ff.) has successfully been using his Music Industry Feedback Model as a tool to examine contemporary music industry dynamics. Using the concept of *pressure* in the model and focusing on media, audience and intellectual property he could identify how stakeholders in the music industry reacted to changes in their environment, specifically in the context of pressure from technological change during the time period 2000-2005: *"The study has shown how music firms in general have responded defensively to the changes in the media environment and with the main objective to protect their existing businesses. Decision makers have not challenged their mental models of the media environment but have remained focused on preserving the pivotal role held by their physical products."*(*ibid.p.213*)

In this paper we introduce the concept of fields of *tensions* and *alliances* to the discussion, claiming that the role and high impact of actors in the institutional process ought to become more obvious by using this perspective. The concept is further developed by using stakeholder theory, described and developed by Friedman (2002), Friedman & Miles (2008) and Miles (2011).

We claim that this field of tension and alliances is at hand in any organization or business constituted by conflicting institutional logics that legitimize their existence as well as the behavior and practices of the different logics. In the music industry, tensions and alliances has created 'a way of doing it' that over time has been, to different degrees, broken by entrepreneurs and intrapreneurs (*ibid*), challenging the institutional agreement.

Thus the research question is; *how can introducing the concept of fields of tension and alliances improve the understanding of changes in practices within cultural industries, specifically with the example of the Swedish music industry?*

Method

The paper is derived from two studies of the music industry. The first study is built on secondary data and 22 qualitative interviews, used in a thesis describing the music industry in Sweden from 1903-2003 (Arvidsson, 2007). This study has been completed with follow up studies with secondary data and interviews. Arvidsson (2007) shows how an institution is created, developed and broken in a period of 100 years. One theme in the institutional process that is analyzed in this process is the balance between the two different logics, art and business, but also the organizing of the music companies is analyzed in terms of structure and business processes. The second study is focused on changes in practices caused by the paradigm shift from tangible products to digital distribution. (Johansson, 2013). This study is built on primary observational data collected during a period of seven years, 2005 – 2012, as

well as secondary data collected for the period 2000 – 2004. The study has been complemented with 40 interviews and conversations with stakeholders within the music industry. Johansson (2013) shows that in recent years, the business logic of the music firm has changed as a result of what Johansson calls “the shift from units to usage”. Instead of focusing on selling products the firm is now focusing on increasing consumption, and practices have changed when the main purpose of marketing activities and communication is to make people listen more, rather than buy more, creating new strands of tensions and alliances in the field.

Theoretical perspective: Fields of tensions and alliances

This paper aims to show how changes in practices can be further analyzed and understood by introducing the concept of fields of tensions and alliances created by different institutional logics. The first study (Arvidsson K.) was focusing on describing and discussing the first hundred years of the Swedish music industry, i.e. before the digital technologies, Johansson (ibid) is focusing on what has happened in and after the digital revolution. This joint paper is a first attempt of discussing changes in practice in both the first hundred and the more recent years with a common theoretical approach.

We claim that fields of tensions and alliances are not isolated to the cultural industry but also exists in for example churches, sport associations, health care, schools and even in many downright commercial industries that are based on a very strong idea a vision or, as discussed already by Mintzberg (1989), a mission. They are all constituted of conflicting institutional logics, mission versus business that legitimizes their existence and the behavior and practices of the different industries. The different stakeholders handle the tensions and create alliances towards each other in a necessary and creative balance that is challenged in changes of practices for instance when new stakeholders enters the scene. By identifying new stakeholders, tensions and alliances occurring in changes, the understanding of the change and the organization or industry being studied can be improved.

The concept is illustrated in a figure (picture 1) describing this field of tensions and alliances with some examples of different actors and stakeholders. The exemplification covers some of the different organizational fields, as described above, not restricted to the music industry. Depending on what organizational field is being analyzed the specific actors and stakeholders will differ. The field of tensions and alliances is created by multiple institutional logics but is manifested in the relationship between the actors/stakeholders. It could be between politicians responsible for a defined activity and the management/CEO: s in charge. It can also be between staff and management or between staff and clients/customers. The tensions and alliances can be created not only due to different institutional logics but also within one of them. When conflicts caused by changes in economic balance increases, it can indicate a change in the balance towards a more business centered logic.

The concept is trying to combine theories of institutional pluralism with the stakeholder theory as defined by Freeman (1984:46): “*any group or individual who can affect or is affected by the achievement of the organizations objectives*”. Later Freeman (2004:58) adapted to more normative stakeholder theories using a developed definition of stakeholders as: “*those groups who are vital to the survival and success of the corporation*” with the following principles:

1. The stakeholder-enabling principle – where corporations shall be managed in the interest of stakeholders

2. The principle of director responsibility – where directions of the corporation should have to care to use reasonable judgments to define and direct the business of the corporation according to the stakeholder-enabling principle.
3. The principle of stakeholder resource – where stakeholders may act against the directors for failure to perform the required duty of care

Our combinatorial concept has in this case been derived from Freeman, the third principle giving most obvious understandings of culture industries with focus on the *mission company*. It is in this paper used for showing how changes in practices can change tensions, alliances, relations and power in the whole music industry, not only one organization, identifying the stakeholders as the different actors in the value process, from composing to consuming, as well as other stakeholders, like media, governments and public authorities.

Changes in practice in the music industry have often been caused by new technology. But new technology did not come by itself, they were introduced by new actors that took place as new stakeholders in the music industry, the power and balance had to change, thus new tensions and alliances were created. The *pressure*, quoting Wikström (2006), did not come from the invention itself but from an actor, a stakeholder, whether it was new technology or new laws. By identifying new stakeholders and the tension and alliances in different periods, changes in practices in the music industry can be better explained and understood.

The reflection of how and why different logics constitutes and creates the field of tension and alliances that the stakeholders represent and work for, is important. Institutional and neo institutional theory discusses this, using different models and concepts, Kraatz and Block (2008), for instance, talks about institutional pluralism and multiple institutional spheres. These spheres i.e. institutional logic, have different roles for acting and behavior. Organizations being in several spheres at the same time are acting in accordance with different rules and regulations simultaneously. They have fields of high tensions created by the different institutional logics and therefore have a higher and special need of leadership and organizing. In previous research, the music industry in Sweden has been studied, (Arvidsson, 2009, 2007 A-B) but also the Swedish regional social insurance office (Arvidsson, 2003) with a similar approach, both having a field of tension and alliances created by different institutional logics.

Kraatz & Block (2008) focus on the idealistic driving force within organizations characterized from pluralistic institutional logics. Organizations get both different logics and different institutional identities, becoming multiple things for multiple people. In organizations with multiple identities, aims and beliefs, no group will be completely satisfied when political tensions tend to be endemic. Institutional pluralism also creates possibilities for organizations, for instance by simultaneously meet the expectations from the different spheres within which they act. The same tensions that are threatening to divide the organization can also keep it together, hence the model of tensions and alliances. Three important perspectives on institutional pluralism are mentioned by Kraatz & Block (ibid), also important for our concept: *organizational - legitimacy, leadership and change*.

Legitimacy

March (i.e. 1994, 1999, March & Olsen 1995, 2004) argues that a lot of the organizational decision making could be derived to forced logic on what is acceptable rather than consequence logic. Similar with this Stryker & Burke (2000) argues that actors are multiple constituted; getting their identities from different segments in the pluralistic society they live in. The legitimacy of an organization can be determined from presence or absence of a challenge, says Deephouse and Suchman (2008). Legitimacy can be determined by *questions*

of performance and value, giving an indication of the creation of tensions. Hirsch and Andrews (1984) argues that when issues of performance are confronted with issues of values, the legitimacy and the existence of the organization is at stake. Such fateful challenges are characterized of a field of tension according to our model. Suchman (1995) says that legitimacy impacts, normative and cognitive forces that restricts, constructs and enhance actors in organizations – thus a field of tension and alliances is created. Deephouse (1999) discuss strategic balancing and how differentiation is made in order to achieve profitability and conformation, i.e. to get legitimacy. Organizations tend to adopt different practices and structures in order to create and keep conformity. Thus organizations actually can fulfill multiple purposes and build multiple values, logics and identities by:

1. Creating resistance and conflict, i.e. try to eliminate the pluralism.
2. Categorize identities and relate them to different institutional contexts.
3. Affiliating to pluralism to restrain tensions, finding more integrating solutions.
4. Push towards organizational identities, being promoted to institutions in its own rights.

Leadership

Kraatz & Block (ibid) say that studies in organizational management and leadership often are about who is deciding, has the power, in organizations and trying to understand the objectives of governance by analyzing the means used in order to achieve these objectives. These adaptation strategies for legitimization can also be used for organizational governance in institutional pluralistic organizations. A pluralistic organization has the capacity to constitute itself by choosing identities and attributes from a menu of alternatives, other organizations has not. Kraatz & Block (ibid) calls for more research in the field defined by Collins & Porras (1994) as the genius “and” in order to avoid the tyrannical “or”. They also focus on leadership, noting that a pluralistic organization does not stick together by itself; it is the leaders in management positions that have to hold it together. We find a parallel in this discussion in the research on art and business made by Björkman (1999), Guillet de Monthoux (2004) and others, including our own studies of the music industry. We also argue for the notion of “and”, to complete the “or”, highlighting that the balance between them is important for understanding that commerce can be fruitful, or even necessary, for creativeness in art, argued for among others by Tyler Cowen (2000).

Change

Kraatz & Block (2008) discusses organizational change in institutional pluralism and argues for a strong correlation of the two. Organizations in field of tensions and alliances, like the music industry and other cultural industries, thus have a very unique situation when discussing organizational change. A pluralistic perspective can contribute and help us understand why organizational change is so complicated, especially in cultural industries or other industries in field of tensions and alliances. The perspective can help us to understand how change can develop within the organization, for instance being different in different periods, increment in some and revolutionary in others. Neo institutionalism has been successful in showing how change goes from one institution to another as in the example of the music industry in Sweden. With a pluralistic perspective it is possible to problematize organizational stability and show that change is not really so unusual or remarkable. A pluralistic perspective can also problematize the meaning for a given change since it can mean different things for different actors or people involved, i.e. stakeholders. It makes it possible to see the change also in relation to what the institution becomes/has become after the change, in relation to the history and what the organization was before.

An important question is what impact change has on the balance of power in coalitions and on identities of the organization. This has been in focus for the study of the music industry but is evident regarding the whole organizational field. With the help of theories of institutional pluralism this can be understood and explained better in forthcoming research. Changes, or for that matter lack of expected changes, in institutional pluralistic organizations can, according to Kraatz & Block (ibid), become tragic, ironical or even absurd since they can change in contrast to its core identities without resigning from them. This can be hard to understand if they are not identified as being institutional pluralistic. Already Selznick (1957) explained this while talking about opportunism in contrast to utopism, occurring when an organization is stuck in its past, sticking to ideal that is no longer possible to effectively realize.

Main results

The history of music industry and record companies in Sweden, from 1903 to 2006 is analyzed in five periods (Arvidsson. 2007 B, p, 35), analyzing for instance the dominating institutional logic of each period. In the following we return to these periods, further analyzing them with the help of the concept launched in this paper. Furthermore we continue with the upcoming years after, 2006-2012. In each period described, the stakeholders of the period are introduced as well as tensions and alliances between them, i.e. our approach identifies the changes in practice by mainly investigating the tensions and alliances, hence making it possible to pinpoint trends that will probably influence the future.

In the first period, 1903-1930, the first gramophone companies, all of them international, came to Sweden, changing the music industry as it had been understood until then. The main actors in the music industry up to this point were; artists, composers, publishers, music stores and live concert producers. They were also the stakeholders together with the audience, the media and to some extent the public authorities. The analysis in the first study concluded that there was an institutional logic balancing the paradox of music and business. The music business, as we knew it, was created and became a copy of other businesses although with a special relationship between music and business, most obvious in suspicious talk about popular music and the new phenomena, records. The different actors and roles in the music industry were created and new actors and stakeholders entered the scene: gramophone companies (often making both gramophones and the phonograms /records), gramophone and record stores. But also the audience changed, from listening to live music they became consumers and customers, buying gramophones and records. Also the public authorities started to have an interest, the first serious attempts of protecting immaterial rights by legislations started. This period was also characterized by the introduction of labor movement and unions, with an interest also in the music industry. Furthermore, media took a bigger part as a stakeholder.

This created new tensions and alliances and a more pluralistic industry. The new actors, the gramophone companies and dealers, were focusing on the invention, the technology itself, often together with some general music interest, but had often no tradition in the old traditional music business of selling music sheets and arranging concerts. The so far very few existing gramophone companies manufactured and sold both the gramophones and the records. This new situation caused a tension between them and the old institution. Also the new relationship to the audience was a cause to tensions as well as new alliances. Music now was able to be consumed, listened to and danced to, without the direct involvement from publishers, musicians as well as concert producers. It indicated a shift from "usage" to "units". This can be interpreted as a tension caused by new economic asymmetry. But along

with this the control of what is played, when and by whom, now showed the first signs of gliding over to the consumer from the publishers and concert producers. By the same time, the gramophone company's decisions on what they recorded and sold created new tensions and alliances also from an artistic point of view. At the end of the period, 1927, the radio entered the scene in Sweden, being very strict on what was played, for instance with very little "popular" music. Those who wanted to choose their own music had to rely on what was available on records. This created an alliance between the new music consumers and the gramophone companies. Still, trying to analyze this period, the tension and alliances was mostly a question of business, not art. In consequence this indicates that the institutional logic of business was the dominating one, despite the conclusions made in the first study.

In period two 1931-1960, this development continued and the first analyze also indicated an institutional logic balancing the paradox of music and business. One important change though was that the records now became more important than the gramophone. When more people had gramophones the market for selling records exceeded. The split between records companies and gramophone companies (making gramophones) became obvious, especially when combining the product with the new media, the radio, to radio gramophones. Radio became an even more important stakeholder during this period. The amount of specialized record companies increased and now also unique Swedish companies entered the scene some taking a point in being Swedish and cheaper. The record companies also legitimized themselves by having a complete catalogue, i.e. selling not only popular music but also for instance classical music sometimes on specific labels.

The tensions and alliances during this period though were mostly the same as in the previous. Still, there was a balance between the two most important stakeholders, the publishers and the record companies, even though the economic power started to shift over to the record companies. The alliances between the consumers and the record company became more important often with high loyalty to specific labels. At the same time the discussion on good or bad music grew, creating an obvious tension. Both jazz and later rock music had to fight against defenders of good moral and taste, in media and elsewhere.

In period three, 1961-1980, the impact of popular music grew vastly and became even more integrated to youth culture than during the previous decades. The sales of records increased dramatically and the shift from "usage" to "units" now were completed.

The structure of the business changed with many more both big major and international companies and lots of smaller, Swedish. Some of the new companies joined the political left movement while some of them were openly commercial, and for that matter successful. One important new stakeholder had entered the scene, the television. They soon found their place in the institution together with radio, forming alliances with the other stakeholders from its new position.

One conclusion in the first study was that there was a polarization of the institutional logic, where both the music and the business logic became stronger and more visible. This is due to the now even more business driven record companies versus the left wing, idealistic music movement. This caused tensions between different stakeholders, for instance consumers and commercial companies, but also new alliances, i.e. between consumers and record labels within the left wing movement.

But there was also a consolidation of the power balance between the stakeholders as well as between the two institutional logics, legitimized with new immaterial laws and more formalized and standardized contracts for music recordings and performance.

In period four, 1981-2000, new technology as the cassette tape, the video tape, music videos, CD: s and finally, computers and internet, opened up for new stakeholders and new tensions and alliances. The most obvious ones were between the old stakeholders; like record companies, collecting societies and immaterial rights owners, versus new stakeholders, manufacturers and users of the new technologies. The possibilities that new technology gave for the consumers, such as free copying, was first met by simply trying to stop it. Later on, a strategy of integrating the cassette format in the business, by selling the recordings also on cassettes, as well as infusing cassette taxation, was introduced. In the middle of the 1980's, sales of pre-recorded cassettes were as large as sales of records. Further on, the same strategies came to be used for digitally distributed music, first trying to stop decentralized free copying, then integrating the format in the business.

Another tension was created when the CD was introduced to a price many times higher than the former vinyl record. The consumer had to buy new equipment as well as all the old records in the new format to a price they did not agree upon, and they could do nothing about it when music soon no longer, or very rarely, were distributed on vinyl. The loyalty towards the record companies were low, and became even lower when copy protection measurements were introduced (f.e. the Sony Music Root Kit scandal). Therefore, no one ought to be surprised when digital distribution later, most frequent in next period, was used for illegal free downloading.

There were also tensions and alliances between small independent record companies and major companies. Companies were overtaken by majors, trying to get cred and attractive catalogues but also many new started. Many of the over takings though were fruitful also for the small companies; often turning into sub-labels in a larger company, with better economic prerequisites, thus there was not only tension but also alliances. In the first analysis of the fourth period the conclusion was that during the period 1981 to 2000 one could see the business logic becoming stronger. With our new eyes we can see that the tensions and alliances mostly concerned business logics, indicating that the previous conclusion was accurate. But, tension was also built regarding what "kind" of music the general public was introduced to, or, "the right to choose your own music" rather than just commercially viable music, a conviction that was strong in the left music movement. Hence there was also a noticeable ideological tension present during this period.

In period five, 2000 – 2012, the music industry went through a large shift in what was considered to be the purpose of the music firm's (in this case, the record companies) existence, leading to new tensions and alliances, that in the first study was identified as a breakdown of a 100 year old institution, not knowing what would come next. From the second study and in this paper we can show that this period can be divided into three distinct phases;

- 1) 2000 – 2005: Diminishment
- 2) 2006 – 2008: Consolidation
- 3) 2009 – 2012: Resurrection

During the first phase, the Swedish music industry witnessed a 62 percent decrease in revenues emanating from tangible products, mainly CD's (GLF reports 2000 – 2005) which is

illustrated in picture 2, also compared with the long term development in picture 3. This decrease resulted in layoffs and conflicting business models (Johansson & Frejman, 2008), as well as a new breed of actors entering the industry, such as aggregators and white labels. During this phase, a strong tension appeared between the music industry and the general public, when illegal file sharing quickly became a standardized way for consumers to find music, a tension that has somewhat decreased during the second and third phase. Within the general music firm, the diminishment period meant a stronger focus on commercial products, leading to tensions between the practitioners and the leadership of the firm. Instead, many practitioners started to focus on performing more live, rather than producing and recording music. This development continued into the second phase. In 2000 the recording sector of the Swedish music industry, had a larger annual turnover than the live and rights sector combined. In 2007 the live sector had a larger annual turnover than the rights and recording sector together (STIM, SAMI, IFPI reports 2000 – 2007).

During the second phase, the Swedish music industry started to consolidate, when revenues from digital distribution slowly started to increase, and the live industry had become the dominant economic power within the industrial system. When record companies started to understand the new economic landscape, new tensions were built between the performers (musicians, artists, song writers) and the leaderships of the firms. In interviews, stakeholders have confirmed numerous times that they did not succeed in explaining the shift for their clients, leading to fierce discussions and conflicts (Johansson, 2013). The introduction of new actors in the industrial system, such as aggregators and white labels, as described above, meant that many practitioners started to work “by themselves”, leading to new alliances and collaborations that tried to reach their audience directly rather than going through the “middle men”.

During the third phase, a new generation of digital music services meant increased revenues for the record companies. In the essence of the resurrection phase stands the paradigm shift from “units” to “usage”, resulting in new practices and business models for the music firm (Johansson 2009, 2010). When this happened, many of the stakeholders saw opportunities to build new alliances and relationships, breaking old ones (some of them that had been in existence for many years). Some large publishers started to withdraw their catalogues from collecting societies, building their own rights management structures, licensing directly to digital services. Collecting societies on the performer side tried to increase their royalty levels, leading to tensions between mechanical and performing rights actors. At the same time, the new generation of digital music services with their focus on consumption rather than products, meant that actors with large catalogues, like major labels, could benefit from the model, while smaller labels with smaller catalogues saw very small revenues emanating from these services. As a result of this shift, practices in marketing and communication have changed. The music firm is becoming a direct business-to-consumer organization, rather than a business-to-business organization, with relationships to gatekeepers such as radio, TV, record stores etc. The opposite shift had been taking place in the previous history.

As of now, 2013, this tension is still strong as the discussion on the viability of the “streaming model” is ongoing within the Swedish music industry. The business model is itself spreading throughout the world, leading to the same kind of changes in practices that has been seen in Sweden. In 2012, the streaming model represented 57 percent of revenues to record companies in Sweden, while the largest music market in the world, Japan, only had 4 percent of their revenues from streaming (IFPI Digital Music Report 2013). The second largest market, USA, had 19 percent, as had UK, the third largest market. The fourth largest market,

Germany, also had only 4 percent of total revenues coming from streaming. The lessons that can be learned from the changes in the Swedish music industry is therefore important to highlight, since most researchers and stakeholders in the music industry expects the same shift to happen in the rest of the world during the coming years.

Discussion and Conclusion

The conclusion is that the concept gives new insights on changes in the music industry and should be possible to use also in other studies of culture industries as well as other mission organizations and fields. We have identified the following tensions and alliances in the contemporary Swedish music industry that needs further investigation:

- The copyright system has a built in tension between so called mechanical and performing rights. This tension has increased during the latest years as a result of the shift to digital distribution technologies, resulting in new actors entering the scene, as well as new alliances.
- The construction of a collective licensing body in the indie label sector (called Merlin) has influenced the power-relations between indies and majors. The indie sector now have a much stronger negotiation position in the new music economy, leading to new alliances being formed.
- The introduction of new “middlemen”, aggregators and white labels, have created new tensions and alliances between labels and media outlets, such as streaming services and á la carte download services.
- The alliance between music publishers and collecting societies is influenced by the fact that publishers are starting to withdraw their catalogues, licensing their music directly to music services, leading to an increased tension in the performing rights area.
- The tension between the general public and the music industry is still strong, although it has somewhat decreased during the latest years in Sweden. This tension could be viewed as an obvious example of the art/commerce dilemma.
- The artists and musicians collective organization (SAMI), and the record labels collective organization (IFPI), has a joint collection function for digital distribution of money. IFPI collects, and shares the revenues 50/50 with SAMI, who then divides revenues to artists and musicians. During the history of the music industry there has always been tension built into the record label/artist alliance. One can argue that the present construction makes artists and musicians even weaker in their alliance to record labels, since SAMI is dependent on IFPI to receive remuneration from digital services, something becoming increasingly important in the new music economy.

One outcome of our study is that it is possible to describe the grey zone between art and commerce with the help of the concept of tensions and alliances. This could be illustrated as in the TACA (Tensions & Alliances/Commerce & Art) matrix below (picture 4). The matrix shows how the concept of tensions and alliances can be understood, in terms of what is usually considered to be the dichotomy of commerce and art. An organization being placed in the middle of the Commerce/Art axis, has what could be considered by the stakeholders a good balance of driving forces related to the legitimacy of the organization’s existence. An organization being placed higher on the axis, could be considered by the stakeholders as being too commercial in its activity, while a lower placement on the axis indicates that stakeholders considers the organization to be too arty.

An organization placed in the middle of the Tensions/Alliances axis has what might be considered by the stakeholders a balanced approach to the necessary tensions and alliances. An organization placed on the far left of the axis is considered to have too many tensions with the surrounding environment, while an organization placed on the far right has too many alliances.

The obvious optimal placement in the matrix, would be in the absolute middle, were stakeholders considers the balance between commerce, art, tensions and alliances to be perfect. Of course, almost no organization could be placed in that crosshair, changes in practices makes an organization fluctuate in values and ideologies, hence leading to a movement, development, over time. Also, the four elements described above can be partitioned into sub matrices, making it easier to understand changes in individual firms.

Examples:

Actor A is an independent record company, active in the reggae genre.

Actor B is a collecting society, handling performing rights for artists and musicians.

Actor C is a publishing company, focusing on classical music.

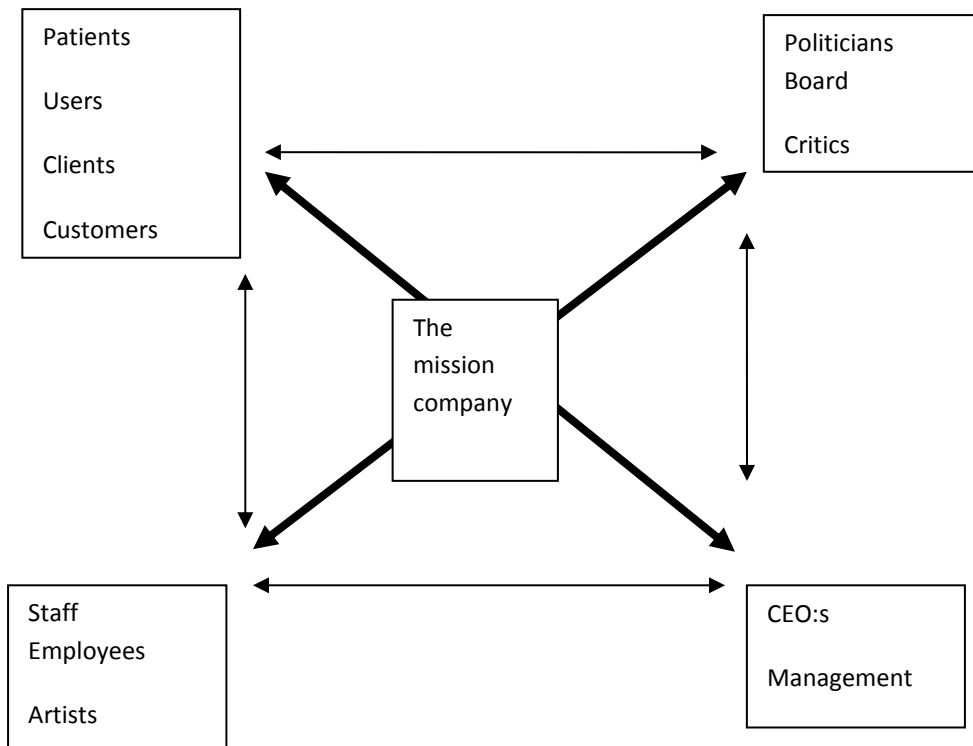
Actor D is an aggregator of digital music.

These examples can of course at the present phase of our research, be regarded somewhat hypothetical; it depends on each stakeholder's individual perception of the rather fuzzy terms. Within a music firm, instead of plotting actors in a larger industrial system, the functions, or stakeholders within that firm, could be analyzed; *A* could be the Marketing Department, *B* could be the A&R Department, *C* could be the Digital Department, and *D* could be the Leadership of the firm.

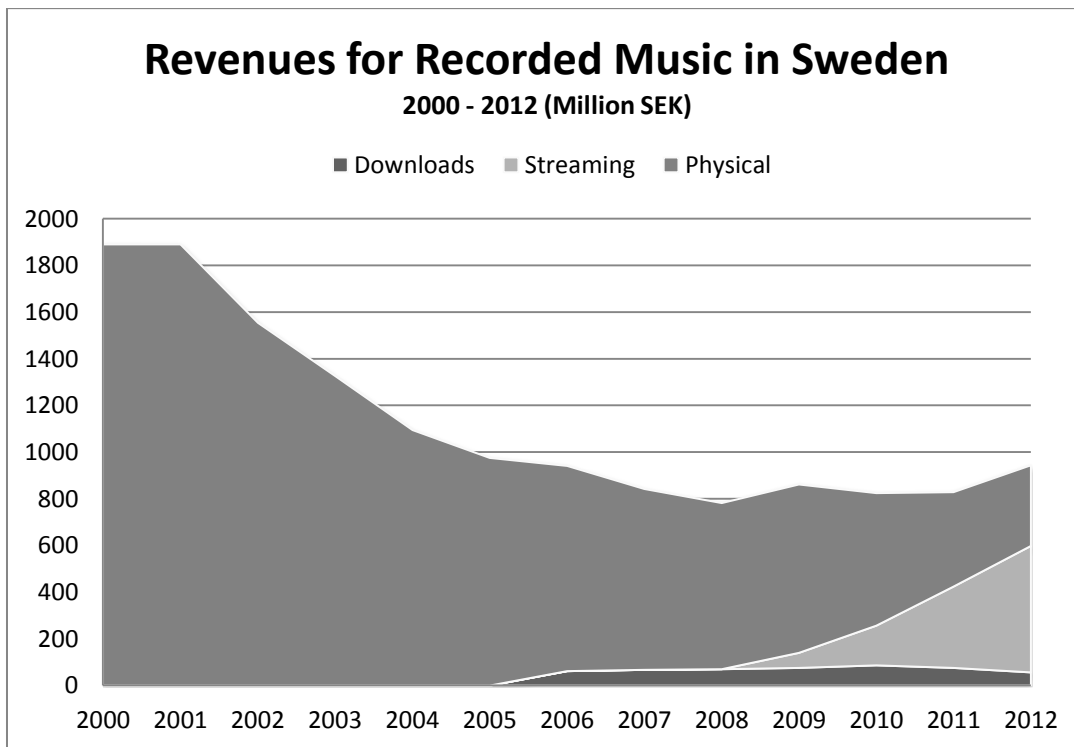
The purpose of visualizing the elements in such a way, is simply to make stakeholders more aware of how tensions and alliances are influencing the organization. One contribution of this paper is that it shows the importance of studying tensions and alliance in order to understand *future* changes and practices, not only to explain changes that has already taken place. In some cases, a tension might develop a long time before the actual change in practices happens, and in other cases, alliances are built between actors not aware of the changes this will mean for the future. By identifying tensions and alliances early, it is much easier to foresee how practices will change.

As further research we suggest developing the concept to a full scale theoretical model but also to go deeper in the analysis of the music industry and expand the analysis to other organizations and organizational fields, using the same concept.

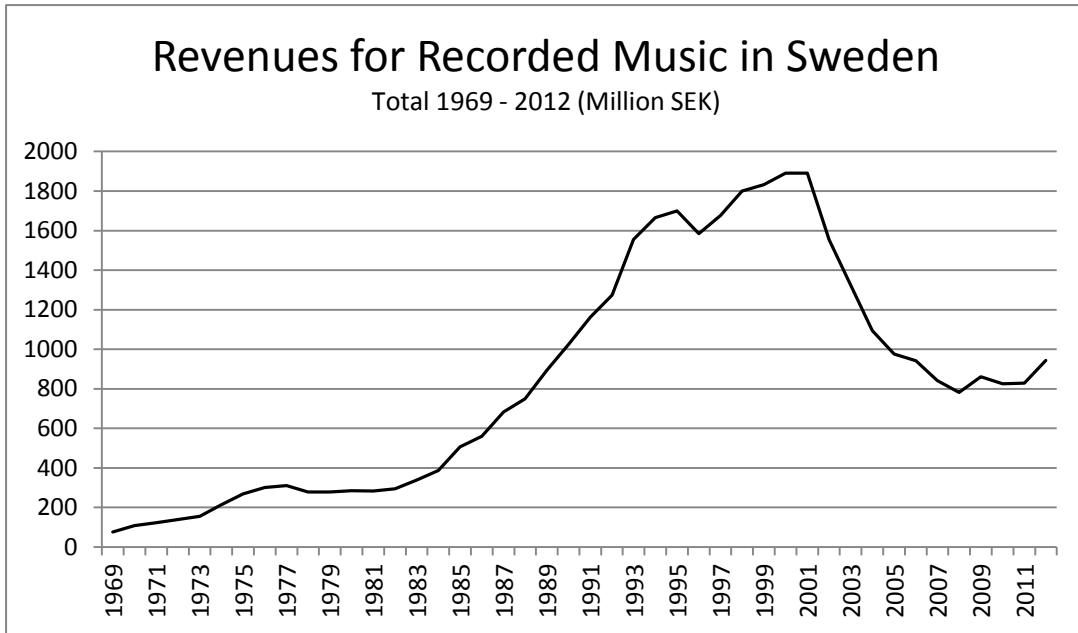
Pictures



Picture 1: The concept of field of tensions and alliances



Picture 2: Sales of recorded music, physical sales in dark grey, downloads in black, streaming in light grey (GLF/IFPI)



Picture 3: Sales of recorded music in Sweden 1969-2012 (GLF/IFPI)

	Tensions	Alliances
Commerce	D	B
Art	C	A

Picture 4: The TACA Matrix: Tensions and Alliances/Commerce and Art.

References

- Arvidsson, K. (2009) *Change and stability among record companies*, in *Creativity and the contemporary Economy*, Nina Koivunen & Alf Rehn, (eds.) Liber, Malmö.
- Arvidsson, K. (2007 A) *Cred och Sell out, musikindustrins paradoxala drivkrafter*, in Aronsson, L. Bjälesjö, J. & Johansson, S. (eds.) *Kulturell ekonomi – skapandet av värden platser och identiteter i upplevelsesamhället*. Studentlitteratur,
- Arvidsson, K. (2007 B) *Skivbolag i Sverige – musikföretagandets 100-åriga institutionalisering*, Gothenburg University/Baltic Business School- University of Kalmar, Kalmar.
- Arvidsson, K. (2003), *Några idéers resa till Försäkringskassan – på olika spår och restid*, Gothenburg University/Baltic Business School- University of Kalmar, Kalmar.
- Björkman Ivar (1999) *Sven Duchamp – expert på auraproduktion, om entreprenörskap, visioner, konst och företag*, Företagsekonomiska institutionen, Stockholm University, Stockholm.
- Collins, J.C. & Porras, J.L. (1994) *Built to last: Successful Habits of Visionary Companies*. New York: Harper Business.
- Cowen, T. (2000) *In praise of commercial culture*, Macmillan, London
- Deephouse D.L & Sucman Mark (2008) *Legitimacy in Organizational Institutionalism* i Greenwood, Royston et.al (2008) *The Sage Handbook of Organizational Institutionalism*, Sage. Los Angeles, London, New Dehli, Singapore.
- Deephouse, D.L. (1999). *To be different, or to be the same? It's a question (and theory) of strategic balance*. *Strategic Management Journal*, 20: 147-166.
- DiMaggio, P.J. (1982): 'Cultural Entrepreneurship in Nineteenth-century Boston.' *Media Culture and Society*, 4, 33–50, 303–321.
- DiMaggio, P.J. (1991): 'Constructing an organizational field as a professional project: U.S. Art Museums, 1920–1940.' In: W. Powell & P.J. Di Maggio (eds.): *The New Institutionalism*
- Freeman, R.E. (1984) *Strategic Management: A stakeholder approach*, Boston, MA: Pitman.
- Freeman, R.E. (2004) *A stakeholder theory of the Modern Corporation*, in T.L. Beuchamp and N.E. Bowie (eds.) *Ethical Theory and Business*, 7th edition. Upper Saddle River, NJ: Prentice-Hall, pp 55-64
- Friedman, Andrew L.; Miles, Samantha (2002). "Developing Stakeholder Theory". *Journal of Management Studies* **39** (1): 1–21.
- Friedman, Andrew L.; Miles, Samantha (2006). *Stakeholders, Theory and Practice*, Oxford University Press. Oxford, New York.
- Guillet de Monthoux, Pierre (2004). *The Art Firm: Aesthetic Management and Metaphysical Marketing*. Stanford, CA: Stanford Business Books.
- Johansson, D. (2013) *From Units to Usage – Information Models for a New Music Industrial System*, Blekinge Institute of Technology.
- Johansson, D. (2010) *When Everyone Becomes Radio Channels and Hairdressers*, After The Pirate Bay, ISBN: 978-91-884682-5-3.
- Johansson D. (2009) *Music and the Future of Internet, Free – On Quality, Money and the Prerequisites of Creativity*, ISBN: 978-91-974919-9-0.
- Johansson D. & Frejman A. (2008) *Emerging and conflicting business models for music content in the digital environment*, published at eChallenges, Stockholm.
- Kraatz M.S. & Block, E.S. (2008) *Organizational Implications of Institutional Pluralism* i Greenwood, Royston et.al (2008) *The Sage Handbook of Organizational Institutionalism*, Sage. Los Angeles, London, New Dehli, Singapore.
- March, J.G (1994) *A Primer on Decision-Making*. New York: The free press.

The pursuit of Organizational Intelligence. Malden, MA: Blackwell Business.

March, J.G. & Olsen, J.P (2004), *The logic of appropriateness*. ARENA working paper, WP 04/09.

March, J.G. & Olsen, J.P (1995), *Democratic Governance*. New York: The Free Press

Matthews, S.K & Block, E.S. (2008) *Organizational Implications of Institutional Pluralism* i Greenwood, Royston et.al (2008) *The Sage Handbook of Organizational Institutionalism*, Sage. Los Angeles, London, New Dehli, Singapore.

Meyer, J.W & Scott, W.R. (1983), *Centralization and the legitimacy problems of local government*. I *Organizational Environments: Ritual and Rationality*. 199-215. Beverly Hills, CA: Sage.

Miles, Samantha (2011). "Stakeholder Definitions: Profusion and Confusion". *EIASM 1st interdisciplinary conference on stakeholder, resources and value creation, IESE Business School, University of Navarra, Barcelona*.

Minzberg, H. (1989) *Mintzberg on management: inside our strange world of organizations*. New York: Free Press.

Suchman, M.C. (1995) *Managing legitimacy: Strategic and Institutional approaches*. *Academy of Management Review*, 20: 571-610.

Wikström, P. (2006) *Reluctant Virtual – Modelling Copywright Industry Dynamics*, Karlstad University Studies, Karlstad.