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The Board of Directors in an Arts Organisation: How Co-existing Institutional Logics Limited the Board's Strategic Contribution

Abstract

Even though there has been a growing research interest in the boards of directors' strategic contribution in arts organisations, we need more knowledge about how such boards work with strategy. In this paper, we report on a qualitative case study exploring how the board of directors in an arts organisation worked with strategy. We followed the board's work over 18 months through board documents, observations of board meetings and interviews. We found that the board engaged more with strategy control than strategy development. We interpret this finding applying institutional logics which acknowledges the plural rationalities of arts organisations. We suggest that the emphasis on strategic control was a result of an implicit ranking of co-existing logics. The art logic was ranked highest in strategy development, limiting the board's strategic contribution, while the public logic was highest ranked in strategy control, allowing the board to make strategic contributions.

Keywords

Institutional logics, responses, arts organisation, board of directors, strategy work

Introduction

Following the growing interest in strategy and strategic decision making in arts organisations (Cray and Inglis 2011; Cray, Inglis, and Freeman 2007; Daigle and Rouleau 2010; Dubini and Monti 2018), there is an emerging research stream concerning the board of directors' role in strategy (Rentschler 2015; Rentschler et al. 2023). Board of directors "have both the authority and the responsibility to establish basic corporate policies and to ensure that they are followed. The board of directors, therefore, has an obligation to approve all decisions that might affect the long-run performance of the corporation" (Wheelen and Hunger 2010, 93). In the corporate governance literature, the three board tasks of control, service and strategy are often highlighted. The control task is important to ensure that management is operating according to board decisions (e.g. van Ees, Gabrielsson, and Huse 2009). Further, the service task entails that the board contributes competencies and network resources that the management of the organisation cannot otherwise access (Gabrielsson and Huse 2002; Huse 2000; Knockaert and Ucbasaran 2013; Machold et al. 2011; Rindova 1999). Research about board tasks has tended to highlight the control and service roles and a recent review concludes that we still need more research about the way in which corporate boards work with strategy (Bezemer et al. 2023). The same call for research has been suggested in arts governance (Rentschler et al. 2023). This is important because the board of directors could fill a strategy gap, especially in small and medium-sized organisations (Gabrielsson and Huse 2002), where managers are often concerned with operations, leaving little time and resources for strategic development (Fiegenger 2005).

Much of the corporate governance literature focuses on commercial aspects. Often it is the interests of shareholders that are in focus. However, arts organisations are embedded in a more complex institutional setting with competing expectations from artists, audiences and funders (Reid and Fjellvør 2023) and deal with tensions between these expectations (Lampel, Lant, and Shamsie 2000; Strøm, Olsen, and Foss 2020). Despite competing expectations, artistic

autonomy is a dominating logic (Reid and Fjellvær 2023; Røyseng 2008). Even though their contexts often differ from those of corporations, boards of arts organisations often enact governance structures inspired by corporate governance (Rentschler, Lee, and Fillis 2021). Research has focused on the relationship between the board and management (Reid and Fjellvær 2023), board composition (Dubini and Monti 2018; Ostrower 2002) and individual board directors' personal values (Rentschler et al. 2023). In this paper, we address calls for research about strategic work inside the boardroom (Rentschler et al. 2023) and ask: how does the board of an arts organisation work with strategy?

To explore this research question, we build on corporate governance and arts governance research of boards' strategy work. To explain which tasks the board prioritises, we acknowledge that we need a pluralistic theoretical framework as suggested in the non-profit and arts governance literature (Chadwick-Coule 2011; Cornforth 2003; Cornforth and Edwards 1999; Coule 2015; Reid and Fjellvær 2023; Rentschler and Reid 2021; Rentschler, Lee, and Fillis 2021). Even though individual board directors bring their personal values to the boardroom (Rentschler et al. 2023) they are also embedded in institutional contexts (Cornforth and Edwards 1999). We therefore suggest that the institutional logics framework allows such a pluralistic approach.

An institutional logic represents institutionalised values, beliefs and practices in a social field (Friedland and Alford 1991) which have implications for how actors think and behave (Thornton, Ocasio, and Lounsbury 2012). Institutional logics have been applied to understand how organisations (see Greenwood et al. 2011 for a review) and individuals (e.g. Pache and Santos 2013) respond to competing logics or a multitude of logics. Recently, some conceptual studies suggested applying this framework to understand the work of boards of directors of non-corporate organisations (Olsen, Solstad, and Torsteinsen 2017; Skelcher and Smith 2017).

By answering this research question, we contribute to the literature on governance in arts organisations. First, we illustrate what board directors perceive as the boards' strategic tasks. While the arts governance literature has tended to focus on tasks of strategic development (Chadwick-Coule 2011; Cray and Inglis 2011; Daigle and Rouleau 2010), we identify strategic control as an important board task. Second, we suggest that institutional logics offers a fresh theoretical lens that acknowledges the plural characteristics of the arts and helps us to understand why boards work with strategy the way they do. Third, by applying the institutional logics perspective we identified a ranking of logics that differed between the tasks of strategic development and strategic control.

In the remainder of this paper, we review the literature, describe and discuss our research setting and methods, present findings, discuss contributions and conclude.

Strategy Work in Boards of Directors

Strategy is described as a “comprehensive master plan that states how the corporation will achieve its mission and objectives” (Wheelen and Hunger 2010, 67). This planning-perspective of strategy has been dominating, but also challenged by for example Mintzberg, Ahlstrand, and Lampel (2009) who showed that strategy also can be seen as a pattern, a position, a perspective and a ploy. Board research identifies a range of board strategy tasks, for example the involvement in strategic development (Huse 1990; McNulty and Pettigrew 1999; Pugliese et al. 2009), the utilisation of the directors' competencies and external networks in this process (Borch and Huse 1993; Carpenter and Westphal 2001; Van Ees, Gabrielsson, and Huse 2009), and the following up of strategy decisions “to check whether the strategic choices have been properly implemented by the executives” (Pugliese and Wenstøp 2007, 392). Thus, strategy is not limited to drawing the map for the future; it also involves strategic control in ensuring that a chosen strategy is implemented and assessed.

The strategic involvement of boards ranges from mere rubber-stamping to boards that contribute to shaping the context, process and content of strategy (McNulty and Pettigrew 1999). Boards that make strategic decisions “accept, reject or refer” (McNulty and Pettigrew 1999, 55) management proposals at the end of the decision process. This concurs with the description of a passive board that simply ratifies the management’s preferences (Nadler 2004). It gives the CEO great power, and the board of directors correspondingly less power, to decide the long-term direction of the organisation. Boards that “test ideas, raise issues, question assumptions, advise caution and offer encouragement” (McNulty and Pettigrew 1999, 55) early in the decision-making process shape strategic decisions, for example, by asking for more information and recommend changes in the CEO’s proposal (McNulty and Pettigrew 1999; Stiles 2001).

Shaping the content, context and procedure of strategy means that the board “develops the context for strategic debate, establishes a methodology for strategy development, monitors strategy content and alters the conduct of the executive in relation to strategy” (McNulty and Pettigrew 1999, 55). The board’s engagement in the strategy process is deeper than in the other examples because the board sets the agenda for the development of strategies rather than discussing suggestions from the management. Such engaged boards discuss key decisions with the CEO and provide expertise, advice and support (Nadler 2004).

Boards’ Strategy Work in Arts Organisations

While governance entails more than the work of the board of directors (e.g. Cornforth 2012; Rentschler 2015), there is a growing literature on the board’s role in strategy work in arts organisations (Reid and Fjellvær 2023; Rentschler et al. 2023; Ostrower 2002). This important research highlights the board’s contribution to arts organisations’ long-term development and survival. However, the size and complexity of arts organisations differ, and this may be

reflected in the boards and the relationship between the boards and the management of the organisations (Cornforth and Simpson 2003). For example, it has become common to clearly differentiate between the artistic responsibilities and the administrative management of arts organisations by assigning both an executive director and an artistic director to ensure artistic autonomy and quality (Reid and Fjellvær 2023). However, for small arts organisations this might not be an opportunity due to resource constraints. While some arts organisations such as opera houses and museums resemble large corporations (e.g. Ostrower 2002), others, such as festivals, are smaller organisations with limited managerial resources and similar challenges as many small enterprises. The larger the organisation, the more likely that there are managerial capacity and competence to drive strategy processes and implement strategy. Boards also vary in size. Some can include around 30 members assigned to various committees working with delimited issues (Ostrower 2002). Other boards are smaller and work collectively with all issues, like the one in our study that included six members. In addition, arts organisations may also face different funding sources and legal frameworks. These structural characteristics suggest that boards' work with strategy may take on many forms.

Size and complexity apart, the dual rationalities of art and business (Cray, Inglis, and Freeman 2007) draw a particular context for board work where the objectives and values of audience, artists and funders co-exist but may be competing (Reid and Fjellvær 2023). Arts organisations' hybrid characteristics (Dubini and Monti 2018) distinguish them from corporations that mainly answer to shareholders' expectations. Artistic autonomy refers to freedom and independence from politics and bureaucracy (Røyseng 2008), in essence meaning that neither funding bodies nor managers should interfere with artistic decisions. At the same time, however, arts organisations depend on funding, either provided by private donations or public funding, ticket sales and other merchandise.

While strategic management is a concept originating from corporate governance, there are studies of how managers of arts organisations engage in strategy development (Chadwick-Coule 2011), strategic decision making (Cray and Inglis 2011) and strategic plans (Daigle and Rouleau, 2010). Following this research, the importance of arts boards' strategic contribution has been highlighted (Dubini and Monti 2018; Fanelli et al. 2020). Cornforth and Edwards (1999) and Rentschler et al. (2023) provided accounts of strategic engagement of individual directors serving on non-profit and arts boards respectively. Rentschler et al. (2023) found four different modes of director engagement in strategy and linked them to their personal values: mission-driven, commanding, shape-shifting and community-minded. This implies that in a particular board room, directors may engage in strategy in very different ways. While legitimized by diverging personal values, such heterogeneity may either benefit or hamper the board's strategic contribution. Thus, previous studies have documented arts boards' potential strategic contribution but do not specifically document what arts boards do when working with strategy. We address this in our study as we build on studies about individual board directors (Rentschler et al. 2023) but argue in line with Cornforth and Edwards (1999) that the board's strategic contribution is influenced not only by the directors' personal values, but also by institutional pressures.

Institutional Logics as a Lens to Understand the Board's Strategy Work in Arts Organisations

Even though the most applied theoretical framework to understand board work is agency theory, studies of corporate governance combine agency theory with psychological and behavioral theories (Bezemer et al. 2023). Similarly, in arts governance, Rentschler, Lee, and Fillis (2021) argue for an integrative framework of agency theory, stewardship theory and stakeholder theory. Extending the theoretical foundation beyond agency theory accounts for the variety of actors involved in the governance of arts organisations. For example, stakeholder theory

suggests that the CEO and board directors map and utilise their networks inside and outside the organisation for its best interest, their actions thus not being limited to financial and legal requirements (Rentschler, Lee, and Fillis 2021). Even though stakeholder theory accounts for values-driven accountability (Coule 2015), it falls short in explaining and accounting for the board members' institutional embeddedness. Thus, a unitary view of board work should be replaced by a pluralist view (Chadwick-Coule 2011; Coule 2015; Reid and Fjellv er 2023) that incorporates artistic autonomy as well as the organisations' needs for funds, marketing and sales, acknowledges that board directors may have different perspectives regarding the organisation's mission and values (Chadwick-Coule 2011; Reid and Fjellv er 2023) and that they may be guided by diverse personal values (Rentschler et al. 2023). This pluralistic approach is reflected in suggestions for research about boards' strategy involvement in arts organisations (Rentschler, Lee, and Fillis 2021) and the non-profit sector (Cornforth 2003). Researchers are encouraged to capture institutional embeddedness by explaining differences in board's strategy involvement "in terms of a complex interplay of institutional and organisational factors" (Cornforth and Edwards 1999, p. 359) and acknowledge that "different perspectives on governance are founded on distinct logics" (Coule 2015, p. 76). We therefore draw on conceptual research about boards of non-corporate organisations that suggests that institutional logics could complement our understanding of how boards of directors handle logics multiplicity (Olsen, Solstad, and Torsteinsen 2017).

Recent decades have seen a burgeoning of research that applies institutional logics to understand how organisations and individuals navigate competing expectations. An institutional logic is "the socially constructed, historical patterns of cultural symbols and material practices, assumptions, values and beliefs by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their daily activity" (Thornton, Ocasio, and Lounsbury 2012, 51). Institutional logics help us understand how

individuals' decisions are guided and shaped and what values and norms influence actions. The institutional logic perspective thus provides a basis for understanding the interpretations of individuals (Bévort and Suddaby 2016; Smets et al. 2015), and why individuals behave according to a specific logic (McPherson and Sauder 2013). This may help us understand how institutional values and norms are reflected in board members' thinking, and more specifically how their thinking is affected in contexts where multiple logics co-exist. The institutional logics perspective was introduced by Friedland and Alford (1991) to account for societal pressures and to nuance the assumption that individuals' and organisations' actions are determined by societal pressures. Thus, research has shown that individuals and organisations display considerable agency in responding to institutional logics (e.g. McPherson and Sauder 2013; Smets et al. 2015).

Boards of arts organisations are interesting examples of boards that need to handle diverse institutional logics (Cornforth 2003; Lampel et al. 2000). For example, the *art logic* dominates arts organisations (Ostrower 2002; Reid and Fjellvær 2023). This follows from the mission of arts organisations and artistic autonomy (Røyseng 2008). However, art production depends on audiences (Colbert and Dantas 2019) and funding (Lampel et al. 2000; Ostrower 2002) and arts organisations, like any other business, are influenced by a *commercial logic* focusing on expanding markets, cost control and revenues. Funding enables the organisation to develop artistic strategies that involve more risk and do not require full houses. In some countries, for example the USA, arts organisations depend on private donors (Ostrower 2002) but in Norway art is mainly funded by government (Røyseng 2008). Boards of arts organisations that receive government funds must comply with a *public logic* in relation to the government funding agency's broad political objectives of making high-quality culture available to the public, which implies that the arts organisation needs to ensure that the money is spent to this end, for example through performance measurement (Røyseng et al. 2020). The board of directors is responsible

for overseeing that the operations and strategic development of the arts organisation are aligned with the commercial and public logics. In addition, several arts organisations play an important role in their local community, both in terms of offering art experiences to an audience and also by giving local artists an opportunity to present their art (*the community logic*).

Research on individuals' and organisations' responses to a multiplicity of logics conclude that one logic may dominate, and others may be rejected, or that several logics are attended to but at different places in the organisation and at different times, or alternatively that there are attempts to combine the logics (e.g. Pache and Santos 2013). Thus, we expect that board members navigate between institutional logics of artistic autonomy, commercial interests, the public purpose and community expectations to maintain legitimacy among important stakeholders when working with strategy. This study thus contributes to the arts governance literature by suggesting that institutional logics offer a potent theoretical framework that extend our understanding of how boards of directors contribute to strategy in a context with conflicting values, norms and regulations.

Research Setting and Research Methods

Boards of directors are composed to represent various stakeholders, and the directors can be seen as carriers of different institutional logics (Olsen, Solstad, and Torsteinsen 2017) and must navigate logic multiplicity to maintain stakeholder legitimacy. A case study (Yin, 2014) allowed us to follow one board's work with strategy over time and explore whether and how institutional logics could explain their strategic discussions.

Our case was a well-established Norwegian arts organisation that operated as a foundation. The organisation was responsible for an annual one-week festival that included several art forms. It received government funding, amounting to about half of the total budget, and faced political expectations to fulfil a societal mission. The board had autonomy to make decisions but was

obliged to follow general guidelines and meet specific objectives regarding the public funds. Income from sponsors and ticket sales was vital for the budget to balance. The artistic content, i.e. the program of the festival, was the sole responsibility of the CEO and the CEO's staff and was the most important manifestation of strategy. This underscores artistic autonomy (Røyseng, 2008). The board of directors was appointed by different levels of government (the central government, regional counties and the local authority) to ensure the public interests (regarding public funding and local community interests), the artistic quality of the festival and the commercial potential. In other words, the board of directors was expected to work with strategy in a context of logics multiplicity. Following Yin (2014), we could describe our case as revelatory because it revealed a context for board work that differed in its multiplicity of logics from that of commercial firms, which have dominated research on board strategies (Bezemer et al. 2023).

The board consisted of six directors appointed for a period of four years. At the time of our study, three board directors were men and three were women; four were politicians, one had an artistic background, and one had a business background. The board normally held five meetings a year, but extraordinary board meetings were called when extraordinary tasks arose. One example of such an extraordinary task during our study was the appointment of a new CEO. The CEO at the time of our study had an educational and professional background in the arts, was the head of an administration consisting of eight employees and had full responsibility for the artistic program. The CEO prepared the agenda for board meetings, gave an account of the various issues and acted as secretary in the meeting. The agenda was discussed with the chair before being sent out to the board members. Between the meetings, the board chair and the CEO were in contact for any matters that needed to be clarified or discussed.

To capture how this board worked with strategy, we focused on the board processes and the board members' understanding of their strategic contribution. This called for a methodological

approach that uncovered what took place in the boardroom over time (Pugliese et al. 2009). We were granted access to follow the board's strategy work closely over a period of 18 months, which included access to strategy documents and board documents (e.g. notices to board meetings, including case documents and minutes from board meetings), observation of a board meeting and interviews with all six board members and the CEO. This triangulation of qualitative data was important to grasp the institutional complexity in the board's strategy work. The project was reported to and approved by the Norwegian privacy protection commission for research and followed guidelines for research ethics.

We started data collection by reading public and internal documents describing the arts organisation and studying the board documents and minutes, including material from a strategy seminar, covering one year. This allowed us to identify the issues brought before the board for discussion and helped us to understand the board context. We observed one board meeting, which revealed to us which issues attracted the most attention, which were at the forefront of the discussions, and how the board members used their competencies. After observing the board meeting, we conducted interviews with all six board members, including the chair. We also interviewed the CEO. The semi-structured interviews used an interview guide based on the literature and our contextual understanding from studying the documents and observation data. It focused on seven main issues: (1) the board's tasks, (2) how the board works, (3) the board's strategy work, (4) cooperation within the board, (5) cooperation between the board and the CEO, (6) the board's cooperation with actors outside the organisation, and (7) the board's and each member's contribution to the organisation. The interviewees shared their experiences and assessments of board work, and we asked follow-up questions for them to explain and elaborate on their descriptions. These elaborations indicated the values and material practices of the board's work with strategy in this arts organisation. The interviews lasted for approximately

one hour and were transcribed verbatim. The transcribed interviews were sent to the informants for validation.

Gioia, Corley, and Hamilton (2013) inspired the data analysis, and we developed a data structure model (Figure 1). First, we read the documents and transcripts and extracted illustrative quotes that described how the board worked with strategy. To ensure that we grasped the essence of the data, both authors read the transcripts and extracted quotes. Discussion led to agreement on 15 first-order categories reflecting what the board had (and did not have) on its agenda, regular practices and issues it gave priority to and issues it wanted to prioritise. Nine of the first-order categories reflect strategy development while six reflect strategic control. Second, we condensed data into six second-order themes, each explaining the reasons behind the board's behavior and priorities. We then explored the data for markers of institutional logics. We discovered that the informants' arguments for their strategic involvement could be linked to four institutional logics: an art logic, a public logic, a commercial logic and a community logic. Third, the data suggested that the board ranked these logics, but this ranking differed between strategy development and strategic control. Thus, "ranking institutional logics" emerged as the first aggregate dimension. The second aggregate dimension, "working around the dominant logic", reflects the board's suggestions that other logics besides the art logic should be considered when assessing the festival's performance. These two aggregate themes illustrate how the board of this arts organisation worked with strategy in a context of co-existing logics.

[Figure 1 here]

We sent the first draft of the analysis to the informants to ensure that they recognised our understanding. We were also invited as keynote speakers to a conference focusing on board work in arts organisations the following year, where all attendees were involved in such work. At the conference, we presented our preliminary analysis from this study. The feedback from the informants and the conference attendees confirmed that our analysis drew a recognisable picture of their experiences of boards' strategy work in arts organisations. This is indicative of transferability (Lincoln and Guba 1985), although we recognise the limitations of a single case study.

Findings

We describe how the board worked with strategy, distinguishing between strategy development and strategy control, and have structured the text according to the first-order categories (see Figure 1).

The Board's Involvement in Strategy Development

Uncertainties regarding the definition of a strategic issue: The informants had difficulty defining strategic issues and distinguishing them from other issues discussed by the board. For example, some informants hesitated before explaining that they were uncertain about whether a specific issue should be defined as strategic:

I can't right now point out any strategic issues. I would have to consult the board documents and minutes ... (Informant 7)

No, I don't think we had any strategic issues. (Informant 4)

One explanation for this could be that the most important *materialisation of strategy* in this organisation was the artistic program for the festival. The board accepted artistic autonomy and was not involved in the discussions leading up to the final program:

We work without focusing on the artistic part of the program. That's the responsibility of the CEO. The board is not supposed to have any opinion about that. (Informant 1)

The CEO decides the program. The CEO decides which artists to book. That's not up to the board to decide. (Informant 3)

These quotes suggest that the art logic was the most important logic for the festival's strategy. The quotes also describe a clear division of roles and responsibilities between the CEO and the board, which affected the structure of the board meetings and the strategy discussions that were given space in the boardroom. This shows that the board members explicitly accepted artistic autonomy. However, this limited their possibilities for strategic involvement. This limitation was also prominent on the agenda for the board meetings, where *issues concerning the artistic program were presented as an 'information item'* – in other words, not as an issue for discussion. Nevertheless, the CEO would have liked to include the board as a discussion partner in the strategic choices leading up to the final artistic program. This implied that artistic autonomy did not necessarily mean hands off, as reflected in the following quotes by the CEO:

I wish the board could have a greater focus on what the festival should be.

I think it would be fruitful to discuss our expectations for each other's contributions.

I am the top manager, and in a way, I don't have others to consult but the board. Therefore, the board is very important to me.

The CEO presented the program to the board some days before it was presented to the public. The board did not ratify the program because that was not part of its mandate. In the board meeting that we observed, it was clear that this was one of the highlights of the year, and *the board members applauded the program presentation*. The informants confirmed this in the interviews:

We liked the way the program was presented to the board members ... it makes it easier for us to communicate with the public if we're asked what's exciting this year. (Informant 2)

However, even though the board members were not involved in the making of the program, they were not indifferent to it. They had divergent perceptions of what artistic autonomy meant for their involvement in strategy development. They were eager to ask questions and offer their opinions on the artistic content, not in terms of which artists to book but in terms of the profile of the festival. These issues concerned how the organisation could make more money, in line with a commercial logic. Examples included *the breadth in art genres* and how the festival could *reach out to a broader audience* within and outside the region:

We discuss whether the festival should be narrow or address a larger audience. If we become too broad, it may compromise quality. (Informant 3)

One of the strategic choices we do discuss is how we can reach out to a larger audience, how we can manage to become more visible. (Informant 2)

Several of the board members expressed *pride in their affiliation with the festival* and showed sincere engagement and interest in the success of the festival.

As a board member, I feel a part of the enthusiasm and the identity of the festival. This makes me proud. (Informant 2)

Even though they did not interfere with the program, they felt ownership and had strong opinions regarding the strategic direction in terms of a regional *festival's role for local and regional identity*, but also by providing *a showroom for local and regional artists*. These issues can be linked to a community logic:

The festival should represent local identity, which is important for the region. (Informant 5)

I think that the festival has a very important role as a showroom. It provides an opportunity for local artists to present themselves to a large audience. (Informant 3)

To sum up, the board's involvement in developing strategy appeared modest. Our interpretation is that the art logic dominated strategy discussions and that artistic autonomy thus excluded the

board from influencing the most important strategic issue, the festival program. However, a commercial logic allowed for discussions about reaching out to a broader audience, and a community logic sparked discussions about local embeddedness and identity.

The Board's Involvement in Strategic Control

Assessment criteria set by the funding ministry were not challenged: The board members perceived the guidelines from the ministry that provided funding as the strategic objectives for the festival. These guidelines represented a public logic in the sense that their aims were responsible spending of public money and making high quality art and culture available to the public at a reasonable price. The guidelines were regularly on the board's agenda, but the members did not challenge them. This indicated a focus on strategic control:

The board has discussed which efforts to implement to fulfil these objectives ... I think we should have spent more time discussing this. (Informant 1)

We [the board] want to ensure that the CEO takes the lead towards these objectives. And the CEO has the same objectives as we do. (Informant 2)

Annual assessments: The board evaluated the festival every year, including an assessment of whether it had achieved the strategic objectives formulated in the guidelines from the funding body, but also how the government funds had been used.

After each festival, we evaluate ... Questions we ask include why the figures look like they do, what can we learn from this, what consequences does this have for next year's festival? (Informant 1)

Our role is to assess whether the profile of the program the CEO has presented is within the strategy we are committed to. (Informant 5)

Assessments as part of the strategy process: The board documents showed that its annual strategy seminar also focused on evaluation of the given objectives. In our interpretation, this extended evaluation work was guided by a public logic ensuring the best possible art product:

Are we spending money in the right way? Should we spend money differently? The point is that we're creating an art product. Most of our funds should therefore be spent in a way that ensures the best possible art product. (Informant 3)

Financial report at every board meeting: The agenda for every board meeting included an item describing the financial report for the last quarter. The agendas were dominated by issues concerning the financial status. These discussions balanced the public logic by controlling the spending of government funding and the commercial logic by way of exploring possibilities to raise more income through ticket sales or sponsorships. In addition, the board discussed and *ratified the annual accounts and the annual report* once a year.

Board members as unused resources: The interviews indicated that the board members' professional networks could be useful, but they remained unused resources in the organisation of the festival. Several of the informants described their political and artistic networks. They regretted, however, that these networks were not used strategically and called for a discussion about how this could be achieved.

There's really no strategy for how to use the board members to influence and keep in touch with important interest groups. (Informant 7)

In the interviews, the board members also expressed the potential of utilising their networks for the benefit of the festival:

We could help to establish networks for the festival. (Informant 1)

For me, it's important to communicate with our mayor and other politicians to build a bridge between the festival and important people in the region. (Informant 2)

To sum up, even though the informants were rather vague when describing the board's strategic tasks, the board members were involved in strategic control. Our interpretation is that the public logic dominated the board's work with strategic control in the evaluation of the attainment of the strategic objectives. The commercial logic drew attention to the utilisation of resources, such as the board members' competencies and networks, to enhance goal achievement. Thus, the ranking of logics for tasks reflecting strategic control differed from the ranking for tasks reflecting strategy development. Moreover, this difference in ranking reflects the board members' efforts to work around the dominant art logic.

Discussion

Our findings are summarized in Table 1 and contribute to the literature in three ways: First, we complement previous research on boards of directors of arts organisations by showing that their strategic tasks include not only strategy development but also strategic control. Second, we extend the managerial and psychological perspectives in previous board research by suggesting that the institutional logics perspective allows a plural understanding of boards' strategy work. Third, we suggest that the board members' implicit ranking of the institutional logics and their working around the dominant logic have important implications for their strategic involvement. The dominating art logic seemed to be ranked first in discussions about strategy development, while discussions of strategic control seem to be influenced by public and community logics.

[Table 1 here]

What are the Board's Strategic Tasks?

Our findings illustrate that the understanding of what constitutes the board's strategic involvement should not be taken as a given when a multiplicity of institutional logics guide individuals' perceptions and actions. The corporate governance literature is embedded in the commercial logic and shows that the board's strategy work involves four different tasks; these are strategic decision-making (Johnson, Daily, and Ellstrand 1996; McNulty and Pettigrew 1999; Nadler 2004; Pugliese and Wenstøp 2007; Zahra and Pearce 1989), strategic development (Huse 1990; McNulty and Pettigrew 1999; Pugliese et al. 2009), the utilisation of board members' external networks (Borch and Huse 1993; Carpenter and Westphal 2001; Van Ees, Gabrielsson, and Huse 2009), and strategic control (Pugliese et al. 2009; Wheelen and Hunger, 2010). Our study shows how one board of an arts organisation acknowledged artistic autonomy as the dominant logic (Røyseng 2008; Reid and Fjellvær 2023) and distanced itself by being involved in strategic control rather than strategy development. In addition, the board tended to emphasise the public and commercial logics when working with strategic control. In other words, the board had no substantial influence on strategy development because the art logic allocated that responsibility to management. The art logic is therefore likely to encourage passive board behavior (McNulty and Pettigrew 1999; Nadler 2004) where management's strategy proposals are accepted without discussion. This is likely to be reinforced in arts organisations with dual leadership where board relationships with the executive and the artistic directors are more complicated (Reid and Fjellvær 2023).

Even though the board in our case was not highly involved in initiating and making strategic decisions (McNulty and Pettigrew 1999; Nadler 2004), it did exert strategic control. The board evaluated the festival and discussed whether it had met the given strategic objectives. Our interpretation of the data was that the board, indirectly through its strategic control, worked around the dominant art logic and had a substantial influence on strategy issues, including

decisions that could affect the artistic program, even though it respected artistic autonomy. In studies of board of directors of arts organisations (Rentschler et al. 2023, Reid and Fjellvør 2023) we have not seen strategic control discussed as an explicit strategic task. However, given arts organisations' dependence on funding and commercial income, strategic control to ensure that resources are allocated to implement strategy seems important. This control task differs from the board's monitoring of budgets.

In our case, the art logic shaped the board's mandate in the direction of strategic control, but less towards strategy development. This was not up for discussion in the board but was accepted as an institutionalised expectation for boards of arts organisations. This contributes to the literature by suggesting that the institutional context of the board's strategy involvement complements managerial and psychological explanations in previous research.

Ranking Institutional Logics in the Boardroom

Our data indicated that there was an implicit ranking of the logics in the board's involvement in strategy development and that this ranking was accepted by the board of directors. This implied less competition and confrontation between the logics. In arts organisations, this could be expected because the art logic defines the *raison d'être* (Reid and Fjellvør 2023; Røyseng 2008). Consistent with this, we found that the board directors acknowledged artistic autonomy and that the art logic dominated and shaped how the board members involved themselves in strategy development, or more accurately, how they limited their involvement and trusted artistic autonomy with management. However, the board of directors insisted on a role in strategy development and founded their arguments on other, but lower ranked, logics. For example, the commercial logic materialised in discussions of ticket sales and sponsorships to target a larger audience, which were important because the public funding did not cover all expenses. In addition, the community logic was identifiable in the board's discussions about

their embeddedness in the local community and the region, their role of showcasing local artists and reinforcing the festival as a local identity builder.

Interestingly, we found that in the board's strategic control, the ranking of logics was different. In strategic control, it was the public logic that had priority as the board evaluated achievements in relation to the stated objective of the public funder. This was supplemented with a commercial logic ensuring that the organisation complied with reporting requirements and enhance financial viability. In addition, several board directors noted that there was less attention as to how board resources could be commercially and strategically utilised. The art logic was not visible in our data about the board's work with strategic control. An explanation for this may be that the board members did not consider results related to art to be one of their control tasks due to artistic autonomy (Røyseng 2008).

The ranking of these co-existing logics seemed to be implicitly accepted by the board members, and we did not identify discussions or controversies related to this ranking. This suggests that the informants did not experience tensions between the logics. However, studies show that competition between logics can be fierce in other professional organisations (e.g. Olsen and Solstad 2020; Pettersen and Solstad 2014). Even though the board members in our study acknowledged art as the dominating logic and distanced themselves from discussions of artistic development, they insisted on contributing to strategic development through the commercial and community logics. In other words, the ranking of logics was indisputable. While combinations of logics, or the separation of logics for different decisions or different times have been identified in previous research (Pache and Santos 2013), it is our understanding that actors interpret the different logics as of equal importance as they engage in combination or compartmentalisation of the logics. The ranking observed in this study differs from previous studies because it implies that the logics had different status or importance in the board's strategy work.

Conclusion

Our research question concerned how the board of an arts organisation embedded in logic multiplicity worked with strategy. Through a revelatory case study, we found that it implicitly ranked co-existing logics in a way that resolved tensions, but that this ranking differed between strategy development and strategic control. We also found that the board's acceptance of the art logic as the dominant logic for strategic development limited its potential for strategic contributions. This paper contributes to current knowledge by identifying the ranking of logics in order to handle a multiplicity of logics. The paper also contributes to knowledge about how to explain the behavior of board directors of organisations faced by a multiplicity of logics by suggesting that institutional embeddedness complements demographic and psychological explanations. We show that the institutional context, in our case artistic autonomy, has important implications for what the board members identify as strategic issues and how they involve themselves in strategy work. In this context, strategic control stands out as one of the most important dimensions of the board's strategic involvement.

Our research indicates that even though the board of an arts organisation should not interfere with artistic product development, it can and should contribute to strategies that promote the art product and build an organisational structure around the product. In our study, the board seemed to undervalue its strategic involvement. We need further research to fully understand the strategic contributions of a board of directors in a context of co-existing logics. Thus, we call for studies using research methods that enable the observation of board processes over time to explore whether boards that do not recognise and discuss the multiplicity of logics are more likely to focus on strategic control and whether boards that discuss and intentionally utilise this multiplicity are more likely to focus on strategic development.

A practical implication for board directors in arts organisations is that context matters, and they should discuss the characteristics of this context and the implications for their board's strategy

work. For example, boards of arts organisations with government funding should discuss how to understand artistic autonomy and how the board could provide different competencies and resources to complement those of the administration of the organisation. Further, they should discuss how the board could use strategic control to provide an overall perspective of the factors affecting the successful implementation of strategy.

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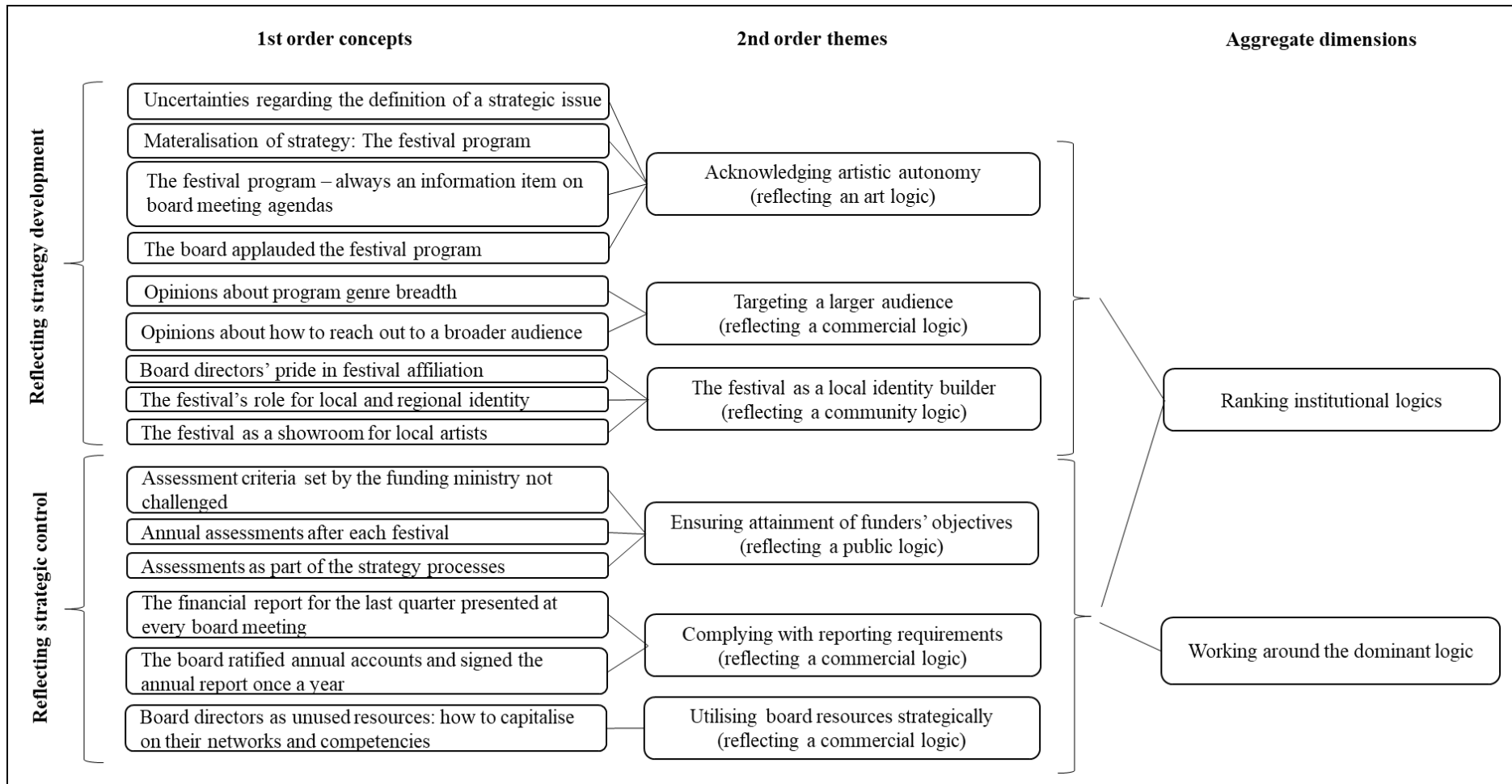


Figure 1: Data structure model

Table 1: Implicit ranking of institutional logics in the board's strategic involvement.

The board's strategic involvement	Strategic tasks performed by the board	Implicit ranking of institutional logics	How findings relate to the literature
Strategic development: the board's role in defining strategic issues and formulating strategy	Acknowledging artistic autonomy. Targeting a larger audience. Reinforcing the festival as a local identity builder.	<ol style="list-style-type: none"> 1. Art logic 2. Commercial logic 3. Community logic 	<p>Art dominating logic (e.g. Reid and Fjellvær 2023). Art logic co-exist with other logics (e.g. Røyseng et al. 2020; Dubini and Monti 2018).</p>
Strategic control: the board's role in ensuring management's successful implementation of strategy	Ensuring attainment of public funder's objectives. Complying with reporting requirements. Utilising board resources strategically.	<ol style="list-style-type: none"> 1. Public logic 2. Commercial logic 	<p>Highlighted in corporate governance (e.g. Pugliese and Wenstøp 2007; Wheelen and Hunger, 2010), but not in arts governance. Surprisingly, art logic does not seem to be in play.</p>