

Working Paper

No. 2003.27

Per Darmer

**Blending the Local and the Institutional
– Caught In-between organizational
Fields**

INSTITUT FOR ORGANISATION OG ARBEJDS SOCIOLOGI

Handelshøjskolen i København

Solbjerg Plads 3

2000 Frederiksberg

Tlf: 38 15 28 15

Fax: 38 15 28 28

Blending the Local and the Institutional – Caught In-between organizational Fields

Per Darmer

Copenhagen Business School
Institute for Organization and Industrial Sociology
Solbjerg Plads 3
2000 Frederiksberg
Phone: + 45 38 15 29 50
E-mail: pd.ioa@cbs.dk

**Paper from project 1.1
The LOK Research Conference,
Middelfart, December 1-2, 2003**

Introduction

Project 1.1 of LOK so far has predominantly focused its attention to the local, about how organizational culture, learning and competence are established and developed in small enterprises. In this paper the view is broadened by focusing on the interplay between the local and the institutional. The paper looks upon how the small enterprises (the local) effects and are effected by the institutional forces within some of the organizational fields, within which the small enterprise is part. Theoretically, this means that institutional theory and how it interplays with theories about the organization is integrated in the analysis. The empirical data of the paper is the Danish music industry or rather the small independent labels in that industry.

The Danish music industry consists of five multinational labels and a number of independent labels. The five multinational labels are dominating the Danish music industry. There are always some independent labels but it is almost impossible to give an exact number at any given time, as the independent labels come and go in a continuous stream. The structure of the five multinational and an imprecise number of independent labels is not a particular Danish phenomenon, rather it is the general picture of the music industry in the Western world (at least). The variation between the Western countries is not whether the multinationals dominate the music industry but only a matter of how much they do so. In Denmark the multinationals are very dominant, they had 91 % of the sales of music in 1993, leaving the independent labels with only 9 % of the market. In United Kingdom the multinationals were less dominant than in Denmark in 1993, they had “only” 73 % of the sales, leaving 27 % of the market to the independent labels (The British Monopolies and Mergers Commission, 1994). In 1993 the independent labels in UK had the largest market share in Europe. While the Danish independent labels in 1993 had one of the smallest market shares in Europe.

This paper is looking at the Danish independent labels and their relation to the music industry in general. Meaning that it is the interplay between the local and the institutional which lies at the heart of this paper. The local is the single independent label, and the institutional is actually both the independent labels as an organizational field and the music industry as an organizational field. The paper looks at more than one organizational field and discusses that in relation to institutional theory (DiMaggio & Powell, 1991 and Rowan & Meyer, 1991). Institutional theory has a tendency to look at only one organizational field – at least at a time. The paper opposes that in relation to the Danish independent labels, where more than one organizational field seems to be at play at the same time, fighting for legitimacy (another important concept in institutional theory). The paper discusses organizational fields and legitimacy in the world of the independent Danish labels in relation to institutional theory, in order to get an understanding of the interplay between these labels and the institutional forces in the music industry. This discussion leads the way for criticising institutional theory for lacking the sophistication of an organization being part of more than one institutional field at the time and being analysed as such.

The purpose of this paper is to gain an understanding of the interplay between the local and the institutional for the independent labels in the Danish music industry. To gain such an understanding the paper explores the interplay between the single Danish independent label (the local) and the organizational fields of both the independent labels and the music industry (the institutional), this is done to be reflexive upon this interplay related to the Danish independent labels.

In its quest for gaining the understanding of the interplay between the local and the institutional in the Danish music industry, the paper includes:

- A critic of institutional theory for downplaying – overlooking – that organizations are part of two (or more) organizational fields simultaneously. Institutional theory seems to downplay this because it is preoccupied with the institutional forces of a particular organizational field. Therefore, it is when focus becomes the interplay between the local and the institutional that different organizational fields become part of the analysis.
- A discussion on which consequences being part of two (or more) organizational fields at the same time have for the independent label, their identity and its development.

The paper has been built up the following way in order to gain an understanding of the interplay between the local and the institutional in the Danish music industry.

Following this introduction comes a part where the methodology of the paper is briefly discussed. The research is based upon a constructivist paradigm (Guba, 1990) and has been conducted in an empirical phenomenological tradition (Moustakas, 1994).

After having talked about the scientific traditions of the paper and how the research of the Danish independent labels has been conducted. The next part of the paper looks at the interplay between the local and the social structures of society. This part draws upon Stinchcombe, 1965, he looks at how society influences and determines the internal life of the organization. Stinchcombe is used to discuss how the social structures of society have influenced the development of independent labels in general.

The social structures of society certainly have an impact on the local (the single independent label), but the intension of the paper is primarily to explore and analyse the interplay between the single independent label and the organizational fields it is part of. Therefore, the next part focuses upon the interplay between the local (the single label) and the institutional (the organizational fields). DiMaggio & Powell, 1991 are drawn upon in this part, as they define an organizational field and emphasise that organizational fields are empirically defined. Based on the empirical research of the Danish independent labels two organizational fields are singled out: The independent labels and the music industry. The single independent label is part of both these organizational fields. The interplay between the local and the institutional is discussed in relation to the three isomorphisms (DiMaggio & Powell, 1991). The analysis and discussion inherent a critic of the three isomorphisms and are supplemented by rationalized myths (Meyer & Rowan, 1991). The analysis and discussion point out being creative and innovative is part of the selfunderstanding of the Danish independent labels.

The paper ends with some concluding remarks about the tension between the two organizational fields, the single label is simultaneously part of, and how this tension is handled by the single label.

Methodology

Different paradigms exist in scientific research. Guba, 1990 highlights and compares four of them - positivism, neo-positivism, critical theory and constructivism - by talking about the ontology, the epistemology, and the methodology of each of the four paradigms. The paper will not go into all

four of the paradigms, but briefly outline the scientific paradigm displayed in the paper, which is constructivism.

Constructivism has a relativistic ontology and a subjectivistic epistemology. Meaning that research is not the (holy) quest to find the truth. The truth is not out there to be found. What we do find are interpretations made by researchers subjectively in order to understand the phenomenon (phenomena) researched. The ontology is relativistic as the interpretations are neither made to nor thought of as the truth merely as interpretations or constructions of what is going on. There are many different – and often opposing – understandings of that, making our interpretation just one of those. The researcher makes his interpretation(s) subjectively to understand the researched, and hopefully pass on the understanding to those who read the research report. Although the constructivistic researcher is well aware that the reader will not get the same understanding as the researcher, since the reader is subjectively interpreting what the researcher wrote.

Guba's, 1990 constructivism is a very broad paradigm that includes different types of constructivistic research: Hermeneutic, phenomenology, social constructivism, social constructionism, and postmodernism, just to mention a few. The paper does not go into all these different types of constructivism (that would be a – or many – paper(s) in itself). Instead the kind of constructivism applied in the paper is outlined briefly related to how the research of the Danish independent labels has been (are) conducted (as the research is still going on).

The research of the Danish independent labels has been going on for five years by now, where the researcher has followed the field infrequently (or rather certain labels within it). Meaning that the researcher has visited the labels more or less (actually more less) regularly, during the visits he has observed, interviewed and informally chatted with the labels.

The research of the Danish independent labels has been done as a modified version of the two levels in empirical phenomenology (Moustakas, 1994). The two levels are still there but the contents of them are modified. Moustakas, 1994 describes the two level of empirical phenomenology this way: "Level I, the original data is comprised of naïve descriptions obtained by open-ended questions and dialogue. On level II, the researcher describes the structures of experience based on reflective analysis and interpretation of the research participant's account of the story" (P. 13).

Level I consists of open-ended interviews and dialogues with the independent labels, where the informants give their understanding of their label, the industry etc., and the researcher leaves them room to do so, as the task of the researcher is to gain insight into and understand how the independent labels see their world – the researcher should get a native-view without going native.

Level II is not so much about describing structures in the modified version of empirical phenomenology, as it indicates there is something objective beneath it all that we are capable of revealing. Rather it is about a double interpretation, where the researcher reflects upon the insights he has gained from the empirical data, and based on that the researcher makes his subjective interpretation of how he sees the world of the independent labels (or a phenomenon within this field).

In relation to this paper and its focus on the interplay between the local (the single label) and the institutional (the organizational fields) The first level is pretty much the local: How the independent labels see themselves as labels, as independent labels and as part of the music industry. Of course,

this is not how the labels see themselves, but how the researcher interpretes that the labels see themselves, and that is the closest we are able to get to their own view, as the researcher tries to the best of his ability to capture the selfunderstanding of the labels. Level II is where the researcher combines the selfunderstanding of the labels with institutional theory and theories of identity to capture and understand the interplay between the local and the institutional.

Institutional forces at the level of society

This and the next part of the paper discuss, what the institutional is, and how it is applied to the local in this paper. In discussing this the paper at the same time blends presenting, discussing, critisizing and relating institutional theory to the local (the independent label), blurring the line between discussing institutional theory and analysing the interplay between the local and the institutional.

Stinchcombe, 1965 looks at the interplay between society and organizations, as his general topic is: “the relation of the society outside organizations to the internal life of the organization.” (p. 142). Society is seen as some social structures that influence and determine the internal life of the organization.

Stinchcombe, 1965, has a very clear notion about what the social structure is, and which social structures the organization is related to. Stinchcombe, 1965 defines a social structure as “any variables which are stable characteristics of the society outside the organization.” (p. 142). Thereby, Stinchcombe, 1965 makes a clear distinction between the organization and its environment. The organization being a unit that “are deliberately created with the explicit intention of continuously accomplishing some specific goals or purposes.” (p. 142). This way of looking at organizations and the relation between the organization and its environment is very traditional and has been severely criticized and will be in this paper as well. Before moving on to that, it is time to look at Stinchcombe’s social structures.

History is a very prominent feature for Stinchcombe, as he regards the historical as the crucial feature for, which types and forms of organizations that are developed. In short the historical context is determining the organizations. “Organizations types generally originate rapidly in a relatively short historical period, to grow and change slowly after that period.” (p. 168). History becomes the basic topic that sets the stage for the four other topics Stinchcombe, 1965 mentions. E.g. when Stinchcombe looks at organization formation (the first topic), it is done in a historical perspective, where he talks about the five purposes, there historically has been in the literature for organizational formation. The same goes for the other three topics, as the second topic actually is the central topic of history. The five topics where the relation of social structures influences the internal life of organizations:

1. Organization formation (which effects social structure has on it)
2. History (how certain types of organizations were invented historically)
3. Significant changes and stratification (Stinchcombe here focusses on how violence and competition in the polical arena influence organizations)
4. Social classes (and their impact on organizations)
5. Identity in “communal” groups (and how that influences organizations).

The historical perspective of Stinchcombe, 1965 is highlighted by certain historical periods being more favorable to the formation of independent labels than others, and those favorable periods can to some degree be seen as part of the development of society.

Therefore, what Stinchcombe needs to find out is, which social structures shape the internal life of organizations and how? “The universe that has to be studied to verify the hypotheses is a population of organizations and a population of social environments.” (p. 145). The causality of Stinchcombe is very clearly that of society or social structure determining the internal life of the organization. The societal changes are the cause that effects the organization. Not an uncommon causality, it dominates within mainstream organization theory, even though it is more sophisticated in these theories, where organizations has to adapt to their environment(s) if they are to survive in the long run. The sophistication is that environment and organization is influencing one another, making the causality a little more blurred (and the distinction between organization and environment blurred as well). But still these theories are emphasizing the adaptation of the organization to its environment as crucial to its survival, and therefore still putting more emphasis on that influence than the one going the other way. Even postmodernists seem to subscribe to this causality, as it is the turbulent world that makes it necessary to deconstruct and reconstruct continuously as nothing lasts for long in a world where everything is in flux.

The local view on this is to see it from the opposite angle. Meaning that it is the organization and its internal life that decides which environments it enacts (Weick, 1979), and how it makes sense of the world (Weick, 1995). In this view the internal life has to be studied and understood in order to get hold of how the organization construct itself and its environment. “Man is an animal suspended in the webs of significance he himself has spun.” (Geertz, 1973, p. 3). The empirical phenomenology applied in the research of the Danish independent labels is an example of this. The first level is getting an understanding of the inner life of the organization the way it is seen by the members of the organization. This understanding is used at the second level to theorise about the independent labels putting the empirical understanding into theoretical perspective. In empirical phenomenology it is obviously the local that predominates the understanding of the institutional, although it is recognised that the local understanding is shaped to a certain degree by the institutional which is shaped by the local, making the causality of cause and effect disappear.

The idea of this paper is to explore the interplay between the local and the institutional to get away from both the strictly institutional view of Stinchcombe, 1965 and others and challenge the local understanding of the independent labels that empirical phenomenology has a clear tendency to favor. In other words: The paper tries to mediate the institutional and the local by considering both, as the focus of these two views is obviously differentiated (see Strandgaard Pedersen & Dobbin, 1997).

When Stinchcombe, 1965 talks about “a population of organizations and a population of social environments” (see the quote above from p. 145), it can be related to this paper by seeing the population of organizations as the independent labels of the Danish music industry, and the Danish music industry is a population of social environments. The paper disagrees with this distinction as the second is the first as well. The music industry is a population of organizations just as the independent labels are, making it obscure to distinguish between a population of organizations and one of social environments, as organizations are both. The whole concept of organizational fields blurs the distinction between field and environment. Stinchcombe seems to uphold this distinction as he focuses on the social structures of society, while it seems more adequate to focus on

organizational fields in this paper. Moving the paper from the old institutionalist Stinchcombe, 1965 to the new-institutionalism of DiMaggio & Powell, 1991 and Meyer & Rowan, 1991. Where the first is used to discuss organizational fields, while the second is supplementing this by discussing rationalised myths, and how they are interpreted locally. In short: The paper moves from having an institutional level of analysis on society to have it on the industry (and parts of the industry).

Institutional forces at the level of the industry.

DiMaggio & Powell, 1991 argues that homogenization takes place in organization fields. The relation to Stinchcombe, 1965 is that the homogenization process is highly influenced by society. Stinchcombe, 1965 focuses upon the social structures of society, while the focus of DiMaggio & Powell is the organizational field and the homogenization that emerges in that field. Organizational field is central to the theory of DiMaggio & Powell, 1991 and to this paper. But what is an organizational field? And how are organizational fields formed? The first of these two questions can be answered by looking at the definition made by DiMaggio & Powell; while the second is more tricky to answer, as it can be so either by saying that it is not answered. DiMaggio & Powell does not go into a discussion of how it is formed, it seems that organizational fields are just there, as they “exist to the extent that they are institutionally defined.” (p. 65). Meaning that institutional fields are there, if they are institutionalised. The paper will not dwell upon this discussion, but point out that it is very complicated, because the organizational fields at the same time are empirically defined. Making the organizational field a field when it is empirically defined and institutionalised by containing the four parts. It comes close to stating that the field is there, when it is there. These complications are reflected in DiMaggio & Powell’s, 1991 definition of an organizational field: “Those organizations that, in the aggregate, constitute a recognized area of institutional life,” (p. 64). The definition makes it possible to find many organizational fields, it may be an industry, parts of an industry, or networks of organizations going beyond an industry. It also means that the single organization can (and apparently will) be part of more organizational fields. DiMaggio & Powell, 1991 does not really discuss that, as they focus on how to analyse and understand the organizational field as a field, not the single organization within a field. Though, it becomes interesting in this paper where the focus is the interplay between the organization and the organizational field. Especially because DiMaggio & Powell, 1991 emphasise that an organizational field is an empirical finding. “The structure of a field cannot be determined a priori but must be defined on the basis of empirical investigation.” (p. 65).

The two most conspicuous organizational fields defined empirically based on the research of the Danish independent labels are the Danish independent labels and the music industry. Both being organizational fields that the single independent label is part of. The independent labels (an organizational field in the music industry) have a style (or rather different styles), which emphasises that they are different from the multinational labels in the industry. The industry (an organizational field that the independent labels are part of) seems to reproduce a certain division of labour within the industry. The division of labour forces the independent labels to be creative and innovative, if they are to survive in the business.

What happens in organizational fields is that institutional forces emerge that make the organizations in the field more similar – a homogenization of the organizations takes place. In this respect institutional theory obviously oppose mainstream organization theory, where it is emphasised that all organizations are different making each organization a unique unit, residing in a unique situation

that it has to adapt to, if it is to be effective and survive. Institutional theory and mainstream organization theory run counter to one another. In system theory the single organization has to fit the situation to be effective, which makes organizations different, as they all find themselves in unique situations that they have to comply with. On the other hand, in institutional theory organizations are becoming homogenous in order to gain legitimacy. The organizations need to be legitimate, and as every organization in the field need the same thing, institutional forces will emerge and similar organizations within each field will be the inevitable result.

The homogenization of organizations in an organizational field is called isomorphism by DiMaggio & Powell, 1991. Isomorphism is defined as “a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions.” (p. 66). Meaning that organizations adapt to their environment in institutional theory the same way they do in mainstream organization theory, but in institutional theory the environments are the same and organizations therefore turn out similar, where the environments in mainstream organization theory are all different situations making organizations different.

It is through the following three isomorphisms that the homogenization of an organizational field occurs:

1. Coercive (stemming from political influence and the problem of legitimacy)
2. Mimetic (resulting from standard responses to uncertainty)
3. Normative (associated with professionalization).

The three isomorphisms are illustrated by relating them to the Danish independent labels, which also provides an opportunity to criticise them for being too rigid and not very easy to separate empirically. The last point is DiMaggio & Powell, 1991 explicitly aware of, when they say that the three isomorphisms “intermingle in empirical settings” (p. 67). The first they do not mention. The illustration of the three isomorphisms also illustrates the critic of the isomorphisms, as the relation to the indies (short for: Independent labels) underlines that it is not always easy to separate the isomorphisms empirically, which again underlines the interplay between the local and the institutional. Not surprisingly as exactly that is the whole idea of the paper, and the tension between the single label and the two organizational fields it is simultaneously part of (the Danish independent labels and the music industry) shows the rigid character of the isomorphisms as well. As a certain overlap between the three isomorphisms becomes obvious in relating them to the indies as well. Meaning that it is a matter of (subjective) interpretation under which isomorphism parts of the analysis ended up.

The *coercive* isomorphism is both the formal and the informal pressures on the indies from organizations upon which they depend. Meaning that it is both pressures from the market (indies depend upon to sell their products), the music scene (from which they sign artists), the stores (where the music is available), The distributors (that get the music to the stores), the major labels (that structure the whole industry), and all the social and cultural factors that influence, create, develop and change the music and the “trends” within it. DiMaggio & Powell, 1991 emphasise the society in relation to the coercive isomorphism, and there is no lack of sociological analysis of the music industry related to youth and club culture (Thorton, 1995 and Wicke, 1990), gender (Mehring, 1997), historical accounts (Sanjek & Sanjek, 1991) and protest (Martin & Segrave, 1993) to mention just a few of the topics and authors. Showing that there has been a lot of focus on the relation between rock music and social structures and society in the literature. On the other hand,

organizational analysis of the music industry lacks. The research of the indies is breaking new ground by applying organizational theory and analysis to the music industry, and this paper is part of that endeavour by not focusing on the society and social structures but on the interplay between the single indie and the institutional manifested in organizational fields.

The most striking empirical example of coercive isomorphism is that the indies seem to become dependent upon exactly those they want to be independent of, if they make it and ‘break’ an artists (or more artists). If indies succeed they end up collaborating with the majors (short for multinational labels) in order to make the artist big (a star). In other words: When an indie makes it, it ends up becoming dependent upon those it was formed in opposition to and as independent from – the majors.

This is part of the division of labour in the music industry, where the major labels are the big corporations with the resources that make it possible to invest what it takes to break an artist internationally. Resources the indies generally lack. The resources are not only the money to market and pay the artist, but also the distribution channels and organization to support the effort. In other words: The whole “machinery” to market and sell the big artists. The majors obviously have this kind of organization, as they are selling artists internationally all the time. The majors must do so in order to stay major labels. On the other hand, the indies do not have such an organization, as they neither possess the resources nor the experience. The indies are well aware of this and recognize that this expertise lies with the majors.

Therefore, the indies strike deals with the majors, when they break an artist. These deals most commonly take one of two forms. The first being that the major label takes over the artist, and the indie and the major then negotiate some kind of “transfer deal”. The indie strikes those kind of deals, because they love their artists and want what is the good for the artists, and they know they will never themselves be able to do what is necessary for the artist to realise his / her potential. The second form is that the indie and the major label make some kind of deal, where the artist are still signed to the indie label, but the major label gets the rights to distribute, sell, market etc. the artist on certain markets (mostly the global markets, while the indie label is still doing this at the local market – in the case of the Danish indies the local market are foremost Denmark or Scandinavia). In the second case the indie keeps the artist, but they still depend upon the resources of the major label to realise the potential of the artists. On the other hand, the indies that keeps the artists often has to grow to support them on the local market, which again makes it important for the label to get successful artist now and again (or even better continuously) to be able to run the label. This is so since the running of a label now takes more resources and a certain amount of organization to support the artists at the local market. The indie that “transfer” the artist to the major label can still be running a very small organization, not demanding successful artist neither now and again nor continuously. Meaning that which of the two deals the indie strike get severe consequences for the label and how it is to be run. It might be right to emphasise here that this problem is only present for very few of the indies. Most of them never break an artist and therefore never get into a situation where they have to choose between these two forms of deals (or invent a third one).

The actual choice between the two forms of deals has severe consequences for the label. The label has to decide if it is going to remain what it is or becoming another company. The last sounds dramatic, but if the indie decides to keep or end up keeping the artist (it might not be a deliberate choice) . Obviously, the indie becomes more businesslike (and more in alignment with its counterpicture: The majors). Meaning that its legitimacy changes in the direction of the rationalised

myth (Meyer & Rowan, 1991) of being a business, where the indie former got its legitimacy from being a genuine indie. "Organizations are driven to incorporate the practices and procedures defined by prevailing rationalized concepts of organizational work and institutionalized in society. Organizations that do so increase their legitimacy and their survival prospects, independent of the immediate efficacy of the actual practice and procedures." (Meyer & Rowan, 1991, p. 41). The indies that makes it becomes businesses and have to get legitimacy by being organized and doing like businesses do. The successful indies get into the homogenization process of the music industry (and business) in general, where legitimacy has to do with being able to run a business the way businesses are supposed to be run. But the indie still is part of the field of the Danish indies as well, where legitimacy has to do with being an indie. Meaning that the indie is independent of the majors and thrives on the love of music not the idea of gathering money.

The indie is placed in a dilemma regarding its legitimacy reflecting the two organizational fields. it is embedded in at the same time. On the one hand, the indies get legitimacy in the organizational field of indies by their independency of the multinational labels in the industry and their love for music being far more important than simple economic gain. It is the majors that are focused on money and do not really care about the music. The majors are in it for the money, they could sell anything, as the product does not matter only money does. It should be pointed out here that this is how the indies see the majors. The majors most likely display another picture of themselves than the counterpicture painted by the indies. But the empirical research of this paper is the Danish independent labels only. Meaning that it is their view of themselves, the majors and the music industry that has been investigated. To sum up: If an indie makes it, it has to cooperate with the majors. This provides (some) legitimacy as a business unit, but at the same time it is at odds with the legitimacy of being a genuine indie. The last is often an essential part of the identity of the small and innovative enterprises in the Danish music industry. This is elaborated under mimetic isomorfism (below), underlining that the distinction between the three isomorfisms blurs empirically.

While the indies that break an artist are left to decide, what to do when their dream is realised. The majors seem wellsuited in the driver seat. The majors always get a piece of the action, when an indie breaks an artist, as it always involves some kind of deal between the indie and the majors. The structures and the division of labour in the music industry favor the majors, as they always become part of the successful artists one way or the other, which reproduce the existing structures and division of labour and withhold the domination of the majors in the music industry. "Given organizational forms perpetuate themselves by becoming institutionalized rules." (Meyer & Rowan, 1991, p. 49). The rationalised myths about both the majors and the indies withhold them in their respective roles and thereby reproduce the division of labour between them and the structure of the industry. This means that although the division of labour favors the majors, the music industry simultaneously needs the indies in order for the industry to develop, renew itself and secure a continuous stream of new talent, which is necessary for the industry to stay the way it is. The music industry needs new trends in music and new stars all the time to keep the interest among the music buyers and maintain the flow of money. Meaning that renewal is an integrated part of keeping the music industry alive and well. The renewal is not done by the majors, the majors do sometimes find new talents, sometimes they succeed in creating new artists (by pure marketing), but most of the time they rely upon the indies to spot the talent, rough its edges, and then when it is ready, the majors inevitable get involved and make money on it. In other words: The majors can leave it to the indies to spot the talent and make it ready, since they know, they will eventually get involved in all

the artists, the indies actually succeed in breaking, and those are the artists the majors want to get involved in.

The *mimetic* isomorphism highlights that organizations when they are uncertain are encouraged to imitate other organizations, primarily those they admire and see as role models. The Danish indies are both in compliance with and in opposition to mimetic isomorphism. The Danish indies comply in the sense that a certain amount of mimetic isomorphism takes place among the Danish indies. Some of the most wellrespected indies are imitated to some extent, but to some extent only, as the imitation involves innovation as well (Sevon, 1996). Meaning the imitating indies will never turn out as exact copies of those they imitate, and neither will they strive to become so. They just get inspiration and learn from the wellrespected indies. In that way the variation amongst the indies remain, even though imitation is applied to a certain extent. The Danish indies do the opposite of mimetic isomorphism in the sense that they distinguish themselves from the majors – the majors is a counterpicture, because the majors in the eyes of the indies does not care about the music, only about money. While music is what is the core of the indies. In that way the indies goes against the mimetic isomorphism, although it ends up leading to homogenization of the indie field to some extent anyway. Since by being or striving to be the opposite of the majors the indies become similar. The two organizational fields can be recognized in this. There is a certain compliance within the field of the indies about being different from the majors, but a differentiation within the music industry between the indies and the majors.

Uncertainty is a steady companion of the Danish indies, as many of them do not survive for very long. How the market responds to the music of the single indie is pretty much impossible to forecast (and such forecasts are actually not very encouraging). Therefore, the indies that do make it become famous and wellrespected in the indie community, and they end up being imitated to a certain extent, but this results in innovation as well (see above - Sevon, 1996), because the indies have different identities related to the genre(s) of music they produce. Making it hard to copy just any other successful indie. Meaning that the identity of the single label restrain its possibilities of imitating other indies. Still the indies have some common features in their identities, reflecting that a certain homogenization happens within the organizational field of indies. The identity of the indies are tied to what they perceive as a real indie, which will be elaborated below (under normative isomorphism), again showing how intertwined the three isomorphisms are empirically.

Whetten & Godfrey, 1998 (p. 21) identify identity in three dimensions:

1. What is taken by organization members to be central in the organization
2. What makes the organization distinctive from other organizations (as seen by the members of the organization)
3. What is perceived by the members to be an enduring or continuing feature linking the present organization with its past (and presumably the future).

Relating the three dimensions of identity to the Danish indies make it apparent that the three dimensions are very overlapping. Actually, this should come as no surprise, as it is not dimensions the members of the indies have themselves created and are thinking in. They are prefabricated by Whetten & Godfrey, 1998, and the job of the researcher is to put the data from the members into these three categories. Instead it would be more obvious to let the members construct the dimensions as well. Now it has to be interpreted by the researcher what is central, unique and enduring to the members. The members might perceive other dimensions as more relevant to their

organizational identity than those identified by Whetten & Godfrey, 1998 as the way to identify organizational identity in all organizations. It is reasonable to question the dimensions, since they are empirically overlapping, and identity is supposed to rest upon the perception of the members, but only in filling out the prefabricated dimensions of Whetten & Godfrey. Another point is that what seems to be enduring might shift (and most often will), if an indie breaks an artist and become more businesslike (see above). Meaning that enduring is not enduring, but just what is enduring perceived right now. Just like the two other dimensions are changed, when the perception of the members change. The contents of the three dimensions is dynamic, and very much so, since the perceptions of the members are continuously changing making the identity in constant turmoil.

Despite that some perceptions seem to be rather widespread within the organizational field of Danish indies, and they show that what is central and unique is blurred. A certain intersubjective exists among the indies that they: Are flexible, creative (innovative) and close to the musicscene (livestage), have freedom and love the music and their artists. The homogenization of the field of indies are obvious here, as all these things are related to and opposes the majors. They are seen (by the indies) to be: Unflexible supertankers that due to their resources are good at promotion and marketing, that have no feeling with the music scene or for the music and the artists, as all that matters are making money. At the same time this splits the music industry (another organizational field) into two opposing camps with very different identities and interests. Both camp are needed in the music industry, where they each do their part to keep the industry going.

Although the indies are very similar in being the opposite of the majors, still much variation within the organizational field of the indies exists and it roughly goes from those being very close to the counterpicture, as they need to break artists continuously to withhold the label as a business, to those at the other end not making money at all (maybe even getting deeper and deeper into debts), as they are the real indies only producing the bands with the autentic sound that does not sell at all. Meyer & Rowan, 1991 state that “The organizations in an industry tend to be similar in formal structure – reflecting their common institutional origin – but may show much diversity in practice” (s.58), which becomes ambiguous the same way as being member of two organizational fields simultaneously are ambiguous for the single indie. The ambiguity is that the quote does not hold for organizational fields and does, at the superficial level anyway. The structure of the music industry is being reproduced, but those upholding the structure - majors and indies - are very different and opposing, indeed. Upholding the difference to the majors is important to the indies, and they actually take a pride in doing so (although circumstances like success can make them become more like their opponent). On the other hand, their opposition to the majors makes the indies very much similar in formal structure – or the lack hereof. The indies have pretty much the same structure in order to stay indies, but their actual practice differ significantly, depending on their identity. Meaning that the variation in structure is pretty small, but the variation in how the indie actually works, and how they perceive themselves and what an indie is varies in the organizational field of indies. In other words: A quick glance at the organizational field shows similarities, but a closer look reveals variation as well.

The *normative* isomorfism is very much related to professionalization. DiMaggio & Powell, 1991 talk about formal education as such an isomorfism, where education gives those with it a homogenous way of thinking and solving problems. This is not widespread within the music industry, as there are no real formal educations, and it is especially lacking in the field of indies, as they are the entrepreneurs of the industry and primarily selfmade men (very few of them are women) that have formed a label due to their love for music. On the contrary, the formal education

is often put on hold, while they chase their dream of making their love (hobby!) into a living. The employees of the indies are often doing volunteer work to get to know the business (and people in it). Most indies are not making any money and are unable to employ people for wages. On the other hand, these entrepreneurs are working hard and have to work hard, if they are to survive in the music industry. In this regard they consider themselves highly professional. Di Maggio & Powell, 1991 also talk about networks making new things spread fast in organizational fields, which apply to the Danish indies, as everybody both in the indie field and the music industry field know (or know of) one another. On the other hand, certain clusters of indies are formed that become similar by differentiating themselves from other indies as well as the majors. Often these variations within the field have to do with who is considered “real” indies, and who are selling out. Selling out is related to making deals with bigger organizations in general, and the majors in particular. Even though, such deals are inevitable, if the indie succeed. Putting the indie in the dilemma that it is impossible to stay a genuine indie, since a genuine indie is more concerned with its freedom than with money, and it is impossible for the indie to keep its freedom intact, if it realises its dream.

The dilemma might seem unsovable, but it is not so, as the indies does not define a real independent quite the same way. The variation of the organizational fields is reflected in the way the indies perceive what an indie is. Meaning that what a real indie is is open to interpretation, and it is interpreted slightly (or more than slightly) different from indie to indie. The clusters of indies mentioned above may interpret it slightly different, while it is interpreted more than slightly different between the clusters, making the interpretations of the field very differentiated. Especially how freedom is interpreted varies, because the indies that actually makes money interpret freedom as economic freedom to make decisions, while those that do not make money is more likely to interpret freedom as being able to do what they want (without being forced to do anything for economic gain). The paper will not go further into the variations in interpretations, but conclude “that the independent labels perceive independency in a way that makes the label itself independent, which means that what an independent labels is, depends on the eyes of the beholder.” (Darmer, 1998, p. 26).

“Organizations do often adapt to their institutional contexts, but they often play active roles in shaping those contexts.” (Meyer & Rowan, 1991, p. 48). The individual indie adapts to the organizational field of indies but plays a part in shaping that field as well. The single indie is both spun into the indie web and the music industry web, which it has been part of spinning itself, and it is spinning those webs all the time. The indies are making sense (Weick, 1995) of themselves as indies by enacting their own perception of an indie in the field of indies, making certain indies (that are similar) real indies, and other indies (that are different) not real indies.

The indies at the same time are both integrated into the music industry and its division of labour and part of shaping that industry. The last not least because the indies are the innovative and creative entrepreneurs of the music industry. The paradox here is that the division of labour maintains the indies in the margins of the music industry, while they are seen as those renewing it as well. The indies are the creative part of the industry, since they can make quick decisions and are in touch with the musicscene. At the same time the indies need to be creative and innovative, as they cannot match the resources of the majors. So if they are to survive and make it, they have to be creative and innovative in order to be noticed. The indies struggle to get almost every new production noticed on the market, and the indies often do that in unfamiliar ways, as they cannot promote it by traditional marketing, which they cannot afford, and even if they could, it would probably drown in the flow of new major productions.

Intersubjectivity exists among the indies that they are the creative and innovative part of the industry, and that they have to continue to be so to survive. The indies due to their lacking resources get nothing for free, which the majors do as they can “buy” it. Creativity and innovation is part of the indies perception of themselves and their identity. Therefore, the majors are not creative and innovative, as they are the counterpicture of the indies. In this way the indies are enacting themselves as creative and innovative. That is part of how the indies make sense of the music industry, thereby, the indies shape the industry and the field of indies at the same time, as they are adapting to their own enactment.

Concluding remarks

The paper has been concerned with the interplay between the local and the institutional. The single independent label (the local) is embedded in (at least) two organizational fields at the same time: The indies and the music industry. For most of the indies most of the time it is the organizational field of the indies that is the most important of the two organizational fields and the field that provides legitimacy for the single indie. Meaning that this organizational field shapes the identity and selfunderstanding of the single label more than the music industry field does. The music and the majors have great impact upon the single label, but still the indie-identity is what is crucial for the single indie. Majors are part of this identity as a counterpicture and the music is integrated in the identity, so in that way it is difficult to point out which forces are the strongest. Still being an indie is so important for the single label that it actually changes its perception of what an indie is, if the label is successful. In that way the indie always identifies itself as a real indie. The reflection of the label in its own perception of a real indie shows how crucial this is to the single label.

The focus on the interplay between the local and the institutional in the Danish music industry brought forward a critic of institutional theory. The most important points were the following:

- Institutional theory overlooks the fact that the single organization is embedded in more organizational fields simultaneously. Institutional theory restricts itself to analysing only one organizational field at a time.
- The three isomorphisms are too narrow and empirically overlapping
- The organizational fields are characterised by both homogenization and variation at the same time. Institutional theory is preoccupied with homogenization.
- The local and the institutional both collide and comply, which adds to the tension between them and makes the interplay between the local and the institutional worthwhile researching even further than it has been done in this paper.

References

- The British Monopolies and Mergers Commission (1994): *The Supply of Recorded Music*. London, 1994.
- Darmer, Per (1998): *Are the Independent labels Really Independent?*. Paper presented at the 16th SCOS Conference, Guarujá, Brazil, July 1998.
- DiMaggio, Paul J. & Walter W. Powell (1991): *The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields*. In Powell & DiMaggio (eds.): *The New Institutionalism in Organizational Analysis*. University of Chicago Press, Chicago, 1991, pp. 63-82.
- Geertz, Clifford (1973): *The Interpretation of Culture*. Basic Books, New York, 1973.
- Guba, Egon c. (ed.) (1990): *The Paradigm Dialog*. Sage Publications, Newbury Park, Calif., 1990.
- Martin, Linda & Kerry Segrave (1993): *Anti-Rock*. Dacapo Press, New York, 1993.
- Mehring, Neil (1997): *Popular Music, Gender, and Postmodernism*. Sage Publications, Thousand Oaks, Calif., 1997.
- Meyer, John W. & Brian Rowan (1991): *Institutionalized Organizations: Formal Structure as Myth and Ceremony*. In Powell & DiMaggio (eds.): *The New Institutionalism in Organizational Analysis*. University of Chicago Press, Chicago, 1991, pp. 41-62.
- Moustakas, Clark (1994): *Phenomenological Research Methods*. Sage Publications, Thousand Oaks, Calif., 1994.
- Sanjek, Russell & David Sanjek (1991): *American Popular Music in the 20th Century*. Oxford University Press, Oxford, 1991.
- Stinchcombe, Arthus L. (1965): *Social Structure and Organizations*. In *Handbook of Organizations*. March, James G. (ed), Rand McNally & Co., Chicago, 1965, pp.142-193
- Strandgaard Pedersen, Jesper & Frank Dobbin (1997): *Constructing Organizations: Neoinstitutionalism and Organizational Culture*. *Papers in Organizations*, Institute of Organization and Industrial Sociology, Copenhagen Business School, no. 21, 1997.
- Thorton, Sarah (1995): *Club Cultures*. Wesleyan University Press, London, 1995.
- Weick, Karl E. (1979): *The Social Psychology of Organizing*. 2nd ed. McGraw-Hill Inc., New York, 1979.
- Weick, Karl E. (1995): *Sensemaking in Organizations*. Sage Publications, Thousand Oaks, Calif., 1995
- Whetten, David A. & Paul C. Godfrey (eds.) (1998): *Identity in Organizations*. Sage Publications, Thousand Oaks, Calif., 1998.
- Wicke, Peter C. (1990): *Rock Music*. Cambridge University Press, Cambridge, 1990).
- Zevon, Guje (1996): *Organization Imitation in Identity Transformation*. In Czarniawska & Sevon (eds.): *Translating Organizational Change*. Walter de Gruyter, Berlin, 1996, p. 49-67.