Master Thesis

The end justifies the means, does it?

Loose-coupling and fragmentation of logics in the Frans Hals Museum | De Hallen Haarlem

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Abstract

Changes in the context of cultural organizations have resulted in a shift in institutional logics. Market reasoning has grown in importance and organizations are expected to take responsibility for their own practices by becoming more entrepreneurial. This private logic has been added to the artistic purpose that serves a public logic, which is dominant in many cultural organizations. Departing from the institutional logics approach, this thesis performs a case study analyzing the logics of the Frans Hals Museum and De Hallen Haarlem, two museums that are governed by the same organization. This institute has experienced several changes in its context over the past years as it was privatized from the municipality in 2009 and subsidies were reduced in 2013. In addition the subsidies are likely to be reduced again this year. Furthermore, the previous director who has been in his position at the institute for fourteen years has retired and is being replaced by a new director, who most likely will re-evaluate the organizational practices.

It is argued that the public logic of the institute has been complemented by a private logic. Both logics are able to co-exist through loose-coupling of organizational practices from organizational objectives. In this situation, the organizational practices are decided upon through a private logic while the organizational objectives have remained steady and are based on a public logic. While having steady objectives is essential this thesis questions whether loose-coupling is desirable as practices may no longer contribute to achieving objectives. Moreover, fragmentation of identification and practices may result from loose-coupling where the organization positions itself as an autopoietic system, separated from its environment, and where internal actors and departments withdraw themselves as autopoietic systems as well. Furthermore, loose-coupling constrains strategic behavior and often results in decision-making based on the garbage-can model where decisions are made in a specific time and context but are not a reflection of the organizational objectives in the long term.

Introduction

The cultural sector in the Netherlands has experienced many transformations in the past years, most of them caused by the economic crisis. The national government remains responsible for the collections that the state governs or owns, and subsidizes several museums with collections of national importance. Local municipalities are responsible for the local cultural policy and therewith for the subsidizing and governance of municipal museums (cultuursubsidie.nl). Both national and local governments have to save on expenses and are no longer able to maintain previous subsidy levels. The available amount of resources shifts and in order to cope with a new situation museums are required to act according to a different logic.

As museums have fewer resources from the government and municipalities in the form of subsidies, they have to generate income to finance their projects through other means. One such option is for museums to review their opportunities on the market, where museums can generate revenue through for example ticket sales, merchandise, catering services, or blockbuster exhibitions. One of the perceptions regarding market orientation however is that it might be focusing more on commercial means of the organization, rather than realizing artistic ambitions.

The Kunsthal opened their renovated museum with an exhibition on shoes, which attracted a large audience. Museum Gouda and Wereldmuseum on the other hand, attempted to sell works from their collections as their financial situation supposedly left them with no other option. Other practices that museums seek, voluntary or enforced, involve collaborations. Recently the Tropenmuseum for example merged with the Afrika Museum and Rijksmuseum Vokenkunde. These occurrences are an illustration of the broad range of developments occurring in the cultural sector in the Netherlands. The argument here is that the practices of cultural organizations are changing and in some situations this implies a change in organizational objectives and identities. It is not merely that organizations act upon a different logic, it is rather that they adopt a different logic which in some cases results in the coexistence of multiple logics.

The study of institutional logics, the topic of this thesis, involves “socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality.” (Thornton and Ocasio, 1999: 804). Moreover the study of institutional logics approaches organizations within their context and not as an entity separate from their environment. Therefore studying institutional logics is not only an appropriate method for organizational studies but moreover, reasoning from societal dynamics, it provides understanding how certain logics come to exist. As the society is changing on multiple levels, institutional, organizational and individual, it is of the essence to understand how changes in these different levels impact each other. Moreover it is important for organizations to understand how they take part in the construction of a larger context and how they are both shaped by this context as well as they have influence on the context.

This thesis conducts a case study focusing on one such organization that has undergone a transformation resulting from changes in its context. The Frans Hals Museum is a museum in the city Haarlem that is dedicated to the preservation and dissemination of 16th and 17th century art, and fosters the contemporary art scene in De Hallen Haarlem. Both venues are part of the same foundation, which is the Frans Hals Foundation. In this thesis the abbreviation FHM|DHH will be used to address the entire foundation. When only the Frans Hals Museum or De Hallen Haarlem are mentioned only one of the two venues are addressed.

The institute was originally governed by the municipality of Haarlem, but was privatized in 2009. Primarily the municipality strived to become a smaller and more efficient organization by privatizing some of its functions, such as the Frans Hals Museum. In addition, the municipality currently has to cope with budget cuts of ten million euro's and has to make decisions how they will save expenses. Recently, the institute's subsidy has been cut by the municipality and might be cut again in the coming months. The changed flow and amount of resources impact the practices of the institute, and in order to cope with the situation practices are evaluated, most likely leading to a change in institutional logics. By conducting a qualitative case study this thesis tries to answer the following research question: *How have the institutional logics of the Frans Hals Museum|De Hallen Haarlem changed after the privatization in 2009?*

The main argument of this thesis is that the changes in the context of the cultural sector, resulting from the economic crisis amongst others, have changed the institutional logics from focusing on artistic objectives to focusing on market objectives. Moreover it argues that both these logics coexist in many organizations through the notion of loose coupling, enabling organizational objectives to be separated from organizational practices. The first section of this thesis will further elaborate on the literature on institutional logics in order to provide a theoretical framework for the case study. Examples of logics in the cultural sector supporting the framework will be provided throughout. The inter-institutional framework and the interrelationship between field, organization and individual are a focus point in this chapter. Furthermore the coexistence of multiple logics in pluralistic fields provide the concepts and hypothesis that will be applied to the case study.

The second chapter clarifies the methodology and method of the case study. The main part of this thesis consists of the case analysis of the FHM|DHH which tests the hypothesis formulated in chapter one and argues to what extent the institutional logics have changed. This thesis makes assumptions on the institutional logics of the institute but it does not exclude the possibility that other logics exist within the institute as well. As this thesis performs a qualitative case study, the aim is to gain insight into the process of change in institutional logics.

Chapter 1 – The cultural sector as a pluralistic field

This thesis argues that changes in the context of the cultural sector result in a pluralistic field where multiple logics are able to coexist within cultural organizations due to loose-coupling of organizational objectives from organizational practices. In order to understand this argument this chapter will first give insight into literature on institutional logics and the inter-institutional system. Thereafter this chapter will discuss pluralistic fields and the coexistence of multiple logics and formulate a hypothesis for the case study.

Institutional logics

The modern notion of institutional logics is largely based on the contribution of Friedland and Alford (1991: 232) who argue that individual or organizational behavior cannot be understood without including the societal context in the analysis. Economic theory is criticized by the notion that attention to society and context has been neglected. The gross of economic theories approach individuals as rational beings that strive to optimize their utility (Towse, 2010: 151). It is assumed that agents approach the market as an allocative mechanism that can be adopted to optimize their utility. However, the market is a cultural system in itself that shapes, and is shaped by, individuals. Rationality cannot explain all utility, decision-making and the formation of preferences, as complete rationality would result in an inefficient system with selfish actors. Further, organizations are often approached as isolated from the context in which they operate. Organizations are assumed to strive for professionalization and control over its environment and resources where society and environment are merely abstract fields.

On an organizational level, the Carnegie School, an influential perspective in organizational studies, states that decision-makers search for options to base their decision on. However, this search process is not optimal as decision-makers stop searching for additional options once they found an option that satisfies their criteria (Gavetti, Levinthal and Ocasio al. 2007: 527). In other words, decision-making occurs based on a model of satisfying. Originating from bounded rationality grows the standardization of practices and operating procedures. Standardization occurs when organizations rather choose accepted practices and procedures, seizing to create different solutions for problems or situations.

Regarding the individual level, the Carnegie School further addresses the diverse range and conflicting nature of interests, skills and objectives that individuals and groups bring into an organization (Gavetti, et al. 2007: 527-530). The notion of loose coupling enables organizations to cope with these differences by separating organizational objectives from organizational practices. One model of decision-making that results from the notion of loose coupling is the garbage-can model. This model separates issues from solutions, decisions and individuals. In other words, actions become separated from objectives and as a result, decisions are a reflection of a specific moment in time and should be understood in the specific context in which the decision was made.

Responding to the lacking inclusion of a societal context, Friedland and Alford propose the inter-institutional system with "individuals competing and negotiating, organizations in conflict and coordination, and institutions in contradiction and interdependency" (Friedland, et al. 1991: 240-241). Each level involves patterns of human activity that give meaning to practices, create symbolic systems, and organize time and space to order reality. These three levels are to be adopted as interlinked and not as isolated from each other in order to understand society, which makes analysis challenging, as each element is embedded in another. Understanding organizational behavior must involve individual behavior and societal context, but these cannot be understood without taking organizational behavior into account.

The inter-institutional system and institutional orders

Institutional logics are co-constructed by external stimuli from the environment. The inter-institutional system symbolizes society in which institutions, organizations and individuals are found and explains how their interests and objectives construct the logics within the system. (Friedland, Alford, 1991: 248). Moreover it is Friedland and Alford's (1991) objective to provide insight into the ways these three levels shape each other's interests and behavior. The inter-institutional system displayed in the matrix in figure 1.1 shows the different institutional orders that influence organizational and individual interests and behavior. The institutional orders that the matrix contains symbolize ideal types, which are patterns of analysis of structures and systems that are a representation of the institution's, organization's or individual's interpretative scheme, including values, ideas, history and rules by which actors give meaning to their existence and actions (Greenwood, Hinings, 1993: 1052; Doty, Glick, 1994).

Fundamentally, institutional orders are shaped by material and cultural practices (Thornton, Ocasio, 2008: 105). Each of the institutional orders, or ideal types, consists of different institutions, organizations or individuals that are all influenced by the logics of the institutional order. Moreover, each institution competes for attention from actors in order to ensure its position in society and to ensure its survival.

> "Institutional orders of the interinstitutional system in an ecological sense compete and cooperate with one another over time for cultural space and individual and organizational attention and patronage. While the process of institutional change is

> more easily observable at the elemental categorical level, what is important from an institutional logics perspective is that micro-processes of change are built from analogies, combinations, translations, and adaptations of more macro institutional logics." (Thornton, et al. 2012: 65).

Thornton and Ocasio for example studied the publishing industry in the United Sates and found that "With the rise of a market logic, resource competition, although less significant, had greater effects on organizational actions and decisions" (Thornton, Ocasio, 2008: 105).

Y-Axis:	**X-Axis: Institutional Orders**						
Categories	**Family 1**	**Community 2**	**Religion 3**	**State 4**	**Market 5**	**Profession 6**	**Corporation 7**
Root Metaphor 1	Family as firm	Common boundary	Temple as bank	State as redistribution mechanism	Transaction	Profession as relational network	Corporation as hierarchy
Sources of Legitimacy 2	Unconditional loyalty	Unity of will Belief in trust & reciprocity	Importance of faith & sacredness in economy & society	Democratic participation	Share price	Personal expertise	Market position of firm
Sources of Authority 3	Patriarchal domination	Commitment to community values & ideology	Priesthood charisma	Bureaucratic domination	Shareholder activism	Professional association	Board of directors Top management
Sources of Identity 4	Family reputation	Emotional connection Ego-satisfaction & reputation	Association with deities	Social & economic class	Faceless	Association with quality of craft Personal reputation	Bureaucratic roles
Basis of Norms 5	Membership in household	Group membership	Membership in congregation	Citizenship in nation	Self-interest	Membership in guild & association	Employment in firm
Basis of Attention 6	Status in household	Personal investment in group	Relation to supernatural	Status of interest group	Status in market	Status in profession	Status in hierarchy
Basis of Strategy 7	Increase family honor	Increase status & honor of members & practices	Increase religious symbolism of natural events	Increase community good	Increase efficiency profit	Increase personal reputation	Increase size & diversification of firm
Informal Control Mechanisms 8	Family politics	Visibility of actions	Worship of calling	Backroom politics	Industry analysts	Celebrity professionals	Organization culture
Economic System 9	Family capitalism	Cooperative capitalism	Occidental capitalism	Welfare capitalism	Market capitalism	Personal capitalism	Managerial capitalism

Figure 1.1: Ideal types of the inter-institutional system
Source: Thornton, et al. 2012: 73

While the institutional orders and the characteristics seem fixed, they are in fact autonomous (Thornton, et al. 2012: 57-61). The seven institutional orders are subsystems in themselves, but can be divided into further subsystems. Moreover, each element of a subsystem can hold a subsystem. This approach enables loose coupling but it also points out how institutional orders and their elements are nearly decomposable which allows each field to cope with the existence of multiple logics that it holds. Individual and organizational logics are results of struggles for power and attention of field-level logics.

Field

At a macro level agents execute their practices and display their identities in society or in the field (Thornton, Ocasio and Lounsbury 2012: 148, 149). The field level institutional logic is a symbolic representation of the range of logics in society, which is expressed in the construction of conversations and in the choice of vocabularies. In other words, the autonomy of a field is dependent on those acting within the field to define boundaries. Fields are formed by negotiations and are therefore always in flux. The field of cultural heritage consists of cultural and historical institutions and is part of a hierarchical structure of fields of which the governmental field is dominant (Oakes, Townley, Cooper, 1998: 260). "Because of the nature of their capital, cultural and historical organizations have constituted a field of restricted production" (Oakes, Townley, Cooper, 1998: 267), where economic capital is less relevant than cultural capital. This means that the orientation of their production is mainly internal and organizations therefore have large autonomy over their activities. Heritage sites have a value of worthiness in itself.

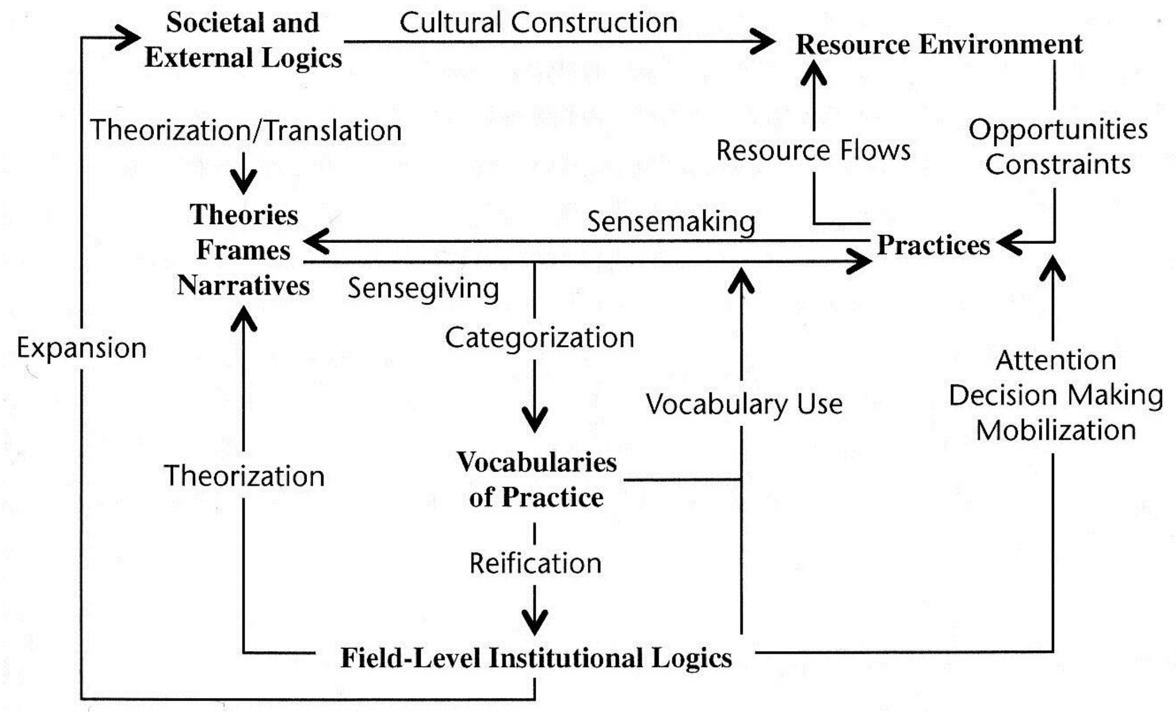

Figure 1.2: Cultural emergence of Field-level institutional logics
Source: Thornton, et al. 2012: 151

Figure 1.2 (Thornton, Ocasio, Lounsbury, 2012: 150, 151) shows the construction of field-level institutional logics. The symbolic representation of theories, frames and narratives are important for the creation of field level logics. Theories refer to the more fundamental principles of the field, such as a supply or a demand driven field. Frames provide schemes of interpretation and narratives are about the stories and anecdotes that give the field character. As external logics, resources, practices, vocabularies and narratives are contributors to the construction of field-level logics, they are also cataclysms of change (Thornton et al. 2012: 155). Change within either of these components will result in a change in field-level logics as well. For instance, if the external logic changes from a cultural to market logic, the logic of the field is likely to change similarly or at least be affected by the change.

Dimaggio analyzed the field logics of the museum sector in the USA (1991:286-289) and found that the structure of the museum was shaped by national field level structures of logics. Change was enabled in the institutionalization of museums, which form of legitimization contains a movement of reform. The legitimizing logics of the museum therefore contradict itself as it is internally criticized through movements of change. “institutionalization bears, if not the seeds of its own destruction” (Dimaggio, 1991:287). In the study of Dimaggio, movement of reform was largely based on a societal ideology advocating efficiency, democracy and ideas of what the organization of museums should be like, which was frequently based on organizational models of other sectors (Dimaggio, 1991: 287).

The national logics were influenced by actors advocating change. This individualistic advocating for change did not occur at an intra-organizational level, but individuals constructed “an environment they could control at the level of the organizational field” (Dimaggio, 1991: 287,288). Individual actors advocating change are usually those administrative professionals that are in managing positions that claim responsibility for organizational as well as professional wellbeing. Professionals such as curators that have no administrative role have less authority with external constituencies.

Within the field of the FHM|DHH, pressure on entrepreneurship increases, both from the municipality as from the cultural sector at large. In order to stimulate organizations to generate income, but also because municipalities need to save on their own expenses, fewer resources are available (Interviews Management Team, 29 April 2014, 28 May 2014, 4 June 2014). This increased constraints on resources impact resource allocation within the field and on the opportunities of actors within the field. Daily practices provide information that individuals use to make sense of the context, influencing the context’s theories, frames, narratives and use of vocabularies, which are used by other agents as well as groups and organizations.

Organization

Organizational identities and practices form the fundamental linkage between environmental influences and individual praxis (Thornton, et al. 2012: 129). The extent to which the organizational identity and practices can be typified as distinctive is dependent on external influences. If field-level logics are consisting of multiple logics the organization is more likely to adopt multiple logics in its own system and will therefore create more unique practices and identities (van Gestel, Hillebrand, 2011: 233). Organizational identity must reflect the essence of the organization, how it is distinguished from other organizations, and over time it must reflect a level of continuity. Furthermore, identities grow from what is embedded within the organization, such as history and culture, and is shaped by the ideal types of the organization. The field has a large influence on the formation of identities and practices as it controls distribution systems of resources (Oakes, Townley, Cooper, 1998: 261).

Organizational practices give insight into the intra-organizational dynamics of conflicting identities or policies (Thornton, et al. 2012: 141-145). Coping with internal and external changes will resonate in the modification of routines and practices. On an agent's level these dynamics become apparent in organizational mechanisms of decision-making, sense making and collective mobilization. The role of legitimacy should not be underestimated in this process as organizations tend to adopt socially desirable practices to maintain their legitimacy and avoid the risk of losing relevance in society, and by doing so have the tendency to resemble other organizations.

The model in figure 1.3 illustrates how and why organizations have the tendency to resemble each other, referred to as isomorphism. A common argument supporting isomorphism states that organizations within a field, for example museums in the Netherlands, are bound by the same rules, regulations, market and logics and are therefore extremely likely to eventually resemble one another (Thornton, et al. 2012: 132). Powell and Dimaggio (1991: 147) argue that environments that are structured by rules and regulations will trigger individuals to cope with uncertainties and limitations in a rational way. However, instead of changing and differentiating, organizations become more similar in their structure, culture and results. Moreover, in the attempt of trying to differentiate, Powell and Dimaggio found that organizations actually increasingly resemble each other. This makes sense as organizations base their logic and gain their knowledge from the information that is accessible to them in their field which is similar to the knowledge and information available to other organizations as well.

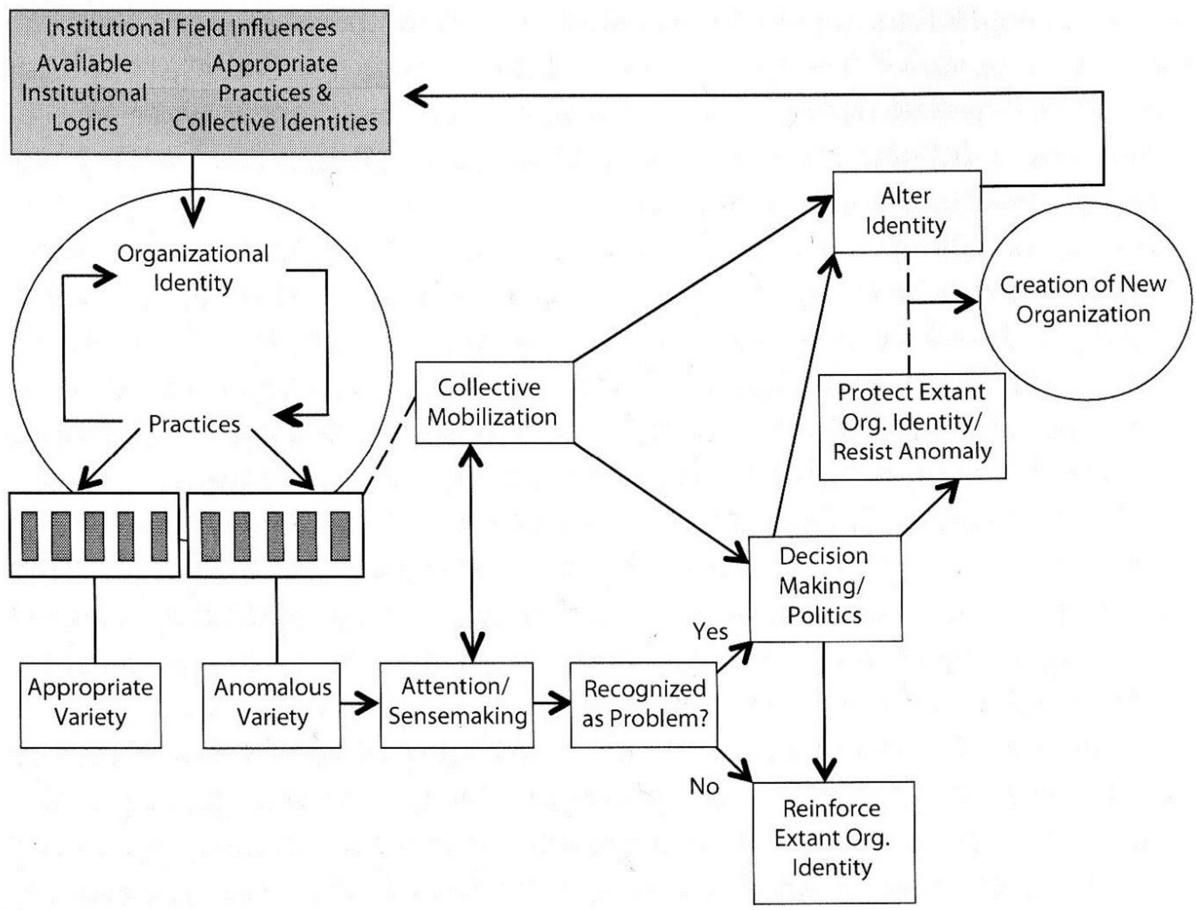

Figure 1.3: Dynamics of Practices and Identities across organizations
Source: Thornton, et al 2012: 143

Organizations create their logic based on their interpretations of the environment in which they operate (Morgan, 2006: 143 - 145). In that sense, environments are an extension of organizations. All the interpretations by organizations, but also by individuals, shape the environment. As organizations create their logic based on their own interpretations they have the tendency to become autopoietic, or in other words, organizations have the tendency to become self-referential (Morgan, 2006: 243-246). Organizations do acknowledge that they are part of a larger environment but the relationships with the environment are internally determined. Thus the self-referential character of organizations is dominant in many organizations. They perceive themselves as a separate entity of their environment instead of an embedded part of their environment. As illustrated in figure 1.3 organization and field are interlinked. Taking out the role of the field eliminates the need for the organization to adapt or to exceed its influence to the field. Such a situation will decrease the potential of the organization to evolve and develop.

Cultural organizations frequently fail to adapt to social trends and as a result they lose interest of modern citizens (Ragsdale, 2009: 38). Organizations have little insight into what people in local communities value and how they should respond to this. Furthermore, organizations tend to look for causes of certain events instead of taking the larger context into account (Morgan, 2006). Events are not triggered by a single cause but are the result of a process of positive and negative feedback loops. Response to events should not be linear searching for causes, but organizations and individuals must develop the ability to recognize the processes of mutual causality and must learn to understand how their acting, however small, has an impact on other actors, groups and the larger context as well as the larger context has an impact on them as an organization as well as individuals.

Ebner and Beck (2008) describe the relationship between organizations and fields as one of an evolutionary nature. Rules and regulations of institutions shape the field in which organizations move and therefore form the logic, system and structures, of organizations. In order to legitimize the organization and to secure resource flows many organizations, specifically nonprofit organization, conform to the rules, regulations and requirements set out by the sector or the government. The relationship between organization and field is mutually causal since organizations give feedback on the system of institutions through its market practices.

In the eighties for example, attention to the economic impact of cultural organizations grew (Oakes, Townley, Cooper, 1998: 269, 272-275) which started to function as a mean to legitimize the existence of cultural organizations. Attracting tourists and fostering economic development became more important in internal and external communication than the preservation function. In this situation managers emphasize the economic impact of the institute in order to increase support from the public and private sector by loose-coupling of organizational identity from organizational practices. One such medium, where vocabulary can influence the logic is the business plan as it articulates change and forms a model of power and control. It articulates values and interests that shape the organizational identity. Articulation, categorizing and regularizing through business plans is a pedagogic practice of collective mobilization that gives shape to both organizational practices but also to organizational identity.

For the cultural heritage sites in Alberta that Oakes, Townley and Cooper (1998) studied this meant that planning emphasized increasing revenue, merchandise sales, ticket sales and the addition of other sources of revenue such as a café or restaurant. The plans hardly elaborated on the collection, preservation, or research functions of the institutes as these were considered to be irrelevant and taken for granted. The focus shifts from cultural preservation to becoming a quickly adaptable and flexible organization that can approach matters from an economic perspective (Oakes, et al. 1998: 278-280). The study presents two ideal types, a field of restricted production and a field of large-scale production, where the latter focuses on revenue and market positioning where institutes not only compete with other cultural institutes but with every other type of leisure activity. Neither type is stable or dominant within the organization. Changes and shifts in logics are caused by the state and shape of the institute but also by the struggle of power between agents (Oakes, et al. 1998: 282). Depending on this struggle of interests, individuals will either re-make or un-make the logics of the organization.

Individual

The primary principle of institutional logics is that the assumptions, values and rules that shape practices and give meaning to the system are both created by agents in the system and embedded within the agents. Therefore individuals are essential actors in the process of creating institutional logics, but its role is extremely paradoxical. Embedded agency creates opportunities for individuals to give shape to institutional logics but is at the same time constrained by institutional logics (Thornton, et al. 2012: 78-79).

Thornton, Ocasio and Lounsbury (2012: 85) present a model of human behavior that addresses macro to micro and micro to macro processes of constructing institutional logics. As organizations or groups can have multiple identities, individuals have multiple identities as well, especially since they are part of multiple groups which contain multiple identities. When individuals identify with the identity of a larger group or organization, institutional logics can impact individuals (Thornton, Ocasio, 2008: 111). Identities of larger groups, collective identities, are the result of the interaction between members of the group. The extent to which group members conform to the logic and its rules will determine the individual’s status and power within the group.

Aside from having multiple identities, agents can have multiple goals that can be conflicting, but this only becomes apparent when the focus of attention shifts (Thornton et al. 2012: 85-91). Attention is limited and while attention can be controlled, focus of attention is to a large extent also an automatic process. Further attention can be given to directly observable matters or to internal process such as goals. Group structures and processes largely automatically shape the focus of attention. Moreover institutional logics will steer attention to the issues and solutions that are relevant and obvious to that logic.

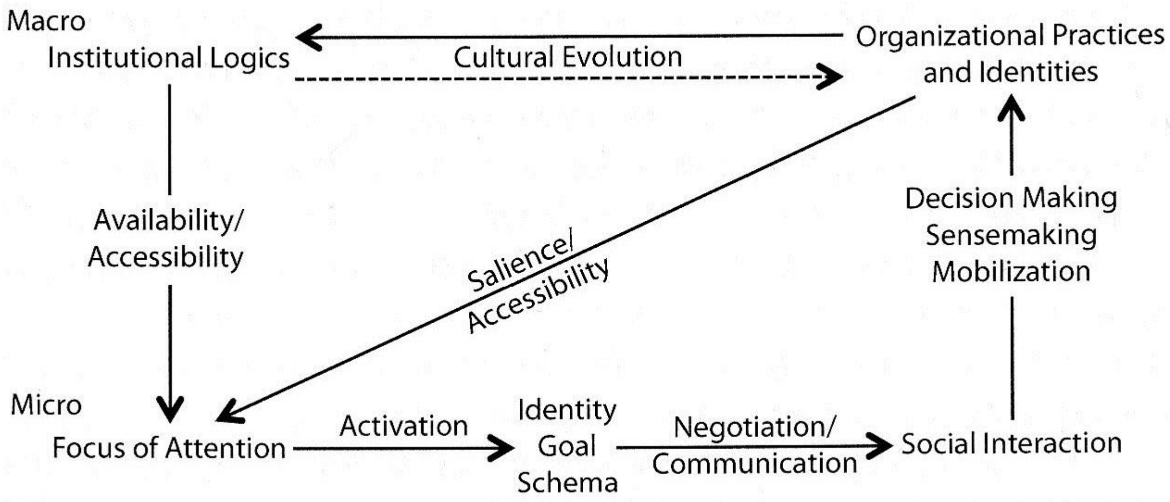

Figure 1.4: Micro and Macro processes of institutional logics
Source: Thornton et al. 2012: 85.

The model in figure 1.4 gives insight in the macro to micro and micro to macro dynamics that shape institutional logics (Thornton, et al. 2012: 85). Three mechanisms, decision-making, sense-making and mobilization, which explain micro to macro processes have not yet been addressed. Institutional logics are of great influence in actors' approach to decision-making, as division of attention of decision-makers is determined by institutional logics. When economic or social issues emerge, decision-makers will focus on solving the issue that has closer coherence to the organizational logic. Sense-making is the process through which individuals make sense of the world and translate this in words. Mobilization refers to the way the symbolic and material resources motivate individuals and groups to take action and to strive for the achievement of collective goals.

Within the cultural sector the interests of stakeholders have a large impact on agent's and organization's sense-making, decision-making and mobilization. In the field, organizations cope with several agents, or stakeholders, such as government agents, visitors and critics. Hsieh, Curtis and Smith (2007: 2) argue that the rise of market logic is more ambiguous and complex for non-profit organizations as their mission is abstract and can be understood differently by various stakeholders. It is therefore more important for managers in cultural organizations to take the various interests of all its stakeholders into account when creating strategies to approach the market. However, the sum of all stakeholders' interests can result in the co-existence of multiple logics.

Pluralistic fields and multiple logics

There are different conceptions on whether it is possible for several logics to coexist within a field. One perception regarding institutional change is that a dominant logic is simply replaced by another (Reay, Hining: 2009: 631). Even if there are multiple logics within a system, the competition for power between them will cause a single logic to dominate. According to Greenwood and Hinings (1993: 1056) ideal types are naturally bound to move into coherence. Meaning that if the organization contains multiple logics, it will naturally organize itself to support the dominant logic and to eliminate the adverse logic, as it is in the organization's interest to be consistent in one thing rather than to be inconsistent in two. Furthermore organizations consist of many differing people that each have their own position within the organizational design and the dominant coalition will put an effort in maintaining the status quo as it would be to their disadvantage if the structures of the organizational design would change. However, dynamics of change ultimately do require the existence of multiple types.

Changing institutional logics can be distinguished as caused by internal or external events, and it can be distinguished by the direction and extent of change. Internal change results from contradictions in institutional logics (Thornton, et al. 2012: 164). Within every system contradictions exist, but due to critical events they can become evident and can trigger change. Sometimes this can be stimulated by external events that involve different logics. The system will adopt the contradicting logic or merge it with the existing logic. Elements of several logics can be combined or blended, where either elements of a single logic dominate or both logics are of equal relevance. (Thornton, et al. 2012: 85).

The development of practices, theories, frames and narratives of a field-level logic can transfer to other fields that are related to the original field. Moreover, the transformation or development of field-level logics can transfer to individual actors or to groups, such as organizations. Elements of market logics have caught attention in the cultural sector and are being adopted by individuals and organizations in decision-making and sense-making. The logic of the market is being combined with the artistic logic, causing much tension and contradiction in organizational practices and objectives as both logics compete for dominance. The presence of multiple logics can create conflict and pressure on practices and identities (Thornton, et al. 2012: 85-91), which is most problematic on an organizational level. The notion of loose coupling, the separation of action and goals (Gavetti, et al. 2007: 529), enables individuals and organizations to cope with the presence of multiple logics (Thornton, et al. 2012: 57-59).

Even though Reay and Hining (2009) researched health care in Alberta, the situation may be compared to the cultural sector. The government introduced a new business logic that supposedly increased efficiency and effectiveness. Practices would have to become more cost-effective while still maintaining to satisfy consumers, which created a separation between physicians and managers. In the situation of the health care system in Alberta, employees coped in several ways. First of all they separated, or loose-coupled, decision making regarding content, medical decision, from business (Reay, Hining, 2009: 640). As both physicians and managers were in need of each other's content in order to do business they were able exchange informal input for decision-making processes. Further both parties shared aversion towards the government which strengthened the relationship to combine efforts to achieve shared objectives. Finally they have learned to collaborate as the situation requires them to improve the system to make it more efficient.

In this case it was possible for the organization to identify and practice according to multiple logics through the loose-coupling of practices and identities. A similar trend can be found in the cultural sector where market oriented reasoning, efficiency and entrepreneurship grow in importance while artistic levels must be maintained (Dimaggio, Hirsch, 1976: 746; Klamer: 2012; Oakes, et al.: 1998: 257). This chapter considered several examples of studies on changing logics in the cultural sector and the situation of growing importance of market over content might be considered similar to the health care industry.

Changes in a context influence individual decision-making and organizational practices, but does not necessarily impact the organizational identity. While it is essential for an organization to have a clear vision and objectives it is questionable whether actions contribute to the organization's objectives. For this reason institutional logics assumes that loose-coupling puts constraints on strategic behavior (Thornton, et al. 2012: 58). One of the consequences of loose-coupling is that decisions are not a reflection of the organization but of a specific moment in time and in a specific context as this garbage-can model of decision-making separates goals from actions (Gavetti, et al. 2007: 529).

If there is no clear objective behind any practices, the odds that practices will lead to any long term accomplishments instead of short term accomplishments are slim. One of the dangers is discussed by Alexander (1996: 830) who argues that art museums that experience pressure from the environment are facing dilemmas of conflicting interests. The research showed that in these types of situations funders have substantial impact on the organizational program (1996: 797) as the funders' tastes were reflected in the museum's exhibitions. This is what happened to the Stedelijk Museum in 2006 where a high officer of ABN AMRO became the chairman of the board of the Stedelijk Museum. However, ABN AMRO had been sponsor of the Stedelijk Museum for a while and having someone in the board of the museum would give them direct influence in the programming and organization of the museum. Vander Gucht (1991: 361) provides a similar argument stating that museums lose their independence and freedom in aesthetic judgments as they become privatized. Moreover they run the risk of transforming into a cultural amusement park in order to respond to demand and to compete with other leisure activities.

Earlier it was argued that institutional logics provide a more complete approach of studying organizations as it takes the entire context into account, where rational choice theory only looks at the considered organization. Then what would the difference be for a situation of adopting market logics in the cultural sector approached by a perspective of rational choice theory? To some extent the results would be similar. In both situations the museums would orient themselves more towards the market and emphasize the relevance of entrepreneurship. However, there is a large difference to be found between the two approaches.

Rational choice theory would assume that, as a lack of income would ultimately lead to bankruptcy it is in the museums own interest to become more market oriented and by doing so rationally act to optimize its own utility. Institutional logics show that it is the changing logics in the context that require the museum to adapt is logics as well and that acting upon these logics are not always supporting the organizational objectives. Hence, organizations are in a way enforced to loose-couple their organizational practices from organizational objectives. Acting according to a certain logic does not mean that this behavior optimizes the museum's utility and that this always emerges from within the organization.

This thesis hypothesizes that the attention to the market logic has grown in the field of the museum sector, in individual sense-making and in organizational practices. As a market logic is challenging to blend with an artistic logic and the artistic logic is not likely to be replaced by a market logic it is probable that market and artistic logic co-exist within cultural organizations and specifically within museums in this case. For the FHM|DHH the situation might be different to some extent, as it is not only a cultural institute but it also used to be a part of the municipality it is likely that they work according to a public logic as well. The following ideal types are proposed. These types are based on a range of types that are being used in the studies that were illustrated in this chapter. The logics presented in figure 1.5 are based on this thesis' interpretation of the literature (Alexander, 1996; Klamer, 2012; Oakes, et al. 1998; Dimaggio, et al. 1976; Hsieh, 2008; Powell, et al.1991; Ragsdale, 2009; Vander Gucht, 1991) and on the hypothesis and expectations for the case study of the Frans Hals Museum and De Hallen Haarlem. Furthermore the framework is based on the framework used by Thornton, Jones and Kury (2005:135).

Characteristics	**Public logic**	**Characteristics**	**Private logic**
Ownership	Collective ownership	*Ownership*	Private ownership
Identity	Collective identity	*Identity*	Market positioning
Authority	Municipality	*Authority*	Supervisory Board
Product	Merit good	*Product*	Supply and demand Competition
Structure of strategy	Bureaucratic	*Structure of strategy*	Efficiency
Resources	Public support	*Resources*	Fundraising/sponsorship
Agreements	Trust	*Agreements*	Contracts
Attention of goals and practices	Qualitative: - Preservation - Collecting - Dissemination	*Attention of goals and practices*	Quantitative: - Visitor numbers - Publicity - Revenue

Figure 1.5: Hypothesized Ideal Types of the Frans Hals Museum | De Hallen Haarlem

This hypothesis shows that the institute originally identified with the municipality and the city of Haarlem and its main function and practices revolved around the preservation, collecting and dissemination of art that served the collective identity of Haarlem as a city of the Golden Ages. After privatization the organization had to orient itself to the market, resulting in an increased importance of quantitatively measurable practices. As ideal types represent an ideal situation and not a reality they will not completely correspond with real life situation. However this thesis hypothesizes that the FHM|DHH shifted from a public logic to a private logic and that both logics remain to coexist within the organization.

Although it can be argued that loose-coupling enables the co-existence of multiple logics by separating organizational identity from organizational practices, this thesis argues that loose-coupling in the cultural sector has the potential to result in organizational fragmentation where departments and individuals act as autopoietic systems. As artistic and market logic are contradicting, it may be that parts of the organization remains artistic while others adopt a market logic. Here I would like to take the opportunity to emphasize that I support that cultural organizations should be sensible to market dynamics and be innovative in methods to connect with their audience and be creative in generating revenue. What remains more important is that cultural organizations needs to consider how market dynamics apply to their organizations and how they can develop a strategy that is both artistic and market oriented and supports their identity and artistic objectives. This thesis argues that in many cases organizational practices no longer support the organizational identity and that in some cases there is not even an organizational identity formulated and communicated, both internally and externally.

Chapter 2 - Methodology & Method

Methodology

This thesis conducts a qualitative research, as the aim is to understand the shifts in institutional logics and ideal types. In order to find explanations, a qualitative approach will give more insight than quantitative data (Bryman, 2008). A case study will be performed to the Frans Hals Museum|De Hallen Haarlem. As performing a case study allows the researcher to gain deep understanding and insight into the situation within the chosen context. Institutional logics involve fields, organizations and individuals. As the interrelationship between these 3 groups constructs logics they should all be studied to understand the logics. It is not feasible for this thesis to analyze the institutional logics across the three areas that construct institutional logics and based on a personal interest for organizational dynamics and ability to change, this thesis addresses the institutional logics of an organization and discusses the levels of field and individuals from the perspective of the organization. Furthermore, the study of institutional logics within organizations is an approach to organizational studies that is not often adopted (Thornton, et al. 2012: 180-181). It would be interesting for the study of institutional logics to increase the amount of researches within the organizational field, to which this thesis hopes to make a contribution. The most suitable methodology to study an organization's institutional logics is through a case study.

The nature of this case study is iterative since it attempts to theorize ideal types that exist within the FHM|DHH, based on theories on institutional logics, in particular by Thornton. The aim of this thesis is to apply the framework of ideal types in figure 1.5 to the case of the FHM|DHH, which might inspire the study of similar types in other organizations in the cultural sector. Analyzing institutional characteristics will give insight into the institutional logics of the group, organization or system and will provide an understanding of individual and organizational behavior. Further, it will give an explanation for the ways institutions impact behavior and reasoning more than other analytical frameworks in organizational studies are able to (Thornton, et al., 2012).

Method

The aim of this thesis is to answer the research question: *How have the institutional logics of the Frans Hals Museum|De Hallen Haarlem changed after the privatization in 2009?* The objective is to gain insight into the institutional logics and specifically in the shifts of institutional logics, in order to create understanding to the process of change of cultural organizations as a result of subsidy cuts. The FHM|DHH has been privatized in 2009, suffered budget cuts in 2013, has a new director since February 2014 and is currently dependent on the municipal coalition deciding on further budget cuts. Because of these occurrences it is likely that the institutional logics will change or are currently changing.

The sampling method adopted to select the FHM|DHH is typical case sampling, meaning that this typical case represents a specific dimension of interest, which is reorganization of the cultural sector as a result of budget cuts. It is interesting to perform a case study researching the shift in institutional logics for the FHM|DHH as an exemplifying case (Bryman, 2008: 70), because the occurrences of this organization are common for other cultural organizations as well. Even though case studies are not generalizable, an exemplifying case can represent a broader category of similar cases. Exemplifying case studies further enable the analysis of key social processes.

This thesis uses the analysis of ideal types as a method to analyze institutional logics. Analyzing organizations through typologies is essential to understand different levels of change in institutional logics (Doty, Glick, 1994). This involves the analysis of organizational design, such as practices, decision-making processes and resource allocation. The institutional sector and the organizational forms that are legitimated in the context need to be taken into consideration in order to understand the organizational logics.

Thornton, Jones and Kury (2005: 135) use a framework to index the characteristics of ideal types, which includes organizational identity, ownership, attention and strategies. This framework will be adopted to map out the ideal types within the organization of the FHM|DHH. Required data of the framework will be acquired through unstructured interviews with managers of all the departments of the FHM|DHH, who are also part of the institute's Management Team. This thesis includes the responses of Anke van der Laan, head of collection, Bas van Donselaar, head PR, John Buch, head business, Rob de Nieuwe, head finance, and Gwen Nijbroek-Breurer, head HR. Anke van der Laan, John Buch and Rob de Nieuwe have worked at the institute since before its privatization and Bas and Gwen only work at the institute since a couple of years.

The choice to interview the department managers is based on the assumption that managers are responsible for the decision-making within their department, for the allocation of resources and for the results of projects. They are involved in every aspect of processes within that department and therefore have a clear overview on motivation, values, objectives and limitations. The interview guideline can be found in the appendix.[1] Furthermore policy plans and annual reports will be analyzed to complement the information acquired from interviews.

[1] Due to privacy reasons the interview transcripts have not been added to the appendix of this thesis. Contact the author for access to the transcripts.

Data Analysis

The acquired data will be analyzed through a critical discourse analysis, since it “emphasizes the role of language as a power resource that is related to ideology and socio-cultural change” (Bryman, 2008: 536). Discourse, the object of analysis, refers to conversations, documents, production practices, distribution and interpretation that construct social reality. The aim of critical discourse analysis is to gain insight into the construction and maintenance of discourses and how these are related to broader issues, such as subsidy cuts, that might reveal a dialogical struggle. The discourse is a symbolic representation of the object of analysis in which areas of interests are highlighted. These signs show the purpose and can reveal implicit meanings (Machin, 2012: 30). The data will be analyzed interpretatively.

Specific attention must be paid to the meaning the words are supposed to bring across. It can occur that a specific vocabulary is dominant, but what do those words mean and what meaning are the writers trying to bring across? This can become apparent through overlexicalisation (Machin, 2012), that is the excessive use of repetitive words or the absence of certain words can indicate a great deal about the implicit meaning of the text. The same attention must be paid to chosen words by interviewees in conversations or interviews. Which could regard general statements but also statements in which third-party’s actions are represented. The earlier described occurrences of privatization and subsidy cuts will be approached as the focus points and data will be analyzed to identify ideal types within this period.

Performance of critical discourse analysis is performed in several phases (Bryman, 2008: 538). During the first phase the content, structure and meaning of the organization’s documents, policy plans and annual reports are reviewed. Can differences in logics be identified? Thereafter communication flows and means of interaction are researched, based on data collected through interviews. The results of the analysis of phase one will contribute to understanding of the flows and means of interaction. How do found differences in logics find their resonance on the work floor? What is the relation between organizational identities and practices? Finally the social context is analyzed. Phase 1 and 2 will provide insight into the construction and dynamics of the organization and the social context that it holds. During these phases the ideal types can be tested based on the collected and analyzed data. Furthermore the findings can inform which ideal type is dominant in the organization and what the differences are between logics. Moreover, how do these differences impact values, employees’ attitude and organizational structures? These findings indicate how ideal types contribute or prohibit the organization from changing. Ultimately the findings can contribute answering the question how the institutional logics have changed.

Limitations

Earlier this chapter explained that even though the results of this study are not generalizable to other cases or situations, the case of the FHM|DHH functions as a typical case and illustrates a phenomenon that is relevant to many other organizations in the cultural sector (Bryman, 2008: 70). The results are merely an indication of what is a possible explanation for the situation of the FHM|DHH. Whether these results are applicable to other cases should be tested in future research. With regards to internal validity, this thesis assumes that privatization, subsidy cuts and changing directors are independent variables and have given cause to changes in institutional logics, the dependent variable. The results from the data analysis are expected to support this assumption.

Chapter 3 - Case Analysis – Logics of the Frans Hals Museum | De Hallen Haarlem

This thesis argues that the cultural sector is a pluralistic field that contains multiple logics that are enabled to coexist through loose-coupling of organizational practices from the organizational identities. Although the development of cultural organizations becoming more sensible to the market should be supported, it is questionable at what point loose-coupling turns into fragmentation of the organization, where there is no strategy behind identity or practice. For the case of the Frans Hals Museum and De Hallen Haarlem this thesis hypothesizes the co-existence of both a public and a private logic. This chapter will address how both logics apply to the institute and why this should be considered a threat by analyzing the organization's relation to the field and individuals

Relation to the field

The field of the FHM|DHH includes the municipality and the cultural sector and is one where subsidy cuts and increased pressure on entrepreneurship are dominant. The cultural sector is portrayed by the institute as one where pressure on distinction is growing, where museums tend to do what seems to work for other museums and where costs are getting excessive.

> "Things also get more expensive. Not only in our museum, but also in the entire museum world. That, security requirements are getting more extensive. Before I could organize an international top exhibition for 100.000 guilders, […] that was an impossible budget and that was amazing that we had that. And then you have a really large international exhibition and now, if you want to organize an exhibition it will cost you 300.000 to 350.000 euro's. So those standards of more security, more couriers, more guards, investments in anything, […] but I must add that in that sense the whole world has changed." (Anke van der Laan, Head Collection, 29 April 2014)

> "At the international exhibition organizers meetings, this is a topic of discussion. We need to reduce costs and where do we do this, how can we collectively attempt to not constantly send a courier with every single painting? And for every painting we have to make a new box, to what extent can we make sure that we do not throw away construction material every three months of exhibition and then start from scratch with a brand new construction? No, to what extent can we re-use those parts again." (Anke van der Laan, Head Collection, 29 April 2014)

A decrease of resources put constraints on the opportunities of municipalities which are reflected in the daily practices of the municipality. The resource environment changes and fewer subsidies are available to the cultural sector and to municipalities to provide to cultural institutes. Perceptions of resource allocation within museums are divergent, possibly because of the growing amount of practices resources need to be allocated to, while national subsidy cuts have put more pressure on the allocation of limited resources.

> “Because of the cuts they [municipality] are very self-centered in their activities and you also notice it in the contacts.” (Rob de Nieuwe, Head Finance, 29 April 2014)

The municipality is perceived as an institute that is enforced to cut subsidies, one way or the other.

> “It is just so typically municipal behavior, who sends around papers that contain figures that are not realistic. From 500.000 till a million. […] That makes no sense. But what are they doing, well make these statements, so that when they will cut 200.000, they will state that it is not that big of a deal. You see them come up with these kinds of games.” (Rob de Nieuwe, Head Finance, 29 April 2014)

Further several museum associations are increasingly concerned with saving money, resource allocation, positioning and cooperation. Both municipality and museum sector are oriented towards efficient and cost effective organization and increasingly aware that practices need to be relevant. Organizations are expected to provide more than a merit good. Moreover they need to position themselves in the market and differentiate themselves from competitors. It can be argued that the logic of the municipality and the sector has shifted from a public logic to a private logic.

The FHM|DHH had to cope with this private logic as they were privatized from the municipality. The privatization was supported by both the municipality as well as the employees at the institute itself, as being part of the municipality limited the organization in several ways.

> “[in the past] Decision-making was largely a competence of the municipality. So we could be less resolute in our performance, it took longer. Within the municipality a lot of people have to put their stamp on it. I mean, A, it takes longer, and B, you end up in all kinds of councils and in the end there is no decision-making.” (John Buch, Head Business, 29 April 2014).

> “It is not a very active municipality, I would say. […] It is a bit of a sleeping city. With those kind of things [decision-making].” (Rob de Nieuwe, Head Finance, 29 April 2014)

The privatization had several consequences for the institute. First of all, the hierarchy changed as the governance and the responsibility regarding the institute shifted from municipality to the institute. Now that the museum is privatized the collection and venues of the institute are still owned by the museum, but the institute is fully responsible for the organization of the preservation and dissemination of the collection. After the privatization the institute was constituted as a foundation based on the supervisory board model, where one person forms the direction that has to account for the organization to the supervisory board, consisting of five members (Policy Plan 2008-2012). The College van Burgemeesters en Wethouders, although no longer part of the formal organization, is still involved in the institute's policy-making. The relation between municipality and the institute can be characterized as of a contract relationship where agreements and subsidies are formalized and the municipality agrees to obligate itself to put an effort into meeting the agreed subsidy amount. This however means that they are free to adapt the amount if necessary.

The transformed structure of the FHM|DHH changed its relationship with the government. On some levels the privatization has negatively influenced the institute's relationship with the municipality, possibly because of the initially grown financial position of the institute.

> "[…] they are very focused on the legal side of the relationship […] they make it pointlessly complicated." (Rob de Nieuwe, Head Finance, 29 April 2014)

> "The municipality has struggled for a while with the construction of a business relationship. Once we were almost summoned to court" (Rob de Nieuwe, Head Finance, 29 April 2014)

The disagreement was about the compensation of increased wages in subsidies.

> "The municipality believed in its own wisdom that there was no more money for this purpose and wanted to withdraw, meaning that we have to compensate those costs in our budget." (John Buch, Head Business, 29 April 2014)

Eventually the municipality was not able to continue since they agreed during the privatization that these costs would not be compensated in subsidies.

> "The municipality has all kinds of, I'd say accounting tricks to clean up their budget statements" (Rob de Nieuwe, Head Finance, 29 April 2014)

> "Well, if you announce, the example I mentioned last time as well, that you want to cut the Frans Hals Museum with 800.000 and in the end we get cut with 200.000, well, we [the museum] did a good job. But within the municipality they will be more like; well we have still been able to cut the Frans Hals with 200.000. […] You see? It is also a bit of a game." (John Buch, Head Business, 29 April 2014)

These statements indicate that the relationship with the municipality of Haarlem is not a very solid and stable one. It was repeatedly indicated that the municipality uses tricks and games to get out of its obligations with the institute, because they feel the pressure of the extent to which their own budget is being cut.

On a different level, the relationship with the municipality is also developing positive aspects. The municipality is putting an effort in thinking forward in collaborating with the FHM|DHH. Employees of the institute frequently communicate with the municipality on cultural and economic development.

> “We closely collaborate with Haarlem Marketing, which is part of the municipality, to put an effort into attract more visitors to the city.” (Bas van Donselaar, Head PR, 4 June 2014)

Furthermore, the municipality is frequently informed on the performance and progress of the institute and as the municipality remains the owner of the collection, the institute frequently has to discuss matters on the collection such as sizing down. The municipality is also involved and supportive on several occasions.

> “For example, when the museum celebrated its centennial, […] they instated the Frans Hals year, which allowed several cultural institutes to participate.” (Anke van der Laan, Head Collections, 29 April 2014)

The relationship with the municipality is a complicated one, largely because the relationship changed due to the privatization. When it comes to resource allocation, the relationship is slightly tense as both parties are constrained by the outcome of decisions. However, content wise the respondents indicated that the municipality is fairly cooperative and is trying to stimulate the institute wherever it can. However, further disputes on resource allocation put constraint on the relationship again.

In 2011 the municipality was forced to save on their expenses, which amongst others influenced the subsidy to the FHM|DHH. Originally the municipality wanted to cut the museum with nearly half a million euro’s, however after some negotiation the amount was decreased to 250.000 euro’s. The amount was cut in the subsidy for the year of 2013. At this moment, the institute is awaiting its verdict on further subsidy cuts by the municipality. Overall, the municipality has to cut 10 million euro’s and the new coalition needs to decide on which expenses they are going to cut. There are several propositions that amongst others involve cutting the cultural sector, real estate and the municipality itself. Until the coalition is formed and the new policy plans are announced nobody knows where and how much the municipality will cut. Both the privatization and the subsidy cuts have had their impact on the practices of the FHM|DHH.

Relation to individual practices

As a privatized museum, the institute realizes a policy of self management where it executes a policy and is empowered to do whatever it thinks necessary to meet these goals. Many practices are predetermined to some extent, such as budgets, and exhibitions which are planned one or two years in advance due to the process and term of arranging loans from other museums. Formally matters are decided upon in the management team, but are often already decided upon beforehand. However, different perceptions exist on the planning of practices. On the one hand the process can often take too long:

> […] Recently for example I also said something about the planning of exhibitions. […] from a financial perspective I want a large exhibition each year, that attracts large audiences. And this usually runs a little behind on schedule. We must improve; I want to know what we are going to do next year and the ear after. […]" (Rob de Nieuwe, Head Finance, 29 April 2014)

> "It [the organization] is fairly informal, where the director makes decisions, based on sensible reasoning and participation. […] sometimes it is even, it is not too informal, but some things could be put in writing more […] to take a little more time to carefully consider or discuss things.[…] otherwise you find out that things are forgotten or interpreted differently." (Bas van Donselaar, Head PR, 4 June 2014)

While on the other hand decisions are made on the spot and practices are processed too quickly:

> "That is sometimes a little, a little too quick. […] But then you get overtaken by events, things go wrong, things need to be redone because we did not take enough time to think about a complicated process and to communicate with each other and to get the facts straight." (Anke van der Laan, Head Collection, 29 April 2014)

Probably as a result of the freedom of self-management there is little strategy behind decision-making, planning and practices, as comes forward in these quotations. What contributes to these conflicts are the constraints that are put on resources. Some of the respondents indicated that they frequently need to convince each other and the director that more resources should be allocated to their department.

Financial changes impact organizational practices. At first the institute's financial position grew due to increased donations and sponsorship relationships. Since the privatization it became more beneficial for donors and sponsors to give a contribution to the institute. Before the fear of sponsors and donators was that any donation would be lost in the bureaucratic system of the municipality, and now the donators are secured of a proper allocation of donations. As a result, the financial position of the institute grew. One large donor to the institute is the Bankgiro Loterij that structurally donates 200.000 euro's per year. With these funds the institute is able to restore paintings and to purchase art works. Having additional funds for preservation purposes enabled the organization to allocate other budgets differently and to change practices.

> "I feel like, after the privatization, we gained a much more generous financial position. But, we also assumed that position. It would be an exaggeration to say that anything was possible, but a lot was possible. Not to say that the sky was the limit, but it felt like much more than before […] We constructed a café and before we employed doorkeepers, but then we started to hire freelancers to do that job which is more expensive in my perspective." (Anke van der Laan, Head Collection, 29 April 2014).

> "During a brainstorm session I mentioned how our budget has increased with 2 million euro's over a period of 10 years […] Where does that money go to? Let's find out if we have any room for compensation in those areas in case our subsidy is cut […] anyway, this did not scare anybody so, yes, no action was taken." (Anke van der Laan, Head Collection 29 April 2014).

The initially growing financial position has reversed since the subsidy cuts in 2013 that have put much pressure on resource allocation and both the financial growth and decline have created several conflicts within the organization. Within the museum sector standards regarding housing, maintenance, security and humidity control are changing. Furthermore, museums are expected to provide more than a room full of paintings, it must provide visitors with resting areas such as café's, gardens and shops. These are practices that require a substantial amount of resources in order for them to be realized. However, this means that the museum gets constrained in its collection and exhibition resources and practices.

The individuals differ in conceptions as each function requires to access different information and acts upon it differently. This requires individuals to create different goals, schemas and identities. Interaction with other individuals enforces or weakens their conceptions and shapes the way individuals make sense of matters. The business department for example is responsible for the maintenance of the venue and to make sure it meets legal requirements. To them allocating sufficient funds to optimize this purpose is most relevant.

> "What I notice from colleagues is that their directors have little interest in housing and maintenance technicalities […] the only thing they want to see is whether the building looks fancy, whether the next exhibitions will fit. And how it happens and what

> agreements you must make, whether it meets the norm or legal requirements is not of their interest." (John Buch, Head Business, 29 April 2014)

On the other hand the collection department is occupied with providing and organizing artistic content for the museum. It is in their interest to allocate resources for the purpose of preservation and dissemination of the collection.

> "Why can't that money be spend on art and why does it have to be spend on facilities and what not? That is also a trend you can sense, aren't we pushing the boundaries during a certain process?" (Anke van der Laan, Head Collection, 29 April 2014)

What contributes to these conflicts are the different identities that individuals give themselves and others, and how receptive they are to change. As there is no unity in objectives and methods, conflicts within the organization are present and cause employees to think from their own position instead of from the perspective of the organization.

> "[…] there is a lot of difference. Our management team consists of very different people. You know [head business], you've spoken with [head finance], those are both people that are positioned very far from the content. I am closer to the content as I am from the contemporary arts world […] The man you don't see today [head PR] is from the performing arts and marketing. And our new director is also focused on contemporary art and our museum is currently mostly historical art. So, those are very different positions, people, approaches, thoughts and decisions. But I mean, it does not mean that it cannot function well. (Anke van der Laan, Head Collection, 29 April 2014)

> "Those two men you've met [head finance and head business]; those people are very evident, sometimes boasting, presenting things. This the way it is. Period. […] I do not always experience this as easy. And that nuance is then also, that, they bulldoze right over it […] They are very powerful, or powerful, […] there is no room for discussion […] I have kind of withdrawn myself. I work on my things and I try to perform optimally and to make exhibitions and preserve it well, optimize circumstances" (Anke van der Laan, Head Collection, 29 April 2014)

> "I think that HR is, not necessarily an outsider, but often lags behind on events. […] Things are often already processed and forgotten by the time I hear about it." (Gwen Nijbroek-Breuer, Head HR, 28 May 2014)

> “Content wise I could not, well, although I like it […] I do not really care what they are going to exhibit. There are other people who do that, but I want to know what the planning is.” (Rob de Nieuwe, Head Finance, 29 April 2014)

It is noticeable that there is a distinct perception between the ‘self’ and ‘the other’ regarding individuals as well as departments, which give a sense of ‘they do things differently than how we would approach the situation’. The difference in focus of attention, goals, sense-making and decision-making provide the range of different practices and identities that can be found within the institute that can complement each other but can also conflict each other. Practices and identities are always contradicting but only conflict when in a certain path of events. The privatization changed how agents should identify themselves but this change did not take place for every individual.

> “After the privatization we used the collective employment agreement of the municipality […] I do notice that people value the conditions that used to apply as civil servants. […] But these do not apply anymore, and I notice that some go along with the change but some really hold on to it.” (Gwen Nijbroek-Breuer, Head HR, 28 May 2014)

Budget cuts put pressure on the allocation of resources and conflicts are emphasized. With further budget cuts in sight and a new director the organization will evaluate its practices and will try to improve.

> “An organization should always be changing. And a new direction is always a good occasion to give it a new élan. […] No doubt that there will be people who argue that things are fine the way they are and that we should keep it this way. I don’t think that this new director will make sudden or rigorous changes, but it will be a road of gradualism, and then everybody will follow.” (Bas van Donselaar, Head PR, 4 June 2014)

It is not that individuals have no understanding for other purposes and goals of the institute, rather that individuals do not find themselves in each others’ position and therefore do not have access to the same information and do not process it in the same way. The attention of some agents is oriented towards directly visible practices while the focus of attention on internal processes and goals is slim. Because of the difference in perceptions there is a growing feeling of lack of appreciation amongst employees as both supporting and artistic departments feel that they are not being provided with the means that their departments require.

This pressure on resource allocation will increase if the municipality decides to decrease subsidies even further. In order to cope with subsidy cuts the respondents indicated that the core business needed to be re-evaluated. The subsidy cuts in 2013 were compensated through increased entrance fees based on the comparison with fees of other museums in Haarlem, such as the Teylers museum, and on the rules and limitations of the Nederlandse Museum Vereniging.

> “We do not notice much of those subsidy cuts. Yet. No, I’m not sure what my colleagues have mentioned, but, we do not notice much of it. Unless, the next cuts... We expect the cuts to turn out at 200.000 euro’s, but if it is a million, then, then we really need to change perspectives.” (Anke van der Laan, Head Collection, 29 April 2014)

Depending on the amount with which the institute will be cut, the organization has several solutions and scenario’s to compensate the cuts with. For instance they could again increase entrance fees, and downsize on organizational development and their exhibition program.

> “Compared to other museums we are still not the most expensive regarding entrance fees, so there is a possibility there. But I think the spectacular aspect of exhibitions will disappear as well and that will have consequences for the amount of visitors.” (John Buch, Head Business, 29 April 2014)

However, these solutions won’t be sufficient compensation at one point. If the subsidy cuts turn out to be too much to compensate, worst case scenario is for the organization to discard De Hallen.

> “200.000 we can handle, then we would be able to do less about organizational development or the appearance of the museum, because all the income has to compensate for the gap the municipality created. […] If they tell us to cut with 400.000 than we do not really have any alternatives [than closing De Hallen]” (Rob de Nieuwe, Head Finance, 29 April 2014)

> “We need to evaluate what we consider core business […] In case we get cut with 600.000 or 800.000, maybe we need to close down De Hallen. But in that situation we will not have any ambition anymore, and then there are no more possibilities left. Then it’s just your collection and eventually you will be bound to close entirely.” (John Buch, Head Business, 29 April 2014)

> “A million, then we will have to look at De Hallen and have to make choices, about closing De Hallen for example, those kinds of things. And well, that will definitely not happen I think. With our new director and all the support we received from the world

> towards De Hallen, I do not think that will happen […] No we do have to reflect, but I think if we take a critical look we can organize ourselves much more modest […] and still maintain our core business" (Anke van der Laan, Head Collection, 29 April 2014)

Until there is a decisive answer on the subsidies some of the expenses on De Hallen are put on hold. These statements indicate that De Hallen Haarlem is in fact not core business of the organization and not of equal importance as the Frans Hals Museum. This became exceptionally clear whenever the respondents were asked about the institute, for example how they would describe the main function, the respondents' answers only regarded the Frans Hals Museum. It required specific inquiries about De Hallen for the respondents to even talk about De Hallen. Apparently the Frans Hals Museum is much more on peoples' minds in their daily practices and how they identify the institute and it comes across as if De Hallen merely functions as an interesting addition but not of essential importance for the overall functioning of the institute.

Other than reallocating budgets within the organization, the policy and practices of the institute need to be evaluated. During this evaluation the institute is trying to maintain the balance between their artistic objectives and taking a commercial approach.

> "Even though Ann Demeester is oriented on the content, like me, and I expect her to always defend the content, I am very curious to what extent we will be able to maintain this position or whether we will follow the trend without protest." (Anke van der Laan, Head Collection, 29 April 2014)

> "We've also always, or so far, have been pure in our exhibition policy. Our perspective is on the Haarlem, we depart from the Haarlem painters. We do not tour, like many museums, theme exhibitions on love or sex or what not. Things that attract large groups of people, regarding this, we have always remained modest and close to our roots. However, this is also changing. I think that, after the privatization, and I will also call it with the introduction of [head finance] that the pressure on the marketing aspect, the exhibition aspect and visitor numbers has increased." (Anke van der Laan, Head Collection, 29April 2014)

> "That is something we need to keep track of. Do we need to organize a blockbuster in the Frans Hals Museum twice per year? No I do not think so. […] because you undermine the image of small and human scale that is one of the charms of our museum." (Bas van Donselaar, Head PR, 4 June 2014)

The institute tries to avoid practices that many other museum's use to attract larger audiences, methods that seem to work. The FHM|DHH wants to maintain autonomic and avoid isomorphism, resembling other institutes. This does not take away the issue that in order to cope with subsidy cuts, the institute needs to create and find other sources of income. Recently the institute started a new friend system 'De Beminnaars' to increase donations. With the sum of those donations the institute will organize a blockbuster exhibition every couple of years. However, by choosing this path the organization is not maintaining its autonomy or avoids isomorphism as with this practice they in fact do follow a trend of blockbuster exhibitions that is not in line with their pure collection policy. The perspective of the institute is much more outward as it tries to respond to the demand of the audience.

> "That trend of a withdrawing municipality that is of course something we are focusing on and try to find ways to avoid and tackle the situation. […] I think that it is good to, as an institute dependent on subsidy, to realize what your support is in the community that provides that subsidy. […] So we are evaluating how we can increase that support […] on the other hand we are evaluating how we can make sure that we are financially less dependent on subsidies." (Bas van Donselaar, Head PR, 4 June 2014)

> "Not only regarding the size of the audience, but we are also increasingly evaluating whether we should reach a larger audience. […] From a marketing point of view you increasingly start segmenting and think of what would be interesting groups and how you could serve them optimally. In that sense we are increasingly considering product and market combinations." (Bas van Donselaar, Head PR, 4 June 2014)

The institute understands that they need to increase support but they do not know how to do it and what impact certain strategies or practices can have. The scenario of closing down De Hallen, conflicts in resource allocation and the start of the friend-system show that emphasis in practices has shifted from a qualitative approach to a quantitative approach. Aside from developing talent, collecting art, making a contribution to the field and building collaborations based on trust, the importance of visitor numbers, publicity and formal agreements has grown, although these are not all desired developments. Furthermore, resource allocation is constrained, increasing the pressure on alternative fundraising sources and market responsiveness. In order to apply to these fundraising sources the institute has to position itself in the market. However, the institute is having difficulty positioning and identifying itself in the market and distinguishing themselves from other institutes.

Relation to individual identities

All respondents described the institute as a museum for contemporary artists both, during the Golden Ages, the 20th century and present day. Its main function is to preserve and disseminate artworks, to contribute to the city identity of Haarlem and to serve as a source for economic prosperity to the city.

> "The preservation of cultural heritage for the future. […] But immediately I say, and not even as a ranking, that I think that heritage should be disseminated to the audience. So the public aspect. These are contradicting to one another, because dissemination almost equals demolition. Daylight which, not the correct circumstances, heat, sweat and whatsoever from people, lights, lamps on top of it, which demolishes it. " (Anke van der Laan, Head Collection, 29 April 2014).

Even though the awareness of the museum's role to the city and the economic impact it has on its environment has grown, this knowledge does not seem to impact how the organization is identified or how it executes its practices. This knowledge seems to merely serve as a notification to the municipality. So what is this knowledge good for? Again knowledge is not used in any of the organization's strategies and practices.

> "[…] Haarlem is experienced as a pleasant city, this is part of it. If you shut down all, all of this than the city will become more silent and less dynamic and fewer people will come." (Rob de Nieuwe, Head Finance, 29 April 2014)

> "We are of course something that creates an identity for the municipality Haarlem. The municipality must be aware that the wealth of the city is exhibited in both museums. And of course it also has national and international prestige. Large groups of tourists and people that come to Haarlem also because they want to visit the Frans Hals Museum. It is not like people visit the city and then visit the museum as well. No, they visit the museum and then they visit the city." (John Buch, Head Business, 29 April 2014)

Furthermore, there was no sense of unity in how the employees could distinguish the institute from other museums or what it is that this museum adds to the field that other museums do not offer.

> "The Frans Hals Museum distinguishes itself from other museums in several ways. However, it is becoming harder to gain attention since the opening of the Rijksmuseum and the soon to open Mauritshuis. Compared to these two institutes the Frans Hals Museum positions itself as a jewel. We also have the advantage compared to the other two that we are the only institute that is housed in a seventeenth-century building, well, not completely, a part of our museum originates from the seventeenth century. […] That is very special" (Anke van der Laan, Head Collection, 29 April 2014).

> “[...] the distinctive ability to add something in the field of the sixteenth and seventeenth century, what we’re of course very good at, regarding the Frans Hals Museum. And De Hallen, in the area of contemporary and modern art eh, also to emphasize that it is something that corresponds to modern times and that is especially important since, Frans Hals back in the days was also a contemporary artist, so that is not any different from what we do nowadays with exhibitions.” (John Buch, Head Business, 29 April 2014)

> “I think the specific thing about the Frans Hals is to have the youth get an impression of life in the past. This is represented in the paintings.” (Gwen Nijbroek-Breuer, Head HR, 28 May 2014)

> “We have both contemporary art and historical art. We currently offer exhibitions where we show both in synergy. That is something we will probably do more in the future. […] It is both of world quality but also of a human scale.”(Bas van Donselaar, Head PR, 4 June 2014)

Although all of these quotes are applicable to the institute, they are also applicable to a range of other different museums. There is a lack of a unified distinctive formulated identity that is communicated. Moreover, the relationship between De Hallen and the Frans Hals museum is experienced differently. De Hallen has attracted 42.087 visitors in 2013 while the Frans Hals Museum has attracted 147.404 visitors. As the head of finance indicated the ratio between the budget for De Hallen Haarlem and the Frans Hals Museum is 1 in 3. Furthermore, out of the 33 employees that work at the institute, only four employees work specifically for De Hallen Haarlem. Even though De Hallen Haarlem is smaller regarding budget and the amount of visitors, the institute aims to treat both programs as of equal importance.

> “Some tend to think that De Hallen is less important but that tendency is decreasing.” (Anke van der Laan, Head Collection, 29 April 2014)

> “[…] we are a unity. We also really try to express this externally and eh, if you are talking about De Hallen you are also talking about the Frans Hals Museum.” John Buch, Head Business, 29 April 2014)

However, not all respondents answered similarly.

> “[…] they [the Frans Hals Museum and De Hallen Haarlem] are related. But because of the large differences in art that is being exhibited they are also separated.”(Gwen Nijbroek-Breuer, Head HR, 28 May 2014)

> “No, no, no. Frans Hals attracts at least two or three times as many visitors and most of the employees are found here [Frans Hals Museum]. De ratio is about 1 in 3.” (Rob de Nieuwe, Head Finance, 29 April 2014)

Again there seem to be disagreements about the importance of De Hallen Haarlem. Furthermore, both museums serve a different purpose. With regards to the Frans Hals Museum, the main purpose is the preservation of art from the Golden Ages and positions itself amongst the Rijksmuseum and the Mauritshuis.

> “The landscape of the Golden Ages, because that is what we mostly are, museum of the Golden Ages, eh, I think the Frans Hals, after the Rijksmuseum and the Mauritshuis, we are possible the third institute in the Netherlands with a qualitatively strong collection of the Golden Ages, seventeenth century.” (Anke van der Laan, Head Collection, 29 April 2014)

As both institutes serve a different purpose, they also address a different audience that the museum identifies with.

> “… especially a museum like this attracts people that are over fifty, have a good salary and are most often female. (Rob de Nieuwe, Head Finance, 29 April 2014)

> “I think that is kind of fixed. […] When people get older they stop going, but a new group starts coming. But apparently people above a certain age find these kinds of outings pleasant.” (Rob de Nieuwe, Head Finance, 29 April 2014)

> “[…] visitors at the museum, which is historical art, well those people are a little older as well.” (Gwen Nijbroek-Breuer, Head HR, 28 May 2014)

Regarding De Hallen Haarlem the organization distinguishes itself by providing one of the places in the Netherlands that is all about contemporary art on an international, national and local level.

> “We also are quite advanced with young artists, providing a stage to young talent, also internationally, what only few other museums still do, or dare to do.” (Anke van der Laan, Head Collection, 29 April 2014)

> “[…] at De Hallen, more art lovers are involved. […] people come there more often, so they are more interested in contemporary art. […] And people think contemporary art is just, well, of what use is it?” (Rob de Nieuwe, Head Finance, 29 April 2014)

> “De Hallen is a more difficult situation. […] also because we do not have a permanent collection on display. And regarding foreign tourists, it is less of an attraction than the Frans Hals.” (Bas van Donselaar, Head PR, 4 June 2014)

However the position of De Hallen is not very secure, as subsidies to the institute might be cut again. Although all employees indicated that they want to avoid closing down De Hallen, they also indicated various amounts at which they would not have any other choice than to close it down. This indicates that all respondents base their statements on different information that is accessible to them and that they probably include their own interests and perception on the relevance of De Hallen into their expectations.

Co-existing logics of the Frans Hals Museum and De Hallen Haarlem

Overall the institute’s identity and position hardly changed, however it has never been evaluated either. There is little unity in the responses on the institute’s function and it was even more difficult to answer in what sense the institute is distinguishable from any other museum, especially from those that also present 16th and 17th century art. Based on these responses this thesis argues that it is likely that there is no clear identity and value formulation and communication within the institute, and probably not to external parties either. Moreover, as its identity is not clearly formulated and communicated it is no part of any strategies either. This becomes especially clear from the example of the scenario to discard De Hallen. The respondents indicate that they value the Frans Hals Museum and De Hallen equally and that its part of the same organization. This argument is radically contradicted by a potential scenario such as discarding De Hallen as it is not core business. In this case the identity of the institute plays a small role in the execution of practices and strategies.

Another practice that indicates private acting over public reasoning is the recent friend-scheme ‘De Beminnaars’. Several respondents indicated that the institute would avoid having to surrender their artistic policy to the growing trend of organizing blockbuster exhibitions. On the other hand, slimming resources require the institute to compensate on expenses or to increase income. The renewed friend-scheme provides a way for the institute to socially connect with people who care about the organization’s mission and objectives. It is strange that connecting with people who want to support that mission and goals, will result in something that is far from the mission and goals, that is the organization of blockbuster exhibitions.

The initial logic involved a public logic that emphasized qualitative goals and practices and identified with the public good. After the privatization and further stimulated by subsidy cuts, the organizational structure changed, resources were adopted through fundraising strategies and practices emphasized quantitative goals. However, the organization still identifies itself with the realization of the public good. The current logics are a combination of elements of both types, public identity versus quantitative practices. In other words, loose coupling of who the organization is from how the organization acts enables the institute to combine logics. Organizational practices and identity are loose-coupled and decision-making such as discarding De Hallen resembles a garbage-can-model as it represent a specific moment in time in a specific context and not what the institute stands for and aims for in the long term and what came forward as the organizational identity during the interviews.

The identity of the institute remains within the qualitative realm and emphasizes the public function, while the practices have shifted into the quantitative realm and emphasize private functions. The changed context and individual decision-making have changed organizational practices, but the organizational identity has remained the same. This does not necessarily have to be an issue. Moreover it is essential for an organization to have a solid identity, vision and mission in order to achieve goals. However, in case of FHM|DHH the identity is not clearly formulated and communicated, both internal and external. Furthermore it is legitimate to question whether the organizational practices still serve the organizational identity. In the situation of the FHM|DHH the logics behind the identity and practices are conflicting, since the identity emphasizes the public reasoning and aims to realize qualitative goals, while the practices emphasize private reasoning and aims to realize quantitative goals. Institutional logics assume that the concept of loose coupling constrains on strategic behavior (Thornton, et al. 2012: 58). This statement makes sense if you consider that there is not really a purpose behind any reasoning or practice if it is not coherent with any sense of identity, vision or mission.

The organization has become autopoietic regarding the municipality but also towards each other and departments. They reason from their own autopoietic islands and create strategies based on their own incentives and not on the incentives of the organization. Basically departments have become little organizations in themselves and aside from loose-coupling organizational practices from identity, the process of identification and practices have become fragmented across departments. Their focus of attention is very differing and is shaped by directly observable issues instead of long term goals and objectives.

The danger of such a situation is that institutes will tend to undertake events that will seem, and might be, successful in the short term but will probably not result in any desired objective in the long term. Furthermore, the danger is that the organization could be subject to pleasing the group that provides resources, which could be a donator, sponsor or consumer. Moreover, the danger lies in assuming what these groups prefer and what not. In the example of friend-system De Beminnaars, it is not clear whether the institute has done research on who they would like to target in becoming donor and how these groups can be typified. Does the organization of a blockbuster exhibition correspond with the interests of donators? This practice does not contribute to the objectives and identity of the institute and will problematize achieving long term goals. The end does not justify the means. Ultimately, adopting common practices that are not in line with a deeper strategy or mission will prevent the organization from achieving its goals. The institute is subject to the practices that other institutes use and which seem to work. If the institute continues this course it will become submissive to the process of isomorphism.

Conclusion

Organizations tend to think of themselves as separate entities from other organizations and their environment. They position themselves as autopoietic systems. Several approaches in organizational studies have the tendency to study organizations or individuals from this perspective as well. The institutional logics approach however argues that organizations, groups or individuals cannot be fully understood without taking the context into account. The inter-institutional system symbolizes a framework where dynamics between institutions, organizations and individuals shape institutional logics while these three levels are also shaped by institutional logics. Within the inter-institutional system different logics exist that compete for attention within each of the three levels. It is possible for multiple logics to co-exist through the notion of loose-coupling, where goals are separated from actions. It remains questionable whether loose-coupling is desirable. It can be argued that having multiple logics increases the distinctive ability of the organization, while on the other hand, as this thesis argues, multiple logics can put constraint on strategic behavior.

This thesis addressed the change of institutional logics within organizations as a result of changes in the organization's context. Specifically it analyzed how the logics of a cultural institute, the Frans Hals Museum and De Hallen Haarlem, changed due to changes in the municipal cultural policy, privatization and subsidy cuts, by trying to answer the following question: *How have the institutional logics of the Frans Hals Museum|De Hallen Haarlem changed after the privatization in 2009?* The changing logics of the context of the institute, the municipality and the cultural sector, are based on the interviewees' interpretation and responses regarding the context. By conducting interviews with the management team of the institute this thesis identified that the institutional logics of the organization that were originally public have blended with a private logic.

Originally the Frans Hals Museum and De Hallen Haarlem were governed by the municipality of Haarlem. In 2005 the municipality decided to reorganize to become a smaller and more effective organization by discarding or privatizing some of its functions, amongst which the Frans Hals Museum and De Hallen Haarlem. Being privatized was much welcomed by the director and employees of the institute since this would enable them to professionalize, attract new partners and to undertake new forms of business. During the process of privatizing the institute from the municipality, agreements were made that the municipality would remain owner of the collection and the venues and it agreed to strive to realize a structural subsidy policy.

The first years after the privatization where relatively successful for the institute as it succeeded in attracting sponsors and donors which enabled the institute to restore or purchase art works with which it could organize new activities. However, the municipality's agreement regarding the subsidies changed when it was announced that the institute was to be cut with 250.000 euro's. Due to the organization's grown financial position it was able to compensate the decrease in subsidies with increased entrance fees and an internal reallocation of budgets. Recently, in the spring of 2014, the municipality announced that it will cut the subsidies towards the institute again with 200.000 till 800.000 euro's. These further cuts will put more constraint on the institute's opportunities, and depending on the level of the cuts the institute might have to discard some of its most important functions such as its exhibition activities or even to end its contemporary art function by discarding De Hallen.

The interviews with the managers of the institute emphasized the institute's core business, main functions and societal relevance. Further it addressed the practices of daily business, decision-making and internal and external relationships. The responses indicated that the practices of the organization have changed much after the privatization as the institute changed in organizational structure, decision-making structures, and was able to attract private donors and sponsors. Thereafter, due to the subsidy cuts the institute re-evaluated their earnings model regarding entrance fees and donations. The friend-scheme should increase revenue with which the institute will organize a blockbuster exhibition every couple of years. However, organizing blockbuster exhibitions is a trend that the organizational identity and objectives want to avoid. It does not make sense for the institute to create a system which generates revenue that will be used for something they do not support and is not in line with the organizational objectives emphasizing the public good, the preservation and dissemination of art and the social and economic relevance to the city. Although the identification of the institute and its objectives has not changed in response to the events it is not clearly communicated and formulated either. This will be an essential step before organizational practices and strategies can be evaluated.

As this thesis argues it is essential to have a steady organizational identity, vision and mission, but it is as important to ensure that organizational practices support the organizational identity. At this moment in time the logics in practices seem to have shifted from a public logic to a private logic, emphasizing quantitative objectives, while the organizational identity remained within the public logic, emphasizing qualitative objectives. This thesis argues that the organizational objectives have been separated from organizational activities and that as a result of this loose-coupling, public logic and private logic have been enabled to co-exist.

In the case of the Frans Hals Museum and De Hallen Haarlem it is questionable to what extent organizational activities support organizational objectives. A result of loose-coupling involves garbage-can model decision-making, which in the case of the institute might be applicable the potential decision to discard De Hallen to compensate subsidy cuts and the new friend-scheme that enables the institute to organize block-buster exhibitions.

Such choices would reflect on the organization's situation in this time and context but such an action would be in complete disagreement with the organizational objectives. As a final conclusion this thesis argues that it is not desirable to enable the co-existence of different logics through loose-coupling as it constrains strategic behavior. Time and context require different reasoning and behavior which should be taken into account in every aspect of the organization, both practices and identity. This does not mean that cultural organizations need to discard their cultural and artistic objectives, but that a new logic should be created where identity and objectives do not have to be loose-coupled in order to function. An identity should be created that fosters both artistic objectives while remaining relevant to the context. Such a strategy would enable to execute practices that are relevant to the organizational objectives and a clearly formulated and communicated strategy will decrease the odds of internal fragmentation of practices and identities.

Suggestions for future research

This thesis puts an effort into analyzing changing institutional logics through a qualitative case study. To accurately establish which institutional logics are present within the institute it is desirable to perform a quantitative research in addition to a qualitative research. Furthermore, this thesis assumed the context of the institute as came forward from the responses during the interviews. As for the organizational logics, to accurately measure the logics of the context, that is the municipality of Haarlem and the cultural sector, further research, both qualitative and quantitative need to be performed.

As came forward in this thesis, the Frans Hals Museum and De Hallen Haarlem adopted a private logic due to changes in their context. However this changed logic only applied to organizational practices and not to the organizational identity. This thesis argues that loose-coupling may result in organizational fragmentation and constrains strategic behavior and that organizations should make sure that organizational practices contribute to the organizational identity. This is especially important for cultural organizations as they tend to have very specific purposes, often relating the greater good of society, which are difficult to translate into private terms. The results of this thesis are not generalizable and further research should indicate whether these results are similar in other cases.

It is a worrisome situation if cultural organizations are constrained to transform organizational practices, as the context may require them to do, in a way that no longer support the organization in its main function, believing that renewed organizational practices will solve issues that result from changes in the context. This should be realized by both the organizations and government institutes. Decreasing resources is never a solution to stimulate entrepreneurial activities. Moreover it will result in an opposite response as the organization does not have the resources in financial or human capital to re-organize. For future research it might be interesting to analyze how a scarcity of resources affects cognitive abilities and organizational decision-making. Mullainathan and Safir (2013) recently published their research that basically addresses why it is that poor people make unwise decisions. A similar study might be applicable to organizational decision-making and it would be interesting to research how a lack of resources causes organizations to make bad decisions.

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Interviews

John Buch, Head Business 9 April 2014, 29 April 2014

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Appendix - Interview Guide Frans Hals Museum | De Hallen Haarlem

Waar ligt de focus op in uw functie binnen het museum? Wat is het doel van uw werkzaamheden?

Op basis van wat voor overweging maakt u keuzes voor uw afdeling? Aan wie moet u verantwoording afleggen voor uw taken?

Hoeveel invloed heeft u op het beleid en de lange termijn planning van het museum? Wat is de organisatiestructuur?

Wat ziet u als de belangrijkste functie, of de bestaansreden, van het museum? Welke groep dient het museum? Aan wie moet het museum verantwoording afleggen?

Wat is de verhouding tussen het belang van oude meesters en hedendaagse en moderne kunst binnen het museum? Zijn het Frans Hals Museum en de Hallen Haarlem gelijkwaardig binnen de organisatie? Vindt u dat ze gelijkwaardig zijn in het belang en functie binnen het museum?

Wat zijn de kernwaarden van het museum? Hoe is het FHM|DHH anders dan andere musea? Waarin onderscheidt het zich?

Heeft u het proces van de verzelfstandiging van het museum meegemaakt? Kunt u hier iets over vertellen? Wie nam het initiatief tot verzelfstandiging?

Wat heeft dit betekend voor het museum? Wat heeft dit betekend voor uw functie binnen het museum?

Zijn de kernwaarden en het belang van het museum, de functie, de groep die het museum dient hierdoor veranderd?

Hoe was de relatie met de gemeente destijds? Hoe is dit veranderd? Wie is formeel eigenaar van het museum en wat betekent dit voor het functioneren en het financieren van het museum?

Kunt u wat vertellen over de bezuinigingen binnen het museum? Waar is bezuinigd? Hoe zijn deze keuzes gemaakt? Wat heeft dit betekend voor jullie relatie met de gemeente/publiek/andere musea?

Is het weggevallen deel bezuinigingen aangevuld met inkomsten uit andere bronnen?

In januari heeft de gemeente Haarlem aangekondigd een half tot een miljoen euro te bezuinigen op de subsidie aan het FHM|DHH, weet u wat daar op dit moment de status van is? Wanneer hoort het museum of dit wordt doorgevoerd?

In hoeverre wordt er al rekening gehouden met de doorvoering van de bezuinigingen? Wat verwacht u hiervan? Is er nog iets wat het museum kan doen om de bezuinigingen te voorkomen?

Hoe zullen verdere bezuinigingen het museum beïnvloeden? Wat verwacht u dat er voor u gaat veranderen? Verandert er iets binnen uw taak/functie? Functie/doel van het museum?