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Institutional Complexity Challenging Values and Identities in Scandinavian Welfare Organisations

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Introduction

Performative and processual practices are embedded. This insight is fundamental in this book. In turn, embeddedness implies a renewed attention to the notion of context, which is often taken for granted and seldom specified. The present volume explores how organisational actors perform values work in institutional contexts that are characterised as complex and plural. This chapter contributes to this aim by investigating how such institutional complexity relates to values work in organisations.

Organisations often experience complexity that challenges their basic values and identities. This is particularly the case with welfare organisations as the conditions framing them are changing, and traditional boundaries between public, private and civic organisations have blurred (Barr, 2012; Billis, 2010). Such development can be positive when it enables the emergence of new styles of organising as well as innovative

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managerial and professional practices (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). However, it becomes challenging for welfare organisations when they are compelled to simultaneously adhere to different prescriptions. Potentially contradictory sets of ‘rules of the game’ stemming from various sectors are conceptualised as institutional logics that affect welfare organisations (Thornton, Ocasio, & Lounsbury, 2012). Different logics generate complexity that challenges established patterns of values and identities (Reay & Hinings, 2009). Such complexity in turn may trigger values work. This chapter exemplifies this phenomenon by studying the interface of a welfare logic and a market logic in the context of Scandinavian welfare organisations.

Institutional logics are defined as ‘the 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 & Ocasio, 1999, p. 804). Scholarly works on the topic have focused on organisations relating to multiple logics. This approach attends to shifts in institutional logics and how organisations react to institutional complexity, ‘the incompatible prescriptions from multiple institutional logics’ (Greenwood et al., 2011, p. 317). This chapter captures the complexity associated with the notion of coexisting logics, offering insights into contradictions in commitments and practices in Scandinavian welfare organisations.

The present chapter serves two purposes. First, it maps the institutional terrain of the majority of the case organisations discussed in this volume. To do so, I provide an overview of the institutional logics perspective and apply it to the context of the Scandinavian welfare mix. Most of the case organisations are public or civic; otherwise, they are organisational hybrids situated at sectorial intersections. Hybrids integrate ‘fundamental and distinctly different governance and operational principles in each sector’ (Billis, 2010, p. 3). Such organisations experience hybridisation of central organisational arrangements in terms of both structure and culture, and not least in terms of values. The second purpose of this chapter is to investigate from a theoretical perspective the relation between institutional complexity and values work. The organisations in this volume are relevant cases because they identify as values

salient in ideological, political, religious and humanitarian aspects. Thus, this particular organisational landscape constitutes a fertile ground for exploring intra-organisational values work.

The research question guiding this chapter is *How does institutional complexity affect work on values and identities in Scandinavian welfare organisations?* The following section offers some insights into the institutional theory perspective. I study institutional complexity as coexisting logics, and I particularly address reconfigurations of sectors that in turn provide actors with the institutional building blocks for their values work. I then outline aspects of the Scandinavian institutional context and welfare mix by highlighting the overarching changes and trends that frame the organisations and precondition values work. My main argument is that institutional complexity is itself a mechanism that necessitates and triggers values work.

Institutional Complexity

Complexity has always been considered a key element of institutionalism. Various sub-streams within institutional theory address connections between organisations and the contexts in which they operate. This interest is evident in the classical old institutionalism represented in Selznick's (1957) work that studied organisations in relation to their environment. For Selznick, institutionalising was a process of value infusion by which the organisation developed a character or an identity that distinguished an institution from a mere technical or instrumental organisation. In the 1970s, classical new institutionalism emphasised complexity in terms of cultural heterogeneity affecting organisations and considered the rational actor a myth. This trajectory prompted interest in the role of the environments and the field that organisations occupied rather than the organisations per se. Meyer and Rowan (1977) emphasised culture and cognition and described isomorphism—organisational similarity, despite complexity, as an expression of conformism and legitimacy-seeking processes. The notion of isomorphism was extended by DiMaggio and Powell (1983) who provided theoretical explanations about the field level of organisations by proposing coercive, normative and mimetic sources.

Since the 1990s, scholars have sought to integrate classical old and new institutionalism. This trajectory is called ‘change and complexity’ institutionalism (Johansen & Waldorff, 2017). It seeks to understand how pluralism is handled within organisations. In their seminal work, Friedland and Alford (1991) explained society as a complex inter-institutional system. They enriched institutionalism by suggesting a meta-theory that pointed to the multiplicity of institutional orders in society: family, religion, capitalism, bureaucracy and democracy. Each of these orders is guided by a specific logic that manifests in actors’ language and identity and may denote contradictory practices and beliefs (Friedland & Alford, 1991). In most studies, the concepts of order and logic are used interchangeably. Logics at a meta-level with values, norms and symbols are more abstract social structures than institutions as patterns of behaviour (Johansen & Waldorff, 2017, p. 54).

A wealth of literature depicts logics as contradictory. However, inside organisations, logics may peacefully complement each other or compete. Researchers have used concepts like coexistence, hybridisation, compatibility, heterogeneity, ambidexterity and centrality (Jarzabkowski, Smets, Bednarek, Burke, & Spee, 2013) to address the coexistence of institutional logics within an organisation and examine organisational responses to various demands. Experts have noted that friction between coexisting logics inhibits the potential for agency and change (Micelotta, Lounsbury, & Greenwood, 2017). This insight is crucial, since it links institutional complexity conceptualised as coexisting logics to values work.

In this chapter, institutional theory provides the tools to analyse how values and identities are embedded in wider systems that both enable and constrain them (Thornton & Ocasio, 2008, p. 103). However, individuals not only respond to logics as recipients, they also participate in enacting and shaping logics as actors. Actors are the carriers of logics; they represent and voice logics (Greenwood et al., 2011). The logics perspective is related to values and identities primarily through identification by institutions with collective identities such as organisations or professions (Thornton & Ocasio, 2008, p. 111). When such identities are institutionalised, distinctive logics are developed. Values are inherently connected to identity—the enduring, unique and central characteristics of

organisations (Albert & Whetten, 1985). Values express identity, and the two have the following properties in common. First, they are not easily replaced. Second, they are related to the organisation's distinctive history (Selznick, 1957). Third, values are the hallmark of centrality and indicate what is important; hence, they are orienting devices. This sets the scene for the institutional complexity that characterises welfare organisations.

To conclude, logics are a framework for analysis of interrelationships between institutions, individuals and organisations (Thornton et al., 2012). Overall, they provide schemata of interpretations and are inherently connected to practice, providing guidelines for action and enabling actors to create meaning. In turn, the institutional logics perspective is a useful tool to analyse institutional complexity and actors' values work within organisational contexts.

The Context of the Scandinavian Welfare State

This section describes an evolving and changing welfare logic within the Scandinavian welfare state. Salamon, Sokolowski, and Haddock (2017) show that large welfare states and vibrant civil societies and voluntary sectors are not mutually exclusive. Rather, they are in symbiosis. A relatively stable combination of strong welfare states, market economies and civic engagement is common to Denmark, Norway and Sweden. The universal welfare model is the dominant institutional environment and an important backdrop for organisations in Scandinavia (Henriksen, Strømsnes, & Svedberg, 2018). Greve (2007) argues that universalism is the hallmark of a welfare state, which guarantees a certain minimum standard for the welfare for all its citizens. The welfare state pursues goals of full employment, strong commitment to equality, high level of taxation and public spending on services (Barr, 2012).

Denmark, Norway and Sweden cover a distinct geographic region. These countries also share a historical and institutional heritage. For centuries, common kingdoms have connected them. After the reformation, the church and state power came together in the form of the

Lutheran state church. Together, they provided the basis for a unified public responsibility long before the modern welfare state. The nineteenth century marked the beginning of popular mass movements such as peasant, labour, mission and teetotalism. These movements gave rise to large numbers of local organisations, ranging from sports and leisure clubs, religious associations and welfare institutions catering to education, health and social services. In their review of such organisations, Henriksen et al. (2018) claim that the welfare state has been a success of solidarity. The Scandinavian countries are non-authoritarian democracies with powers extensively decentralised to the local level. They are characterised by strong egalitarianism, gender equality and cooperation between the sectors. This explains why Scandinavia ranks high on values like trust, participation and equality and low on poverty and deprivation. The rates of volunteering in Scandinavia are the highest across Europe, yet the public is heavily involved. Today Scandinavia is technologically and economically advanced with a mobile and well-educated population. Denmark, Norway and Sweden have a culture of homogeneity, yet see changing demographics because of increasing immigration.

On examining the notion of welfare state, the Danish sociologist Esping-Andersen (1990) observed three predominant and different welfare regimes, based on enduring constellations of institutions and alliances of classes. First, social democracies are home to a system that encompasses all inhabitants in terms of fundamental needs related to education, health and social services. These are largely sheltered from the market. This is contrary to the second, more liberal, regime where the market attends to these needs through insurances and services paid directly by users. The third, conservative, regime is characterised by the state and workers' insurances covering the basic needs. In some areas, these services are partly differentiated by payments. Esping-Andersen (1990) finds Scandinavian countries to be the closest examples of a social democratic regime. Historically, the countries developed in alliance with the working class and farmers and eventually based in the wider middle class, supporting the welfare state. Further, Esping-Andersen (1990) describes decommodification processes, which refers to individuals becoming less dependent on the family and market

because the state is ubiquitous in most aspects of society. In Scandinavia, individualism is somewhat paradoxically combined with a state-friendly sentiment.

Introducing a Market Logic

Although Scandinavian countries are characterised by a welfare logic, this logic has also been contested in Scandinavia. Towards the 1980s, the welfare state crisis was heavily debated. The crisis was related to financing, new technology, globalisation, the changed context of policy-making introduced by the EU and the new demand for welfare because of changes in demography and the labour market (Lægreid & Christensen, 2011). The challenges of the welfare state were met by several reforms, which aimed at making the public sector more effective and efficient by introducing a market logic as the solution to severe problems.

The basic idea of the reforms based on a distinct market logic, term New Public Management (NPM), was to transfer business-inspired ideas into the public sector (Røvik, 2007). These reforms were developed for several reasons and particularly to have more efficient organisations, accountability and economic measures. NPM originated in the 1970s in an Anglo-American context. At the core of the ideology is an emphasis on management, the separation of firms into independent result units, increased competition and contracting. NPM is based on two pillars (Lægreid & Christensen, 2011). The first pillar is economic efficiency and a criticism of the bureaucratic welfare state. This stemmed from the idea that choices of citizens should be enhanced as customers. Managerialism is the other pillar, sharpening the divide between politicians and administration. Management through objectives became common, and organisational units and managers were to report on goal achievement.

The Scandinavian countries sought to maintain their welfare state and simultaneously make it more efficient. This called for a new coexistence of the traditional welfare logic and the market logic of NPM. The liberalistic turn was not as strong as that experienced in other Western countries because of Scandinavia's unique historical and institutional context,

described above. For example, long-standing cooperation and partnership between the public and civic sectors are dominant features in Denmark, Norway and Sweden. Further, the Scandinavian work-life model refers to the tripartite relations of state, work unions and employers. Given these traditions, the state of Norway has been called a 'reluctant and hesitant reformer' with regard to NPM (Lægneid & Christensen, 2011). This statement succinctly encapsulates the complexity experienced by the Scandinavian states. On the one hand, the NPM reforms were lauded for the efficiency they introduced to combat bureaucracy and in favour of marketisation, network solutions and measuring results. On the other hand, NPM was criticised for its liberalistic ideas and market logic, which presupposed that individuals maximise their own benefits, diverging from the traditional public ethos. Sceptics did not deem the market logic appropriate for the public sector, since political-democratic systems have a normative base.

Importantly, when the welfare logic was confronted with a market logic, public organisations found that their basic values were at stake. Even identities were re-articulated since public agencies were now conceptualised as organisations (Røvik, 2007). Consequently, the development outlined above had an impact on the central values in the public ethos—the core values of responsibility, transparency, justice and equality. It also affected the ethical dimension represented in the values of the professional culture in public service production (Busch & Wennes, 2012). The logic shift in Scandinavian welfare organisations is rooted in these tensions and dilemmas that indicate a changed and hybridised welfare logic.

Changes Affecting Public Values

The public sector in Scandinavia is called a moral community because it is committed to fundamental values like democracy, community and justice (Christensen, Lægneid, Roness, & Røvik, 2014). Public organisations are responsible to citizens and the elective rather than the shareholders.

Public values are complex as they encompass democracy, loyalty, openness, predictability, professionalism and equality. Such values are challenged by market values such as effectivity and rationality. While these values are not a novelty in the public sector, they tend to be emphasised differently than in for-profit organisations. Efficiency is promoted often by criticising excessive expenditure and providing more welfare for less money.

The market logic, as displayed in NPM, downplays the typical characteristics of different sectors, as private models and governance are transferred to public organisations. Thus, NPM reforms have contributed to reducing differences between public, private and civic sector organisations (Greve, 2007). The boundaries between the three sectors have changed through interventions—primarily legislations that regulate sectors—and in the Scandinavian context limited marketisation. Barr (2012) describes various types of resource allocation and their relation to production, regulation and financing. By changing structures in public organisations, the market has an impact on institutional conditions. The regulative interventions through which this logic was introduced may in turn have influenced normative and cognitive institutions. This is reflected in isomorphism and institutionalised organisational scripts (Røvik, 2007). This development is evident in the recurrent debates about the welfare state among the state, market and civic sector in terms of providing services (Barr, 2012; Henriksen et al., 2018).

In sum, welfare organisations have experienced increased complexity that might be conceptualised as clashes of institutional logics, each with its own sets of values. The government is now focused on results: decisions are decentralised and objectives are defined for financing. A market logic has made its impact, yet it may be concluded that traditional patterns of bureaucratic administration have not been replaced (Lægreid & Christensen, 2011). Importantly, post-NPM reforms emphasise cross-sectoral coordination and integration, unlike NPM reforms, which created disintegration and fragmentation. Post-NPM reforms pursue seamless services to citizens, which is challenged by the freedom of choice and fragmentation associated with NPM. Evaluations of NPM show that Scandinavian countries have not adopted the market logic easily. Rather, elements from this logic have been translated and incorporated

into a new welfare logic on the grounds of modernising the public sector (Christensen & Læg Reid, 2010). This development testifies to how logics coexist and constitute institutional complexity.

The Welfare Mix

The institutional changes framing welfare have led to a shift from government to governance in several European countries (Barr, 2012). Essentially, older bureaucratic manners of welfare provision were insufficient, and it paved the way for other welfare providers to enter the field, such as commercial and voluntary agencies. This phenomenon is known as the welfare mix. According to Bode (2006), versions of the welfare mix manifest in contract culture and marketisation, and Anglo-Saxon countries are at the forefront of this trend. It essentially denotes the distribution of public financed welfare, health care, social service and education between public, private and civic sector providers. Institutional complexity and heterogeneity mark this phenomenon since it is located at the interplay between sectors.

Sivesind (2016) claims that the Scandinavian countries are a laboratory for testing the regimes proposed by Esping-Andersen (1990) rather than exhibiting a unified welfare model. There are clear differences between the three countries in terms of the welfare mix. Denmark has traditionally had the highest proportion of civic sector welfare services (Sivesind, 2016). This situates Denmark between Norway and Sweden on the one side and the conservative European model on the other side. Statistics from 2013 show that in Norway, the civic sector accounts for 7.8% of welfare services, in Denmark 13.8% and in Sweden 3.2%. The private sector has a 13.4% share in Norway, 19.2% share in Sweden and 7.1% share in Denmark. Norway is dominated by public services, yet commercial versions are common in primary health services. Sweden has strongly prioritised public services; however, a turn towards privatisation has occurred in recent decades.

Coexisting Logics in Welfare Organisations

The complex changes described above in the welfare mix organisations essentially depict the blurring of boundaries between the public, private and civic sectors. Hybrids are organisations that embed conflicting demands in a complex institutional environment (Greenwood et al., 2011). Hybridity is a concept that denotes crossovers between species. It refers to the combining components that are not normally found together. In social studies, it has been applied differently. It is used, for example, for civic organisations that have entered the market. In such cases, logics from other sectors are heavily influenced by civic organisations. Thus, hybridity may be considered a hallmark of the civic sector (Evers, 2013; Jäger & Schröer, 2014).

The taxonomy of organisations within each sector is detailed. This fact challenges the notion of a sector as a fixed gathering of organisations with common structural features. Dominating logics or principles are central to categorising sectors (Billis, 2010, p. 47). The private sector is marked by an economic rationality, where organisations adapt to the market in order to ensure long-term survival. Aiming at profit, private organisations engage in the production of goods or delivery of services in the market to respond to consumption demands. In contrast, the public sector has a democratically elected leadership and is marked by accountability towards many, often contradictory, concerns, goals and values. It protects and promotes the welfare of the citizens and distributes resources. Lastly, Anheier (2014) claims that multiplicity is the signature of the civic sector. Characteristics such as private, non-profit, self-governed and voluntary are typical of these organisations. Their purpose and mission are particular focal points as civic organisations contribute to attachment, reciprocity and community. In summary, the task of the market is to create values, that of the public is to distribute values and that of the civic sector is to promote certain values.

The Sectors as Ideal Types

In order to specify hybridisation, some ideal types are presupposed. This is the starting point, though in reality these are better placed on a continuum. Table 4.1, based on Jäger and Schröer (2014, p. 1293) and Billis (2010, p. 55), shows the three sectors as ideal types.

Hybrid Civic Organisations and Values

While the first part of this chapter adopted a public sector perspective, in this section, I elaborate the position of the civic sector. The civic logic or identity has been articulated by Jäger and Schröer (2014). After NPM, civic organisations have begun to increasingly operate in the market, yet they have served, for long, as welfare providers on contract with public authorities. The logic or main principle underlying the civic sector is the use of identity as a means to a higher end. Identity is collectively rather than individually framed. Consequently, civic organisations are intractably normative and public because of their identity as a moral community. Studies on motivations of volunteers point at a congruence between individual values and those of the organisation (Henriksen et al., 2018). This provides an opportunity for individuals to express their values through actions. Civic collectives are characterised by solidarity and trust as they are embedded in social networks and take action in solidarity. These practices are particularly value-salient as they aim to serve the greater good.

Civic organisations are observed to have a pioneer and entrepreneurial function, and they seek to fill the gaps in private or public service provision (Henriksen et al., 2018). A fundamental question facing these organisations is how to balance and integrate marketisation into their specific identity and civic mission. The market is driven by rational organisations pursuing their goals and self-interest. Hybrid organisations between the market and the civic sector may find themselves in the paradoxical situation of trading solidarity for resources. The development of civic organisations implies market-oriented transactions, regulated by contracts as well as legislation. Risk is being commercialised

Table 4.1 Characteristics of ideal type sectors

| Core element | Private sector principles | Public sector principles | Civic sector principles |
|------------------------------------|---|--|---|
| <i>Ownership</i> | Shareholders | Citizens | Members |
| <i>Governance</i> | Share ownership size | Public elections | Private elections |
| <i>Operational priorities</i> | Market forces and individual choice | Public service and collective choice | Commitment to unique mission |
| <i>Distinctive human resources</i> | Paid employees in <i>managerially controlled Firm</i> | Paid public servants in legally backed <i>Bureau</i> | Members and volunteers in <i>Association</i> |
| <i>Distinctive other resources</i> | Sales, fees | Taxes | Dues, donations and legacies |
| <i>Values</i> | Create and process material values | Distribute values | Create, maintain and process immaterial values |
| <i>Identification</i> | Fulfil societal need by acting in self-interest | Collective notions and common good | Self-understanding as a means to achieve higher collective goal |
| <i>Identity</i> | Utility | Utility and normative | Normative |

by the exchange of resources and receipt of funding. Hybrids integrate dual logics or identities in their central dimensions. The starting point for the market logic is that individuals freely enter such network as a means to their own purposes.

Among the cases presented in this volume, some of the organisations are faith-based or diaconal, which originated to express the social, moral or religious values of their founders. Some emerged within religious communities and associations in Europe or America that established institutions to provide social and health services to disadvantaged groups. These represent non-governmental organisations (NGOs) ‘whose identity and mission are self-consciously derived from a religious tradition, and which operate on a voluntary, non-profit and independent basis to promote articulated ideas about the common good’ (Askeland, 2015, p. 37). Although modern Scandinavian mentality relegates religion to the realm of private life, religious non-governmental organisations (RNGOs) represent a unique hybrid of religious beliefs and sociopolitical activism at all levels of society.

Lacking the authority of the public sector and motivated by values-based rather than profit-based objectives, civic sector organisations are characterised by networks of citizens seeking to change the status quo in the interest of the public good. From the time of their founding, NGOs have identified as moral entities, seeking to alter inequitable distributions of power and resources in favour of the disenfranchised. The ‘becoming business-like of non-profit organizations’ is confirmed in a review of 599 studies (Maier, Meyer, & Steinbereithner, 2016, p. 64). The institutional logic perspective is an established perspective to study this phenomenon.

Traditional non-profits are characterised by the co-presence of different logics because there is mostly a degree of hybridity to be found in all of them. Civil society is thus conceptualized as an intermediate area between the market and public sector. Similarly, (...) researchers describe the tensions between different logics within organizations as normal tensions or dilemma. (Jäger & Schröer, 2014, p. 1237)

For civic organisations, marketisation represents challenges in terms of values and identities. It denotes a ‘Faustian pact’ in which an organisation

may lose its identity in exchange for resources, influence and delivering more services. The cost is ‘those fundamental attributes which made it an attractive proposition in the first place, its mission, values and voluntary contribution’ (Billis, 2010, p. 10). Value-salient organisations are bound to have non-negotiable values. For them, ‘confusion over identity might be a chronic fact of life’ (Billis, 2010, p. 246) that triggers values work.

Overall Discussion

This chapter discusses how institutional complexity affects values work and identities of Scandinavian welfare organisations. Public and civic organisations are by nature complex (Anheier, 2014) and characterised by coexisting logics. With welfare organisations becoming more heterogeneous, generalisations and strict categorisations are difficult. Hybrids are organisations that mix or integrate elements, action logics and value systems from differing sectors in important dimensions of organisational form or practice (Jäger & Schröer, 2014). They may thus be called multi-identity organisations (Pratt & Ravasi, 2016). Against this backdrop, a specific challenge facing organisations is value convergence with for-profit organisations and mission drift.

Central to my argument is how institutional change triggers values work and hence organisational identity. An organisation pursues its natural purpose and organises this pursuit. Processes of institutionalisation imply infusing the organisation with values which, in turn, shape its character or identity (Selznick, 1957). There is an intractable relationship between values and identity as values mediate organisational self-understanding (Pratt & Ravasi, 2016)—in the same way as personal traits express aspects of a person. When a market logic challenges, supplements or rejects traditional public values, the very identity of public or civic organisations is destabilised. Profound reforms thus have considerable impact on identities (Røvik, 2007). The challenging of public values, norms and organisational identity by a market logic can result in loss of identity, problems associated with multiple identities, dissolutions of old identities, exchange of identities or an identity crisis (Busch & Wennes, 2012).

Incorporating a market logic has allowed commercial, civic and public organisations to provide welfare services in novel ways (Bode, 2006). Both commercial and civic organisations collaborate with the public sector and are denoted as welfare hybrids (Wollebæk, Selle, & Lorentzen, 2000). This development is particularly related to increased governance or managerial structures and professionalism. By accepting public funding and supplementing services, civic organisation must meet the demands of equality in services and professional competencies. However, they are also accountable to the demands of the private sector, which include environmental sustainability and the triple bottom line concept.

Welfare organisations are as such situated in a unique institutional environment, characterised as pluralistic and complex. Current institutional change, as discussed above, manifests in a questioning of public values as well as challenged identities. This phenomenon is evident in recent decades in the increased attention paid to the identity and character of organisations, in terms of values and self-presentations. Core values are a medium for conveying such identity externally and internally. Legitimacy is also considered a chronic problem of organisations (Billis, 2010), which have to cater to their constituencies and stakeholders. Organisations are supported by their environments inasmuch as there exists a perceived congruence in values. This argument may suggest a singular and fixed identity and set of values—which may be articulated in core value statements—yet organisations are pluralistic, multi-functional and complex (Pratt & Ravasi, 2016).

An illuminating study by Wæraas (2010) found that public organisations adhere to less bureaucratic and more relational values such as respect, tolerance and honesty. This reflects a major trend within organisations towards de-bureaucratisation and towards structures that are changing and flexible. Another development is that organisational setups have become more temporal and ad hoc, based on projects, teams and matrixes or networks. The focus on values reflects expressive aspects where reputation management becomes an ongoing challenge and is taken for granted (Røvik, 2010).

The above-mentioned trends in complexity emphasise that organisations are expected to articulate their identity through values. It is no longer possible to assume what an organisation is, what tasks it should

perform and how. A solution to these challenges is to develop and construct an attractive and unique identity that differentiates the organisation from others. According to Wæraas (2007), such processes may occur in two ways. First, a unique identity can be developed over time through the natural perspective described in classical old institutionalism (Selznick, 1957). The identity is collectively and internally developed and emphasises the organisation's distinct mission and values. This presents an institutional or normative perspective, in which managers have limited abilities to change the identity in an instrumental way. The evolution of such identity occurs in a specific context, wherein the act of comparison with others is crucial. Over the last decades, welfare organisations compare themselves increasingly with private organisations, by incorporating a market logic. This situates welfare organisations at the boundaries of different logics, which in turn increases hybridisation and the search for identity. The second approach to crafting a unique identity may be considered more strategic and thus an instrument for the management (Wæraas, 2007). This identity stems from utility and supports the governing of organisations by visions, values and missions that are clearly defined. It is based on a prospective view of how the organisation should exist at a point in the future and thus highlights the distance between the actual and desired identity. While this may imply a risk of losing the soul of the organisation, it can also be an impetus for strategic development and managerial agency that aims to re-articulate the organisation's values and identity.

Moreover, a third approach is described by Askeland, Espedal, and Sirris (2019) who compared work on values and identities in three faith-based organisations. In these case organisations, religious traditions had permeated the identity of the organisations that now found themselves embedded in a secular society. In other words, they experienced institutional complexity. Through strategic efforts, values to some degree mediated aspects of religion yet also served to bridge the Christian tradition with expectations from the secular society. Thus, a renewed identity was forged through values work that simultaneously both integrated and adjusted. The combination of safeguarding and developing buffered the organisations from entering the above-mentioned 'Faustian pact'. These

organisations hybridised the welfare and the market logic guided by a commitment to values and without losing their identity.

Concluding Remarks

This chapter offers insights into how institutional complexity relates to values work in Scandinavian welfare organisations. First, I have argued that the institutional logics perspective offers an analytical framework for institutional complexity. I have illustrated this by introducing readers to the Scandinavian context and exemplified how the logics framework is applicable in this particular context. The chapter draws attention to organisations operating at the cusp of sectors. Such organisations face institutional complexity though coexisting logics, as explained with the help of the Scandinavian welfare state and the evolving welfare mix. Second, on a theoretical level, I have shown how institutional complexity relates to values work. Values are part of the institutional logics perspective and resources that managers may draw from in their work. Various sets of values emerge from logics as reality is endlessly rich and pluralistic. Values work represents an embedded agentic response to both institutional policy changes and the challenges of institutional complexity. The chapters in this book provide examples of how institutional complexity triggers values work.

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