Media Business and Innovation

Klaus-Dieter Altmeppen
C. Ann Hollifield
Joost van Loon *Editors*

Value-Oriented Media Management

Decision Making Between Profit and Responsibility

Springer

Media Business and Innovation

Series editor

M. Friedrichsen, Stuttgart Media University, Germany and Humboldt School Stuttgart/Berlin, Germany

More information about this series at http://www.springer.com/series/11520

Klaus-Dieter Altmeppen • C. Ann Hollifield •
Joost van Loon
Editors

Value-Oriented Media Management

Decision Making Between Profit and Responsibility

Springer

Editors
Klaus-Dieter Altmeppen
School of Journalism
Catholic University Eichstaett-Ingolstadt
Eichstaett, Germany

C. Ann Hollifield
University of Georgia at Athens
Athens, USA

Joost van Loon
Catholic University Eichstaett-Ingolstadt
Eichstaett, Germany

Media Business and Innovation
ISBN 978-3-319-51006-4 ISBN 978-3-319-51008-8 (eBook)
DOI 10.1007/978-3-319-51008-8

Library of Congress Control Number: 2017937906

Printed on acid-free paper

This Springer imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Contents

Value-Oriented Media Management: What, Why, and What for? An Introduction to This Volume 1
Klaus-Dieter Altmeppen, C. Ann Hollifield, and Joost van Loon

Part I Theories, Concepts, and Findings in Value-Oriented Media Management

Examining Media Management and Performance: A Taxonomy for Initiating a Research Agenda 19
Alan B. Albarran and Terry Moellinger

Business Models in Media Markets 33
Bernd W. Wirtz and Marc Elsäßer

Moving Media and Journalism Forward from Private to Public Value 49
Josef Trappel

Managing Media and Prioritising Societal Values: Market and Non-Market Solutions 59
Gillian Doyle

Media Markets, Value and the Unique: Consequences and Implications for Media Management from Karpik's New Economics Sociology Perspective 65
Andreas Will and Britta Gossel

Part II Cultures and Organizations: Structures, Actions and Values in Media Companies

Values as Input and Values as Output: The True Challenge for Media Companies 83
Christian Scholz

Creating Innovative News: The Values of Future Newsroom Managers 95
George Sylvie

The Economic Value of Creativity: How Much, for Whom, and What for? 109
M. Bjørn von Rimscha

German Media Managers: A Survey on Their Origins, Careers, and Value Orientation 119
Regina Greck, Annika Franzetti, and Klaus-Dieter Altmeppen

Part III Corporate Governance and Corporate Social Responsibility: The Role of Management and Leadership for Value Orientation and Implementation

Corporate Social Responsibility in the Media Industry: Setting the Benchmark or Falling Behind? 135
Matthias Karmasin and Klaus Bichler

Finding Common Ground: CSR and Media Responsibility 147
Philipp Bachmann and Diana Ingenhoff

Managing Values: Analyzing Corporate Social Responsibility in Media Companies from a Structuration Theory Perspective 159
Isabel Bracker, Stephanie Schuhknecht, and Klaus-Dieter Altmeppen

The Perspective of Value Orientation for the *Shareholder* and the *Stakeholder*: The Case of Corporate Governance in Media Companies 173
María Elena Gutiérrez-Rentería

Media Management in the Digital Age: Toward a Practical Wisdom-Based Approach 181
André Habisch and Claudius Bachmann

The Diffusion of Authority: A Case Study Analysis of News Corporation's *News of the World* Newspaper 189
Richard A. Gershon and Abubakar Alhassan

Part IV Trust, Branding, Digitalization: Value Drivers

Media Branding: A Strategy to Align Values to Media Management? . . . 211
Gabriele Siegert and Stefanie A. Hangartner

The Role of Trust in Value Networks for Journalism in a Convergent Media Environment 223
Lars Rinsdorf

Media-Related Value Generation: New Paradigms on the Horizon? Or—What a Wonderful Morning for Prof. Beale 233
Frank Habann

About the Authors 237

List of Contributors

Alan B. Albarran University of North Texas, Denton, TX, USA

Abubakar Alhassan Bayero University, Kano, Nigeria

Klaus-Dieter Altmeppen Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany

Claudius Bachmann Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany

Philipp Bachmann University of Zurich, Zürich, Switzerland

Klaus Bichler Austria Tourism, Vienna, Austria

Isabel Bracker Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany

Gillian Doyle Centre for Cultural Policy Research (CCPR), University of Glasgow, Glasgow, Scotland

Marc Elsäßer German University of Administrative Sciences Speyer, Speyer, Germany

Annika Franzetti Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany

Richard A. Gershon Western Michigan University, Kalamazoo, USA

Britta Gossel Ilmenau University of Technology, Ilmenau, Germany

Regina Greck Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany

María Elena Gutiérrez-Rentería Universidad Panamericana, Guadalajara, Mexico

Frank Habann Offenburg University of Applied Sciences, Offenburg, Germany

André Habisch Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany

Stefanie A. Hangartner University of Zurich, Zurich, Switzerland

C. Ann Hollifield University of Georgia, Athens, GA, USA

Diana Ingenhoff University of Fribourg, Fribourg, Switzerland

Matthias Karmasin Institue for Comparative Media- and Communication Studies CMC, Österreichische Akademie der Wissenschaften, Alpen-Adria University, Vienna, Austria

Terry Moellinger University of North Texas, Denton, TX, USA

M. Bjørn von Rimscha Johannes Gutenberg-University Mainz, Mainz, Germany

Lars Rinsdorf Stuttgart Media University, Stuttgart, Germany

Christian Scholz Universität des Saarlandes, Saarbrücken, Germany

Stephanie Schuhknecht Catholic University Eichstätt-Ingolstadt, Augsburg, Germany

Gabriele Siegert University of Zurich, Zurich, Switzerland

George Sylvie University of Texas, Austin, TX, USA

Josef Trappel Paris Lodron University of Salzburg, Salzburg, Austria

Joost van Loon Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany

Andreas Will Ilmenau University of Technology, Ilmenau, Germany

Bernd W. Wirtz German University of Administrative Sciences Speyer, Speyer, Germany

Value-Oriented Media Management: What, Why, and What for? An Introduction to This Volume

Klaus-Dieter Altmeppen, C. Ann Hollifield, and Joost van Loon

1 Variety and Contradiction: Values in the Media Business

(Media) managers care for their business, and the state cares for societal questions. That is uttered most frequently in discussions about values in economics. The first and most important task of managers is the business, which has to be protected and enlarged. The current turbulent times of disruptive technologies and disruptive innovations underline these principles. Digital technologies, in particular, have had a major impact on worldwide economics. Digitalization delivered a lot of technology push, and an ever-growing number of companies pick up the technology push, combine it with economic action and turn it into economic pull with remarkable consequences for existing markets and industries. The media industry has always been grounded on data and information, which can be transformed easily into digital applications. This has left media organizations challenged by new business models, new competitors and users' new consumption behaviors, which includes simultaneously moving back and forth between the roles of audience and content producer. The borders between individual and mass communication also have vanished, as have the distinctions between media devices and the content they carry. Traditional media organizations such as TV and print merge with hybrid media organizations such as online and social media platforms—and both converge with transaction media organizations (e.g., micropayment), who commercialize the business completely.

Media have always been a business. The mission to inform society about what's happening and to let the people participate in public life coalesced with the use of

K.-D. Altmeppen (✉) • J. van Loon
Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany
e-mail: klaus-dieter.altmeppen@ku.de; joost.vanloon@ku.de

C.A. Hollifield
University of Georgia, Athens, GA, USA
e-mail: annholli@uga.edu

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_1

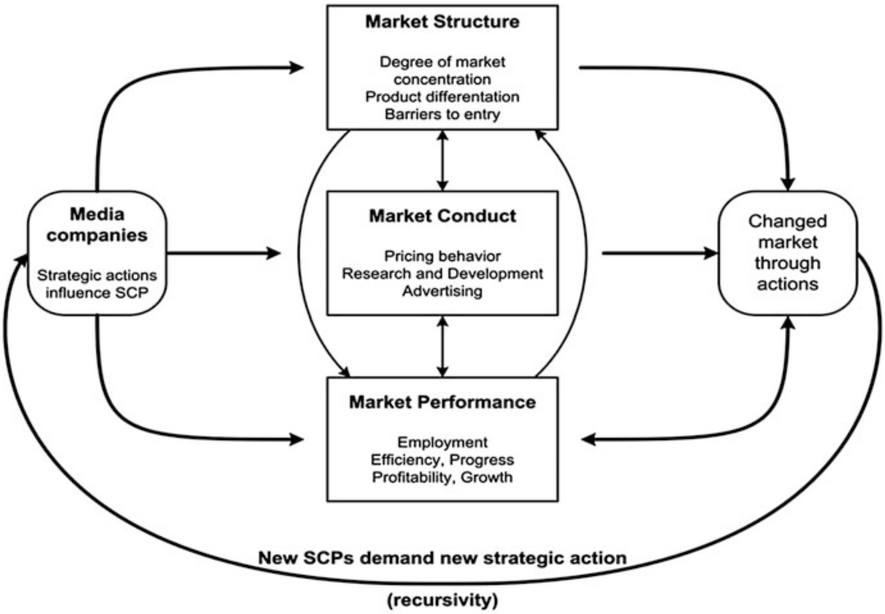

Fig. 1 Recursive media market-/media companies model. Source: Altmeppen, Karmasin, and von Rimscha (2012), Chan-Olmsted and Albarran (1998, p. 11), Giddens (1984), and own conceptualization

advertising as a financial foundation to create a successful industry over a long period. The new actors in media markets, the internet companies (Google, Alphabet, Facebook), jeopardized that entity. On the one hand, they have undercut the advertising model of media companies. But, on the other hand, they do not feel compelled to adopt any kind of social values, be it the societal mission of the news media or the corporate social responsibility of the entertainment media. Thus, the entire structure of media industries has changed. As the Internet corporations entered media markets and began to dominate them, they forced the traditional media to audit their businesses, check their products, and improve their conduct and performance. This review led to new strategic actions (see Fig. 1) which changed the Structure Conduct and Performance (SCP) of media markets. The new market conditions that resulted then subsequently changed the strategic behaviour of the concerned media companies again, in a reductive process.

This process of changing structures can be called commercialization, which certainly has societal consequences just as societal change has economic consequences. As the term "commercialization" points out, it appears that in media industries today, the economic values associated with business survival are increasingly taking precedence over the values of serving society. In this growing debate, the question is not that media is a business, but that the competing values of business survival and societal service are irreconcilable in the new media industry environment.

The debate twists and turns but rages on and, in its core, it is centered around the fact that media managers are confronted with more complex questions of value than are managers in most other industries. Ethical aspects and societal responsibilities, for example, have gained in importance since media are critical and significant societal infrastructures. This is true for the media's performance in providing high-quality, responsible, and professional journalism as well as for the other media content in the entertainment division, which have visible influence on a society's culture. "It is because of this critical role in society that media are the only industries given special protections by the U.S. Constitution. In their selection, production, and framing of news and entertainment content, media leaders shape our perceptions of our world. (. . ..) Few any longer dispute that media content has long-term effects on society, both positive and negative. This places a special responsibility on media leaders to consider the effects of their work on society and strive to lead their organizations responsibly, ethically, and with personal integrity." (Hollifield, Wicks, Sylvie, & Lowrey, 2016, p. 45).

On these grounds, the term "value-oriented media management" integrates different meanings:

1. It highlights the meaning of values in media companies and media managers' decisions. To put an investment in facilities, to make a buy-out deal, to hire staff, to decide whether to investigate a scandal, or produce a conflicting movie story: What unites all of these examples of managerial decisions in media is the fact that values play an important role in all of them. Thus, every economic action in media companies is infused by values, societal as well as economic.
2. It includes the very different types of values embedded in media companies' conduct and performance (profit, welfare, societal). Another fact of major importance concerning values in media companies is that media companies have to perform to societal expectation. As Table 1 shows, there are two main areas of values. First, economic and financial values comprise categories that represent the principles of the business and indicate the different stages of the value chain of media companies. Second, societal values represent the expectations that society has for the performance of the media (media functions) on the one hand and issues that can create value for media companies like responsibility or reputation. Both the economic and the societal values affect the internal environment of media companies (staff, for example) as well as the external (markets, consumer, audience).
3. It emphasizes the need to equally integrate all of these different types of values into the media management process, instead of permitting the domination of some values—in most cases, economic values—over others. The most controversial question certainly is whether some values are more important than others and why. In commercialized societies, economic values are nearly immovably the dominant values in business decisions. For many media managers, it is hard to understand and to accept that a society requires specific performances (news) or that so-called "weak" values such as responsibility or reputation contribute to a company's long-term success. Furthermore, management of the newly

Table 1 Values in media environments

Economic and financial values	Internal	External	Societal values	Internal	External
Stock price		X	Functions (e.g., critics and control, disseminator, advocate, etc.)		X
Growth	X	X	Information		X
Profit		X	Entertainment		X
Revenues	X	X	Responsibility	X	X
Productivity	X	X	(Business) ethics	X	X
			Sustainability	X	X
			Image	X	X
			Reputation	X	X

dominant digital corporations often is accused of being insensitive to the societal interest in, and value of, things such as individual privacy, ownership rights to the content uploaded to their systems, and even the importance of balance in the political perspective of the news stories allowed to circulate on their sites.

2 Responsibility as Example for Social Values in Media Management Decisions

It often seems that economic and societal values are dualities; forces locked in opposition and conflict instead of being "balanced in equilibrium" (Janssens & Steyaert, 1999, p. 133). Dualities are characteristics for organizations, on the structural as well as on the cultural and personal level. Dualities in organizations are "expressed in terms of integration-differentiation, homogeneity-heterogeneity and person-organization. The more recently formulated dualities refer to tensions between stability-instability, unification-fragmentation, and autonomous-relational. These new conceptualizations appear to be the fruit of new theories about structuring, making sense and relating to others that are characterized by a processual approach to organizing" (Janssens & Steyaert, 1999, p. 136) (see Table 2).

When values are added to the characteristics of media organizations, the dualities are evident. In the structural dimension, the need for profit undercuts the societal expectations media have to perform; in the cultural dimension responsibility and irresponsibility are meeting and, in the personal dimension, ethical action and economic action are in opposition.

The change and/or aggravation of dualities can be ascribed to the emergence of digital technologies. There impact is profound as their application and adoption induce structural change. Part of this change is the entrance of new institutions, organizations and actors into public arenas where they take over functions of the

Table 2 Dualities and trends in media organizations including values

	Classic dualities	Organizational trends	Conceptual trends	New dualities	Values
Structural dimension	Integration–differentiation	New structural forms	Structural reframing	Stability–instability	Profit–societal expectations
Cultural dimension	Homogeneity–heterogeneity	Internationalization	Fragmentation	Unification–fragmentation	Responsibility–irresponsibility
Personal dimension	Individual–organizational	Technological complexity	Embeddedness	Autonomous–relational	Ethical action–economic action

Source: Janssens and Steyaert (1999, p. 130) and own conceptualization media. Thus, a new media order is arising with a field of digital ubiquitary media. The new actors (internet corporations) control access to the public spheres as they produce or connect content. That creates new dimensions of responsibility.

Through individual (micro level) or organizational (meso level) actions, and through actions in line with societal expectations, consequences are generated. If responsibility is a value, those consequences should be tied to those actions, no matter whether it is a question of liability, accountability or—in an ethical sense—responsibility.

3 About the Contributions in This Volume

A widely used term that is connected to the creation and meaning of values in media enterprises is "performance." Firms, conglomerates, and branches usually are measured by their performance, which likewise is usually measured as financial performance. A performance that integrates differing values such as sustainability or social responsibility is usually not included. Albarran and Moellinger (2017) state that research about critical areas such as leadership, public service, and goodwill is limited. They also state that confusion is created by terms such as "media enterprises" and "media managers" that are not clearly defined. With media managers, for example, performance expectations differ across managerial positions—a finding that is supported by Greck, Franzetti, and Altmeppen (2017) who surveyed German media managers on different levels and in different media types. "Managers", Albarran and Moellinger (2017) state in their opening in **Part I: Theories, concepts, and findings in value-oriented media management** "are also expected to perform in qualitative areas such as leadership, public service, and goodwill." It seems that creating public goodwill is especially absent as an aspect of media managers' qualifications. To hold public "goodwill" as a value media managers' should be expected to create, means evaluating managers' performance on the basis of something more than just high profits. Thus, the authors suggest a new taxonomy of media managers and the criteria for their performance. To answer the research question "How do we assess performance by media managers?", they use a qualitative approach with interviews with media managers from around the U.S. The authors divide the answers of the seven interviewed media managers into financial and nonfinancial criteria.

While financial performance is directly related to ratings and revenues, nonfinancial performance included such things as strategic planning, recruiting, training and motivating staff, reducing employee turnover and improving employee satisfaction, as well as communication skills. Likewise, maintaining and improving the image of the media organization was mentioned, with "integrity" as a criterion. Obviously this term is the only one that showed an emphasis on the direction of social values compared to all the others, which are connected to the business and its success.

Based on their review of existing research and their interviews, Albarran and Moellinger design the contour of a new taxonomy for the relationship between media management and performance step by step. The first step is a grid to differentiate between the management stages; the second step allocates the financial and nonfinancial variables to each of the stages.

Striking is that all of the nonfinancial variables identified by the interviews are part of the economic value chain since leadership, strategic goals, and recruitment are integral to media companies' business. Values such as sustainability, responsibility, or meeting societal demands were not part of the interviewed managers' thinking.

Albarran and Moellinger summarize what variables are the most salient in measuring managerial performance. Factors such as responsibility, fairness, attitude and others do not appear in the catalogues of values considered important by media managers, as the authors' empirical findings show. For future research on media managers' performance it seems to be necessary to complement the research instruments with supported questions to consider the broad range of values. Otherwise a one-sided insight is lurking that only considers the managers' perspective.

Financial values are common for all media markets, as Wirtz's and Elsäßer's (2017) profound overview of business models shows. After defining the terms "business model" and the different media markets, Wirtz and Elsäßer give deeper insights into the primarily electronic, as well as non-electronic, markets.

Their analysis is based on the definition of a business model as "a simplified and aggregated representation of the relevant activities of a company. It describes how marketable information, products and/or services are generated by means of a company's valued-added component" (Wirtz & Elsäßer, 2017). That makes clear that financial values are placed in the foreground when the business of media is concerned. Added value occurs when economic value is created within the value proposition of the companies. Value creation is a process within the performance of a media company that increases the worth of goods, services or the business as a whole.

In the current turbulent times, the adaptation of business models is the biggest challenge to the media industry, since digitalization captures all business processes and work processes in the industry and changes the meaning and the possibilities of participation for all actors within the value chains. In particular, the people formerly called "audience" move to a position more similar to active consumers than to lean back audiences. The audience also now moves to different places in the process of value creation, such as where information is public (e.g., social media); where "audience members" participate in the processes of producing messages, whether political messages (e.g., the boost of radical and extreme parties and their strategic communication) or more or less private ones.

Those facts certainly change the range of values associated with media performance, especially when "the extraordinarily and long-term successful media business model based on the conjuncture of journalism and advertising is jeopardized and expected to critically erode", as Trappel states in his contribution in this volume.

In contrast to the neo-classical media economics, Trappel is applying a public value theory of media and journalism, which should help explore the conceptual limitations of pure economic analysis of the media industry, since economics cannot explain the full extent to which traditional core media are challenged.

Trappel focuses specifically on the diffuse distinction between consumers or customers (private sector) and citizens (public sector). While consumer-orientation is based on the neo-liberal understanding of individuals primarily focused on the maximization of self-interest, public value is created by satisfying common or societal needs and wants. Media companies with public-value orientation deliver (public) goods and services—thereby adding value to the public sphere.

In this view, value is a fact that is created and distributed by public as well as private media companies. But adding values to the public sphere raises questions: What kind of values are added? Who decides which values are important and which can be neglected? Furthermore, both news coverage and entertainment programmes are pervaded by values, thus media content is always value-driven. That is one side of values and the media. The other side is that every media organization (e.g. companies) and institution (e.g. commissions) is value-driven. Hence, producing (public) value presumes that media companies themselves are value-driven organizations. The economic and financial values of media organizations are, for the most part, different from the societal ones. That, again, makes it relevant to ask if and how values derived from societal needs and wants are meaningful for media companies? Trappel himself is pessimistic when he writes (2017) that "journalism by and large strives to deliver public value, managers organize and deliver private value." That statement again points to the fact that the question about a value-oriented media management that extends beyond economic and financial values is a matter of attitude, sense of responsibility, and commitment to the special role of media in the society.

The same problem of how to ensure societal-value driven content is treated by Doyle. Her contribution in this volume rotates around the contradiction between profit maximisation and societal values. Arguing on the base of political economy, she presents some of the main solutions through which public interest priorities can be brought into alignment with self-interested corporate goals such as by organizing public service media or direct subsidies, which are the main policy tools for regulation. The future of regulation looks gloomy since the new internet corporations are incrementally colonizing more space in the constitution of public opinion and are, therefore, much less likely to be subjected to prescriptive regulatory measures. When already the gravitation towards monopoly and oligopoly is endemic in media industries, as Doyle states, this gravitation is much stronger in the internet sector.

Monopoly or oligopoly, those terms inevitably draw attention to markets. Will and Gossel suggest in their contribution that we need to connect the term media market more closer to the term value. They are doing so while introducing the constructs of value and market from the perspective of economic sociology and especially the idea of economy of singularities.

If an offer is characterized as more or less or better or worse than another offer for consumers or for the purchasing department, the business decision is inevitably value-oriented. Consumers and buyers make decisions that are congruent to their needs and wants; they ponder price and quality, and - today more than ever - sustainability and responsibility of the businesses are criteria for purchasing decisions. And the place where all this information flows together is the market. Markets are not a real place but a construction of reality that allows us to observe the economic actions of people, organizations and institutions.

In this conceptualization of markets, the clear distinctions dissolve: the sender is becoming receiver and vice versa, electronic and non-electronic media converge through digitization on digital platforms, producers consume and consumers produce. That has enormous consequences for the economic processes and, nolens volens, for the building, development and assertion of values.

Will and Gossel refer to media markets as markets of singularities which "are multidimensional, uncertain, and incommensurable; the consumer is searching for the "right" or a "good" singularity" (Will & Gossel, 2017). Right or good are adjectives pointing out that values are in play. And because attention creates value, in digital media markets, there are more sophisticated forms of attention which, from a sociological view, shape the features and coordination regimes of singularities.

Scholz shifts the focus of the volume to the true challenge in media companies in his opening chapter in **Part II: Cultures and organizations: Structures, actions and values in media companies.** These challenges include, in his opinion, values as input and output, a perspective which is valid both for economic and cultural values. Based on the theory of construction of reality, Scholz discusses the three effects of media (creating reality, markets, values) and builds a complex input-output-value-framework for media companies. In this framework, economic and cultural values are both drivers and restraints for the structures of media markets and media companies. Corporate culture, according to Scholz, is related to ethical standards, while economic values are related to the success of media companies.

Scholz is the first author in this volume who clearly points out that cultural values are as important as economic ones. He highlights the interdependencies between cultural values such as corporate culture and a vision for news coverage that includes ethical standards and economic values like corporate and advertising success.

Since a lot of researchers recommend the development of new values for the new digital newsrooms, Sylvie (2017) tries to explore potential approaches or values for future editors. What he sums up are not values at first sight. They are new structures for newsrooms and newsroom editors. Restructuring the work environment, re-designing reporting positions, retraining reporters to new standards of professionalism, committing more to organizational goals and procedures are the new values he proposes be inserted into newsrooms.

While re-organisation as a whole has been a well-known challenge for a long time in newsrooms, the "management of reporting through reporters themselves via public citizens" (Sylvie, 2017) is a new challenge for the media management evolving from digitization.

But now for something completely different. Creativity is the topic of the contribution of von Rimscha (2017). He states that creativity is a core value in all areas of media production, in entertainment as well as in factual documentations. But creativity is problematic since the term is interpreted in manifold ways. Von Rimscha is assessing the economic value of cultural creativity, and his contribution presents the findings of a survey aiming to answer the question: Do financial concerns impede individual creative output?

Von Rimscha further specifies the question in a two-fold manner: First, is creativity valuable for management and organizational goals? Second, is creativity valuable for individual workers? He postulates that, across the two dimensions of economics and culture, the value of creativity will not follow a linear function.

The results are sobering: Neither income nor financial concerns have a significant influence on the measured creativity score. Thus, reducing the salary of culturally creative personnel does not harm the level of output of cultural creativity.

Part II of the volume is finished by an article from Greck et al. (2017), who present the findings of one of the first representative surveys about German media managers. In their study they put the focal point on the value system of media managers.

The theoretical fundament consists of structuration theory, management theory and elite theory. The authors define management as a constellation of influential actors, whose power is grounded in the power to conceptualize, communicate, and control the institutional order of media organizations. Because of the influence media managers have, they are part of the economic elite with a great deal of power at their disposal. Media organizations, in turn, perform the business of the media, which is the distribution of content, entertainment, and advertisement.

The authors did not directly name values in their questionnaire. Instead, they asked for the career paths of the media managers. The reason lies in the assumption that academic and professional qualifications, lifestyle (i.e., marital status, origins), and religious and political affiliations are crucial determinants for the actions of people who hold leadership positions in the media industry and, to some degree, for the value system of each manager in media and editorial offices.

The findings show a slight homogeneity with regard to the social backgrounds and origins of media managers, which are indicators of their value orientations. The managers appraise traditional concepts of family life and education, at the same time they share modern convictions regarding environmental protection, sexual equality, and autonomy in lifestyle.

In recent years, if values are in the core of a discussion about business, Corporate Social Responsibility (CSR) is certain to come up. Thus, the contributions to **Part III: Corporate governance and corporate social responsibility: The role of management and leadership for value orientation and implementation** are dominated by research dealing with CSR.

Karmasin and Bichler (2017) start the CSR debate with findings from a content analysis of corporate web sites. The authors understand CSR as a viable approach towards the question of media accountability and ethical business and, comparable to Scholz (2017) and Karmasin and Bichler see media companies as producers of both economic and cultural goods.

In their content analysis, they focus on questions about CSR activities, the main motives for CSR activities, and the main instruments and organisational realisations of CSR. Their findings show that CSR as a management tool has arrived in most of the top 10 media companies in Europe, but there are still problems: CSR is not yet intensively institutionalized and instrumental CSR is dominating.

Thus, the same media organisations that report about other industries and their failures do not themselves completely meet the standards of CSR. The media are not so strict when their own business strategies are at stake.

The two chapters that follow contribute to the theoretical development of CSR. Bachmann and Ingenhoff (2017) refer to the research question of how media companies use their media responsibility (MR) and CSR strategically. They develop a social-theoretical framework that is based on organizational communications research, CSR research, and MR research. The basic theory is, as in many other studies dealing with CSR, Giddens' theories of structuration and late modernity.

Considering these theoretical basics, Bachmann and Ingenhoff plead for a strictly individual perception, defining MR and CSR as ascriptions of human beings. They argue the assumption should be that "not media companies themselves, but authorized persons (managers or PR experts) perform strategic MR and CSR ascriptions in the name of their own organization or its units in order to reproduce or modify social structures in the interest of the organization or its units." (Bachmann & Ingenhoff, 2017). Public Relations (PR) expertise plays a bigger role in helping adapt both organizational structures and stakeholders to the interests of the media company.

Bracker, Schuhknecht and Altmeppen developed a framework to examine the existence of rules and resources within media companies to realize and manage CSR. Values can be seen as resources that enable or constrain the actions of media managers. The problematic terminology of responsibility and sustainability make clear that it is necessary to develop more theoretical approaches to explain and analyze values in the media, and the origin and growth of those values.

The authors design a graphic illustration of their approach. What they call 'Gidden's cube' illustrates how structuration theory can give answers to questions dealing with the signification (what is the meaning of CSR and responsibility at a whole?), the domination (what kind of power enables the actors to initialize and/or implement CSR?) and the legitimation of CSR (why do actors/organizations initialize CSR?). Taken together and combined with a detailed listing of resources and rules relevant for CSR and CSR communication, Bachmann and Ingenhoff, and Bracker, Schuhknecht and Altmeppen can reveal the potential of structuration theory for both theoretical and empirical work in the field of responsibility.

The following three chapters in the third section deal much more intensively with the management of values in media corporations. The fact that resources are crucial for CSR is attested to by Gutierrez (2017). Her contribution aims to show what conditions and constraints are part of the process of implementing a value orientation in media companies through the framework of Corporate Governance literacy.

Gutierrez argues from an economic view that "the main factors that contribute to value orientation are maximization of the market value of the company and creation of corporate strategy" (Gutierrez, 2017). Emanating from changes in business models, in digital technologies, and in legislation and regulation, Gutierrez states that a purely utilitarian mentality and a focus on short-term results become factors that block value generation. Finally, Gutierrez does not make suggestions for other than the economic variables as values in media companies, concentrating on shareholders and stakeholders whose interests are maximization of market value, the development of an effective corporate strategy, and company growth.

A clear counterpoint to the concept of governance presented by Gutierrez is the concept of practical wisdom, introduced by Habisch and Bachmann (2017). Practical wisdom is, in their opinion, a support to the development of value-based media management in today's age of digitalization. Such a wisdom-based, multi-dimensional perspective of media management has the task to counteract the information-based, one-dimensional perspective of a digital rationality.

The authors summarize the opportunities and threats of the "age of digitalization" to illustrate what these developments mean for journalists, editors, authors, etc. They ask whether there is free choice left in media management between profit and responsibility and, in sum, if there is a need for value-oriented media management?

Habisch and Bachmann propagate the concept of digital wisdom confronting the criteria of digital information—the mathematical code as one-dimensional—with wisdom as a diverse, multilayered concept that does not emanate from data and numbers. The integrative and normative paradigm contributes to the value-based orientation that is required in media management in the age of digitalization to assure a balance between profits and the necessary organizational space for responsible journalism. Instead of accelerated, hasty and often wrong decisions, practical wisdom ensures a managerial capability of making prudent judgments, i.e. to integrate moral, social, and technical aspects into management. The idea of "wisdom" supports the approach of finding appropriate answers to the specific situations managers may be facing, as well as to the contextual framework of time, space, and sociality.

It may be naive to assume that societal values can gain in importance in (media) management. But it is clear that not the digital devices and software but rather the interests and applications of the human beings interacting with the technologies determine the effects of media and technologies on society. In the current environment, a clearly defined set of values seems to be more necessary than ever.

The difference between scientific analysis of value-oriented media management and practical experience is very large as Gershon and Alhassan (2017) show. Business misconduct is their topic; News Corporation's *News of the World* newspaper is their exemplary case study. They analyze the case by examining News Corp.'s organizational culture, management decision-making, high-risk strategic behavior, and failures in the processes of corporate governance.

The authors provide evidence for their thesis that the *News of the World* scandal resulted from a diffusion of authority in conjunction with the fact that News Corporation did not have a diverse, independently constructed board of directors. Neither the company's executive leadership nor its corporate board of directors were willing to acknowledge or take responsibility for the actions of the newspaper's management and professional writing staff. "The message from the top was get the story at any cost; even if that means crossing the line in terms of invading someone's privacy," as Gershon and Alhassan point out.

When set against the concept of practical wisdom elucidated by Habisch and Bachmann and the call for good governance put forward by Gutierrez, the findings by Gershon and Alhassan make the outlook for media values seem dark. The *News of the World* case suggests a complete absence of appropriate business conduct. Neither Murdoch nor the board of his company were willing to take responsibility for their actions or the actions of their employees. Both owners and senior editors "pass ultimate responsibility on to someone else" (Gershon & Alhassan, 2017).

Creativity, governance, practical wisdom: The inputs to this volume offer a lot of ideas for what could be ingredients of a value-oriented media management. Branding is the next contribution to this ensemble in **Part IV: Trust, branding, digitalization: Value drivers**. Siegert and Hangartner (2017) "argue that branding is the appropriate strategy for media management to achieve market success as well as legitimacy."

Siegert and Hangartner (2017) understand values as desirable standards or principles of existence based on culture, society, and personality, which guide the behavior of a person and other social entities including groups and organisations.

The peculiarity of branding as a value originates from the fact that, first, linking organizational strategy and employees' value sets symbolizes the media organization's values. Second, branding is able to align different environmental expectations, value sets, and professional standards with each other. This way, an identity card of a brand arises and represents the soul of the brand. The company's beliefs and values drive the brand concept; the organization's competencies produce it, and the brand identity that emerges from this process ultimately represents what the media organization stands for.

The chapters by Scholz (2017) and Siegert and Hangartner (2017) both use branding theory in ways that link the values stemming from societal expectations with economic or financial ones. Media management is the important actor to realize corporate values through brand communication.

Trust is the last term in the set of possible values introduced by the authors of this volume. Rinsdorf (2017) imposes the term with the purpose of proving the public's trust as an institutional arrangement in convergent media environments. One instrument Rinsdorf sees as useful in supporting the emergence of public trust is brand management, which is the same suggestion Siegert and Hangartner made (2017).

Rinsdorf's idea emanates from the fact that media and journalism can be defined as institutions, which leads to the assumption that "journalism is a crucial resource in the value networks of news organizations, and branding strategies can be seen as attempts to stabilize a beneficial institutional arrangement" (Rinsdorf, 2017).

In this frame, trust well managed can begat trust because trust is a normative concept that is widely interpretable, carries positive connotations, and which helps reduce uncertainty, stabilize social relations, and enable transactions.

Testing the uncertain future might be the headline for the last chapter. Frank Habann is doing a foresight into a future where the borders between traditional media, hybrid media and transaction media are blurring. His article is a short diary more than a scientific chapter. He presents an ironic picture of where our media system and usage is heading.

4 Conclusion

The contributions to this volume raise more questions dealing with a value-oriented media management than they give answers. The chapters show that there is no lack in ideas, terms or concepts about the appropriate and inevitable values for media companies, as Table 3 shows, where the terms mentioned in this volume are summarized.

Media organizations have to cope with very different sets of values within the organization, within the economic area as well as within different environmental value-based expectations. Hence, value orientation in the context of media management does not only refer to monetary values and market expectations—as the term "management" might suggest—but also to the individual values of media professionals, to journalistic values as professional standards, to corporate values and, not the least, to societal values and expectations of society. Media management faces the task of aligning the different value sets, professional standards and environmental expectations, so that the organization's decision-making processes, as well as the development, production and distribution of media products, are coordinated smoothly in order to achieve market success as well as legitimacy.

Media organizations need to meet both monetary and societal expectations. The problem seems to be that there is obviously an extensive deficit in willingness and attitude of global media management towards the appreciation of non-financial values. The truth is: Media managers care for the business, which they determine as their first and most distinguished task.

Table 3 Values mentioned in this volume

Economic/financial values	Social values
Growth	Attitude
Leadership	Authority
Market value	Brand
Price	Business ethics
Professional standards	Corporate culture
Profit	Creativity
Recruitment	Ethics
Revenues	Governance
Success	Image
Strategy	Integrity
	Legitimacy
	Moral
	Public value
	Quality
	Responsibility
	Sustainability
	Trust
	Vision
	Wisdom

References

Albarran, A., & Moellinger, T. (2017). Examining media management and performance: A taxonomy for initiating a research agenda. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Altmeppen, K.-D., Karmasin, M., & von Rimscha, M. B. (2012). Die Ökonomie grenzüberschreitender Medienkommunikation. Ein Beitrag zum Verhältnis von Marktstrukturen und Medienmanagement in transnationaler Perspektive. *Medien & Kommunikationswissenschaft, 60*(Sonderband Nr. 2.) Grenzüberschreitende Medienkommunikation, 40–58.

Bachmann, P., & Ingenhoff, D. (2017). Finding common ground: CSR and media responsibility. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Chan-Olmsted, S. M., & Albarran, A. B. (1998). A framework for the study of global media economics. In A. B. Albarran & S. M. Chan-Olmsted (Eds.), *Global media economics. Commercialization, concentration, and integration of world media markets* (pp. 3–16). Ames, IA: Iowa State University Press.

Gershon, R. A., & Alhassan, A. (2017). The diffusion of authority. A case study analysis of News Corporation's News of the World newspaper. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Giddens, A. (1984). *The constitution of society: Outline of the theory of structuration*. Cambridge: Polity Press.

Greck, R., Franzetti, A., & Altmeppen, K.-D. (2017). German media managers: A survey on their origins, careers, and value orientation. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Gutierrez-Rentería, M. E. (2017). The perspective of value orientation for the shareholder and the stakeholder: The case of corporate governance in media companies. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Habisch, A., & Bachmann, C. (2017). Media management in the digital age: Toward a practical wisdom-based approach. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Hollifield, C. A., Wicks, J. L. B., Sylvie, G., & Lowrey, W. (2016). *Media management. A casebook approach* (5th ed.). New York: Taylor & Francis.

Janssens, M., & Steyaert, C. (1999). The world in two and a third way out? The concept of duality in organization theory and practice. *Scandinavian Journal of Management, 15*, 121–139.

Karmasin, M., & Bichler, K. (2017). CSR in the media industry. Setting the benchmark or falling behind? In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Rinsdorf, L. (2017). The role of trust in value networks for journalism in a convergent media environment. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Scholz, C. (2017). Values as input and values as output. The true challenge for media companies. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Siegert, G., & Hangartner, S. (2017). Media branding: A strategy to align values to media management? In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Sylvie, G. (2017). Creating innovative news: The values of future newsroom managers. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Trappel, J. (2017). Moving media and journalism forward from private to public value. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

von Rimscha, B. (2017). The value of creativity. How much, for whom, and what for? In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Will, A., & Gossel, B. (2017). Media markets, value and the unique. Consequences and implications for media management from Karpik's new economics sociology perspective. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Wirtz, B. W., & Elsäßer, M. (2017). Business models in the media markets. In K.-D. Altmeppen, C. A. Hollifield, & J. van Loon (Eds.), *Value-oriented media management: Decision making between profit and responsibility*. Cham: Springer.

Part I

Theories, Concepts, and Findings in Value-Oriented Media Management

Examining Media Management and Performance: A Taxonomy for Initiating a Research Agenda

Alan B. Albarran and Terry Moellinger

1 Management and Performance: Introduction

The concept of performance is embedded in thinking about media managers and media organizations. Media managers are expected to yield a certain level of performance in the enterprises they manage by producing gains in cash flow, market share (e.g., revenues and audiences), organizational efficiency, and other items typically geared around financial and quantitative measures. Managers are also expected to perform in qualitative areas such as leadership, public service, and goodwill. Yet, research on these critical areas is limited.

One reason for the lack of literature is that *performance* is a difficult concept to grasp when applied to the media management environment. One area of confusion is how to define a media enterprise. Media firms can be publicly or privately owned and compete in different markets (local, domestic, international). Likewise, there are challenges with the simple term *management*. What managers do we refer to? Management in many media organizations can be found on three different hierarchical levels (e.g., executive, middle managers, and supervisors), so we would expect performance to differ across managerial positions (Albarran, 2013).

Further complicating the picture are the many possible interpretations for the term *performance*. Financial performance dominates, probably because it is the easiest to assess, especially for publicly traded corporations. Peter Drucker, considered the father of management thought, recognized the challenges of defining performance late in his career:

> "We will have to learn to establish new definitions of what 'performance' means in a given enterprise . . . especially in the large, publicly owned enterprise . . . we will have to develop new measurements and so on. But at the same time performance will have to be defined

A.B. Albarran (✉) • T. Moellinger
University of North Texas, Denton, TX, USA
e-mail: albarran@unt.edu; jtmoellinger1@gmail.com

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_2

> *nonfinancially* [emphasis added] ... all institutions will have to think through what performance means" (Drucker, 1999, pp. 60–61).

While Drucker was correct in calling for new ways to think about performance, no details were offered to determine *how* we can think about performance in new ways. Further, Drucker was considering the business environment as a whole, not media management.

The goal of this chapter is to initiate a new taxonomy to research managerial performance for media enterprises and offer ideas on a possible research agenda as a means to build knowledge in this important area. But first, we will look at the literature that exists on the subject of management and performance, in order to determine what is known about this complicated topic.

2 Management and Performance: Literature Review

With the exception of McQuail (1992)—which looks at "performance" through the lens of its "public interest capacity" (p. 11)—little has been written concerning the internal measurements of performance of media organizations, or what The Walt Disney Company describes in its mission statement, as the development of "the most creative, innovative and profitable entertainment experience and related products in the world" (Walt Disney Company—Mission, 2016).

Database searches using keywords like "management and performance" and "media management and performance" generated a limited and disjointed set of articles that have some relevance to the topic. In one respect, this is not surprising given the many meanings for the key terms and the challenge of studying performance, especially if one considers nonfinancial aspects as suggested by Drucker (1999).

An argument could be made that the earliest managerial writings were focused on managerial performance. Frederick Taylor's principles of scientific management (first published in 1911 and reissued in 1991) were designed to improve productivity—and thus performance—of an organization. Yet Taylor did not focus on the role of the manager per se. Mary Parker Follet was one of the first scholars to consider concepts related to performance in studying managerial practices (see Follett, Pauline, & Graham, 1995; Tonn, 2003).

Many texts recognize the modern school of management (e.g., Albarran, 2013; Gershon, 2009), which began in the 1960s as the era where emphasis on managerial performance became prominent. Drucker's (1986) management by objectives (MBO), Total Quality Management (e.g., Juran, 1988) and strategic management (Chan-Olmsted, 2005; Porter, 1980) are just three of the areas developed during this era to improve efficiency and performance.

Scholarly articles on managerial performance are sparse. There is a body of work in the business literature on the topic of managerial performance of social enterprises, which often refers to non-profit enterprises. Clarkson (1995) provides one of the earliest frameworks for studying social enterprises, using research over a

10-year (1983–1993) period to focus primarily on the role of stakeholders. Alm and Lowe (2001) studied Finnish public broadcasting and identified management "arenas" that face four distinctive but overlapping markets. Bagnoli and Megali (2009) offer a framework and theoretical model that considers three areas: economic-financial performance, social effectiveness, and institutional legitimacy. Meadows and Pike (2009) utilize the Balanced Scorecard in analyzing social enterprises, and with the use of a case study argue that "in a time of rapid change" organizations must focus on actions that have the best chance of improving performance over time.

Research on media management and performance is even more challenging to locate. Grönlund (2002) examined customer satisfaction and financial performance of printing companies in Finland, but did not address management of the firms. Albarran and Moellinger (2002) looked at structure, conduct and performance of the top six global media companies, but limited performance to financial metrics. Küng (2007) examined the state of media management, and declares that "media firms are in the main addressed as businesses . . . at a macro rather than micro level, and the majority of attention is focused on exogenous changes . . . and relatively *little* on internal firm dynamics and how these impinge on *performance* outcomes" (p. 23, emphasis added). Küng does not address performance at the managerial level.

Van deer Wurff and Leenders (2008) used data from 46 professionals to identify dimensions related to the innovation and performance of media companies. Their findings did not address managerial performance, but suggested that "different types of performance build upon different types of values and practices" (p. 168).

Taken together, these limited findings indicate performance lacks systematical study by researchers. This could be due in part to the difficulty in creating operational definitions for "managerial performance," as well as the challenge of finding and collecting observable data, a task even more demanding given the need to consider nonfinancial criteria.

3 Methodology and Industry Observations

In order to begin an examination of media management and performance with an eye toward formulation of an eventual taxonomy, we first relied upon ethnographic enquiry methods (Blumer, 1969; Mead, 1934, 1982). Secondly, the analysis of the data extracted from the interviews conformed to practices established by grounded theory (Charmaz, 2006, Strauss & Corbin, 1998).

As a tool for obtaining meaningful data, the interviews served one principle purpose. Silverman (1993) points out interviews provide data that gives access to facts concerning behavior, attitudes, and authentic experiences of the participant. This usage of the interview grew out of the symbolic interaction observations and approaches advanced by Mead (1934, 1982) and later by Blumer (1969). This intellectual tradition also owes much to the theoretical application of Goffman (1959, 1983) and the notion of role performing actors and their performance within the interaction process, as well as the participant observation and ethnographic research done by Boas (1920), Malinowski (1926/1972) and Garfinkel (1967) and the naturalistic approach of Metza (1969). Many other researchers have offered critical evaluations such as Hammersley (1989), by suggesting refinements of the traditional methodology; Denzin (1970) and Denzen and Lincoln (2003, 2005), and practical approaches to the interview process itself (see Holsteinand & Gubrium, 1995; Seidman, 2006).

The analysis attempted to find what Glaser and Strauss (1967) term "salient categories of information" (p. 22). Once these categories were discovered, the analysis concentrated on discerning the connection between related categories, and the discovery of patterns from which understanding can be expanded (Schwandt, 2001). Further, as Strauss and Corbin (1990) contend, the development of such categories facilitates the ability of the researcher to validate other theoretical grounded conclusions.

In discussing the seminal articles concerning the foundations of grounded theory (Glaser & Strauss, 1967; Glaser, 1978; Strauss, 1987; Strauss & Corbin, 1990, 1998), Charmaz (2006) contends that "they proposed that systematic qualitative analysis has its own logic and could generate theory" (p. 5). The author also defines the key element that promotes such a systematic analysis. This is the "simultaneous involvement [of the researcher or research teams] in data collection and analysis" (p. 5). In other words, data collection, analysis and theory building stand in a reciprocal relationship. This involvement includes the construction of analytic codes and categories and the constant comparison of incoming data with the objective of "advancing theory development during each step of data collection and analysis" (p. 5). The techniques include "memo-writing to elaborate categories, specify their prosperities, [and] define relationships between categories and identity gaps" (p. 6), sampling, and a review of the literature after analysis. In contrast, Glaser and Strauss (1967) insist that consulting the literature should only occur after data collection and an independent analysis is conducted, this insistence on this procedure has come into question, and even caused somewhat of a split between the two primary proponents of this method. Glaser (1978, 1998) argues that objective neutrality must be preserved by following this step and allowing the data to dictate the outcome. While Strauss and Corbin (1998) stress the necessity for unbiased data collection, they also acknowledge that the respondent's views may conflict with that of the researcher, and therefore complete objectivity is problematic. Also, concerning the use of existing theory to form expectations concerning the interpretation of data, Glaser (1998) notes that in the second step of grounded theory development—theoretical coding—existing theory should be considered. Glaser states: "It is necessary for the grounded theorist to know many theoretical codes in order to be sensitive to rendering explicitly the subtleties of the relationship in his data" (p. 72). Noting this observation, Charmaz (2006) asks: "How do we know these codes if they have not become part of our repertoire? And if they have, would we not know something of the major works from which they are derived? (p. 165). The logical question then becomes can existing theory serve as an aid in formulating the first part of the research design, the selection of research questions?

Easterby-Smith, Thorpe, and Lowe (1991) agree, contending that "evidence is interpreted in order to provide good answers to the basic research question[s]" (p. 21). These questions should come from what Strauss and Corbin (1990) term the "technical literature," or a literature review of the general problem under consideration (p. 52). Further, as Charmaz (2006) notes "grounded theory methods can complement other approaches to qualitative data analysis, rather than stand in opposition to them" (p. 9), and that existing theories, coming from a literature review, should be used to analyze relevant data in relation on one's research problem (p. 168). The author recommends the researcher "consider treating extant concepts as problematic and then look for the extent to which their characteristics are lived and understood" (p. 166).

With limited scholarly literature, the authors turned to a qualitative approach, as outlined above, to assess what industry practitioners use to assess managerial performance. Limited purposive samples were contacted via electronic mail from the first author's industry contacts inviting reaction to the following research question:

RQ: How do we assess performance by media managers?

Not all of the contacts responded, nor is this limited sample intended to represent a random sample of media managers. The professionals who did respond represented a variety of positions across the media industries in the United States, and offer managerial perceptions of *how* performance is assessed. In terms of the participants, one of the respondents was recently retired; the others were all working full-time in various managerial roles. A summary of the responses are presented in Table 1, separating the observations for financial performance from the nonfinancial performance criteria per Drucker (1999).

The managers represented a variety of audio-visual media enterprises including television, radio, and cable; different types of ownership were also represented with some managers working for privately held companies and others working for publicly traded companies. At least two managers were part of a large media conglomerate. No print, publishing, or public broadcasting managers participated.

The observations from the industry professionals fell into financial and nonfinancial categories. The responses are concise and very uniform regarding financial criteria. Performance is directly related to building revenues, cash flow, and ratings. In the U.S., ratings are highly correlated with financial performance; one rating point is directly equal to 1% of the advertising revenue in the market (e.g., local or national, depending on definition). There is also considerable agreement on the nonfinancial criteria as well, with several mentions of the need to engage in strategic planning; the ability to recruit, train and motivate staff; reduce employee turnover and improve employee satisfaction; communication skills; and earning awards or honors for the enterprise.

This brief analysis points to a much larger need for a useful taxonomy on how researchers can assess managerial performance across media organizations using both financial and nonfinancial criteria. Further, an initial taxonomy can generate ideas and suggestions for a future research agenda to guide efforts and further refine

Table 1 Responses regarding financial and nonfinancial performance criteria by seven different media managers

	Financial	Nonfinancial
1.	Ratings revenue (vs. goals/budgets, competitors, and overall market)	Industry recognition (awards/honors) Longevity/consistency of performance Reduced employee turnover Advancement of people trained by manager
2.	Ratings, revenue, EBITDA (earnings before interest, taxes, depreciation and amortization—also known as cash flow)	Image of station in the community and public service addressing the needs of the community. Innovation, communication, collaboration and integrity. Leadership skills, meeting company goals and building upon company values with the team
3.	Ratings and revenues	Ability to meet strategic goals
4.	Ratings	The overall performance of the staff they manage. The manager's ability to train and motivate staff will be reflected by how quickly new hires are developed. Low turnover and high morale generally reflect a good manager. Time-management skills
5.	Ability to create a strategic plan, timeline and accountability for accomplishing the plan Ability to set and manage budgets Must understand sales, revenues, and ratings Understand multiple platforms and how to engage audience and advertisers with each area	Ability to provide feedback to staff so the people and product can grow Ability to work with other units
6.	Top and bottom line results Ability to create new revenue streams	The ability to recruit, train and retain talented people Ability to understand social media
7.	New business generation	Awards Public service activities involving staff Improving employee satisfaction Limit employee turnover

Source: Respondent comments compiled by the authors

the taxonomy as our knowledge of managerial performance expands. That is the goal of the next two sections of this chapter.

4 Developing a Taxonomy for Management Performance

There are many possible ways to create a new taxonomy. There is not a single format that can be universally applied to any industry. However, in looking at various taxonomies across disciplines outside of the natural sciences, one finds the following four steps are typical:

- Introduce the key terms that are the foundation for the taxonomy
- Group related terms by topic or subject
- Link groups of terms together to show relationships
- Test the taxonomy and refine as needed

This effort will focus on the first three steps and will offer a possible research agenda later in the chapter on ideas to test and refine the taxonomy.

Key Terms. Our taxonomy consists of two foundational concepts, *management* and *performance*. There have been several efforts to define media management, but there is not really a consensus by the field as to how to define media management (Albarran, 2008; Küng, 2007). So rather than begin the taxonomy with this continuing debate, we will, instead focus on defining management by *stages,* which is really more helpful in establishing the taxonomy.

In many media organizations, management tends to be found on three distinct stages of analysis discussed below. While there may be synonyms for the stages used here, the responsibilities typically remain the same within each area.

- *First-Line Management Stage*: This is the lowest level of management and the entry point for most new managers. First-line managers typically have responsibility for specific tasks and a limited workgroup of employees. They do not usually have budgetary control or the ability to make personnel decisions independently. One example might be a News Producer who works with a group of Producers or Assistant Producers.
- *Middle Manager*: This stage of management has budgetary control for a unit, the ability to hire personnel, and expectations to meet specific goals established by superiors. The number of personnel they are responsible for is larger than those found at the first-line stage. Examples of middle managers would be positions like a General Sales Manager or Director of Marketing and Promotion, or News Director.
- *Executive*: This stage of management is responsible for the entire enterprise, and usually works with a team of middle managers in building strategic plans to meet the goals established by the corporate/parent owner. Executive managers must be adept at finance and budgetary management, build revenues and control expenses, grow market share, and establish public service efforts for the organization. Titles vary, and include such things as President and General Manager or Publisher.

Note that there is not a stage for corporate management in this taxonomy. The effort here is to build a taxonomy that could apply to a specific media organization, such as a single television station, a newspaper, a native digital firm, etc. Corporate management operates very differently. If publicly traded, stockholders vote in an annual election for the Board of Directors, and the Chief Executive Officer reports to the Board. The same holds for privately held companies, with the exception that there is no public trading of stock, as control is held by the Board. Both Boards (public and private) have fiduciary responsibility to the corporation as part of their election.

There are many factors which may change the structure from organization to organization. For example, the degree to which a firm is centralized or decentralized has a direct bearing on how much decision-making authority and autonomy a manager has at any stage below the executive. The pressure to become more entrepreneurial and to develop leadership capacities within media companies usually drives the trend toward decentralized decision-making.

Performance. Based on the limited research and qualitative analysis, it seems appropriate to define performance along the two dimensions identified in the literature review: financial and nonfinancial. We can further define these broader headings as follows:

- *Financial Performance*: Refers to management's ability to improve economic performance over time, measured by metrics such as profit margin, return on assets, return on equity, growth of assets and growth of sales. Performance also can be assessed by considering changes in market share (as measured by audience ratings, circulation, or impressions on digital platforms), which directly impact the ability to charge advertising rates.
- *Nonfinancial Performance*: Refers to more qualitative aspects associated with management and includes such areas as the ability to meet goals, reducing employee turnover, improving employee satisfaction, leadership of the enterprise, public service and community initiatives, and awards and honors.

Given these foundations, it is now possible to visualize a grid consisting of the stages of management on one axis and the performance dimension on a separate axis. This grid is presented in Fig. 1.

The next step in the development of the taxonomy would be to drill down into these respective dimensions to identify specific variables/concepts that would coincide with each stage of management. Figure 2 looks at the levels of management and the financial performance dimension, and how that might break down across managerial levels. As Fig. 2 illustrates, there is a greater emphasis on financial performance at the executive and middle management areas; less so at the first-line management state. Clearly, a great deal of the time spent by the executive manager is assigned to financial performance goals and metrics, and ultimately his or her tenure depends on regularly meeting financial objectives.

The middle manager is expected to keep tight control of the unit's budget and expenses, and meet the goals established by executives. Middle managers are always challenged by the demands of meeting financial expectations from above and meeting the needs of their individual unit and the employees they manage below. But middle managers who do this successfully make good candidates for executive positions.

First-line managers, as expected, have limited expectations regarding financial performance. But failure to control expenses and reduce excessive overtime and

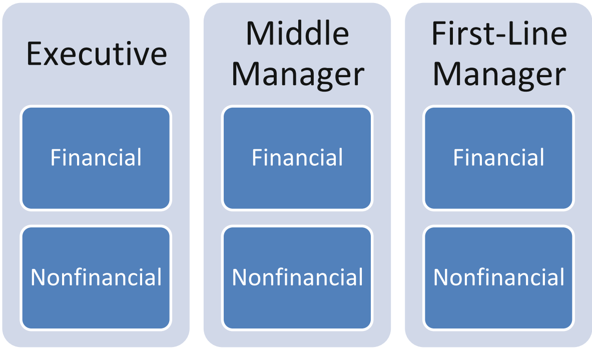

Fig. 1 Management and performance taxonomy grid. Source: Author rendition

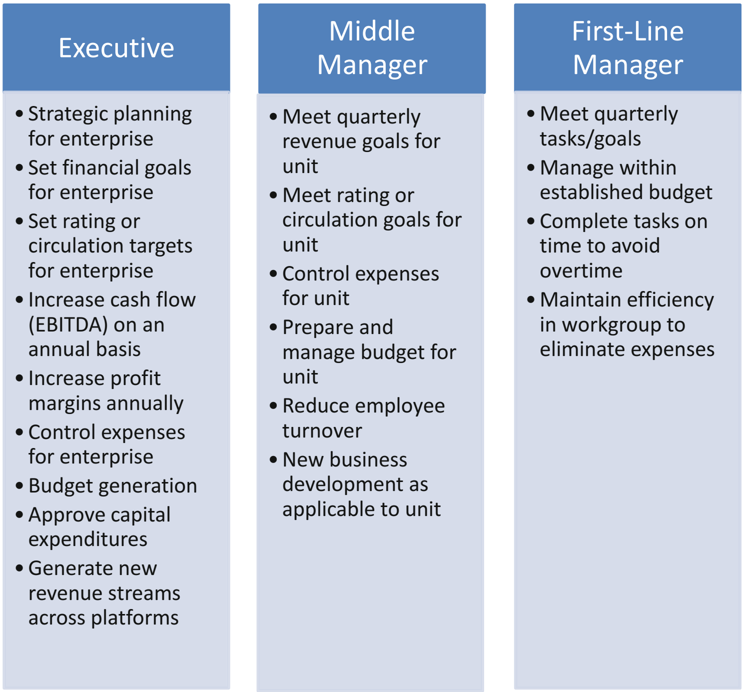

Fig. 2 Stages of management and performance variables. Source: Author's rendition

inefficiency within the workgroup could affect the overall financial performance of the enterprise.

Underscoring this discussion is the fact that a media organization is first a business with financial expectations. It is also many other things, but a media organization is always a financial organization, and this applies to non-profit

Executive	Middle Manager	First-Line Manager
• Provide leadership for the entire enterprise	• Provide leadership to the unit	• Provide leadership to the workgroup
• Lead efforts to promote company values	• Lead innovation efforts for the unit	• Recruitment, training and orientation of new employees
• Lead innovation efforts	• Mentor employees for future growth and advancement	• Reduce employee turnover for the workgroup
• Set public service goals for enterprise	• Reduce employee turnover for the unit	• Provide feedback to employees
• Promote communication for the enterprise	• Active communication within the unit	• Build positive morale among team and with other workgroups
• Set goodwill standards for the enterprise	• Lead public service activities for the unit	• Lead public service activities for the group
• Recognition of awards and honors for the enterprise	• Awards and honors for the unit	• Establish good communication among group
		• Awards and honors for the group

Fig. 3 Stages of management and nonfinancial performance variables. Source: Author's rendition

institutions like public service firms as well. Many scholars outside of management and economics tend to look at media companies differently, but it is critical to recognizing that the media industry is a business and to understanding how it functions in a society, especially if that society embraces free markets and a capitalistic orientation.

The final step in the initial development of this taxonomy is to consider nonfinancial performance variables across management stages. Figure 3 considers this aspect of the taxonomy.

Figure 3 provides initial criteria for evaluating performance of nonfinancial variables. Here first-line and middle managers must be more concerned with employee recruitment, coaching and development (Steinmetz & Todd, 1975) while executive management is more concerned with leadership for the entire enterprise, company values, and innovation across the enterprise. Strong communication skills, public service efforts, and recognition via awards and honors run across the areas. It is also important to note leadership begins at the lowest stage of management, and increases in complexity as one takes on more responsibility.

This effort to establish this initial taxonomy encounters several limitations. The taxonomy may not be applicable to all types of media enterprises, nor would this taxonomy necessarily be applicable to enterprises outside of the United States. With limited research on managerial performance to build the taxonomy, some variables may be missing. However, the taxonomy provides a framework on which media management researchers can address these multi-faceted concepts.

5 Applying the Taxonomy: A Possible Research Agenda

The taxonomy offers numerous ideas for researching managerial performance variables using both financial and nonfinancial dimensions. In this section, some propositions are offered as broad guidelines for consideration when designing studies utilizing the taxonomy, followed by some specific research questions and possible topics to guide future research by scholars on managerial performance.

Research Propositions. A few research propositions are offered to help researchers interested in the topic.

- Research on management and performance must recognize that multiple stages of management exist, and to gain a holistic understanding, researchers should conduct studies that take into account the different stages of management found in the organization under study.
- Research on managerial performance must design studies that address both financial and nonfinancial variables.
- Scholars must recognize the inherent differences in studying media organizations that are public, private, domestic or global. Also, the size of the enterprise (multidimensional to single enterprise) must be understood.
- Scholars must recognize the challenge of setting operational definitions for performance variables where data is not easily obtainable, as well as gaining the necessary permissions to study internal management practices in media organizations. This could be accomplished through an ethnographic-based grounded theory described earlier.
- Researchers must recognize that little theoretical knowledge exists on managerial performance, and that their work can contribute to the broader development of the field and refinement of this initial taxonomy.

Research Questions. There are many potential research designs and studies that can be visualized through the use of the taxonomy. What follows are a few suggestions that scholars might consider in conducting research related to managerial performance.

- *What variables are the most salient in measuring managerial performance?* There are a number of financial and nonfinancial variables presented in the taxonomy, but which are the most important? How do these performance variables differ across management? Such a study could take many possible designs, including a factor or regression analysis to determine which variables would constitute a model to gauge performance, or a qualitative study using in-depth interviews with actual media managers to address the research question.

- *How does managerial performance change over time?* One variable not presented in the taxonomy is time. What time frame is optimal for evaluating managerial performance? Ideally any analysis would be conducted over a period of time, perhaps several years to recognize the inevitable highs and lows of the business cycle. Such efforts could focus on individual managers over time, or looking at the entire enterprise. First-line managers are more concerned with the day-to-day or next week, while middle managers are focused on the next quarter or 6 months. Executive management takes a longer perspective, although there is also a tendency (at least in the U.S.) to focus on quarterly performance for public companies.
- *Is there a link between performance variables and tenure in management?* One would hypothesize that management tenure is positively linked with performance, yet there is no research to determine if this is true. Likewise, poor performance may result in shorter manager tenure, but again, no research exists.
- *How does the type of ownership influence managerial performance?* This is an interesting question to ponder. Many media organizations are owned by corporate parents, yet there are still smaller enterprises and single person or family-owned operations found in many media industries. Does corporate ownership hinder or help managerial performance? Do nonfinancial performance variables matter for large corporate conglomerates?
- *What role does the individual employee play in assessing managerial performance?* Clearly the ability to recruit, train, motivate, and mentor employees throughout the enterprise is a shared management role. To what extent should employee perceptions/feedback be used in assessing the performance of the manager? Further, what is the best way to collect this data? Subordinates in any industry may be apprehensive about talking about their supervisor. Such data may offer insight as to what management practices lead to greater satisfaction and less turnover in media organizations. For example, many U.S. and European companies utilize 360-degree evaluation (see Atwater, Waldman, Ostroff, Robie, & Johnson, 2005; Gentry, Ekelund, Hannum, & de Jong, 2007). In the 360 system, employees evaluate their manager, the manager completes a self-evaluation, and the manager's immediate superior does an evaluation. The same questions are asked at each stage, but formulated a bit differently as needed for clarity and precision. The answers are then compared to see how close or disparate the results.

6 Summary

Media management and performance are two concepts with many different interpretations. Management and performance are interdependently linked when assessing a media organization, yet the field lacks a systematic way to tackle this complicated topic.

This chapter has attempted to help this process through the initial development of a basic taxonomy that can be utilized by researchers interested in studying management and performance. The taxonomy breaks down the three stages of management and the two performance dimensions in to a series of variables for use in research.

The different sections of the taxonomy are presented and discussed, followed by a series of propositions to guide thinking and a set of possible research ideas for future study. The taxonomy and research agenda presented here can serve as a baseline of research and offer some heuristic value.

The taxonomy should be thought of as a work-in-progress; it is an initial iteration based on the limited research available on management and performance. Hopefully, other researchers will help refine the taxonomy with their own investigations, and generate new thoughts and ideas to move forward our knowledge base on the topic of management and performance.

References

Albarran, A. B. (2008). Media employment in the United States: An examination of selected industries. *Feedback, 49*(1), 4–12.

Albarran, A. B. (2013). *Management of electronic and digital media* (5th ed.). Boston: Wadsworth Cengage.

Albarran, A. B., & Moellinger, T. (2002). The top six communication industry firms: Structure, performance and strategy. In R. G. Picard (Ed.), *Media firms. Structures, operations and performance* (pp. 103–123). Mahwah, NJ: Lawrence Erlbaum Associates.

Alm, A., & Lowe, G. (2001). Managing transformation in the public polymedia enterprise: Amalgamation and synergy in Finnish public broadcasting. *Journal of Broadcasting & Electronic Media, 45*(3), 367–390.

Atwater, L., Waldman, D., Ostroff, C., Robie, C., & Johnson, K. M. (2005). Self–other agreement: Comparing its relationship with performance in the US and Europe. *International Journal of Selection and Assessment, 13*(1), 25–40.

Bagnoli, L., & Megali, C. (2009). Measuring performance in social enterprises. *Non Profit and Voluntary Sector Quarterly, 40*(1), 149–165.

Blumer, H. (1969). *Symbolic interactionism: Perspective and method*. Englewood Cliffs, NJ: Prentice Hall.

Boas, F. (1920). The method of ethnology. *American Anthropologist, 22*, 311–321.

Chan-Olmsted, S. M. (2005). *Competitive strategy for media firms*. Mahwah, NJ: Lawrence Erlbaum Associates.

Charmaz, K. (2006). *Constructing a grounded theory: A practical guide through qualitative analysis*. New York: Sage.

Clarkson, M. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review, 20*(1), 92–117.

Denzin, N. K. (1970). *Sociological methods: A sourcebook*. Chicago: Aldine.

Denzin, N. K., & Lincoln, Y. S. (2003). *The landscape of qualitative research: Theories and issues* (2nd ed.). Thousand Oaks, CA: Sage.

Denzin, N. K., & Lincoln, Y. S. (2005). *The Sage handbook of qualitative research* (3rd ed.). Thousand Oaks, CA: Sage.

Drucker, P. F. (1986). *The practice of management*. New York: Harper & Row.

Drucker, P. F. (1999). *Management challenges for the twenty first century*. New York: Harper Collins.

Easterby-Smith, M., Thorpe, R., & Lowe, A. (1991). *Management research: An introduction*. London: Sage.

Follett, M. P., Pauline, G., & Graham, P. (1995). In P. Graham (Ed.), *Mary Parker Follett: Prophet of management*. Boston: Harvard Business School Press.

Garfinkel, H. (1967). *Studies in ethnomethodology*. Englewood Cliffs, NJ: Prentice-Hall.

Gentry, W. A., Ekelund, B. R. Z., Hannum, K. M., & de Jong, A. (2007). A study of the discrepancy between self-and observer-ratings on managerial derailment characteristics of European managers. *European Journal of Work and Organizational Psychology, 16*(3), 295–325.

Gershon, R. (2009). *Telecommunications and business strategy*. New York: Taylor & Francis/Routledge.

Glaser, B. G. (1978). *Theoretical sensitivity*. Mill Valley, CA: The Sociology Press.

Glaser, B. G. (1998). *Doing grounded theory: Issues and discussion*. Mill Valley, CA: The Sociology Press.

Glaser, B. G., & Strauss, A. L. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Hawthorne, New York: Aldine.

Goffman, E. (1959). *The presentation of self in everyday life*. New York: Anchor.

Goffman, E. (1983). The interaction order: American Sociological Association, 1982 presidential address. *American Sociological Review, 48*, 1–17.

Gronlund, M. (2002). Customer satisfaction, price and financial performance: A study of firms in the Finnish printing industry companies. In R. G. Picard (Ed.), *Media firms. Structures, operations and performance* (pp. 225–254). Mahwah, NJ: Lawrence Erlbaum Associates.

Hammersley, M. (1989). *The dilemma of qualitative method: Herbert Blumer and the Chicago tradition*. New York: Routledge.

Holstein, J. A., & Gubrium, J. F. (1995). *The active interview*. Thousand Oaks, CA: Sage.

Juran, J. M. (1988). *Juran on planning for quality*. Cambridge, MA: Productivity Press.

Kung, L. (2007). Does media management matter? Establishing the scope, rationale and future research agenda for the discipline. *Journal of Media Business Studies, 4*(1), 21–39.

Malinowski, B. (1926/1972). *Crime and custom in savage society*. Totowa, NJ: Littlefield, Adams.

McQuail, D. (1992). *Media performance: Mass communications and the public interest*. London: Sage.

Mead, G. H. (1934). *Mind, self & society from the standpoint of a social behaviorist*. Chicago: The University of Chicago Press.

Mead, G. H. (1982). In D. L. Miller (Ed.), *The individual and the social self: Unpublished work of George Herbert mead*. Chicago: The University of Chicago Press.

Meadows, M., & Pike, M. (2009). Performance management for social enterprises. *Systematic Practice and Action Research, 23*(2), 127–141.

Metza, D. (1969). *Becoming deviant*. Englewood Cliffs, NJ: Prentice-Hall.

Porter, M. E. (1980). *Competitive strategy*. New York: The Free Press.

Schwandt, T. A. (2001). *Dictionary of qualitative inquiry*. Thousand Oaks, CA: Sage.

Seidman, I. (2006). *Interviewing as qualitative research: A guide for researchers in education and social sciences*. New York: Teachers College, Columbia University Press.

Silverman, D. (1993). *Interpreting qualitative data: Methods for analyzing talk, text and interaction*. Thousand Oaks, CA: Sage.

Steinmetz, L. L., & Todd, H. R. (1975). *First-line management: Approaching supervision effectively*. Dallas, TX: Business Publications.

Strauss, A. (1987). *Qualitiative analysis for the social sciences*. New York: Cambridge University Press.

Strauss, A., & Corbin, J. (1990). *Basics of qualitative research: Grounded theory procedures and techniques*. London: Sage.

Strauss, A., & Corbin, J. (1998). *Basics of qualitative research: Techniques and procedures for developing grounded theory* (2nd ed.). Thousand Oaks, CA: Sage.

Taylor, F. W. (1991). *The principles of scientific management*. New York: Harper & Brothers.

Tonn, J. C. (2003). *Mary P. Follett: Changing democracy, transforming management*. New Haven, CT: Yale University Press.

Van deer Wurff, R., & Leenders, M. (2008). Media organization culture and innovative performance. In C. D. Zotto & H. V. Kranenburg (Eds.), *Management and innovation in the media industry* (pp. 151–172). Cheltenham: Edward Elgar.

Walt Disney Company—Our Mission. (2016). *About the Walt Disney company* Retrieved from: https://thewaltdisneycompany.com/about/

Business Models in Media Markets

Bernd W. Wirtz and Marc Elsäßer

1 Introduction[1]

In the recent past, the development of business models and their constant innovation-driven evolution has gained more and more importance (Chesbrough, 2011). One of the most important components of a successful business model is seen in its value creation logic: Business models are increasingly influenced by the overarching objective of value creation. Thus, they constitute an important element of generating added value (Wells, 2013). The need for new and successful business models is due to an ongoing increase of globalization, increasingly quicker innovation cycles and a radical deregulation of various markets. As markets become more and more dynamic and complex, business models as the essence of a company's activities constitute a crucial instrument of success.

In particular, media markets are subject to a continuous change (Jin, 2013). The highly innovative era has been marked by an increase of new competitors for established media companies due to a simplification of their market entrance, a change in recipient behavior, and the emergence of new media formats. As a result, successful media companies with competitive advantages over other enterprises deploy business models which evolutionarily adapt to new requirements and changes. It is, therefore, not surprising that business models are an important subject for both practice and research in the field of media management (Wirtz, Pistoia, & Mory, 2013).

In the following, the business model concept (Sect. 2.1) as well as the segmentation of media markets (Sect. 2.2) with regard to a classification of business models

[1]The following executions are mainly based on Wirtz (2011a, 2011b), and Wirtz and Thomas (2014).

B.W. Wirtz • M. Elsäßer (✉)
German University of Administrative Sciences Speyer, Speyer, Germany
e-mail: wirtz@uni-speyer.de; marc.elsaesser@gmx.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_3

will be discussed. Section 3 contains a selection of business models in primarily non-electronic media markets (Sect. 3.1) and a selection of business models in primarily electronic media markets (Sect. 3.2). Section 4 presents the business model development process in order to illustrate how to gain a competitive and successful business model. This contribution closes with a summary (Sect. 5).

2 The Business Model Concept and the Segmentation of Media Markets

2.1 The Business Model Concept

The business model concept and its further development are usually related to the boom years of the New Economy between 1998 and 2001, although its roots extend back to the year 1957, when the term was used by Bellman and Clark (Osterwalder, Pigneur, & Tucci, 2005). In general, there are three basic theoretical approaches to be mentioned when talking about the business model concept. The technological approach implies the development of business models on the basis of the research area of management information systems (Al-Debei & Fitzgerald, 2010).

During the early 1990s, the close link between the business model concept and the information system approach decreased due to the development of two other important approaches, namely the organization-theoretical approach and the strategic approach (Wirtz, 2011a). In terms of the organization-theoretical approach, which gained in importance after 1995, business models are abstract descriptions—respectively pictures of the architecture or the structure of a company (Al-Debei, El-Haddadeh, & Avison, 2008). Since 2000, the concept of business models was extended through the addition of strategic components, when a close relationship between business models and strategy was established. The strategy orientation is expressed by the need for innovation and the restructuring of companies to establish new business models. As a result, the strategic approach is often associated with business model innovation (Wirtz, 2001).

According to Timmers, "a business model is defined as the organization (or 'architecture') of product, service and information flows, and the sources of revenues and benefits for suppliers and customers" (Timmers, 2001, p. 31). Consequently, this definition contains the relationship between the company and its environment but also the processes within the company.

Wirtz defines a business model as follows: "A business model is a simplified and aggregated representation of the relevant activities of a company. It describes how marketable information, products and/or services are generated by means of company's valued-added component. In addition to the architecture of value creation, strategic as well as customer and market components are considered in order to realize the overriding objective of generating and preserving a competitive advantage" (Wirtz, 2000, p. 81). The relevant activities mentioned in Wirtz' definition can be illustrated as partial models of an integrated business model (Fig. 1).

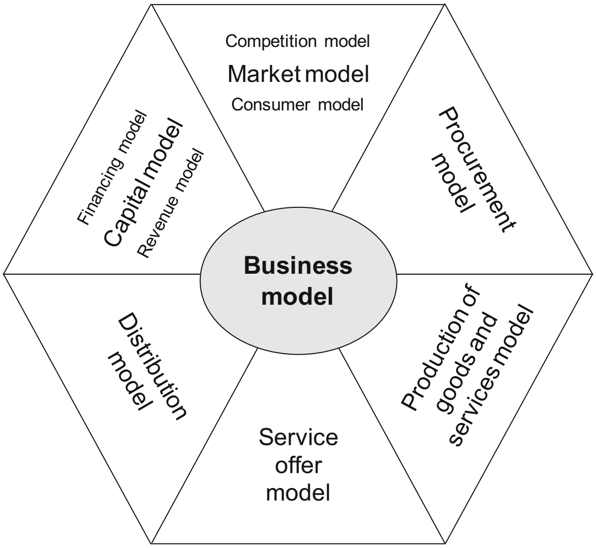

Fig. 1 Partial models of an integrated business model. Source: (Wirtz, 2001)

The literature still does not provide a consistent and generally accepted definition of the business model concept (El Sawy & Pereira, 2013). In summary, it can therefore be stated that there are different approaches and types of business models in different types of markets. As a result, there is a huge need for a specific systematization of business models. Basically, business models can be characterized and explained by the companies' service-offer process as well as the value chains and market offerings. As value chains are of high complexity, a separation and systematization of business models on the basis of value chains does not seem to be appropriate. In general, a more suitable criterion for the separation of business models is the respective company's service offer. An important aspect of choosing the service offer as the differentiation criterion of business models is the possibility of a homogenization within a certain type of business models, whereas these types clearly differ among each other. Therefore, companies which deploy a certain type of business model show similar service offers and processes. To further justify the choice of the service offer as a differentiation criterion of business models, it has to be noted that other differentiation criteria usually allow a lower level of homogeneity when creating business model typologies. For example, using consumer or target groups as a differentiation criterion leads to a double counting of business models as companies often operate in several markets with different target groups. Against this background, the service offer model is used to distinguish between different business models in media markets. Hence, the following Sect. 2.2 contains a segmentation of the different media markets that is primarily based on the different types of services offered by companies or legally independent subcompanies of large media conglomerates belonging to a certain media market.

2.2 The Segmentation of Media Markets

Media markets show different characteristics than markets of other economic sectors as they provide and sell their services in two different business markets at the same time instead of only one market. On the one hand, media companies offer content which normally consists of information and entertainment; on the other hand they market advertising space.[2]

In general, three different market types are highly relevant for media companies: First of all, the consumer market representing the audience such as listeners or readers is of relevance. Second, advertising space is marketed to advertising customers in the advertising market. The third market consists of the so-called procurement markets as media companies usually provide content that is procured from external sources alongside their self-produced content. Additionally, procurement markets also function as business markets. This is the case when media companies sell rights and licenses that allow other companies to use the media companies' content (Wirtz, 2011b).

Media markets can be divided into primarily non-electronic media markets, the so-called print markets, and primarily electronic media markets, although today even the print markets have electronic traits to a certain extent (e.g. e-books). Furthermore, the primarily non-electronic media markets can be split into newspaper markets, magazine markets and book markets, whereas the primarily electronic media markets are split into film markets, TV markets, radio markets, music markets, video and computer game markets, and internet markets. Figure 2 defines the media market.

3 Business Models in Media Markets

As already mentioned within Sect. 2.1, the examination and classification of business models in media markets will be performed on the basis of the service offer models of the companies belonging to a certain media market. This enables an analysis of business models in media markets using specific segmentation models. Following this approach of analyzing business models in media markets, the value generation and the value flow will be represented by the respective service offer models. Based on this view, selected examples of business models in primarily non-electronic media markets and business models in primarily electronic media markets will be presented. This approach aims to focus on the business models' value generation and, therefore, on the essential value-generating flows.

[2] Albarran (2013) defines the investment market as the third market a media company operates in.

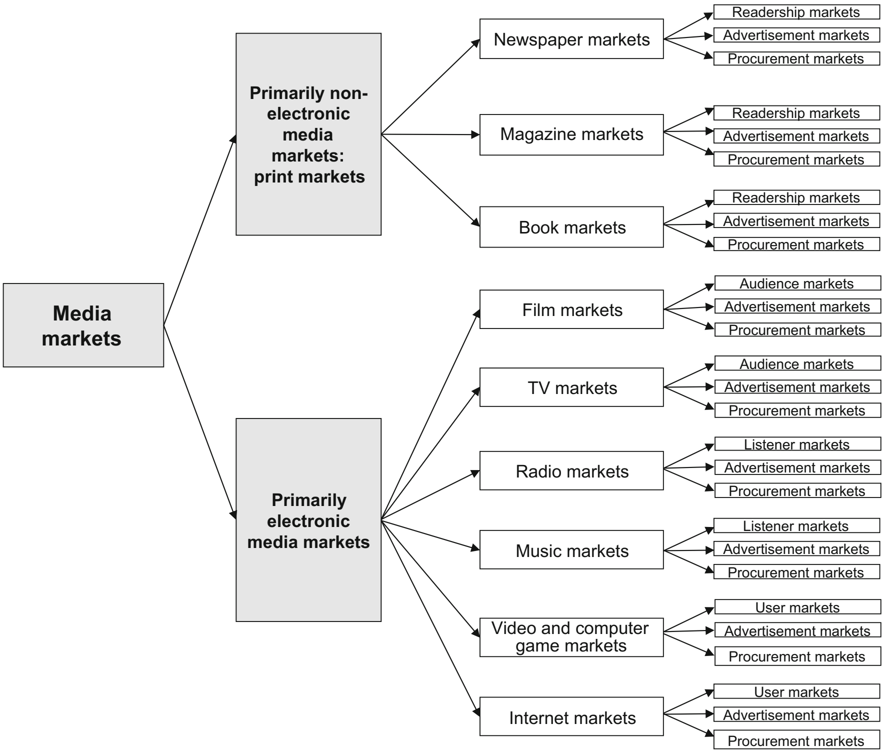

Fig. 2 Media market definition. Source: (Wirtz, 2015)

3.1 Selection of Business Models in Primarily Non-Electronic Media Markets

In the following, different examples of business models from primarily non-electronic media markets will be presented. The primarily non-electronic media market is represented by the explanation of business models in the newspaper markets (Sect. 3.1.1) as well as business models in the book markets (Sect. 3.1.2). The assessment of the respective business models is performed on the basis of the media market-specific service offer model.

3.1.1 Business Models in Newspaper Markets

Newspapers are printed publications that are published periodically. They offer a current, continuous and, in terms of their topics, a broad news transmission. Typically, a newspaper contains separate sections for economic, political, entertainment, sport, and cultural topics (Wirtz, 2011b).

Newspaper publishers have to face increased competition and change due to new competitors entering the market, especially through the Internet, which continuously increases in importance. Therefore, it is necessary for newspaper companies to possess integrated business models that should be resistant to the effects of the new market conditions. With regard to Fig. 1, a typical integrated business model of a newspaper publisher can be built. It contains a cost and procurement model that focuses on the acquisition of content from a great variety of sources such as press offices or news agencies. At the same time, the procurement model implies costs for the newspaper publisher as the different sources have to be paid. Furthermore, this partial model includes the offer of advertising space to customers.

Within the production of goods and services model, newspaper companies either create their own content or edit content that was externally created and acquired (packaging of editorial content). The management of advertising placements completes this partial model. The service offer model contains different types of services such as print products and online services. This service offer model is rounded off by different types of advertisements.

The distribution model focuses on sales and distributes print products to the readers. The revenue model, which is based on the revenues of advertising efforts, completes the integrated business models of newspaper publishers. For example, advertising can be added as a supplement within the newspaper or it can be integrated into the newspaper's layout. Both actions create additional revenues.

In general, digitization has both positive and negative impacts on some of the different partial models of the business model of newspaper publishers: For example, while the service offer model can be extended by online services which might result in additional revenue streams on the one hand, the revenue model might on the other hand be threatened by the availability of content free of charge. Figure 3 illustrates a simplified integrated business model of a newspaper publisher.

3.1.2 Business Models in Book Markets

Traditionally, books consist of a great number of printed or written sheets of paper, which are bounded by saddle stitches or by a cover. Additionally, periodicity is an important characteristic for differentiation when talking about print media in general. Finally, another important characteristic of books is the small number of changes in the content over years. Even in newer editions, the content very often does not change significantly. As a result, book publishing houses are profit-oriented enterprises on the one hand, but on the other hand, they are also seen as cultural enterprises (Wirtz, 2011b).

Analogous to newspaper markets, an integrated business model is of great significance for a book publishing house. Within an integrated business model approach, the cost and procurement model of book publishing houses focuses on the acquisition of content by text providers such as authors or literary agents, who have to be paid. Other business partners within the cost and procurement model are advertising partners and license and rights dealers.

The production of goods and services model as another partial model of the integrated business model of book publishing houses focuses on the provision of literature by either editing content that was produced externally or by creating content internally. Another important part of this partial business model is the management of advertising placements and licenses and rights.

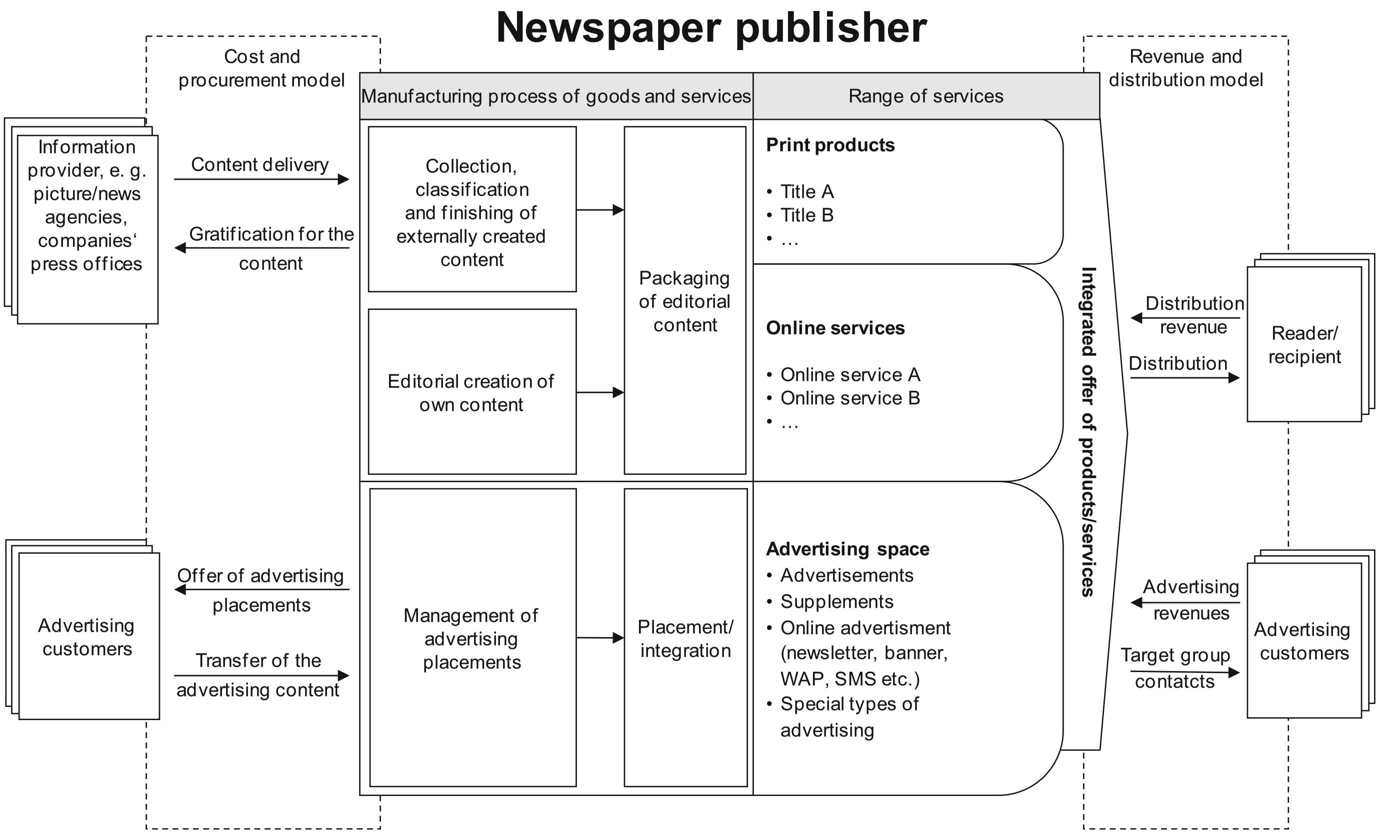

Fig. 3 Integrated business model of a newspaper publisher. Source: (Wirtz, 2011b)

The service offer model includes publishing different types of books such as hard-cover, soft-cover (paperbacks) and digital/electronic products. Other services are the offering of advertising space and the provision of licenses and rights (e.g. for paperback rights or merchandising products).

The revenue and distribution model concentrates on the distribution and sale of books to their potential readers. Additional revenues are generated through advertising activities and fees for licenses and rights (e.g. from film producers).

Digitization has several different effects on the different partial models the integrated business model of book publishing houses. For example, analogous to the newspaper market, the service offer model is extended by digital products. This additional service offer results in a cannibalization of traditional distribution channels since digital distribution channels gain more and more importance. Figure 4 presents a simplified integrated business model of a book publishing house.

3.2 Selection of Business Models in Primarily Electronic Media Markets

As was the case for the primarily non-electronic media markets, in this section, different examples of business models from primarily electronic media markets will be portrayed. The primarily electronic media market is represented by the explanation of business models in the TV markets (Sect. 3.2.1) as well as by business models in the music markets (Sect. 3.2.2). Again, the assessment of the respective business models is performed on the basis of the media market-specific service offer model.

3.2.1 Business Models in TV Markets

During the past decades, TV became one of the most important media. Today, it is a very powerful and modern social, economic and journalistic instrument. TV can be characterized as a mass medium transmitting and broadcasting audio and video signals. In this context, cable and broadcast transmission are used to distribute content over longer distances, while the audience needs to have a receiver or TV set to receive these signals. There are four different transmission paths: terrestrial broadcasting, satellite TV, cable TV, and the Internet. Additionally, TV markets can be characterized by the separation between free TV and pay TV (Wirtz, 2011b).

Within the television industry, there are two basic business models which differ from each other. On the one hand, advertising-financed TV stations (free-TV) exist, on the other hand, fee-financed TV stations (pay-TV) exist. Usually, advertising-financed TV stations dominate country markets. Additionally, there are hybrid forms (pay-TV with commercials). In the following, the business model of an advertising-based TV station will be examined.

The cost and procurement model of advertising-financed private TV stations deals with the acquisition of information from agencies or other companies and input from hosts and actors. Both content suppliers cause substantial costs. Another integral part of the cost and procurement model is the purchase of rights and content

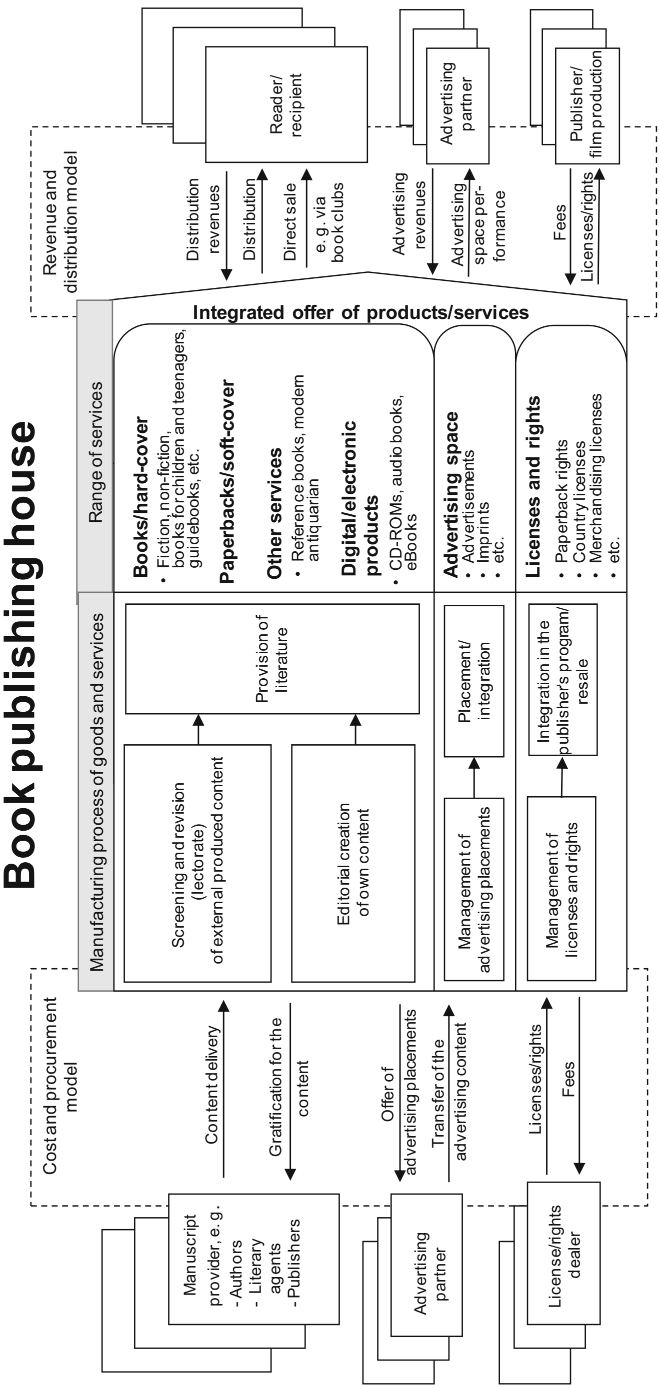

Fig. 4 Integrated business model of a book publishing house. Source: (Wirtz, 2011b)

from producers, traders and other networks. Other important business partners within this partial model are advertisers and agents (advertising content), suppliers and producers (goods), and telecompanies (infrastructure), who also imply costs.

The core task of advertising-financed private TV stations in terms of production of goods and services consists of content packaging (in-house production versus selection of external content) and the management of rights and licenses (utilization of external productions as well as in house production rights). The management of advertising agreements and the placement and integration of in-house productions and external content round off the production of goods and services model.

The service offer model consists of a broad range of services. Integral parts of this partial model are content (e.g. information, live-events), rights and licenses (e.g. movies, sports), advertising space (e.g. TV-spots, sponsorships), and t-commerce (e.g. teleshopping, merchandising). Finally, advertising-financed private TV stations' primary task in relation to revenue and distribution is the distribution of content to audiences. Another part of this model is the distribution of rights and licenses to traders and channels. The sale of advertising space to advertising customers generates revenues, as does the sale of products and services to recipients via t-commerce. A simplified integrated business model of an advertising-financed private TV-station is illustrated in Fig. 5.

3.2.2 Business Models in Music Markets

Music is seen as a diverse and important cultural heritage that has a long tradition and history (Naumann, 2013). Music can be characterized as art, which includes different types of expression by sound. The music market is constituted by all those people who work in the performance, production, recording, utilization, marketing and distribution of music (Wirtz, 2011b).

Analogous to the other media markets discussed, an integrated business model approach is highly relevant for companies operating in the music industry. In general, there are two important players that constitute the media market: sound storage media manufacturers and music publishing houses. In the following, we will concentrate on the business model of a sound storage media manufacturer.

The cost and procurement model as the first partial business model focuses on the procurement of an Internet platform, contributions from artists, and rights from composers, lyricists and music publishers, in order to create music records as well as music videos. Fees and salaries have to be paid for the procurement of this content. Additionally, the procurement of advertising material to market the records and music videos causes costs.

The creation of a national music repertoire and the marketing of an international music repertoire in order to compile records and release singles are the main task within the production of goods and services model. Another important task lays in the production of music videos. The creation of merchandising items rounds off the production of goods and services model. The service offer model contains the offer of sound storage media, respective sound files (e.g. CD, vinyl), music videos (e.g. DVD, Blu-ray), and merchandising products.

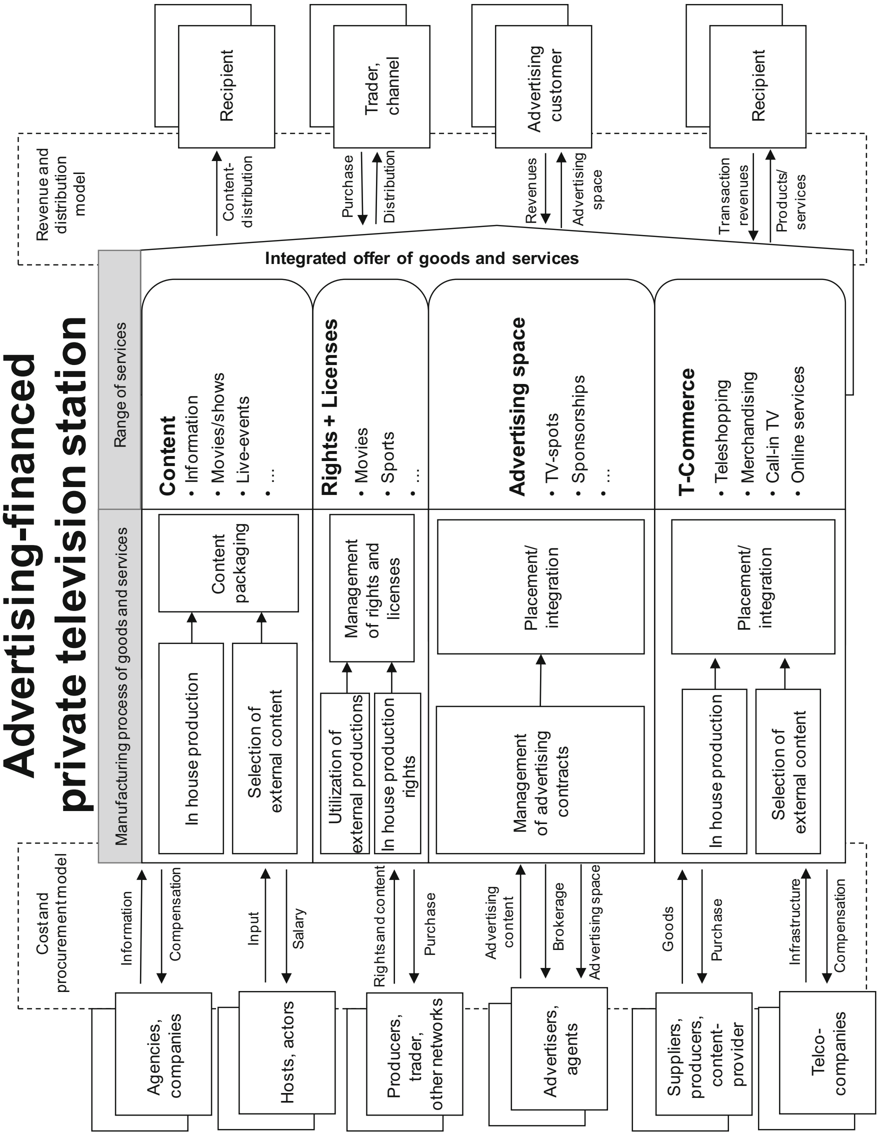

Fig. 5 Integrated business model of an advertising-financed private television station. Source: (Wirtz, 2011b)

Finally, the revenue and distribution model of sound storage media manufacturers distributes music and related videos to the audience directly or via music portals, internet shops and video rental stores. All these efforts result in sales revenues. Additionally, revenues are generated by the sale of merchandising products. Figure 6 summarizes an integrated business model of a sound storage media manufacturer.

4 Business Model Development Process

As business models are important drivers of gaining competitive advantages in changing markets, it is important that businesses be able to adapt their business model to altering conditions. Therefore, especially business models in the media markets have to be carefully developed. In the following, a typical business model development process will be explained.

The first step of the business model development process is the analysis of the initial situation. What is the current business model, which products does a media company offer, and which customers does it have and which customers does it target? In general, the specific media market and relevant competitors have to be identified. The second step contains the idea generation process, which finally results in a first basic conception of the business model to be developed. Prior to that, a media market analysis has to be performed, before ideas for the specific business model can be collected. The third step, named feasibility analysis, consists of a detailed analysis of the specific media market and a potential appraisal.

The fourth step, called prototyping, matures the so-far-basic ideas as it describes and examines specific development paths and contains a refined conception. Furthermore, the basic components of the future business model are developed. The fifth step includes the refinement of the concept that was generated within the fourth step: It begins with a performance audit as well as the harmonization and design completion of the model. The second-to-last step completes the implementation of the business model after a concrete plan has been developed, the communication and the team were set up, and the model and its partial models were realized iteratively. Finally, the seventh step, called monitoring and controlling, has to secure competitive advantages within the specific media market and to control the value proposition as well as the value constellation. Figure 7 summarizes the business model development process performed by companies in media markets in order to develop competitive and successful business models.

5 Summary

In recent years, media markets were subject to a significant change. Advances in information and communication technologies, ongoing globalization, deregulation of media markets and changes in the media consumption behavior of recipients require a pronounced adaptation behavior of affected media companies concerning

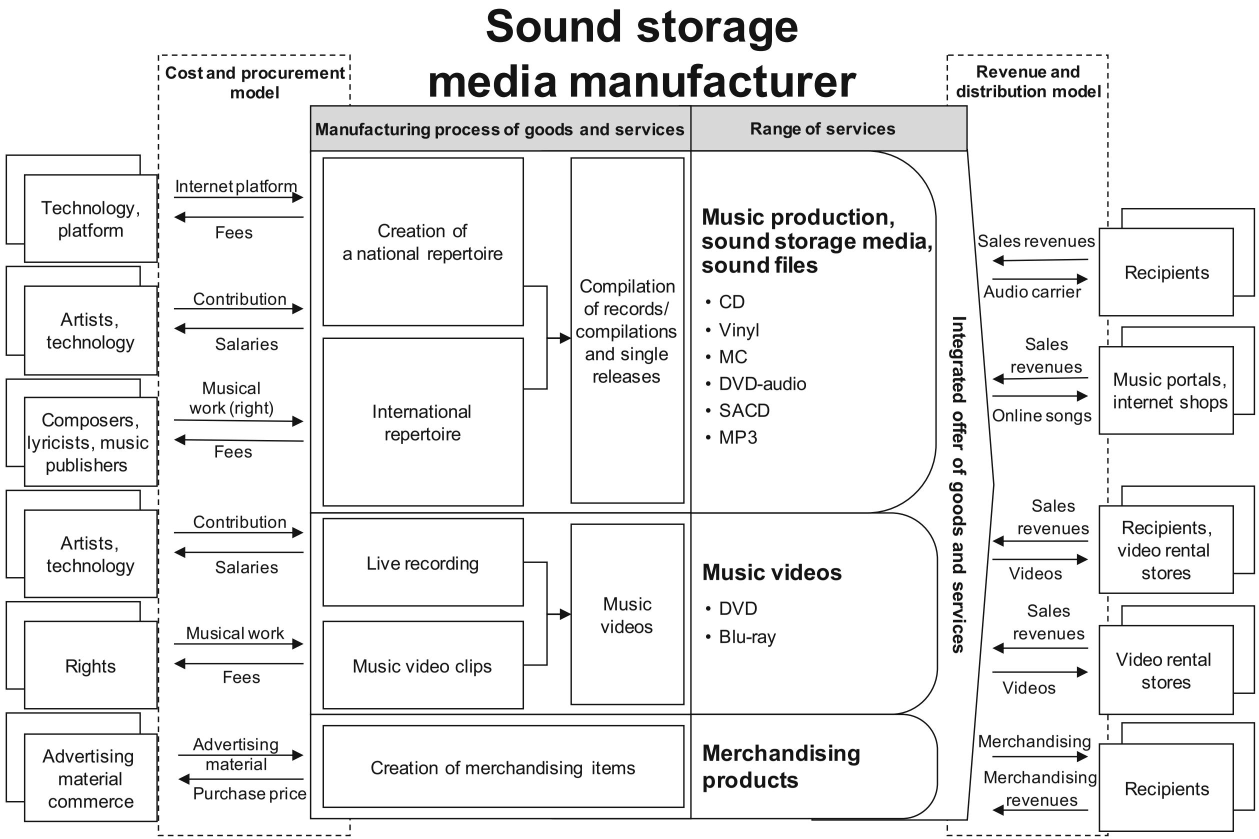

Fig. 6 Integrated business model of a sound storage media manufacturer. Source: (Wirtz, 2011b)

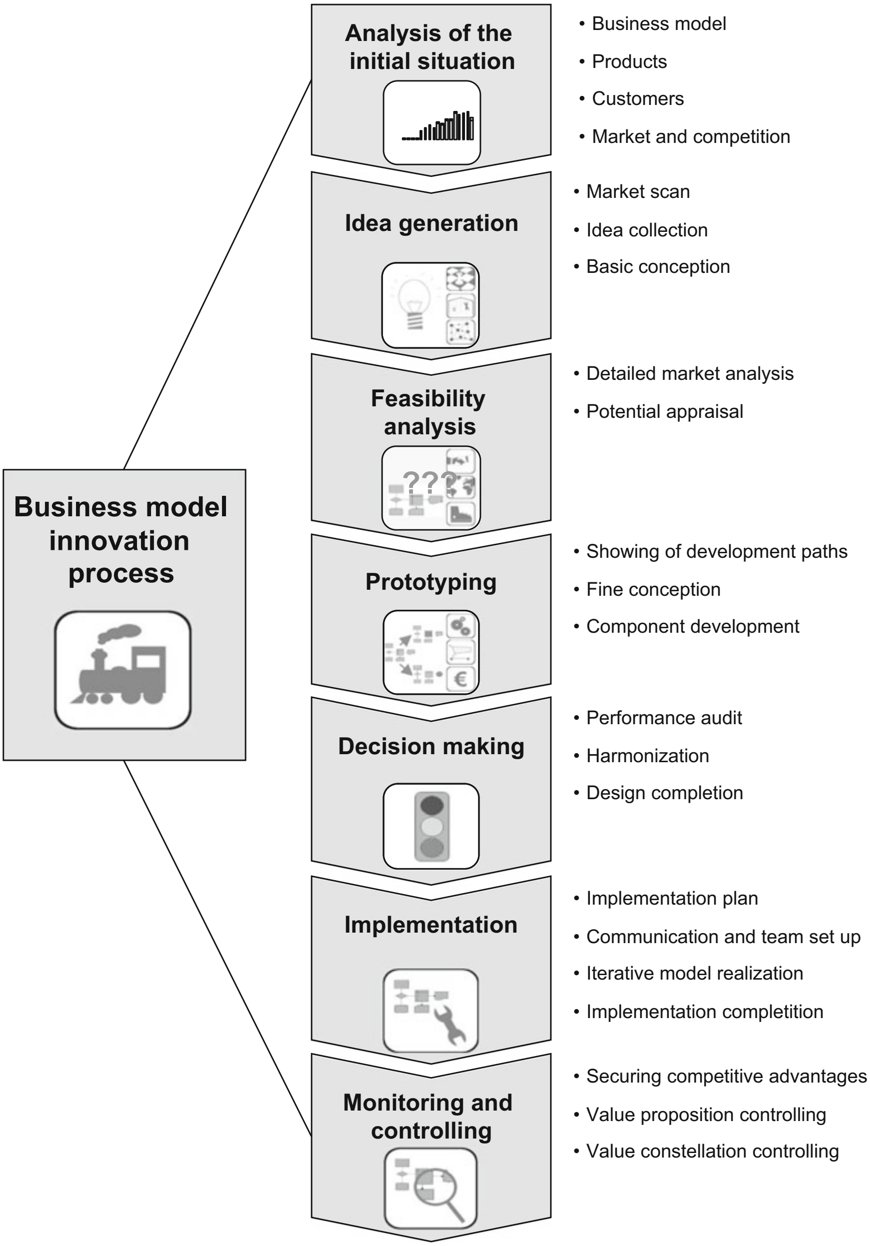

Fig. 7 Business model development process. Sources: (Wirtz, 2011a; Wirtz & Thomas, 2014)

their business models. Without such an adaptation, it will be hard for media companies to prosper in dynamic media markets and—at least equally important—to generate added value. In this way, the business model of a company is seen as an important value driver as the achievement of competitive advantages becomes more and more difficult due to the complexity of external conditions. Furthermore, business models help to reduce the value generation to its essential drivers. Using the service offer-oriented approach, differences between business models can be identified.

In general, business models are very helpful to achieve competitive advantages due to their design and implementation in both primarily non-electronic media markets and primarily electronic media markets. Furthermore, the systematic development of business models, in principle, can imply a competitive advantage in highly competitive media markets, especially with regard to the future shift in media markets due to the Internet: Digitalization enhances the trend towards integrated business models, which will result in improved content usability among the different forms of channels and media. Furthermore, better economies of scale and scope can be achieved. Another development that will be enhanced in future is the integration of customers and users, e.g. via social media as former passive recipients are encouraged to actively contribute. Therefore, user integration through co-design and co-development will result in an increased level of innovation. Consequently, it is necessary for media companies to increase their openness and flexibility and to adapt their business models.

References

Albarran, A. B. (2013). *Media management and economics research in a transmedia environment*. London: Routledge.

Al-Debei, M. M., & Fitzgerald, G. (2010). The design and engineering of mobile data services: Developing an ontology based on business model thinking. In J. Pries-Heje, J. Venable, D. Bunker, N. L. Russo, & J. I. DeGross (Eds.), *Human benefit through the diffusion of information systems design science research* (pp. 28–51). Berlin: Springer.

Al-Debei, M. M., El-Haddadeh, R., & Avison, D. (2008). Defining the business model in the new world of digital business. Americas Conference on Information Systems 2008 Proceedings, Paper 300, Toronto.

Chesbrough, H. (2011). *Open services innovation. Rethinking your business to grow and compete in a new era*. San Francisco: Wiley.

El Sawy, O. A., & Pereira, F. (2013). *Business modelling in the dynamic digital space. An ecosystem approach*. Heidelberg: Springer.

Jin, D. Y. (2013). *De-convergence of global media industries*. New York: Routledge.

Naumann, E. (2013). *The history of music* (Vol. 2). New York: Cassell & company.

Osterwalder, A., Pigneur, Y., & Tucci, C. L. (2005). Clarifying business models: Originals, present, and future of the concept. *Communications of the Association for Information Systems, 16*(1), 1–25.

Timmers, P. (2001). *Electronic commerce: Strategies and models for business-to-business trading*. Sussex: Wiley.

Wells, P. E. (2013). *Business models for sustainability*. Cheltenham: Edward Elgar.

Wirtz, B. W. (2000). *Electronic business*. Wiesbaden: Gabler.

Wirtz, B. W. (2001). Reconfiguration of value chains in converging media and communication markets. *Long Range Planning, 34*(4), 489–506.

Wirtz, B. W. (2011a). *Business model management. Design—instruments—success factors*. Wiesbaden: Gabler.

Wirtz, B. W. (2011b). *Media and internet management*. Wiesbaden: Gabler.

Wirtz, B. W. (2015). *Media management*. Speyer: Gabler.

Wirtz, B. W., & Thomas, M.-J. (2014). Design und Entwicklung der business model-innovation. In D. Schallmo (Ed.), *Kompendium Geschäftsmodell-Innovation* (pp. 31–50). Wiesbaden: Springer Fachmedien.

Wirtz, B. W., Pistoia, A., & Mory, L. (2013). Current state and development perspectives of international media economics/media management research. *Journal of Media Business Studies, 10*(2), 63–91.

Moving Media and Journalism Forward from Private to Public Value

Josef Trappel

1 Introduction

Much has been written and discussed about the transformation of media and journalism since digital technologies and economic turbulence converged in the years following the 2008 financial market collapse. Some label this development simply as journalism crisis (Almiron, 2010), as radical change (Fenton, 2012), or as isoquantic shift (Küng, Picard, & Towse, 2008). Others believe that "news and journalism are in the midst of an upheaval," with digital technologies being "transformative and not adaptive" (Brock, 2013, p. 1). Such processes are not only described by scholars but experienced by media managers around the globe—the purchase of lighthouse newspapers by new economy pundits from family owners (such as the *Washington Post* in 2013 sold by the Graham family to Amazon's Jeff Bezos) only being tips of the iceberg. For a detailed assessment of geneses, manifestations and implications of the media crises, see Trappel, Steemers, and Thomass (2015).

It has become evident that more is at stake than growth and profit rates, which are suffering temporarily from adverse external effects. Rather, the extraordinarily and long-term successful media business model based on the conjuncture of journalism and advertising is jeopardized and expected to critically erode. Peters and Broersma (2013) point out that shareholders, advertisers and the public might refuse to fund journalism and that a process of de-industrialization is ongoing. Furthermore, the "big four" of the global digital commerce, Google, Facebook, Apple and Amazon increasingly absorb large amounts of advertising budgets that were traditionally (and necessarily) spent on media organizations with journalism as their backbone. *Tempi passati*—today, advertising messages effectively find

J. Trappel (✉)
Paris Lodron University of Salzburg, Salzburg, Austria
e-mail: josef.trappel@sbg.ac.at

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_4

their way to consumers using social media, bypassing traditional media and journalism altogether.

But economics cannot explain the full extent to which traditional core media are challenged,—in particular, the newspaper press, but also television. Changing patterns of time-use discomfort traditional media as much as the advanced erosion of journalism's former hegemony to select, communicate and interpret news and current affairs.

This chapter suggests applying public value theory to the case of media and journalism. It is argued that journalism provides public value in much the same way as public sector institutions do in other domains of society. Applying public value theory to media and journalism helps explore conceptual limitations originating from neo-classical media economics. Applied public value theory has implications both for media management and media policy. These implications are discussed towards the end of this chapter.

2 Public Value Theory

Within media policy circles, both academic and media business, public value became a buzzword after the BBC chose this concept to negotiate the renewal of its Charter from 2004 onwards (BBC, 2004). Collins (2007, 2011) has put the BBC's activities into context, showing that the British Government adopted the public value concept as a key policy tool, based on the seminal book by Mark Moore "Creating Public Value. Strategic Management in Government" (1995). In their analysis of the usage and advancement of the public value concept in Europe's broadcasting policy beyond the United Kingdom, Moe and van den Bulck (2014) show how the management concept travelled across linguistic and political borders. Most significantly, the notorious public-value tests for new services of public broadcasters became part of the state-aid policy of the European Union in the broadcasting field (for details see Donders & Moe, 2014). Moe and van den Bulck conclude their comparative analysis of the usage of the term *public value* by emphasizing that "the analysis makes clear, in public service media discussions today, 'public value' serves as a buzzword: it has moved far away from its origins (. . .)." (2014, p. 72).

Revisiting these 'origins', however, is a rewarding exercise, as they provide a fruitful theoretical framework for analyzing and understanding the transformation in media and journalism.

Motivated by the enduring success of public-value thinking far beyond the context of management theory, John Benington and Mark Moore revisited the original concept in 2011. They summarize their appraisal by arguing "that public value thinking and action is now even more relevant in helping to make sense of the new complexities and tough challenges (. . .)" (ibid., p. 11).

Moore's concept in 1995 aimed at building "a conceptual framework for public sector managers to help them to make sense of the strategic challenges and complex choices they faced, in a similar way to which notions of private value had provided strategic purpose for private sector managers“ (ibid., p. 1). It has been this dichotomy between public and private sector that has inspired Moore's development of the public value concept. This happened at a time when—and this is a highly relevant context condition—the public sector in the U.S. was challenged by ideas of *New Public Management* (NPM), deeply rooted in then dominant neo-classical ideas:

The idea that individuals were ultimately the most important arbiters of value was celebrated and institutionalized in the commitment to representative democracy on the one hand, and to private markets guided by individual consumer choices on the other (ibid., p. 8).

Moore did not share this rather hostile attitude towards Government and State services, which were advised by NPM to adopt a strict customer focus in delivering services, and his book was a response to such pressures.

The guiding idea of the 1995 book was the so called *strategic triangle* whereby *public value outcome* depends on and interacts with the *authorizing environment* and the *operational capacity*. While operational capacities, i.e. resources, such as finances, staff, skills and technology, are not much different from private sector enterprises, the authorizing environment is. In this respect, private managers refer to markets, market forces and consumers, while public managers refer to elected politicians, on the one hand, and to a wider network of partners and stakeholders, including citizens, on the other.

One feature of Moore's public value theory is the salient importance of co-production of public services. In many cases members of the civil society take part in the production and delivery of services and, without their contribution, the aims of public service can hardly by achieved. Health care or care for elderly citizens are examples where central and local government collaborates with the voluntary sector and pensioner action groups (Benington, 2011, p. 46).

A distinction is made between consumers or customers (private sector) and citizens (public sector). This is more than words: Consumer-orientation is based on the neo-liberal understanding of individuals being the "primary unit of analysis and the maximization of self-interest as the main determinant of both economic and social behavior" (ibid., p. 41). Private value is created by satisfying individual needs and wants. Public value, in turn, is different, as the relationship between the acting Government agencies cannot easily be equated with consumers. Benington and Moore use the example of a citizen who is stopped by the police "cannot easily be seen as a customer. (. . .) public managers don't aim for 'repeat business' of this kind, but for less business!" (2011, p. 7). Public value is created by addressing collective needs and wants, such as education, health care or public infrastructures.

Public value, then, is understood as the outcome of Government agency and can be thought of in two ways:

1. What the public values;
2. What adds value to the public sphere (Benington, 2011, p. 42).

Benington refers to the notion of the public sphere as a "web of values, places, organizations, rules, knowledge, and other cultural resources, held in common by people through their everyday commitments and behaviours (. . .) It is what provides a society with some sense of belonging, meaning, purpose and continuity (. . .)" (ibid., p. 43).

To summarize, public value theory consists of four components:

First, the authorizing environment of public institutions is a network of stakeholders, including elected politicians. For managers, this potentially creates problems of dependencies, on the one hand, and freedom of choice, on the other. But politicians are not the only stakeholders. Citizens and civil society organizations are potential partners for negotiating coalitions and networks.

Second, public value refers to collective, rather than individual, needs and wants. Public health is more than individual treatment of an injured or sick patient. It provides a network of services addressing the collective need for health care. Similarly, education is more than the individual learner. It responds to the collective need for a network of knowledge and for access to education. This does not exclude, however, that private enterprises become part of such networks, thereby providing services of public value. Private schools or private hospitals are examples. "Public value outcomes can be generated by the private sector, the voluntary sector and informal community organizations, as well as governments" (ibid., p. 46).

Accordingly, third, public value is co-produced by governments of various levels, civic action groups and citizens, who all contribute to add value to the public sphere.

Fourth, public value is about the creation of Government outcome, which is valued by the public, and which adds to the public sphere, thus helping to create a sense of belonging and identity. This understanding of public sphere requires a continuous dialogue and negotiation of citizens on what they value and what they consider added value.

3 Applying Public Value Thinking to Journalism and Mass Media

Benington and Moore (2011) never had media and journalism in mind when developing their concept and theory. Examples they use refer to classic public services such as state administration, health care, public order (police), education etc. The media are firmly rooted—at least from a U.S.-American perspective—in the private sector. Seen from Europe, however, parallels become visible when scrutinizing the media field. Most obvious, most European media systems contain public service broadcasters, nowadays called public service media, which embody "values that are in principle contrary to that [commercial] logic" (Martin & Lowe, 2014, p. 20). Creating public value is part and parcel of their remit obligations.

But applying public value thinking to private sector media companies also reveals striking insights. There is common agreement in media economics that media firms operate in two-sided or dual product markets (Doyle, 2013, p. 13). On the one hand, media firms produce content; on the other hand, media firms produce audiences that "can be packaged, priced and sold to advertisers" (ibid.). While the latter market is governed by private-good characteristics (excludability, rivalry of consumption), the former is often better understood as a public-good market. Indeed, much of the news and entertainment content is provided free of charge on internet websites and channels, with no price attached to consumption (non-excludability). Social media such as Facebook and YouTube are pushing for such content to beef-up their network offerings (e.g. Instant articles on Facebook). Despite contentious copyright issues, most popular media eagerly accept Google news search and contribute content on their Facebook pages and similar channels.

Private (as well as public) media firms, therefore, deliver not only public goods and services, but they add something—in the best case: value—to the public sphere. And their content is indeed valued by the public. This is evident for information and news, but also for the wide range of programmes and content that contain a mixture of entertainment, education, information, public debate and deliberation.

Within media firms, there is—or should be—a relatively clear division of labor between those who produce content (public value) and those who organize the commercial business (private value). Journalists and managers have quite distinctive roles to play within a media firm.

Journalism can be well described by public value terms. Their authorizing environment is less determined by market forces, but is much more composed of a wide network of stakeholders, including readers, viewers, listeners, and online users. News journalists, in particular, critically depend on well-established relations with politicians, leaders of the economy, representatives of civil society organizations and citizens—both in their role as informants and as recipients. Web 2.0 and SNS (social networking services) have enlarged this stakeholder network considerably, as citizens, experts, eye-witnesses, chat room members, bloggers and other citizens might become valuable nodes. Co-production of content can enhance professional journalism, with the risk of losing the critical distance to the object of reporting and investigation.

Journalists address citizens, rather than consumers. This orientation is facilitated by the fact that media users normally do not pay for their immediate consumption, i.e. the article they read in a newspaper or the entertainment show they watch on television. The relative importance of the price for consumer choice has diminished along with the increasing popularity of the internet. Despite all attempts to erect paywalls for internet content, only few global market leaders such as the *New York Times*, *Financial Times*, *Wall Street Journal* have so far managed to establish a reasonably successful pay-model for news content on the internet. Thus, journalists do not have to "sell" their products and services to consumers; they rather strive for reach within their target audience.

Journalism, finally, does not create individual private value, but creates collective value by informing, educating and entertaining a share of the population. The benefit is not only individual (similar to the individual learning of students at universities or pupils in school) but, first and foremost, the establishment of a democratic public sphere, understood as where citizens communicate about the rule of their society and where media constitute a necessary infrastructure (Gripsrud & Moe, 2010, p. 9).

In contrast, commercial advertising and e-commerce business operations of media firms produce and deliver private goods and services—thus, private value—to their customers. These are mostly business-to-business relations with advertisers and e-commerce partners or customers. The authorizing environment is as private as customers are; the outcome is equally private.

For analytical purposes, media firms are, therefore, divided in their operations according to the value they create. While journalism by and large strives to deliver public value, managers organize and deliver private value.

4 Reality Check: Who Creates and Delivers Public Value?

According to public value thinking, the creation and delivery of public value is not limited to public institutions or organizations. Rather, public value is often co-created by the public, private, voluntary and informal sectors of society. In the case of journalism and media in Europe, this co-creation of value happens by public service media, private commercial media, and private non-commercial media organizations. Since the launch of internet-based social media, citizens—organized or in their private capacity—contribute to the co-creation of value as well.

"The role of public broadcasting in promoting social cohesion and providing a forum for debate for a democratic polity as a whole (...) remains of critical importance," said the Chairman of Australian Broadcasting Corporation, James Spigelman, in his opening speech of the RIPE-Conference in Sydney (September 2012, published 2014, p. 45). And he reminds his audience of the difference between citizens and consumers: "Consumers have desires and needs. Citizens have rights and duties" (ibid., p. 48). Public service media create and deliver public value in accordance with their remit obligations, thereby providing their respective societies with a universal service.

Private commercial as well as private non-commercial media may also provide public value, but within their own responsibility and according to their own (private) mission. From a public value perspective, such journalistic content is complementary to what public service media deliver. Together, all three media institutions co-create public value, much in the sense of public value theory.

The question remains, however, whether all journalistic services irrespective of their quality contribute to the public sphere, as long as the public values these services. Public value theory does not provide an answer to this question and, within academic communication studies, the notion of quality is highly contested.

5 Media Business Implications

Consequentially, public value thinking is not restricted to public service media organizations. Rather, private commercial and private non-commercial media firms might consider the division of public value creation and private value creation in their organizational set-up. Both follow different logics and require different strategies as they address different objectives. While journalism needs all necessary freedoms to contribute to the democratic public sphere with services that the public values, commercial processes need strategies for efficient and effective market operations.

One consequence of this business segmentation is the development of different ways of measuring success. While commercial processes are measured according to profit margins (private value), measuring public value success is less straightforward. Benington (2011, p. 47f) suggests three key questions: (1) At what stages is public value clearly added? (2) At what stages is public value being subtracted or destroyed? (3) What parts of the public value stream are lying idle?

In the field of journalism, additional questions include: To what extent are public debates initiated and furthered? Is a dialogue established across different layers of society? Are people of (ideally) all segments and strata of society following online and offline? Do other media follow-up? Are network stakeholders participating by commenting, criticizing or approving?

The ongoing challenges of the incumbent business model clearly exhibit the segmentation of journalism and media business. Advertising messages reach their target audience directly via social media, thereby circumventing journalism and traditional media firms. "The internet's ability to connect advertisers directly to consumers without the mediation of a newspaper (. . .) raises the possibility that the historic link between advertising and editorial will be broken (. . .)" (Freedman, 2010, p. 39).

In turn, journalistic content becomes harder to sell, when abundance of seemingly similar content is freely available online. Some large legacy media corporations extend their business to e-commerce and related activities while maintaining their classical media operations. In the German-speaking area, Axel Springer in Germany, and Ringier and Tamedia in Switzerland compete in e-commerce markets (formerly classified ads such as job, car and real estate portals), organize conferences and sell tickets for popular events. All these activities qualify as private value business and are intended to raise funds for public value creation, i.e. journalism.

For journalism such revenue-related imbalances represent substantial risks. In the long run, loss-making (but public value creating!) journalism runs the risk of becoming obsolete with respect to the revenue and profit interests of the firm. To reduce these risks, strategies for at least economically viable journalistic value creation are needed, but not yet invented.

6 Policy and Governance Implications

If media policy is "the development of goals and norms leading to the creation of instruments that are designed to shape the structure and behaviour of media systems" (Freedman, 2008, p. 14), public value thinking might help to develop policy objectives. Accordingly, media policy should encourage media firms and media organizations to produce, co-produce, create, and co-create value with a view to deliver collectively public-valued outcomes.

If all media organizations, private and public, are conceived to potentially contribute public value, then the question arises of how media policy can encourage such co-creation. In the case of public service media, the privilege of license fee financing is granted in exchange for the fulfilment of remit obligations.

Public subsidies for value creation by private media organizations would be an equivalent incentive. This, however, is contested territory. Nonetheless, state aid or subsidies for media companies are well established practice in most European countries (Murschetz, 2014)—for example, through preferential postal rates for newspapers or tax breaks for media companies—even though EU legislation requires procedural justification for any state aid action. Furthermore, direct media subsidies are suspect because of their potential to compromise editorial freedom (Trappel, 2015).

Public value thinking, however, allows for re-visiting such claims. If public money is exchanged for journalistic public value, some of the risk created by mixed-financed media corporations might be reduced. What remains unsolved: criteria to determine what qualifies as journalistic public value, and what does not.

7 Conclusions

Applying public value theory to media and journalism provides intriguing perspectives on the problem of structural changes and challenges of the media business. It provides a set of responses to the more and more critical attempt to couple private commercial business with the creation of public value. First, public value theory allows us to understand journalism as public value creation while advertising, e-commerce or other forms of revenue generation qualify as private value creation.

Consequentially, different management strategies need to be applied to these different forms of value creation. The decay of the advertisement-based business model and the diversification of media firms into e-commerce enterprises in response to the manifold media crises emphasize the importance of separating public from private value creation.

Public value thinking requires private media firms to enable journalism to address collective benefits instead of private individual satisfaction of needs and wants. Such thinking, however, represents a shift of paradigms: Success of journalism should not be measured in terms of revenues and profits, but rather in terms of outcome and impact. In other words, the neo-classical economy's focus on individual benefit does not comply with public value creation.

Claims for reflecting upon such a separation have been suggested—and critically discussed—in the German-speaking academic community (Altmeppen, 2008; Kiefer, 2010, 2011).

Public value theory does not only suggest management adaptations, but also new media policy orientation.

Within the public interest and with a view to enhance the democratic public sphere, public value creation is not exclusively limited to public service media. These media organizations have to deliver the public value backbone, in accordance to their remit obligations. Private commercial and non-commercial organizations might, and do already, contribute to the creation of collective, thus, public value. In as much as they serve public—in addition to individual and private—value and the public sphere, financial compensation by public money might be envisaged. In the most simple terms: the creation of public value might entitle them to public money. Conditions apply, however.

The result of applying public value theory to media and journalism is a complex set of co-production of public value, delivered by public, private commercial, private non-commercial as well as civil society organizations via social media.

References

Almiron, N. (2010). *Journalism in crisis. Corporate media and financialization*. Cresskill: Hampton Press.

Altmeppen, K.-D. (2008). Diffuse Geschäftsgrundlagen. Die schwierige Beziehung von Journalismus und Medien [*Obscure business. The difficult relations of journalism and media*]. In B. Pörksen, W. Loosen & A. Scholl (Eds.), *Paradoxien des Journalismus. Theorie-Empirie-Praxis* (pp. 81–99). Wiesbaden: VS.

BBC. (2004). *Building public value: Renewing the BBC for a digital world*. London: BBC.

Benington, J. (2011). From private choice to public value. In J. Benington & M. H. Moore (Eds.), *Public value. Theory and practice* (pp. 31–51). Palgrave Macmillan: Basingstoke.

Benington, J., & Moore, M. H. (2011). Public value in complex and changing times. In J. Benington & M. H. Moore (Eds.), *Public value. Theory and practice* (pp. 1–30). Palgrave Macmillan: Basingstoke.

Brock, G. (2013). Out of print. In *Newspapers, journalism and the business of news in the digital age*. London: Kogan Page Ltd.

Collins, R. (2007). The BBC and 'public value'. *Medien & Kommunikationswissenschaft, 55*(2), 164–184.

Collins, R. (2011). Public value, the BBC and humpty dumpty words: Does public value management mean what it says? In K. Donders & H. Moe (Eds.), *Exporting the public value test. The regulation of public broadcasters' new media services across Europe* (pp. 49–58). Nordicom: Göteborg.

Donders, K., & Moe, H. (2014). European state-aid control and PSB: Competition policy clashing or matching with public interest objectives? In K. Donders, C. Pauwels, & J. Loisen (Eds.), *The Palgrave handbook of European media policy* (pp. 426–441). Basingstoke: Palgrave MacMillan.

Doyle, G. (2013). *Understanding media economics* (2nd ed.). Los Angeles: Sage.

Fenton, N. (2012). News in the digital age. In S. Allan (Ed.), *The Routledge companion to news and journalism* (pp. 557–568). London: Routledge.

Freedman, D. (2008). *The politics of media policy*. Cambridge: Polity Press.

Freedman, D. (2010). The political economy of the 'new' news environment. In N. Fenton (Ed.), *New media, old news. Journalism & Democracy in the digital age* (pp. 35–50). Los Angeles: Sage.

Gripsrud, J., & Moe, H. (2010). The digital public sphere. Challenges for media policy. Introduction. In J. Gripsrud & H. Moe (Eds.), *The digital public sphere. Challenges for media policy* (pp. 9–19). Nordicom: Göteborg.

Kiefer, M. L. (2010). Journalismus und Medien als Institutionen [*Journalism and media as institutions*]. Konstanz: UVK.

Kiefer, M. L. (2011). Die schwierige Finanzierung des Journalismus [*The difficult finances of journalism*]. *Medien & Kommunikationswissenschaft, 59*(1), 5–22.

Küng, L., Picard, R., & Towse, R. (2008). Theoretical perspectives on the impact of the Internet on the mass media industries. In L. Küng, R. Picard, & R. Towse (Eds.), *The Internet and the mass media* (pp. 17–44). Los Angeles: Sage.

Martin, F., & Lowe, G. F. (2014). The value and values of public service media. In G. F. Lowe & F. Martin (Eds.), *The value of public service media. RIPE@2013* (pp. 19–40). Nordicom: Gothenburg.

Moe, H., & Van den Bulck, H. (2014). Comparing 'public value' as a media policy term in Europe. In G. F. Lowe & F. Martin (Eds.), *The value of public service media. RIPE@2013* (pp. 57–76). Nordicom: Gothenburg.

Moore, M. H. (1995). *Creating public value. Strategic management in government*. Cambridge, MA: Harvard University Press.

Murschetz, P. (Ed.). (2014). *State aid for newspapers. Theories, cases, actions*. Heidelberg: Springer.

Peters, C., & Broersma, M. (Eds.). (2013). *Rethinking journalism. Trust and participation in a transformed news landscape*. London, New York: Routledge.

Spigelman, J. (2014). Defining public value in the age of information abundance. In G. F. Lowe & F. Martin (Eds.), *The value of public service media. RIPE@2013* (pp. 43–56). Nordicom: Gothenburg.

Trappel, J. (2015). Media subsidies: Editorial independence compromised? In S. Barnett & J. Townend (Eds.), *Media power and plurality. From hyperlocal to high-level policy* (pp. 187–200). Basingstoke: Palgrave MacMillan.

Trappel, J., Steemers, J., & Thomass, B. (2015). *European media in crisis: Values, risks and policies*. London: Routledge.

Managing Media and Prioritising Societal Values: Market and Non-Market Solutions

Gillian Doyle

1 Profit Maximisation Versus Societal Values

It is easy to see how, in the context of media, clashes can occur between prioritizing societal values and maximising profits. Audiences expect high standards in media content, but producing and supplying material on a commercial basis involves incentives to maximize revenue while paring costs. The latter is not always compatible with a commitment to sustaining the quality and integrity of content. In television broadcasting for example, pressures towards what is entertaining as opposed to what is worthy are an inevitable feature of any commercially driven system of provision. In documentary-making, commercial pressures towards hype and spectacle—while helping to draw in large audiences—are liable to be criticised for at times compromising authenticity and quality (Ellis, 2005).

In newspaper publishing, as Picard has argued (Picard, 2004, p. 54), economic pressures negatively affect journalistic practices and quality and "diminish the social value of newspaper content and divert the attention of newspaper personnel from journalism to activities primarily related to the business interests of the press". The very fact that ownership of newspapers in the US "lies primarily in the hands of passive investors interested in financial return and not in the quality of journalism practiced by the companies" has, according to Soloski, "distorted the historical role of newspapers to act as 'watch dogs'" (Soloski, 2005, p. 60).

Revelations to the public in 2011 that phone hacking was a practice carried out extensively by journalists at several leading and popular newspapers in the UK provide an instructive case in point (Keeble & Mair, 2012). The event which triggered revelations that intrusive and illegal journalistic practices were routinely carried out at numerous titles was News Corporation's 2010 proposal—subsequently withdrawn—to acquire the 61% of BSkyB not already owned by the

G. Doyle (✉)
Centre for Cultural Policy Research (CCPR), University of Glasgow, Glasgow G12 8QQ, Scotland
e-mail: gillian.doyle@glasgow.ac.uk

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_5

company. BSkyB is the UK's dominant satellite television operator. Disclosure of the nature and extent of criminality and poor practice underlying much contemporary newsprint journalism unleashed considerable public outrage and raised important questions about the costs to society of unhealthy proximity in relationships between newspapers, politicians and police in the UK (Fenton, 2012, p. 4). In turn, this resulted in a major public enquiry into the culture, practice and ethics of the UK newspaper industry led by Lord Justice Leveson (2012). The Leveson Inquiry was heralded as a great landmark for regulation of the press but, in the end, has disappointed many who hoped it would lead to meaningful new reforms in the governance of media companies (Grayson & Freedman, 2013).

While the attention focused on phone hacking during the Leveson Inquiry resulted in much improved self governance in this respect on the part of offending UK titles, market pressures in the newspaper industry continue to build in ways that militate against preservation of journalistic integrity. In the face of declining print circulations, the need to diversify revenue streams and associated tendencies to place more emphasis on commercial and advertising income have, at times, raised serious questions about journalistic independence and the blurring of lines between editorially and commercially driven content (Martinson, 2015).

Stepping back from issues of content, another wider problem is that, driven by market forces, media industries will naturally tend to gravitate towards monopoly and oligopoly market structures because of the widespread availability in this sector of the economy of economies of scale. As a result, concentrated ownership is a feature of media industries that is observable in very many countries internationally (Noam, 2011). The inherent economic features of the sector strongly encourage strategies of vertical, horizontal and diagonal growth, but expansion inevitably leads to the accumulation of dominant positions by individual media firms. In addition, the diffusion of digital technologies has created new concerns in relation to monopolised control over gateways between media content and audiences or end-users. From a societal point of view, bottlenecks and concentrations of media ownership and power are highly problematic because of the vital role played by media—television, newspapers, radio and the internet—in supplying the ideas that shape our viewpoints, our politics and our cultures. So whereas pursuit of strategies of profit maximization will naturally encourage the development of enlarged diversified transnational media organisations, a media landscape that is diverse, fragmented and pluralistic is much more desirable from a societal point of view.

So, content is not the only domain where the commercial aims and societal values surrounding media provision come into conflict. Tensions between the profit-maximizing behavior of commercially driven media firms and promotion of societal values and aspirations exist at many levels. To some extent, concerns about reputation and brand management will encourage self governance and respect for societal values on the part of media organisations (Tungate, 2004). It remains, however, that profit-maximising motives will at times create overwhelming pressure towards strategies and practices that cut across the public interest. As discussed below, various responses are available to address this situation ranging from a *laissez faire* approach of leaving media provision entirely to the market place, to wholesale interventions including use of content rules, structural regulations and public subsidies.

2 Aligning Societal and Corporate Values

Based on the general notion that decentralised decision-taking is usually better than decision-making carried out by the government, an ideological case can be argued in favour of simply relying on free markets as the best way to allocate media resources in ways that conform with the needs and interests of society. Many would agree that consumers and firms are the best judges of their own interests and so, while market systems may not always be perfect, it is usually preferable to rely on these rather than on state authorities as the primary means of coordinating decisions about resource allocation. A growing tendency on the part of European media regulators to take this view is evident through, for example, recent changes in approach towards allocation of spectrum (Doyle, 2013). National communication regulators in countries including the UK, Germany and France have moved from a centralized control model of spectrum allocation towards the more market-driven approach pioneered in the US where, since 1994, the FCC has conducted auctions to price and sell access to the airwaves.

But, whatever presumption may exist in favour of market-driven rather than centrally organized allocation, it remains that, as highlighted earlier, there are several ways in which a completely unregulated market for the supply of media might fail to allocate resources in accordance with the best interests of society. It is therefore up to the government to step in with policy measures that correct these failures and that bring corporate aspirations more closely into line with societal interests.

Amongst the measures available to address so-called market failures in broadcasting, the two main policy tools are regulation and public ownership. Regulation—for example in the form codes and stipulations about the range, nature and provenance of content—may be used to encourage privately owned broadcasters to deviate from profit-maximizing strategies where necessary in order to meet societal requirements concerning the quality of their output. Broadcasters might be prohibited from supplying some types of programming that are considered damaging to society's interests, or they may be required to include other sorts of "meritorious" content within their schedules. In the UK, for example, communications regulator Ofcom has power to impose financial penalties on any commercial broadcaster that fails to comply with the Ofcom Broadcasting Code, the most recent version of which came into force in May 2016 and governs basic standards in relation to content on all licensed television channels.

Another measure commonly used is to organise provision of public service broadcasting (PSB) or, in more digitally platform neutral terminology, "public service media" (PSM) is some form of public funding. Most countries have their own publicly funded and state-owned broadcasting entity to provide public service media. But the use of public funds to finance broadcasting has become increasingly controversial in the era of direct payments and abundant multichannel competition. A further source of controversy stems from the potential for crowding out to occur

(Weeds, 2013). Newspaper publishers and other commercial rivals argue that, to the extent that this undermines commercial incentives to invest in innovation, it damages the public interest when PSM organisations extend and proliferate their content delivery activities across multiple digital platforms.

So publicly owned and funded media organisations offer one solution—an increasingly contentious solution—to ensuring that societal needs for high quality non-commercial content are met. Another solution is to provide public subsidies directed not at organisations *per se* but at encouraging production or distribution of whatever sort of content is favoured. Across Europe, such interventions are relatively widespread and are usually aimed at creators of audiovisual content—i.e. film-makers and independent television production companies. Support measures for content creators usually take two forms. First, some policy interventions are designed to help domestic producers by restricting the volume of imports of competing non-domestic feature films and programme material (Messerlin, Siwek, & Cocq, 2004). Second, an alternative policy approach is to provide subsidies to domestic producers so as to improve their competitiveness at home and in international markets.

Direct subsidies to support local producers extend the range and variety of indigenous provision without erecting trade barriers, so subsidies are sometimes seen as more appropriate and less trade-distorting instruments than quotas or tariffs (Burri, 2011). Audiovisual production is expensive,so the opportunity cost to society of sustaining these support measures is large, even though subsidies for media look relatively modest when compared with those for, say, agriculture in recent years. Special subsidies and taxes provide an effective means to correct any divergences that occur between private and social costs or benefits. Grants for media production allow the positive gains to society arising from the availability of locally made content to be internalised by the production firm, thus correcting the failure of the market system to adequately supply such content.

In Europe, a long tradition exists of providing public subsidies and grants to indigenous producers of audiovisual content. A variety of public funding awards are available to European film-makers through national and EU schemes (Henning & Alpar, 2005). The goal of these subsidies is to encourage private decisions about what audiovisual content is produced to be taken in accordance with the wider interests of society. Grants and subsidies are not only intended to encourage wider dissemination of indigenous audiovisual product, but also to improve domestic content-creators' competitiveness in home and world markets. However, some would argue that subsidies can have precisely the opposite effect.

One of the main criticisms of public grants for content creators is that they encourage the production of films and television programming that lack commercial appeal. Subsidies for programme-makers may well help to promote wider distribution and consumption of certain kinds of 'meritorious' indigenous television content but, in so doing, they encourage local producers to depart from profit-maximising strategies of creating content that is as popular and commercially competitive as possible. As Hoskins, McFadyen, and Finn (1997) argue "[t]he subsidy partially insulates the producer financially from the commercial performance of the film/programme and hence lessens the motivation to be efficient" (1997, p. 96). So, in a sense, protective interventions intended to promote societal interests by supporting production of local culturally relevant material also, by their nature, thwart the local production sector from developing in ways that are truly commercially self-sustaining and are, therefore counter-productive.

Perhaps the most persistent and challenging issue that policymakers must tackle as a consequence of the market-driven strategic behaviour of media companies is accumulations of media power through concentrated ownership of media. As discussed above, gravitation towards monopoly and oligopoly is endemic in media industries on account of the sector's inherent economic attributes. But as media organisations grow in size and gain monopoly power, one risk for society is that market power will be abused with adverse implications both for consumers and for rival firms. A particular concern however is pluralism.

It is widely accepted that, in the interests of democracy and of social cohesion, individuals and societies need plurality and diversity within media provision (Doyle, 2002, p. 6). So the main concern for public policy surrounding patterns of media ownership stems from the fact that excessive concentrations of media ownership can lead to over-representation of certain political viewpoints, values, or forms of cultural output at the expense of others. But media ownership patterns are important also because they impact on the financial and economic performance of industry. Restrictions of ownership could, for example, result in duplication of resources, which is wasteful and prevents industry from capitalising on the economies of scale that are potentially available.

So weighing up the differing societal priorities affected by ownership of media presents a challenging task for policymakers. From an economic perspective, one clear concern is the potential for restrictions to prevent media organisations from growing their activities to whatever size and shape is conducive to maximizing efficiency and economic strength. For example, in an era when digital convergence has increased the gains available from strategies of multi-platform distribution, a policy of preventing cross-sectoral expansion will inevitably entail opportunity costs. Policymakers will want to avoid stifling the economic development of the sector by removing from media companies "the freedom to innovate in response to market developments [and] to make risky investments and earn suitable rewards..." (Ofcom, 2010, p. 15). As acknowledged by former Ofcom Chief Executive Ed Richards, the difficult challenge for media regulators, especially in dealing with new digital bottlenecks, is to "avoid suppressing reward for innovation and risk" while, at the same time defending against "allowing the creation of an enduring monopoly with associated consequences" (Richards, 2010, p. 5). On the other hand, the advantages of allowing unrestrained expansion must be weighed up against potential threats to competition and, not least, the potentially serious adverse impact of media empire-building on pluralism and democracy.

In summary, tensions between the commercial motives that drive media organisations and the wider public interest are discernible both at strategic and day-to-day operational levels and are an inescapable feature of any unregulated media landscape. A number of differing sorts of responses are available to address this situation, from inaction to extensive public intervention. Although economic analysis can play a role in advising on the consequences of decision-making, decisions about the trade-off between protecting ethical and societal values and accommodating the commercial ambitions of media companies are fundamentally reliant on the exercise of political judgement.

References

Burri, M. (2011). Reconciling trade and culture: A global law perspective. *The Journal of Arts Management, Law and Society, 41*, 1–21.

Doyle, G. (2002). *Media ownership: The economics and politics of convergence and concentration in the UK and European media*. London: Sage.

Doyle, G. (2013). *Understanding media economics* (2nd ed.). London: Sage.

Ellis, J. (2005). Documentary and truth on television: The crisis of 1999. In J. Corner & A. Rosenthal (Eds.), *New challenges in documentary* (pp. 342–360). Manchester: Manchester University Press.

Fenton, B. (2012, June 13). Miliband says Murdoch should lose some papers. *Financial Times*, p. 4.

Grayson, D., & Freedman, D. (2013). Leveson and the prospects for media reform. *Soundings: A Journal of Politics and Culture, 53*(1), 69–81.

Henning, V., & Alpar, A. (2005). Public aid mechanisms in feature film production: The EU MEDIA plus programme. *Media, Culture and Society, 27*(2), 229–250.

Hoskins, C., McFadyen, S., & Finn, A. (1997). *Global television and film: An introduction to the economics of the business*. Oxford: Oxford University Press.

Keeble, R., & Mair, J. (2012). *The phone hacking scandal: Journalism on trial* (1st ed.). Bury St Edmunds: Abramis.

Leveson, L. J. (2012, November 29). *Leveson inquiry: An inquiry into the culture, practices and ethics of the press* (HC 779). London: TSO.

Martinson, J. (2015, April 20). How do we balance ads with editorial? *Guardian*, p. 33.

Messerlin, P., Siwek, S., & Cocq, E. (2004). *The audiovisual services sector in the GATS negotiations*. American Enterprise Institute for Public Policy Research, Washington, DC: AEI Press.

Noam, E. (2011, September 24). *International media concentration*. TPRC 2011. Available from SSRN: http://ssrn.com/abstract=1979921

Ofcom. (2010, December 31). *Report on public interest test on the proposed acquisition of British Sky Broadcasting Group plc by News Corporation*. London: Ofcom.

Picard, R. (2004). Commercialism and newspaper quality. *Newspaper Research Journal, 25*(1), 54–65.

Richards, E. (2010, July 13). *Competition law and the communications sector*. Speech by Ofcom chief executive for UCL Jevons Institute for Competition Law and Economics Annual Colloquium. London: Ofcom.

Soloski, J. (2005). Taking stock redux: Corporate ownership and 59 journalism of publicly traded newspaper companies. In: R. Picard (Ed.), *Corporate governance of media companies* (JIBS Research Report Series No. 2005–1). Jönköping: Jönköping International Business School.

Tungate, M. (2004). *Media monoliths—How great media brands thrive and survive*. London: Kogan Page.

Weeds, H. (2013). Digitisation, programme quality and public service broadcasting. In R. Picard & P. Siciliani (Eds.), *Is there still a place for public service television* (pp. 9–20). London: Reuters Institute.

Media Markets, Value and the Unique: Consequences and Implications for Media Management from Karpik's New Economics Sociology Perspective

Andreas Will and Britta Gossel

1 Introduction

A continuous progress of digital convergence and permanently changing market structures and boundaries induced by digitalisation are beyond question (Doyle, 2013, p. 19ff). Furthermore, alterations of society, technology and economic conditions imply a continuous change of media markets, e.g. including the practice of media reception, consumer behaviour or production and bundling of content. Therefore, a radical reflection on common assumptions about media markets is required (Will, Gossel, & Brüntje, 2013). A new perspective on media markets has already been suggested in terms of a market view regarding "a functional and technological differentiation" (Will et al. 2013, p. 14). The analysis of fragmented markets and individualized—or in terms of this chapter—singular—media products consequently requires a new theoretical understanding of media markets.

In focus in this chapter is a deeper reflection of the term "media market" that is closely connected with the term "value." We start our analysis with a reflection on common assumptions of media markets in the media management discourse (Sect. 2). In a second step, we open the perspective to economic sociology, since this perspective differs from economic assumptions in various manners (Aspers, 2011; Smelser & Swedberg, 2005) (Sect. 3). Based on these general reflections that assume markets, value and economy as "inherently social" (Aspers, 2011) phenomena, we focus on Karpik (2010), who introduced a theoretical framework of economics of singularities (Sect. 4). By the following, we apply this approach specifically to media markets (Sect. 5). Finally, we offer concluding remarks (Sect. 6).

A. Will (✉) • B. Gossel
Ilmenau University of Technology, Ilmenau, Germany
e-mail: andreas.will@tu-ilmenau.de; britta.gossel@tu-ilmenau.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_6

2 State of the Art: What Are We Talking About, When We Talk About Value and Media Markets?

Traditionally, markets are assumed as a field studied by economists. This is no wonder, since markets are "the central institution that underlies neoclassical economics" (North, 1977, p. 710). A tendency to observe markets primarily from an economist's perspective also can be observed in the context of media markets research, e.g. for the movie market (Walls & McKenzie, 2012), the newspaper market (Lee, 2007; Manduchi & Picard, 2009; van Kranenburg, 2002), the television market (Bel & Domènech, 2009; Oba & Chan-Olmsted, 2006), the radio market (Loomis & Albarran, 2004; Wang & Waterman, 2011) or the magazine market (van der Wurff, 2005). Here, media markets are differentiated along market actors, geography, power, or product types in terms of traditional media (Will et al. 2013). Rosse's (1975) umbrella model saying that media markets overlap geographically and also by products connects these differentiations and is discussed and advanced till date (e.g. Bridges, Litman, & Bridges, 2006). The special features of media come to the fore, e.g. by the differentiation of content and carrier (e.g. Sjurts, 2004: 161) or the assumption of media as public goods (e.g. Pethig, 2003, p. 141). Furthermore, media markets are to be understood as highly dynamic (Altmeppen, 1997). In summary, it already has been observed (e.g. Gossel, 2014; Will et al. 2013) that the discussion on media markets refers primarily to an economic and product-oriented view based on a market definition along media products in terms of traditional media.

Previously, the discourse on media and media markets was influenced by clear-cut, sometimes binary differentiations. Examining the television and/or newspaper market, for example, offered us a clear and distinct differentiation of sender and receiver (Shannon & Weaver, 1949), electronic and non-electronic (Wirtz, 2005) or producer and consumer (Pethig, 2003). Those clear differentiations had to face a reality of media change, coming to the fore as a result of the phenomena of convergence (Merten, 1994), participatory culture (Jenkins, 2003), emancipation of the prosumer (Ritzer & Jurgenson, 2010) or media consumption and/or production independent of time and location (Lanzolla & Anderson, 2008). Furthermore, an observation of society and media environment shows a trend of individualisation from a sociologist's perspective (e.g. Beck & Beck-Gernsheim, 1993, 1994; Junge, 2002; Wieland, 2004). This trend arises in the context of individualised or fragmented media usage (e.g. Gerhardts & Klingler, 2006; Wolling, 2009), as well as in the discourse on individualised media products (e.g. Hess, 2007; Kaspar, 2006; Meyen, 2009; Quiring & Rauscher, 2006; Stein, 2011). Consequently, these issues are present in the media management discourse. Examples here might be the analysis of media diversification (e.g. Kolo & Vogt, 2003; Vukanovic, 2009) or the phenomena of audience fragmentation and autonomy (e.g. Napoli, 2012; Nelson-Field & Riebe, 2011; Webster & Ksiazek, 2012). These observations can be summarized as trends in individualisation and fragmentation on both sides of media markets, the supply and the demand side.

If we observe the scientific discourse on media markets, a tend in the discussion can be traced. For example, a differentiation of media according to (media) product groups is suggested by Altmeppen, Karmasin, and von Rimscha (2012), stating that media products “can be differentiated in three product groups of information, entertainment and advertising. In each group comparable but differentiated products can be integrated, e.g. news, documentation, reports in the group of information; series, movies and formats in the group of entertainment; as well as varying advertising formats in the group of advertising” (Altmeppen et al. 2012, p. 12, author’s translation). The suggestion of a turn from a traditional product-oriented perspective to a functional and technology-oriented but differentiated market assumption already has been introduced (Will et al. 2013). We have to conclude, critically, that peculiarities of the media are identified and discussed in the discourse on media markets, but solely from an economic perspective and along traditional product-oriented differentiations. This narrow approach should be put to the test. While observing a trend towards fragmented and individualised media markets, we should discuss whether new and different perspectives on our common market assumptions might be fruitful. Vukanovic (2009) points out that a fluidity of media industries caused by continuous developments in technology and the changing preferences of audiences, “requires media management and economic scholars to constantly introduce, incorporate, and test new paradigms” (Vukanovic, 2009, p. 88 referring to Albarran, Chan-Olmsted, & Wirth, 2006, p. 177). We take this mandate seriously by introducing the constructs of value and market from the perspective of economic sociology and reflecting the usability of the economy of singularities according to Lucien Karpik (2010) in the following section.

3 Value and Markets from the Perspective of (New) Economic Sociology

Economic sociology “can be defined simply as *the sociological perspective applied to economic phenomena*” (Smelser & Swedberg, 2005, p. 3). This other point of view causes many differences in core concepts of economics and economic sociology in general, as Smelser and Swedberg showed in a comparison (ibid., p. 4ff). For example, the concept of the actor: “the analytic starting point of economics is the individual; the analytic starting points of economic sociology are typically groups, institutions, and society.” (ibid., p. 4). That means that from this perspective, units of observations (e.g. a product, supply or demand) cannot be assumed to be single entities. That might be illustrated by a closer view of the assumptions about constraints on economic action. “In mainstream economics, actions are constrained by tastes and by the scarcity of recourses, including technology. Once these are known, it is in principle possible to predict the actor’s behavior, since he or she will always try to maximize utility or profit. The active influence of other persons and groups, as well as the influence of institutional structures, is set to one side.” (Smelser & Swedberg, 2005, p. 4). On the contrary, “sociologists take such influences directly into account in the analysis of economic action” (ibid., p. 4).

These differences also come to the fore, if we reflect on the terms of value and markets.

Starting with the assumption of value from an economic perspective, we find a first differentiation with Aristoteles (Seiser & Mader, 2006): use value and exchange value. Adam Smith continued this assumption by separating labour as source of wealth and exchange as mediator for pricing. This is the basis for two core theories of value: The labour theory of value observes value as "natural" or "real" as result of the labour that was needed for the production of a good. The subjective theory of value assumes value is determined by the subjective utility a good has for an individual (Seiser & Mader, 2006).

In neoclassical economics—following the subjective value view—it is proposed "that the relative degree of satisfaction (or "utility")—not labor—should be considered the ultimate foundation of value" (Fourcade, 2011, p. 2). That means "from the point of view of economics, every object, tangible or not, every form of worth can presumably be subjected to an economic valuation process." (Fourcade, 2011, p. 6). Thus, value is closely connected to the construct of market and "is defined as the determination and rating of a 'thing'" (Aspers, 2011, p. 113). Value, in this view, is relevant to markets. Value helps us to compare and to measure an offer: "This means we can say that an offer is 'more' or 'less', or 'better' or 'worse', than another offer" (Aspers, 2011, p. 113). And this is what Aspers (2011) describes as a standard market (Aspers, 2011, p. 112ff): "A standard is simply a basis for evaluating things, [. . .] [that] can be used for evaluation independently of the person's preferences, opinions, and judgments" (Aspers, 2011, p. 113). This assumption can be seen as natural for economic thinking: "It is a model that most economists have internalized in the socialization process of becoming economists. It is, in Thomas Kuhn's terms (1962), a paradigmatic science with a set of core concepts that are more or less taken for granted—among them the idea of the market" (Aspers, 2011, p. 121).

The field of "new economic sociology" (Aspers, 2011) has reflected value, markets and economy for the past two decades as "inherently social" (ibid.) phenomena. Its beginnings can be assumed in the 1980s (Aspers & Beckert, 2008, p. 234). These approaches suggest a strong renunciation of rationally acting individuals and goods, introducing an assumption of values and markets as primarily social phenomena focusing on the interdependency of social structures and goods (Aspers, 2007, p. 432). For the example of markets, Aspers (2011) makes two distinctions about the relevance of markets that are inherently caused by observing social structures. On the one side, he differentiates switch-role and fixed-role markets on the level of social structure; on the other, he distinguishes between status and standard markets on the level of market order (Aspers, 2011).

Classical sociological approaches are part of the discourse in media economics and media management. Those approaches of the last century are still relevant to the social economic analysis of markets in general (Aspers & Beckert, 2008, p. 232), and they enrich the media economic discourse in different and specific ways. Examples are the interpretation of markets based on Luhmann's (1996) Theory of Social Systems (e.g. Siegert, 2001; Theis-Berglmair, 2000) or based on

Gidden's (1997) Structuration Theory (e.g. Altmeppen, 2001; Altmeppen et al. 2012). Impacts of the "new economic sociology" have been rarely observed thus far. Recently, Karpik (2010) introduced with *Valuing the Unique* a new theoretical framework under the label of *economics of singularities*. Through the following, we will introduce this approach and elaborate its suitability for the discussion of markets and values in the specific context of media.

4 Introducing the Economics of Singularities

Karpik's (2010) suggestion of an approach of economics of singularities has been applauded from the perspective of economic sociology as a significant stimulus and counterpoint. Recensions describe the economics of singularities as "one singular sensation" (Espeland, 2011, p. 794), "impact on economic theory" (Hutter, 2011, p. 794) or "very promising idea" (Healy, 2011, p. 791). Earlier works as 'L'économie de la qualité' (Karpik, 1989) already focused on an assumption of markets not only based on the core construct of price but on markets "depending on the judgement of the quality of a service provided" (Heilbron, 2001, p. 50). These ideas have been discussed first in the French debate on new economic sociology (for an overview see Heilbron, 2001), and are part of the European discussion today (e.g. Beckert, 2010; Callon, Méadel, & Rabeharisoa, 2002; Kjellberg & Mallard, 2013; Rössel & Beckert, 2012; Vatin, 2013).

The initial point of Karpik's argumentation (see also Gossel, 2014) is a core critique on neoclassical economic theory, which displays an inbuilt "blind spot": "Neoclassical analysis ignores [...] singular products. Not deliberately, of course; this blind spot is the logical consequence of a theoretical framework whose universalism implies a definition of exchange products (goods and services) that, in the end, excludes all differential features but price" (Karpik, 2010, p. 3). This affects any kind of exchange referring more to criteria like "good" or "right" instead of "efficient" or "optimum", e.g. movies, fine arts, music, books, travelling or handcrafts.

Singularities are defined by three features: multidimensionality, uncertainty and incommensurability. Multidimensionality summarizes the fact that singular products comprise multiple characteristics which can't be separated from each other. "A singularity is thus also indivisible" (Karpik, 2010, p. 10). Uncertainty comprises strategic and quality uncertainty. Strategic uncertainty highlights the distinction between intended and ascribed expectations: "Products are presented to the public from a certain point of view, which is expressed by an arbitrary selection of some dimensions at the expense of others. Nothing guarantees that this display will match up with the clients' point of views. Strategic uncertainty arises from the intersection of two processes of interpretation; it is inherent to the relationship between multidimensional products and customers or clients, and it is all the greater when the pace of product renewal is rapid" (Karpik, 2010, p. 11). Quality uncertainty refers to the non-predictability of products: "In the singularities market [...] the final adjustment is uncertain due to the mystery surrounding the product; this means that the purchase must be made even though knowledge of the product remains at least partially imperfect" (ibid.). Incommensurability expresses the fact that it is not possible to generally rank singular products: "No general hierarchy can be justified between Rembrandt and Mondrian, between Mozart and Wagner, or between the Beatles and the Rolling Stones" (Karpik, 2010, p. 12).

Singular products are mirrored in the diverse variety of judgment criteria applied by individuals. Judgment criteria "are the visible sign(s) of the irreducible plurality of values [. . .]" (Karpik, 2010, p. 69). Karpik proposes a clear distinction between (neoclassical) decision and judgment. "The judgment is [. . .] primarily a qualitative choice, whereas decision is based on logic and calculation" (Karpik, 2010, p. 41). The judgment expresses a particular point of view and constructs the appropriate relationship between criteria of evaluation whose relative composition and weighting are variable and the way the situation is framed (Karpik, 2010, p. 41 referring to Perleman, 1976, p. 6). Judgment combines value and knowledge and constitutes the comparison of incommensurabilities (Karpik, 2010, p. 41). "In society characterized by a pluralism of tastes, no 'decision' proceeding from a unidimensional calculation can help discern a good restaurant, a fine wine, a good doctor [. . .]. Judgment can" (Karpik, 2010, p. 39).

The customer's knowledge requirements are so extensive and varied that it is not enough for them to be active, curious, intelligent and motivated. Customers also need outside help, which comes from so called judgment devices to provide them with enough knowledge about singularities to help them make reasonable choices and reduce the cognitive deficit that characterises consumers in the market of singularities (Karpik, 2010, pp. 14, 44). Therefore, markets of singularities require coordination devices to help the consumer make judgments. Consequently, alternative coordination regimes beyond the neoclassical price regime are introduced (Karpik, 2010, p. 99ff). Four regimes we are referring to in the course of this chapter: the authenticity regime, the mega regime, the expert-opinion regime, and the common-opinion regime (Karpik, 2010, p. 99ff).

To sum it up: "Singularities are multidimensional, uncertain, and incommensurable; the consumer is searching for the "right" or a "good" singularity; quality competition prevails over price competition; and the market is opaque" (Karpik, 2010, p. 20). The basic concepts and suggestions of Karpik's economics of singularities are a promising perspective, which in our opinion enriches the current debate on media markets in media management research. Karpik's theoretical framework opens the field for a detailed reflection of media markets as markets of singularities as follows.

5 Deducing Consequences for Media Markets and Management

In the following, we focus especially on the dimensions of exchange connecting the demand and the supply side on media markets (Will et al. 2013). Assuming exchange as "a central momentum of market as a principle of coordination" (Will et al. 2013, p. 7), we differentiated four dimensions in our previous work: money and contribution coming from the demand side; gratifications offered and access from the supply side (Will et al. 2013, p. 16). More specifically, we will focus now on the two prevalent dimensions coming from the demand side. We assume money either as “real” (monetary flow/transactions) or as “virtual” currencies (e.g. bit coins, Facebook credits) being transacted from the demand to the supply side (ibid.). Contribution includes the two sub dimensions of attention and support: Attention means a more passive way of contribution (e.g. watching TV as a lean-back medium), whereas support focuses on a more active way enabled by digital transformation, e.g. liking content on Facebook or pinning it on Pinterest (ibid.). But how do media companies nowadays manage to guide the consumer’s contribution and/or money to their own content, products and services? This seems essential, if they want to have economic success—either directly (money) or indirectly (attention: e.g. advertising; support: e.g. coverage).

Karpik’s (2010) coordination regimes show numerous opportunities through which judgment and trust can successfully steer the above-mentioned guidance process, i.e. money and contribution to the supplier. Typically, (media) companies foster this thorough their marketing activities, focusing on creating a strong brand or a certain reputation in their customer’s perception. We will introduce Karpik’s regimes of economic coordination by applying them directly to media markets as markets of singularities.

5.1 The Authenticity and the Mega Regimes

“The Authenticity Regime is composed of names [. . .] [which] designate apparently heterogeneous entities: some are unique (paintings), others are rare (wine vintage years), others are reproducible (CDs and DVDs, books)” (Karpik, 2010, p. 133). Each singular product is open to an indefinite number of interpretations by the consumers. Thus, the reproducible symbolic product is also a singularity, carrying with it all of its past interpretations and is formally prepared to receive new ones (ibid.). Searching for high-quality journalistic content can be very similar to choosing a bottle of good wine to accompany a Sunday dinner. By reading the bottle’s label, there are obviously some indicators for the taste and fit of the wine—as well as a Google snippet, a tweet or a Facebook link, which may give some hints concerning the content and the “taste” of a linked article. Bit of it is a “good” or the “right” wine, cannot be judged prior to consumption. As the supply of articles covering a specific topic (i.e. singularities) is broad and the labels differ only marginally, it is very much a matter of trust in, and feeling towards, the (few) indicators on the “label”: the media brand, the author, the headline, the context and the like. This argument is impressively supported by the success of non-journalistic websites like BuzzFeed, Viral Nova or Heftig.co. With highly emotional and personally touching headlines and teasers, these sites are able to draw the attention of huge numbers of readers to their respective offers—and make profits by selling the readers’ attention to advertisers.

An example of a serious media organisation following the authenticity regime for its readers' market is De Correspondent, a "Dutch-language, online journalism platform that focuses on background, analysis, investigative reporting, and the kinds of stories that tend to escape the radar of mainstream media because they do not conform to what is normally understood to be 'news'" (De Correspondent, 2014). De Correspondent labels its offerings with a few, but effective symbols, such as "ideals over ideology", "from readers to participants" and "journalism before profit"—the latter furthermore showing that it is not the price regime ruling De Correspondent's business model. De Correspondent is organised as a crowdfunded club, the readers being members of the club and—once in—paying primarily with their support [readers "will be asked for their opinion regarding the investment of new funds, as well as to contribute their expertise on specific topics" (De Correspondent, 2014)]. Other journalistic projects started to develop similar platforms, thereby emphasizing this novel approach in journalism (e.g. Krautreporter, 2014).

In contrast to the Authenticity Regime, the Mega Regime differs in the scale of its action: "Megafilms, luxury-products megafirms, and megabrands necessarily mean international, and sometime world, scales" (Karpik, 2010, p. 148). As a result, increasing production, expanding exchange, and especially short-term high-profit seeking could lead to a transformation of the product and, in turn, entail parallel transformations in the consumer (Karpik, 2010, p. 148). Typical examples from the media industry, as pointed out by Karpik, are blockbuster movies (or in Karpik's notion megafilms). According to Karpik, "films are singularities, quality uncertainty exists, advertising deploys its full arsenal to prevent the consumer from purely and simply reproducing his tastes, and finding a 'good' movie is the customer's first aim and implies an active commitment" (Karpik, 2010, p. 148f). Turning to the mega regime in journalism, it is worth recalling a recent debate (Döpfner, 2014; Schmidt, 2014) on Germany's Leistungsschutzrecht (ancillary copyright), addressing the question of whether news aggregators (i.e. de facto Google) should pay newspaper publishers for displaying snippets linking to the newspapers' websites. While Google argued that displaying and linking headlines (plus the first 200 characters) channels attention to the newspapers' websites (offering the publishers the opportunity to monetise the attention on the advertising market), the publishers asserted their copyright, prohibiting Google "the stealing of content" (Döpfner, 2014) (which in turn offers Google the opportunity to monetise the attention). Furthermore, the publisher Axel Springer SE (among others) is participating in Google's doubleclick adexchange network to disseminate advertising space in Springer's "long tail" content. As Springer's CEO summarises: "Axel Springer not only benefits from the traffic it receives via Google but from Google's algorithm for marketing the remaining space in its online advertising. You can call it schizophrenic [. . .]" (Döpfner, 2014).

This debate is a clear sign of newspaper publishers' traditional self-conception of their audience market as a market ruled by the mega regime: They are owners of strong media brands, broadly known by their respective target group, not dependent on the "help" of news aggregators to be able to cover mass markets, draw the attention of multi-million-person audiences, and monetise that attention autonomously in advertising markets. In contrast, by admitting the benefits of receiving traffic via Google and cooperating with Google in the "long tail"—the newspaper publishers admit that the reign of the mega regime is crumbling under the pressure of digitalisation and fragmentation. While the mega regime might persist for some, e.g. tabloids such as the Bild Zeitung in Germany (which then will be totally dominated by the click-rate logics of the advertising market just as commercial TV is ruled by coverage), more "quality-wine-like" content might be more and more ruled by the authenticity regime. It will no longer be the paper, home-delivered each day, that forces the readers' attention to a specific content offering. The reader will be free to choose among several competing content offerings available online. That will mean that publishers will require "flags" in the ocean of content to signal and direct the readers' attention towards their respective offers.

While we have so far having focused on the direct exchange between audience and media organisations (supported or bothered by aggregators), we have disregarded the role of other users as experts or representing a common opinion—a role becoming ever more important in digital media markets. This leads us to the remaining two regimes, the common- and the expert-opinion regimes.

5.2 The Common- and the Expert-Opinion Regimes

The Common- and the Expert-opinion Regimes are defined by the consumer's delegation of power to a chart or a group of experts, which spares him or her the time and effort of choosing (Karpik, 2010: 167, 174). Exchange in many media markets is traditionally determined by a common- or expert-opinion regime: hit lists for popular music, box-office numbers for movies, bestseller lists for books, literature awards, feuilleton recommendations, and so forth. These means are highly efficient in terms of customers' search costs and more or less reliable in terms of the quality of the results obtained—in any case, well established and widely used. With respect to digital media markets, the common- and the expert-opinion regimes extend their dominion both in scale and scope, while the dividing line between expert and common-opinion is blurring.

1. First, this applies to the ubiquitous availability of charts and other means of disseminating opinions in these regimes, and to the pure scale and broader scope of such charts and expert opinions (online voting, novel measures such as click rates, etc.). A further extension of the expert-opinion regime is tied to the changing role of users becoming "quasi-experts". A good example here is the review system of Amazon. Seemingly, every review can be read as an expert-opinion. The aggregated rating, however, appears as the common-opinion. Also, social media platforms make use of quasi-experts such as spokesmodels, thereby creating efficient personal advertising ("your friend x likes movie y"). This kind of a "digital-expert-opinion-model" highly depends on two constituting building blocks: the disclosure of personal data and the participation and support of users.

The review has to be written, friend x has to like movie y prior to becoming shop z's spokesmodel, and the platforms have to make use of revealed personal data to combine contributions with personal recommendations and advertisements. Thus, by liking, sharing, commenting and reviewing, and by allowing platforms to make use of this information as well as of personal data, users actively contribute to the common- and/or expert-opinion regimes and to the quality, robustness and reliability of judgments. Consequently, the personal data of users as well as their attention and support are of high value to the expert- and common-opinion regime.

2. Likewise important, the business models of both search engines and social media platforms are literally built upon the use of a combination of the common- and the expert-opinion regime. Search- results lists as well as timelines/newsfeeds can be seen as (personalised) charts: hit lists incorporating the common-opinion—based on other users' likings and behaviour, combined with the respective user's presumed preferences. However, the algorithms calculating the outputs displayed to an individual user are based on marketing and software expert-opinions and on their assumptions about what is interesting for the user so as to maximise the user's attention, further use and support of the respective platforms. The user (mainly unconsciously) delegates the process of choosing among what offerings should be displayed (and in which order) to both the common and big-data-experts/software engineers. To put in names: by using Google or Facebook, the audience highly relies on the combined judgment of (expert-made) algorithms and common behaviours.

Grabbing for the attention of users, electronic commerce firms utilise search-engine optimisation and related means. For media firms, these mechanisms lead to a dilemma. In contrast to physical products such as flat screen TVs or deodorants, the digital media product itself has to be customised to be better found by search engines, to maximise click rates, and to gain more attention, which strongly conflicts with the professional standards of journalism. This conflict is an explicit starting point for alternative projects such as the aforementioned Publication *"De Correspondent"*.

5.3 The Regimes Combined at Work

Each regime is defined by particular adjustments between products, judgment devices, and consumers and can be distinguished from one another by a particular working logic (Karpik, 2010, p. 96). But Karpik (2010, pp. 97, 105) points out that the coordination regimes cannot be regarded as excluding alternatives; they also can be combined. Twitter illustrates the intertwining of the common-opinion and the authenticity regimes as well as the (quite short-term) rise and fall of common-opinions concerning specific topics. In January 2013, the German newsweekly *Stern* reported on a comment by a male German politician about how well a female journalist could "fill out a dirndl" (Eddy & Cottrell, 2013). The allegation of sexism, a well-known politician, a good headline, and an established media brand gave the traditional ingredients for a piece of content meeting the interest of a large audience (authenticity regime). The story then "led thousands of women to take to Twitter, sharing personal stories of humiliation, embarrassment and harassment under the hashtag "aufschrei" (German for "outcry")" (Eddy & Cottrell, 2013). Leaving the serious debate on sexism aside, the case highlights the capability of digital media markets to bundle support (here: under the hashtag *#aufschrei*) and to direct attention to specific media offerings (here: the original *Stern* article). We are not insinuating *Stern* controlled (or even had the power to control) the Twitter "storm." Indeed, it remains a matter of fact that the original article—littered with advertisements—is still drawing attention. The Google search term *"Herrenwitz"* (i.e. "salacious joke"—the headline of the article) returns the link to the article as a top ten result [2015-05-31].

More evidence can be given by further current examples of media firms supporting the judgments of their audiences by a clever use and interplay of appropriate coordination regimes. Strong brands such as the BBC or the *Washington Post*—being used to relying on the mega regime—started trials with WhatsApp or Snapchat. By posting news within these media, they become part of the personal networks of their audiences., thereby giving peers as well as experts the easy opportunity to immediately select, filter, share and forward news from BBC or the Washington Post within their respective networks, e.g. via group chats (Reid, 2014). By doing so, the media firms make use of the authenticity and expert opinion regime.

Inversely, by the combined use of the authenticity and the common-opinion regimes on social media platforms (particularly via YouTube), entirely unknown suppliers of media output succeeded in building strong media brands and a mega regime-like coverage within their respective audience groups.

6 Concluding Remarks

In digital media markets, we observe complex patterns of exchange, of giving and taking money, attention and support—far beyond a neoclassical barter of "products for money" ruled by the price regime. Media firms striving to earn money in media markets (either by advertising revenues, by paid content or by novel models such as crowdfunding) should understand these patterns and make use of them. By introducing the economy of singularities and extending the analysis of markets to coordination regimes supporting the judgment on singular products, Karpik (2010) offers a framework that has turned out to be very fruitful for a better understanding and structuring of digital media markets and the exchange of money, attention and support. Attention creates value. This is a quite common fact even for traditional media markets relying on selling attention to advertisers. Recently, it was reported that some German newspapers still regard their websites as digital copies of the printed edition, with the editorial staff discussing on how many "pages" each department is allowed to fill (Hoffmann, 2014). Even if this description might be slightly exaggerated, it illustrates a quite naive approach to the conditions of digital markets and to the fundamentally altered behaviour of audiences and advertisers—suggesting that some in the industry are still far away from innovative forms of journalism, such as the previous examples showed were possible. In digital media markets, we have more sophisticated forms of attention and we have active users giving support by sharing, liking, commenting, and so on. Attention and support summarised under the term "contribution" is becoming what is called a social currency. Applying Karpik's (2010) framework has allowed us to illustrate how media firms can systematically use this currency to the benefit of their respective businesses. In particular, making use of personalised contributions partially transfers the high value of contribution within private personal networks to digital online networks.

The aim of this chapter was to encounter the phenomenon and the debate on media convergence and multi-platform strategies with an advanced perspective on theoretical examination that lifts common assumptions on media markets into the new context of the economics of singularities. By doing so, we evolved a theoretical conception of media markets that restructures and enlarges common perspectives to a sociological view respecting the features and coordination regimes of singularities.

References

Albarran, A. B., Chan-Olmsted, S. M., & Wirth, M. O. (2006). *Handbook of media management and economics*. New York: Lawrence Erlbaum Associates.

Altmeppen, K.-D. (1997). Der Wandel journalistischer Arbeit zwischen neuen Medientechnologien und ökonomischer Rationalität der Medien. *Industrielle Beziehungen, 4* (2), 11–36.

Altmeppen, K.-D. (2001). Ökonomisierung aus organisationssoziologischer Perspektive. Der Beitrag der Medienunternehmen zur Ökonomisierung. *Medien und Kommunikation, 49*(2), 195–205.

Altmeppen, K.-D., Karmasin, M., & von Rimscha, M. B. (2012). Die Ökonomie grenzüberschreitender Medienkommunikation: Ein Beitrag zum Verhältnis von Marktstrukturen und Medienmanagement in transnationaler Perspektive. *Medien und Kommunikationswissenschaft, 60*(SB 2), 40–58.

Aspers, P. (2007). Theory, reality, and performativity in markets. *American Journal of Economics and Sociology, 66*(2), 379–398.

Aspers, P. (2011). *Markets*. Cambridge: Polity Books.

Aspers, P., & Beckert, J. (2008). Märkte. In A. Maurer (Ed.), *Handbuch der Wirtschaftssoziologie* (pp. 225–246). Wiesbaden: VS Verlag für Sozialwissenschaft.

Beck, U., & Beck-Gernsheim, E. (1993). Nicht Autonomie, sondern Bastelbiographie. Anmerkungen zur Individualisierungsdiskussion am Beispiel des Aufsatzes von Günter Burkart. *Zeitschrift für Soziologie, 22*(3), 178–187.

Beck, U., & Beck-Gernsheim, E. (1994). *Riskante Freiheiten. Individualisierung in modernen Gesellschaften*. Frankfurt a.M.: Suhrkamp.

Beckert, J. (2010). How do fields change? The interrelations of institutions, networks, and cognition in the dynamics of markets. *Organization Studies, 31*, 605–627.

Bel, G., & Domènech, L. (2009). What influences advertising price in television channels? An empirical analysis on the Spanish market. *Journal of Media Economics, 22*, 164–183.

Bridges, J., Litman, B., & Bridges, L. (2006). *Newspaper competition in the millennium*. New York: Nova Science Publishers.

Callon, M., Méadel, C., & Rabeharisoa, V. (2002). The economy of qualities. *Economy and Society, 31*(2), 194–217.

De Correspondent. (2014). *Website*. Retrieved May 30, 2014, from https://decorrespondent.nl/en

Döpfner, M. (2014): *Why we fear Google*. Retrieved May 30, 2014, from http://www.faz.net/aktuell/feuilleton/debatten/mathias-doepfner-s-open-letter-to-eric-schmidt-12900860.html

Doyle, G. (2013). *Understanding media economics* (2nd ed.). London: Sage.

Eddy, M., & Cottrell, C. (2013). *German politician's remark stirs outcry over sexism*. Retrieved May 30, 2014, from http://www.nytimes.com/2013/01/29/world/europe/29iht-germany29.html?_r=020

Espeland, W. N. (2011). One singular sensation. Review on Lucien Karpik valuing the unique: The economics of singularities. *Socio-Economic Review, 9*, 787–800.

Fourcade, M. (2011). Price and prejudice: On economics and the enchantment (and disenchantment) of nature. In J. Beckert & P. Aspers (Eds.), *The worth of goods. Valuation and pricing in the economy* (pp. 41–62). New York: Oxford University Presse.

Gerhardts, M., & Klingler, W. (2006). Mediennutzung in der Zukunft. *Media Perspektiven, 2*, 75–90.

Giddens, A. (1997). *Die Konstitution der Gesellschaft. Grundzüge einer Theorie der Strukturierung*. Frankfurt a.M.: Campus.

Gossel, B. M. (2014). Entmaterialisierte Medienmärkte. Was wird in Zukunft getauscht? In H. Rau (Ed.), *Digitale Dämmerung*. Baden-Baden: Nomos.

Healy, K. (2011). Judgment and distinction. Review on Lucien Karpik valuing the unique: The economics of singularities. *Socio-Economic Review, 9*, 787–800.

Heilbron, J. (2001). Economic sociology in France. *European Societies, 3*(1), 41–67.

Hess, T. (2007). *Ubiquität, Interaktivität, Konvergenz und die Medienbranche. Ergebnisse des interdisziplinären Forschungsprojektes intermedia*. Göttingen: Universitäts-Verlag.

Hoffmann, M. (2014). *Journalismus—Die neuen Nachrichtenkonkurrenten im Netz*. Retrieved June 04, 2014, from http://www.netzpiloten.de/journalismus-die-neuen-nachrichtenkonkurrenten-im-netz/

Hutter, M. (2011). Mapping a continent—Valuing the Unique: The economics of singularities. Review on Lucien Karpik valuing the unique: The economics of singularities. *Socio-Economic Review, 9*, 787–800.

Jenkins, H. (2003). Quentin Tarantino's Star Wars? Digital cinema, media convergence, and participatory culture. In D. Thorburn & H. Jenkins (Eds.), *Rethinking media change. The aesthetics of transition* (pp. 281–314). Cambridge, MA: The MIT Press.

Junge, M. (2002). *Individualisierung*. Frankfurt a.M.: Campus.

Karpik, L. (1989). L'économie de la qualité. *Revue française de sociologie, 30*(2), 187–210.

Karpik, L. (2010). *Valuing the unique*. Princeton, NJ: Princeton University Press.

Kaspar, C. (2006). *Individualisierung und mobile Dienste am Beispiel der Medienbranche: Ansätze zum Schaffen von Kundenmehrwert*. Göttingen: Universitätsverlag Göttingen.

Kjellberg, H., & Mallard, A. (2013). Valuation studies? Our collective two cents. *Valuation Studies, 1*(1), 11–30.

Kolo, C., & Vogt, P. (2003). Strategies for growth in the media and communication industry: Does size really matter? *The International Journal on Media Management, 5*(4), 251–261.

Krautreporter. (2014). *Website*. Retrieved June 1, 2014, from http://www.krautreporter.de

Lanzolla, G., & Anderson, J. (2008). Digital transformation. *Business Strategy Review, 19*(2), 72–76.

Lee, Y. (2007). Effects of market competition on Taiwan newspaper diversity. *Journal of Media Economics, 20*(2), 139–156.

Loomis, K. D., & Albarran, A. B. (2004). Managing radio market clusters: Orientations of general managers. *Journal of Media Economics, 17*(1), 51–69.

Luhmann, N. (1996). *Die Realität der Massenmedien* (2. erweiterte Auflage). Opladen: Westdeutscher Verlag.

Manduchi, A., & Picard, R. (2009). Circulations, revenues, and profits in a newspaper market with fixed advertising costs. *Journal of Media Economics, 22*(4), 211–238.

Merten, K. (1994). *Konvergenz der deutschen Fernsehprogramme: Eine Langzeituntersuchung 1980–1992*. Münster: Litverlag.

Meyen, M. (2009). Medialisierung. *Medien & Kommunikationswissenschaft, 57*(1), 23–38.

Napoli, P. M. (2012). Audience evolution and the future of audience research. *The International Journal on Media Management, 14*, 79–97.

Nelson-Field, K., & Riebe, E. (2011). The impact of media fragmentation on audience targeting: An empirical generalisation approach. *Journal of Marketing Communications, 17*(1), 51–67.

North, D. C. (1977). Markets and other allocation systems in history: The challenge of Karl Polanyi. *Journal of European Economic History, 6*(3), 703–716.

Oba, G., & Chan-Olmsted, S. M. (2006). Self-dealing or market transaction? An exploratory study of vertical integration in the U.S. television syndication market. *Journal of Media Economics, 19*(2), 99–118.

Perleman, C. (1976). *Logique juridique: Nouvelle rhétorique*. Paris: Dalloz.

Pethig, R. (2003). Massenmedien, Werbung und Märkte. Eine wirtschaftstheoretische Analyse. In K.-D. Altmeppen & M. Karmasin (Eds.), *Medien und Ökonomie. Grundlagen der Medienökonomie: Kommunikations- und Medienwissenschaft, Wirtschaftswissenschaft.* (Band 1/1, pp. 139–186). Opladen: Westdeutscher Verlag.

Quiring, O., & Rauscher, B. (2006). Individualisierung von Medienprodukten—ökonomisches Potenzial versus gesellschaftliche Bedrohung? In M. Friedrichsen, W. Mühl-Benninghaus, & W. Schweiger (Eds.), *Neue Technik, neue Medien, neue Gesellschaft? Ökonomische Herausforderungen der Onlinekommunikation* (pp. 339–364). München: Reinhard Fischer.

Reid, A. (2014). *BBC using WhatsApp and WeChat at Indian elections*. Retrieved June 04, 2014, from http://www.journalism.co.uk/news/bbc-using-whatsapp-and-wechat-at-indian-elections/s2/a556343/

Ritzer, G., & Jurgenson, N. (2010). Production, consumption, prosumption. The nature of capitalism in the age of the digital 'prosumer'. *Journal of Consumer Culture, 10*(1), 13–36.

Rosse, J. N. (1975). Economic limits of press responsibility. *Studies in Industry Economics, 56*, 12–18.

Rössel, J. & Beckert, J. (2012). *Quality classifications in competitions: Price formation in the German wine market*. Max-Planck-Institut für Gesellschaftsforschung Köln. MPIfG Discussion Paper, 12/3.

Schmidt, E. (2014). *A chance for growth*. Retrieved May 30, 2014, from http://www.faz.net/aktuell/feuilleton/debatten/eric-schmidt-about-the-good-things-google-does-a-chance-forgrowth-12887909.html

Seiser, G., & Mader, E. (2006). Theoretische Grundlagen der Ökonomischen Anthropologie. *Online-Lehrbuch zur ökonomischen Anthropologie*. Retrieved May, 28 2015, from http://www.univie.ac.at/ksa/elearning/cp/oeku/theogrundlagen/theogrundlagen-titel.html

Shannon, C. E., & Weaver, W. (1949). *The mathematical theory of communication*. Urbana: University of Illinois Press.

Siegert, G. (2001). Ökonomisierung der Medien aus systemtheoretischer Perspektive. *Medien und Kommunikation, 49*(2), 167–176.

Sjurts, I. (2004). Der Markt wird's schon richten!? Medienprodukte, Medienunternehmen und die Effizienz des Marktprozesses. In K.-D. Altmeppen & M. Karmasin (Eds.), *Medien und Ökonomie. Grundlagen der Medienökonomie: Kommunikations- und Medienwissenschaft, Wirtschaftswissenschaft* (Band 2, pp. 159–182). Opladen: Westdeutscher Verlag.

Smelser, N., & Swedberg, R. (2005). Introducing economic sociology. In N. Smelser & R. Swedberg (Eds.), *The handbook of economic sociology* (2nd ed., pp. 3–25). Princeton: Princeton University Press.

Stein, S. (2011). Das Potenzial individualisierbarer Reiseführer: Eine Untersuchung von Gestaltungs- und Positionierungsmöglichkeiten individualisierbarer Reiseführer mit Hilfe mobiler Dienste. Stuttgart: Hochschule der Medien. Retrieved June 6, 2014, from https://www.hdm-stuttgart.de/mp/stuttgarter_beitraege/198/volltext.pdf

Theis-Berglmair, A.-M. (2000). Aufmerksamkeit und Geld, schenken und zahlen. Zum Verhältnis von Publizistik und Wirtschaft in einer Kommunikationsgesellschaft—Konsequenzen für die Medienökonomie. *Publizistik, 45*(3), 310–329.

van der Wurff, R. (2005). Business magazine market performance: Magazines for the agricultural, business services, and transportation sectors in the Netherlands. *Journal of Media Economics, 18*(2), 143–159.

van Kranenburg, H. (2002). Mobility and market structure in the Dutch Daily Newspaper market segments. *Journal of Media Economics, 15*(2), 107–123.

Vatin, F. (2013). Valuation as evaluating and valorizing. *Valuation Studies, 1*(1), 31–50.

Retrieved June 6, 2014, from http://vivaldipartners.com/pdf/SC2012_report%20summary.pdf

Vukanovic, Z. (2009). Global paradigm shift: Strategic management of new and digital media in new and digital economics. *The International Journal on Media Management, 2*, 81–90.

Walls, W. D., & McKenzie, J. (2012). The changing role of Hollywood in the global movie market. *Journal of Media Economics, 25*(4), 198–219.

Wang, X., & Waterman, D. (2011). Market size, preference externalities, and the availability of Foreign Language Radio Programming in the United States. *Journal of Media Economics, 24*(2), 111–131.

Webster, J., & Ksiazek, T. B. (2012). The dynamics of audience fragmentation: Public attention in an age of digital media. *Journal of Communication, 62*, 39–56.

Wieland, D. (2004). *Die Grenzen der Individualisierung: Sozialstrukturanalyse zwischen objektivem Sein und subjektivem Bewusstsein*. Opladen: Leske + Budrich.

Wirtz, B. W. (2005). *Medien- und Internetmanagement*. Wiesbaden: Gabler.

Will, A., Gossel, B. M., & Brüntje, D. (2013). *Breaking off common assumptions on media markets. Theoretical consequences from digital transformation*. Paper presented at EMMA Conference 2013, Bournemouth.

Wolling, J. (2009). Individualisierung der Mediennutzung. Perspektiven der Forschung. In H.-P. Schade, E. Schön, H. Walterscheid, & J. Wolling (Eds.), *Individualisierte Nutzung der Medien* (pp. 7–18). Tagungsband Medienforum Ilmenau.

Part II

Cultures and Organizations: Structures, Actions and Values in Media Companies

Values as Input and Values as Output: The True Challenge for Media Companies

Christian Scholz

Values in the sense of economic measures as well as in the sense of organizational culture play an important role in everyday life. And they play an even more important role for media companies, since—to make a long story short—they produce, at the end of the day, both economic and cultural values: Economic values are both drivers and restraints for cultural values—and the other way around.

This brief description illustrates not only the undisputed relevance of values—not to say, the value of values. It also leaves us with the feeling that values flow around and are almost everywhere, even though quite often rather implicit. From here I come to the purpose of this chapter: At the beginning, I will look at these flowing values and try to systematize them. For this, I will use an existing framework of mine and extend it to a suggestion for a new Input-Output-Value-Framework for media companies. Fortunately, there is already some theoretical research in that field, which can be applied. Then, I will present three examples from the German media scene. Lacking a large database on cultural values in the media industry, this section basically uses an ethnographical approach. At the end and, not untypical for an academic paper, I will condense the findings into several propositions and new questions, hopefully precise and challenging enough to be answered by academia and maybe even considered worth thinking about by media companies.

1 Theoretical Framework

To get started, a framework shall be used, which deals with both media products and media companies (Scholz, 2006, 2008). It differentiates between three effects (see Fig. 1): creating reality, creating markets, and creating value(s).

C. Scholz (✉)
Universität des Saarlandes, Saarbrücken, Germany
e-mail: scholz@orga.uni-sb.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_7

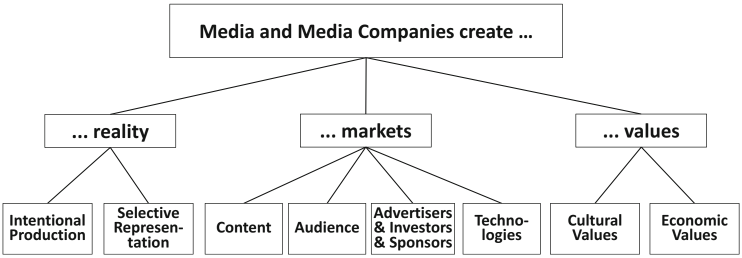

Fig. 1 The three effects of media. Source: Scholz (2006)

2 Media and Media Companies Create Reality

It is a common wisdom that media construct reality (derived from Berger & Luckmann, 1966). Creating reality means that perceptions occur in the brain during social interactions and shape reality (e.g. Luhmann, 2003). Reality is what media tell us about it. And what media don't tell us about does not exist. Media are highly capable of influencing the creation of the reality of their media consumers. Basically, there are two alternatives in creating reality (Weber, 2002) and both ways are important for the media:

- **Intentional production**. On one side, we have the constructivist way of thinking, in which reality is totally created in the mind of a person. In that case reality is an intentional production. This paradigm leads us to an approach in which media totally and on purpose create reality: Not what physically exists, but what the media tell us exists in reality. There is no "beyond" the media reality (Bolz, 2004). Even fairy tales become real and control people's behaviour. Stories about IPOs, about people, about products are simply made up, but later—since we all believe in them—become reality.
- **Selective representation**. On the other side, we see perceptions, which lead to different realities. Here we get reality as a selective representation. This paradigm is about projecting a selective segment of reality, more or less like presenting something just through a small window. Reality is shaped by the selection and amount of information that is shared. The recipient will achieve a reality that is not "wrong," but only a part of the truth and therefore selective.

"Media (companies) create reality" is a simple sentence at the beginning of many articles and books about media. However, dealing with that from a media management standpoint requires an in-depth-understanding of that phenomenon as well as the drivers behind it. Constructivism is not new, neither is the idea of creating reality as being part of producing media. But of interest to us are questions such as why reality is constructed, what the goals of altering reality are, and whether those changes are unintentional or intentional, going along with or without personal benefit.

2.1 Media and Media Companies Create Markets

Literature tells us that market places need information to function in an efficient way (Beck, 2006; Steinfield, Kraut, & Chan, 1998). Such information is distributed by the means of media. Information sharing is nowadays highly influenced through the Internet and media companies. This new technology increases the speed and efficiency of business transactions and processes: Using the internet, companies benefit from a reduction of transaction costs. This effect will attract competitive advantage. In addition, the internet-economy leads to new markets by the creation of global marketplaces.

There are mainly four markets, where media companies compete:

- **Content**. Everything that could be spread in any way to the recipient is handled in that market, like news, pictures, artists, hosts, scripts, movie licenses and so on.
- **Audience**. This is where media companies battle and try to win the attention of viewer, listener and reader and to sell content. Mostly it is about scope, sold (and read) editions and rates—basically aims in market positioning and market share.
- **Advertisers & Investors & Sponsors**. A growing number of media and media companies as well as an increase in the available media range does not necessarily mean that advertisers, investors and other kinds of sponsors increase their budgets. Furthermore, due to digitalization the entrance barriers for media companies fighting for these budgets sink. Therefore, competition in this market increases dramatically.
- **Technologies**. Currently the competition about new technologies is not always about the best technologies, but more about technologies that are economically justifiable.

The creation of markets could be a result of a strategic planning process. In that case, we would work according to Porter (2001). However, we do not just have the explicit strategies in the style of Porter. We also have what Mintzberg (1994, pp. 23–25) calls emergent strategies, which are implicit, but powerful.

2.2 Media and Media Companies Create Value(s)

Values relate to cognitive schemes in terms of norms and values, and to economic outcomes. These two aspects of values stand in an interesting relation to each other, which makes it complicated but worthwhile to deal with them.

- **Cultural values**. Organizational behaviour is directed by explicit and implicit norms. These norms act as social glue (Schein, 1992), which brings the members of the group together and leads them in the same direction (Hofstede, 1980). Usually it is helpful to understand organizational culture as a system of three levels, starting from the level of basic assumptions, passing the level of norms and going to the level of artefacts (Schein, 1992). Values affect the discussion about ethical and quality standards in journalism as well as the function of mass media as cultural asset, its teaching aspects and its benefits for a democratic and liberal society. This process of the creation of values is done both intentionally and unintentionally.
- **Economic values**. Where and how do media (companies) create economic values? This is the ultimate question from a management perspective. Using the concept of the value chain as suggested by Porter (1985), we have to make a clear distinction between primary activities and secondary activities. There are already some "media value chains" like the "multimedia-value chain" of Zerdick et al. (2001) or the value chain of libraries from Wang (2013). The primary activities relate to the economic value, which is created by producing and selling media products along the complete value chain. The secondary activities basically support other steps of value creations. Here we use media as an enabler for other tasks.

Even though corporate culture is easily related to ethical standards, especially for the media industry it is necessary to keep in mind that we have to deal both with cultural values and with economic values. This sounds rather trivial. However, understanding the relationship between both elements through a long-range perspective is the real secret behind successful media management.

3 Going beyond the Framework

Taking the basic framework (Fig. 1), we now have to look at the values and at the three effects. Here we have a first and obvious answer: We see values definitely as an output in the sense that the media create values. But we have much more.

3.1 Values and Creating Reality

Going back to the effect "creating reality", this process is also guided by values. Both, the intentional production and the selective representation of reality require economic value as an explicit or implicit decision rule. Even more importantly: "Creating reality" works with cultural values as guiding beliefs, which then support the constructivist creation of reality. This relates not only to media companies but also to the public and the society by finding and developing the "right" and coherent culture and by influencing the culture of the society.

As to values as output, there is a slight difference between the two types of reality to be created:

- **Intentional production**. In this paradigm, our values create a broad picture of something. That means our values basically translate into the vision of the media company.
- **Selective representation**. This paradigm, with its selective segments of reality, leads us to certain areas of interest. Here our values translate into more or less specific targets.

When dealing with "creating reality", both values as input and values as output are not always evident. Journalists are guided by their individual value system, regardless of whether they recognise it and regardless of whether that is a good idea or not. Using the value system of the radical free market and using the value system of "helping the underprivileged" leads to the creation of totally different realities both for intentional production and selective representation. For that reason, this connection between values and journalism appears to be a rather important issue: Can or should Journalism ever be neutral?

The same holds true for television companies: CNN uses a different value system compared to Russia Today (RT), and it produces different values. However, there could be journalists working for both, as does Larry King. And we will have journalists who do their job on a "professional" basis and work for whoever pays best. They could work for several media companies, but also—as Stefan Baron did—start at the *Wirtschaftswoche* (translated: "Economy Week") in Germany as a journalist and then move to the Deutsche Bank, where he got the position of the company spokesman.

3.2 Values and Creating Markets

A similar logic holds true for the creation of markets: This process is also guided by both economic and cultural values, which tell companies what kinds of markets should be created. These two "streams" of values do not necessarily have to flow in the same direction, since explicit monetary values might lead in one direction, while the (implicit) cultural values might lead in another one.

This dilemma of non-parallel streams of values is reflected in all four markets:

- **Content**. Here the values as output basically may be recognized in the topics to be covered.
- **Audience**. Starting with the fight for audience, media companies also have customers, e.g., companies using corporate publishing services. Here the question is: For whom to work? And eventually this translates into the definition of the products to sell. Again, this is not trivial, when an alternative magazine with "high social values" simultaneously produces brochures for pharmaceutical companies or hedge funds.

- **Advertisers & Investors & Sponsors**. Here we have a similar story dealing, in particular, with advertising. Should a newspaper run an ad for a product or a company it otherwise rejects for value reasons?
- **Technologies.** This is an area one would not look for values. However, considering all the analytics connected with big data, media companies must decide whether their specific value system prevents them from using analytics, which may cross the line of their data privacy understanding.

In summary, both economic and cultural values influence the creation of these markets and, in the end, the creation of topics, products, advertising, and analytics.

3.3 Values and Creating Values

This last point comes as a plausible consequence. There is just one small distinction:

- **Economic values**. They exist on a rather abstract level in many discussions within media companies. However, the real formulation of specific business models with real connections to the monetary outcome very seldom takes place. Here, the magic of journalism and the fascination of technology too often win over the apparently boring crunching of hard numbers and the economic rigor necessary to understand the financial impact of the activities of media companies.
- **Cultural values**. Media companies more than most other organizations (except maybe the Catholic church) stress the fact that they deal with values. However, it is not always their real values that are communicated to the audiences.

Finally, it all therefore comes down to the audience (Fig. 2).

3.4 Connecting Effects by Values

However, the three effects from the basic framework are not isolated: The values derived as an output from creating reality lead as an input to creation of markets. And in the same way, the output from creating markets acts as an input into the creation of values. Beyond the separate dimensions, we can see, that everything is connected, so that the influence of the values resembles a "flow."

When looking at Fig. 3, we see a lot of values, both monetary and cultural, floating around. While the monetary values usually can be handled using instruments such as a media value chain (Krishna, Nath, & Johnson, 2011), dealing with cultural values is more of a problem. Here we come back to the old concept of strategic fit (Scholz, 1989): This concept basically tells us that the elements do not need to be identical, but they must fit to each other. For instance, a "professional value set" in the mind of a journalist without any political preoccupation could fit

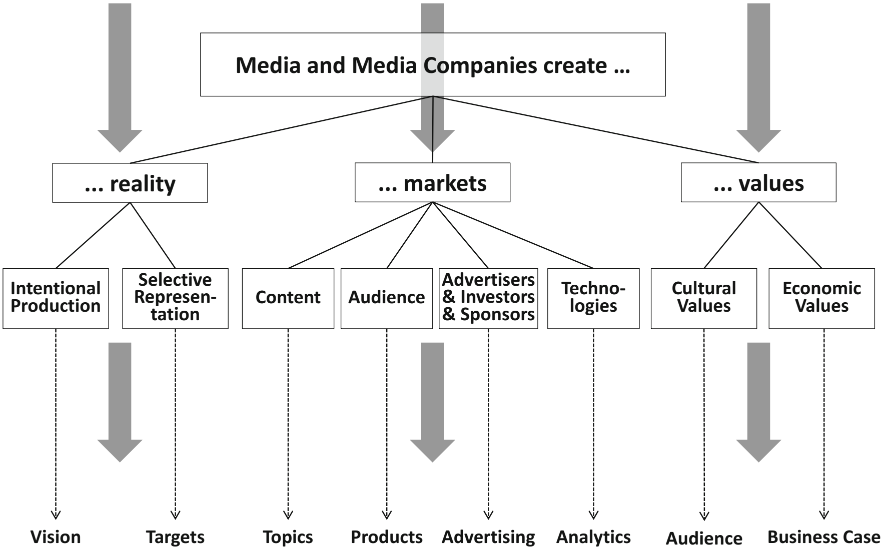

Fig. 2 The extended framework. Source: Extended from Scholz (2006)

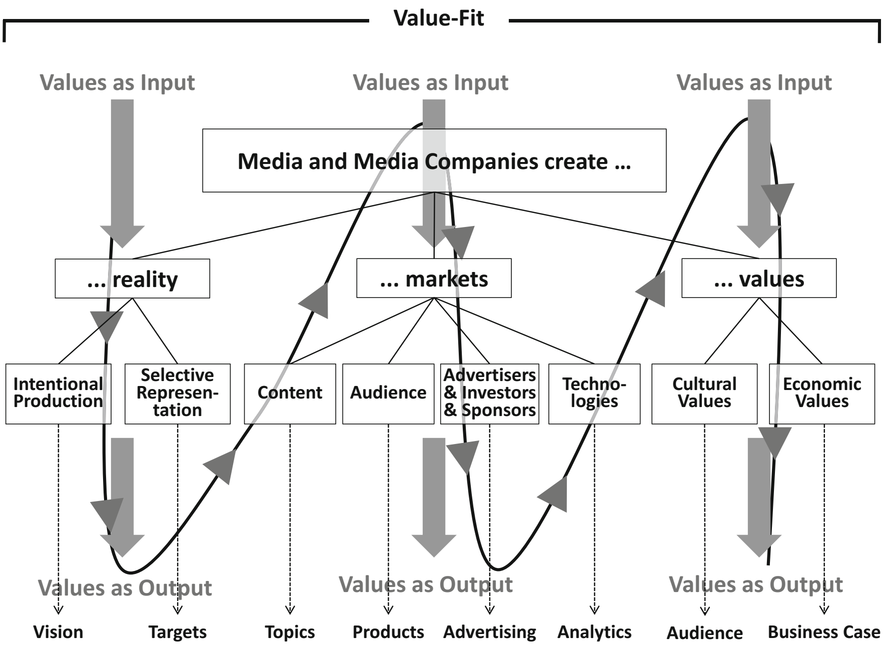

Fig. 3 The final Input-Output-Value-Framework for Media Companies. Source: Extended from Scholz (2006)

both to CNN and RT. However, the concept of strategic fit also extends itself to the audience: In that case, the value system of the journalist does not need to be in accordance with the value set of the audience, but the values promoted through the media product have to fit. Taking, for instance, Generation Z (Scholz, 2014) with a value set close to Pippi Longstocking, the journalist could be a baby-boomer with totally different values. As long as the journalist keeps his or her value set out of the content and produces articles following the Pippi-Longstocking-Culture, it might work. However, as soon the journalist lets his or her set of values influence content, the clash will come—and eventually the monetary value will disappear.

4 Looking at three Examples

Die Frankfurter Allgemeine Zeitung (*FAZ*) belongs to one of the few successful daily newspapers in all of Germany. Founded in 1949 and having a circulation of around 300,000 copies, the paper is positioned “in the middle” of the political spectrum. The *FAZ* displays a very consistent picture of reality, giving the impression of a clear cut set of values, which are basically the values of the “Western World”. At this point, a discussion about values originates. Of course, there are many different ways to look at the *FAZ*. However, one really interesting view is the story of Udo Ulfkotte, who used to work for the *FAZ*. In his book (2014), he explains why and how the *FAZ* spins stories extremely positive towards the United States and critical towards eastern parts of the world. Being part of a huge network that includes prominent organizations and prominent people, a specific and very consistent picture originates. If his description is true, we see the whole line starting from creating reality (basically selective representation), to content (specific articles) addressing specific audiences, getting specific advertisers and sponsors. At the end, we get economic values (for the newspapers and the journalists who seem to live a great life) and a consequent promotion of a clear-cut set of “Western Values”. This hypothesis from Udo Ulfkotte is quite accepted itself on the book market: His book, at the time this chapter was written, was the No. 1 book on German Amazon for “Journalism” as well as for “Media”. Similar discussions recently emerged in the Ukraine-Conflict, where Western media outlets were accused of selective journalism and Eastern media were also accused of selective journalism.

The second case that displays a perfect value-fit is the monthly magazine for Human Resource (HR) professionals named *Personalwirtschaft,* with a circulation of around 4000. Thinking about the value concepts of media (Larivière et al., 2013, pp. 271–279) and contrary to belief that related to its readers, successful media make them talk or make them smart, it simply tries to make the audience happy by reading the magazine. It even created officially its claim “We make HR-people happy”. What sounds like a rather trivial marketing message, translates perfectly into the competitive strategy of the magazine. It begins with a deep understanding of the audience: HR-people often get criticised in companies for being reactive, not strategic and not in a position of contributing to the success of the company. Therefore, the *Personalwirtschaft* stays away from all negative issues relating to the role of HR-people and basically tells them that everything is just fine or, even more, is absolutely great. Most articles come from a small set of journalists, who promote this message, badly seeked for by HR-professionals. HR-people sometimes have the feeling that they lack a real professional set of skills. To reduce this cognitive dissonance, *Personalwirtschaft* stays away from any complicated or "academic" lecturing. Following this logic, *Personalwirtschaft* promotes a simple claim: HR just needs a gut feeling and definitely not sophisticated concepts, such as those used in marketing, accounting, or IT. It is easy to understand that this also makes the audience happy. These and many more well-designed approaches to "make them happy" in the end also make the *Personalwirtschaft* happy by making it one of the most successful HR-magazines in Germany.

The third example is *brand eins*. Founded in 1999, it reached a circulation (2014) of around 100,000. As a monthly magazine, it tries to combine quality journalism with a glossy-style-layout. Basically run by baby boomers with their particular lifestyle and following the values of that generation, this magazine has a strong ideology dealing with ethics and justice. It celebrates a small online-store that wins against Amazon. It praises work-life-balance. And it brings beautifully crafted feature stories of people who found happiness by being good: If a company or a manager makes *brand eins* produce such a feature story without any investigative reporting and without any hard news, these persons immediately move into the small and superior group of the good guys. However, this high level of cultural norms that *brand eins* and its editor promote has to get financed. And this means that *brand eins* apparently has to act contrary to its own value sets by being very active in what they call "corporate publishing". For instance, *brand eins* produced magazines for the consultant company *McKinsey* and magazines that connect companies such as the coffee-brand Tchibo to the label "sustainability". In 2014 *brand eins* started even a bigger business: Each year *brand eins* publishes one special magazine on consulting companies and one on marketing/communication agencies, naming several hundreds of "excellent" companies. For the price of several thousand euros, these companies are allowed to use the excellence-label from *brand eins* for one year.

These three examples look quite different. However, they have one thing in common: They all deal with extremely successful companies who build their success on a deep understanding of the complex nature of connected realities, markets and values. At the end, in all of these cases the audience sees only specific well designed realities, is moved into well designed markets, and pays for well designed cultural values, not always representing the true values of the media company.

5 Raising Questions

There is a huge amount of literature dealing with media products, media selection, winning and keeping audiences, and media technologies. This raises a simple question: Are these topics connected not only to economic values, but also to cultural values? If so, what are the implicit/explicit consequences of that? Could it be that the economic performance of the company is related to the implicit set of values, too?

We see the creation of market to be well supported by many empirical works. However, even though there is research dealing with *what* strategies are chosen, there is not much research on the question of *why* these strategies are selected and what factors influenced the process of strategy formulation and strategy implementation. Are those economic factors dominating cultural factors, or are they the only relevant factors? Emergent strategies seem particularly undeciphered.

All this would lead, among other things, to whole new lines of research. One example: How does the success of a media company depend on the fit between its strategy and the values of its employees? If there is causality, this must also trigger new activities related to recruiting and motivating. We could even think about either designing the media strategy according to the value systems of the employees or trying to influence those value systems. Or does the success of a media company depend just on the fit between the pretended values and the values of its audience?

Media products are what media companies make—and, conversely, media products create media companies. Therefore, values are the input for what media companies are doing—and at the same time they represent an output, since every media product promotes specific values, open or covertly and intentionally or unintentionally. And sometimes, by the sheer capitalistic desire for money, media companies create realities purely for that reason and contrary to their espoused values.

References

Beck, H. (2006). Medienökonomie. Märkte, Besonderheiten und Wettbewerb. In C. Scholz (Ed.), *Handbuch Medienmanagement* (pp. 221–237). Berlin-Heidelberg-New York: Springer.

Berger, P., & Luckmann, T. (1966). *The social construction of reality. A treatise in the sociology of knowledge*. Garden City, New York: Anchor Books.

Bolz, N. (2004). Philosoph und Medientheoretiker Norbert Bolz über die Grenzen der Mediengesellschaft (Interview). *Medienmagazin COVER, 4*(fall/winter), 86–89.

Hofstede, G. (1980). *Culture's consequences. International differences in work-related values*. Beverly Hills: Sage.

Krishna, M., Nath, V., & Johnson, L. (2011). *The digital media value chain: A path to content monetization*. Mountain View, CA: Frost & Sullivan.

Larivière, B., Joosten, H., Malthouse, E. C., van Birgelen, M., Aksoy, P., Kunz, W. H., et al. (2013). Value fusion: The blending of consumer and firm value in the distinct context of mobile technologies and social media. *Journal of Service Management, 24*(3), 268–293.

Luhmann, N. (2003). *The reality of the mass media*. Cambridge: Polity Press.

Mintzberg, H. (1994). *The rise and fall of strategic planning*. New York: Free Press.

Porter, M. E. (1985). *Competitive advantage. Creating and sustaining superior performance*. New York: Free Press.

Porter, M. E. (2001). Strategy and the internet. *Harvard Business Review, 79*(3), 63–78.

Schein, E. (1992). *Organizational culture and leadership. A dynamic view* (2nd ed.). San Francisco: Jossey-Bass.

Scholz, C. (1989). Corporate culture and strategy. The problem of strategic fit. *Long Range Planning, 20*(4), 78–87.

Scholz, C. (2006). Medienmanagement. Herausforderungen, Notwendigkeit und ein Bezugsrahmen. In C. Scholz (Ed.), *Handbuch Medienmanagement* (pp. 11–71). Berlin-Heidelberg-New York: Springer.

Scholz, C. (2008). Successful strategic management? A proposed framework. In C. Scholz & U. Eisenbeis (Eds.), *Looking to the future of modern media management* (pp. 139–147). Lissabon: Formalpress.

Scholz, C. (2014). *Generation Z. Wie sie tickt, was sie verändert und warum sie uns alle ansteckt*. Weinheim: Wiley-VCH.

Steinfield, C., Kraut, R., & Chan, A. (1998). The impact of interorganizational networks on buyer-seller relationships. In C. T. Romm & F. Sudweeks (Eds.), *Doing business electronically* (pp. 7–26). London: Springer.

Ulfkotte, U. (2014). *Gekaufte Journalisten. Wie Politiker, Geheimdienste und Hochfinanz Deutschlands Massenmedien lenken*. Rottenburg am Neckar: Kopp.

Wang, Z. (2013). Co-curation: New strategies, roles, services, and opportunities for libraries in the post-web era and the digital media context. *International Journal of Libraries & Information Services, 63*(2), 71–86.

Weber, S. (2002). Was heißt "Medien konstruieren Wirklichkeit?" Von einem ontologischen zu einem empirischen Verständnis von Konstruktion. *Medienimpulse, 40*, 11–16.

Zerdick, A., Schrape, K., Artope, A., Goldhammer, K., Heger, D. K., Lange, U., et al. (2001). *Die Internet-Ökonomie. Strategien für die digitale Wirtschaft*. Berlin-Heidelberg-New York: Springer.

Creating Innovative News: The Values of Future Newsroom Managers

George Sylvie

As American newspapers slowly emerge from a period of declining revenue and much debate about the sustainability of varying business models (e.g., Boczkowski & Mitchelstein, 2013), media management scholars have shifted from describing the demise (e.g., Herndon, 2012) to developing—or at least, spotlighting—possible solutions.

A recent study of trade reports about entrepreneurial journalism revealed acceptance but trepidation about journalists' capability to divorce business from professionalism, as well as about transferring part of the publisher's role to the editor (Vos & Singer, 2014). This confirms the need for a new framework that newspaper editors and station managers can apply to decision-making (Sylvie, 2012) as well as for "a process-oriented supervisory practice that. . .will require rethinking and refashioning of the reporting position with an eye toward creating new value" (266).

Here I elaborate on some of the desirable characteristics of this process, particularly pertaining to the role and values of the editor/manager. Rethinking the news value chain (Sylvie, 2012) obviously leads to partly re-examining the newsroom and wholly deconstructing the reporting process. Although not usually viewed as such, newsrooms constantly work to understand other firms (most notably, government institutions) to have access to those firms' information resources, employee networking systems, production procedures and sense of constancy. But rules of objectivity and professionalism prevent most journalists and editors from considering working too deeply or intricately with those firms (Sylvie & Witherspoon, 2002); only because of the recent impact of convergence have they considered competitors.

Today's convergent, digital business atmosphere requires firms to manage at different levels (Zott et al., 2010), including appraising prospects and risks (Adner, 2006),

G. Sylvie (✉)
University of Texas, Austin, TX, USA
e-mail: g.sylvie@utexas.edu

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_8

assessing how competitors, audiences, and advertisers alike generate and achieve value (Zott et al., 2010) and considering ideas from outside and inside (Adner, 2006). For generators of information, using the newsroom's experiences and interaction with other organizations to create knowledge makes sense (Choo, 2006). Leveraging such knowledge requires an active editor, and many newsroom attempts have failed (Sylvie, 2012: 84), thanks largely to newsroom culture (e.g., Singer, 2011) and management-labor conflict (Mierzejewska & Hollifield, 2006: 48). But timing may now hasten "organized professionalism" (Noordegraaf, 2011), which helps professionals expand their profession's "normative shortcomings" (1357), using uncertainty and new risks to facilitate re-organization.

Picard recommended developing "additional values as foundations to produce value" (2006: 89). Trade and academic journals feature cases of such activity (e.g., Groves & Brown, 2011; Lail, 2010; Weiss, 2008; Schmitz Weiss & Domingo, 2010), despite doubts (Banaszynski, 2006; McLellan & Porter, 2007) and contrary evidence (Sylvie & Moon, 2007). This chapter will explore potential approaches or "values" that editors might regard.

1 Networking and Editing: Connective Organizational Forms

A well-respected U.S. college text urges reporting students to "find and use the best editor you can" (Stepp, 2007: 203), recognizing that good reporters learn the competitive newsroom advantage of associating with editors, who become the reporters' personal monitors, motivators and cheerleaders; thus networking underlies reporting and editing. Editors partner with reporters in story development, which produces stress but also constitutes collaboration (Giles, 1988). Taking Noordegraaf's (2011) argument that industrial, environmental changes have forced professions to consider developing new organizational capacities, "preferences," values and standards; as such, I propose adding another, more practical reporting and editing dimension.

Redefining News As always, editors must try to influence how journalists think of news and technology. Because editors used the potential career lift provided by convergence to persuade newsrooms to join the movement toward convergence (Singer, 2004), a similar move wouldn't surprise reporters. Sylvie and Moon (2007), analyzing newsroom management change framing, noted that although management could not ignore newsroom culture (115), revolutionary changes in audience tastes call for a more systemic, structural approach than simple messaging. As scholars noted (e.g., Achtenhagen & Raviola, 2007), newspapers' recent weak financial performances make this an opportune time for change (139). Newspapers should rethink resources and routines facilitating "one-way" thinking (Hampden-Turner, 1990) and inert behavior (Gilbert, 2005)—a correction that many developed industries perform in enhancing value creation (Michel, 2014;

Rohrbeck, Günzel & Uliyanova, 2012). No rule forbids such adjustment in newsrooms.

In fact, precursors for such journalistic, organized action exist. In Finland (and as in many convergence-centric efforts), e.g., many newsrooms eliminated specialized reporting ranks and created teams (Nikunen, 2013), but not without dissension (875–879). Local U.S. newspapers have organizationally experimented as well; e.g., a Connecticut daily paper invited citizens to attend (or watch via online streaming) story development conferences (DeRienzo, 2011), yielding erratic participation and minimal disruption of newsroom routine (Batsell, 2015). A more visible change occurred when print and online staffs merged in several newsrooms, with varying results. But amid concerns about revenue from online models being insufficient or sustainable in supporting teams (Ortolani, 2013), such moves generally require more flexibility of the remaining journalists (Paulussen, 2012) and have not changed—notwithstanding new software and publishing platforms juggled with increased duties—core journalism methods (197–199). So, as some European news media discovered (García-Avilés, Meier, Kaltenbrunner, Carvajal, & Kraus, 2009; García-Avilés, Kaltenbrunner, & Meier, 2014; Larrondo, Domingo, Erdal, Masip, & Van den Bulck, 2014), convergence seems more digitization and modernized content production—guided by journalism; a sort of "journalism-minded restructuring," than change.

If editors are to add value for newspapers, they will need more. While recent changes have blurred boundaries between journalists and audiences, slightly reformed journalism job descriptions to include more tasks, and prompted newsrooms to welcome multi-platform journalism, journalism has changed little (Deuze, 2008). We've arrived at whether to save journalism or change its *form and functions* (Picard, 2014). The chapter advocates the latter: Editors must restructure the work environment, beginning with reporters—editors' usual subordinates and closest newsroom kin. In doing so, redefining news becomes intertwined with negotiating the dual ideas of ecosystems and networking.

News, Networks, and Ecosystems "Business ecosystems" emerged as a systematic strategy adopted when several companies coalesce around an innovation, simultaneously banding and vying "to support new products, satisfy customer needs, and eventually incorporate the next round of innovations," but in a more structured than unstructured way (Moore, 1993: 76). Members possess unique resources, each using its distinctive market to make an inimitable impact. Various networks ["inter-organizational relationships (Chan-Olmsted, 2006a: 169)], by comparison, have complex interrelationships, forming an ecosystem. For example, one ecosystem encompasses newspapers, television networks, cellphone companies, computer chip manufacturers, Google, software firms, and the like.

Networks and media managers often collaborate to provide media with cost advantages, expanded central skills, and better product devotion (Chan-Olmsted, 2006a: 170) and concurrently access markets, technology, and information (Chan-Olmsted, 2006b: 255–256). Because companies network to gain competitive advantage (Porter, 1985), convergence assumes this role, as well as that of value creation

(Rolland, 2003). But a company's *ecosystem location*—e.g., being upstream or downstream—also indirectly shapes how it creates value (Adner & Kapoor, 2010; Wirtz, 1999). Too, today's industry-blending requires news media to alter their strategic conduct—and thus organizational structure and managerial decision-making—if they want to seize basic value from, e.g., mobile news. While full, newsroom-aided ecosystemic power seems doubtful, newsrooms retain some influence because of their role's potential.

An ecosystem comprises numerous industry networks, all having equally reliant companies, merchandise, and means—intermingling and producing results but with no direct power: yet evolving, growing, or declining. Too, while some members dwarf others, still others play key roles or provide special tasks (Iansiti & Levien, 2004: 76). So news media epitomize niche participants because of their highly focused capabilities; and because they do not provide most of the technological value creation and innovation, they yet can distinguish their content from that of others (77). And many newsrooms have the capacity to access other ecosystem members' matching resources (Iyer et al., 2006: 42)—awareness of the others' networking systems, organizations, and missions vis-à-vis evolving business models—via their reporters, who also could perform the needed business environment reviews (Adner, 2006). Such capabilities mirror Choo's (2006) notion of an information-based idea of organizations, which—when drawn upon—could create a capable "knowledge organization" (Sylvie & Witherspoon, 2002: 31).

But convergence has thus far challenged newsrooms' capability to fruitfully control such knowledge. Convergent journalism has produced only short-term mutual aid in several newsrooms, and few partnerships (those barely approach the marketing level or have limited value) (Thornton & Keith, 2009; Ketterer et al., 2004). New media have met with resistance (Raviola & Gade, 2009) and struggle (Singer, 2004), as have bids to assimilate social media and citizen journalism (McClure & Middleberg, 2009).

Aside from the more obvious economic rationale and the production opportunities and turmoil of convergence, the foremost concern of convergence remains production and distribution. But new networking ecosystems often require more; they oblige new methods of labor, because changing reader behavior means no longer viewing journalism as a product or "content" (Jarvis, 2014). Rather, journalism must require new kinds of interactions—beyond the traditional reporter-source exchanges—toward what Noordegraaf (2011) called "connective organizational forms" (1364).

In essence, editors need to re-design reporting positions, retraining reporters to favor new standards of professionalism. When Mintzberg (1997) examined common hospital problems, he discovered four "worlds"—physicians, nurses, managers, and trustees board—representing the institution's four disconnected mindsets, respectively, of "cure, care, control and community" (9). Using Mintzberg's approach, editors and reporters are the nurses and physicians of the newspaper world, together reacting to professional constraints and technical rules. Separately, editors largely work within the organization, while reporters only occasionally do so. Simultaneously, editors commit more to organizational goals and procedures, as well as more consistently to readers. Remaining managers—publishers, and directors of the non-newsroom departments—make up the other "internal," managerial world of control, while the corporate board comprises the other "external," community world. These four worlds split by function occasionally unite in purpose—and still underserve their audience, battling themselves in the name of informing the reader.

As Mintzberg noted, certain businesses believe—incorrectly—that appropriate administrative instruction prepares employees to manage (1997). Let's include newspaper newsrooms because editors initially start as reporters and as such they—except for observations—receive little training to become an editor (Giles, 1988; Sessions Stepp, 1989). Promotions require recommendations and testimonials, not proficiency. Thus, editing basically consists of multiple tasks that facilitate the guidance and productivity of reporters: helping, cajoling, motivating, and—of course—editing them as they gather information and relay it in acceptable fashion to readers (Banaszynski, 2006). So whereas editors' titular mission remains "reader ambassador," yet they promulgate the journalistic credo that puts readers' civic needs above readers' non-civic wants.

To more effectively connect civic and non-civic content, editors must integrate reporting and editing energies. Glouberman's and Mintzberg's (2001) more detailed hospital analysis suggests linkages exist in a loyalty to the greater good, a need to learn, and a drive to diagnose vital conditions. Imagine those critical times—war, disease, tragedy, or upheaval—that unite a group. Such settings prompt editors and reporters to combine intellectual resources and cooperate, although rarely—suggesting a need for more fundamental, permanent and structural action. It won't easily happen unless editors consider establishing new standards for what constitutes acceptable journalism.

Journalists and newsrooms don't own journalism (e.g., Picard, 2014). As a *public* service, journalism should allow citizen input; journalists alone can't cover all issues and events. But because journalists constitute the only full-time labor force devoted to news, the public's next best hope would be for journalists—starting with those who set the journalistic agenda and define the originating reporting task—to redefine journalism. As job design represents a principally basic managerial function, editors' choice of how to engineer and produce journalism is clear, although perhaps thankless, since journalists—as professionals—are fairly entrenched and become annoyed at this action (Noordegraaf, 2011; Sylvie & Witherspoon, 2002). But newspaper management usually triumphs (Sylvie & Moon, 2007), partly because journalists typically succumb to business directives if threatened with unemployment. As jobs can be specialized in terms of scope and depth (Mintzberg, 1983), editors need to carefully consider revamping both: enlarging the definition of reporting in terms of types of sources, as well as in news criteria, values and elements; and, more importantly, indoctrinating and training journalists in the new standard.

As to how editors then must define journalism, newsrooms daily wrestle with the question. But I am convinced—as are others (e.g., Jarvis, 2011b)—that journalism isn't solely what editors and reporters outline it as. The two groups have to concede that first, journalism is what the public finds interesting, regardless of importance. As performed by journalists, however, journalism includes the factors of

Table 1 Skills that editors must redefine

Gathering information
Suggesting and developing story ideas
Community awareness
Judgment
Research
Source usage
News of minorities
Approach to routine assignments
Working with editors
Keeping editors informed
Feedback usage
Public contact
Content
Awareness of the news

non-partisanship, verification, and context. The key will come when editors and journalists find an organized, structured way to perform the "interesting" aspect.

Not that newspapers haven't tried or stopped trying: restructuring newsrooms (e.g., Day, 2010); adding considerable planning lead times (Giner, 2013) and public collaborative roles (Jarvis, 2011a); developing undeveloped audiences (Mutter, 2013); establishing new skill sets for editors (Connor, 2012); incorporating social media (DeMers, 2013); mechanizing some journalistic functions (Ellis, 2010); reducing personnel and publishing less often (Kirkland, 2014); and promoting research-based story ideas (Mecklin, 2010), among certain efforts. Some editors have simply added bravery and openness to their repertoire (Bennett, 2012). The definitive answer must include training (Mintzberg, 1983: 39–41).

Delivering the Goods I am not suggesting additional multimedia platforms, the development of which continues. And rather than attack such current favorite journalist tools as investigative reporting, narrative storytelling, or hyperlocal reporting, this section suggests that in addition to interacting with reporters in such a way that reporters naturally and trustingly see and accept the training, editors also must change and re-standardize journalism skills in certain, key areas (Giles, 1988: 679–671). The volume's time and space limits permit only a listing of the primary skills, which appear in Table 1.

Such redefinitions will help editors to decrease extant content inconsistencies (in what audiences and journalists consider news and how journalists would display and promote news) and achieve maximum coordination—the two basic conditions of structure (Mintzberg, 1983). In doing so, reporters will understand what their audiences expect and report, or risk unemployment and/or dismissal, depending on the success of the training. This success will require that editors specify anew what is profitable news—or, more specifically, what is profitably newsworthy—based on the evidence that continues to advocate the new newsworthiness as a social concept, a judgment largely made by an audience, with an occasional assist from the journalist.

But for audiences to more readily welcome news, editors will have to employ the most sincere form of coordination and mutual adjustment (Mintzberg, 1983: 4) as a measure of training and re-skilling the reporting position. Such give-and-take and consensual development of news constitutes nothing new (Banaszynski, 2002), but consistent achievement of mutually beneficial relationships has proven elusive and, thus, still holds appeal (e.g., Darrough, 2013; Geisler, 2014). Currently reporters work in a "professional bureaucracy" (Mintzberg, 1983: 197), which provides much autonomy: Reporters initiate the search for sources, decide which questions to ask and how to ask them, often conferring with editors only if obstacles arise. The editor essentially gets lost in this configuration; Schudson claimed journalism's "story" as that of "the interaction of reporters and officials" (1989: 271). In the last generation, editors—particularly those primarily responsible for first-line supervision of reporters—have largely ceded the managerial authority accompanying story planning in exchange for added reporter independence, further-emboldened writers, the fostering of novel approaches, and a search for more collaborative relationships involving the "coaching" of reporters toward better organization, focus, writing, and communication (e.g., Beaujon, 2014; Huang & Bullard, 2014; Miller, 2014; Oshiro, 2013). Recent, budget-inspired removal of newsroom copy desks—whose copy editors check for accuracy and substance—has resulted in lax editing and lessened editor authority (Marszalek, 2014).

To make the about-face and reclaim their teaching role, editors must re-tool the Maestro Concept, introduced in the early 1990s and adopted in various ways (Stepp, 1995) as the newspaper industry acknowledged the total quality movement (Deming, 1982). The method advocated using teams of reporters, copy editors, designers and photographers in project-based, reader-centric assignments, putting choices in the hands of those with the most topical knowledge—reporters. But reporters weren't readers; copy editors didn't copy edit as well in teams as they did individually; and the quality was inconsistent (Vane, 1997). While pleasing editors, teams fostered design over content, over-emphasized soft news, delayed some stories, and hindered decision-making (Schierhorn, Endres, & Schierhorn, 2001).

Teams' emphasis on projects, however, provides hope: Journalists have become accustomed to collective decision-making. In changing the newsroom mindset regarding the definition of news, editors will have to engage in some value-chain thinking of their own and make story development a less hierarchically driven project (de Bruijn & ten Heuvelhof, 2008), and more a networking process—in consultation with reporters, but also in a good-faith effort to involve potential readers. For years, editors have acted as if reporters welcome instructions when the opposite has occurred, thanks to professional reporting autonomy. Reporters haven't paid too much attention to what others in the network—which up to now has only nominally included audiences—actually think (17–18). Even in convergence, journalists seemingly comply, strategically appearing to accept teamwork and multi-platform approaches when they really have not had to significantly adjust, because they retain responsibility for one of the end-results—the story.

Circulation figures suggest this arrangement mostly hasn't worked (Pew Research Center, 2015). The other end-result, purchasing and/or reading the newspaper, is in the hands of the public. Sadly for the editor, neither reporters nor the public openly reveal their interests—all the more reason for editors to create maneuvering room allowing them to tap the multiple resources necessary to orchestrate reporters *and* the public (de Bruijn & ten Heuvelhof, 2008: 41–47) into collectively re-making journalism.

Achieving that process demands understanding the goal. Burd (1981) suggested "preventive journalism" as journalism's next progressive phase; he envisioned preventing crises by encouraging more feedback, greater individual and community autonomy by stressing news media's surveillance and anticipatory reporting strengths (4). The idea promoted replacing building- and institution-centered beat-system journalism by reorganizing newsrooms around urban issues—structure, design, transportation, human relations, health, leisure, information-education—and focusing on "issues and functions, not on place; on processes and problems, rather than on mere events; on substance and content of news rather than on sources; and on those who receive rather than on those who send it out" (7). Until lately, the idea's standard-bearer was the small, Washington, D.C.-based non-profit foundation Understanding Government, "dedicated to improving government effectiveness by deepening public knowledge about the executive branch of government" (Understanding Government, 2015). More recently, the term has meant a kind of "early warning journalism" or diplomacy (Marthoz, 2003) designed to prevent international conflict or disaster.

A New Maestro As to the new maneuverability that editors require, Burd (1981) proposed that reporters be "expected to 'know' before writing," rather than depend on operation of journalistic techniques to automatically reveal issues" (7). Newspaper reporters, particularly those from larger, more complex organizations, tend to develop content specializations (Becker Lowrey, Claussen, & Anderson, 2000); but the more employee capability and know-how within an organization, the more difficulty managers encounter in supervision, particularly when coupled with professionalization (de Bruijn & ten Heuvelhof, 2008). Specialization, then, encourages fragmentation and, as a consequence, reporters "know" little of their audiences—thus we see more newsrooms tracking audience behavior (e.g., Anderson, 2011; Lee & Chyi, 2014; Vu, 2014). Obviously, such an "intervention" in reporting *apparently* can and has been done (Sylvie & Moon, 2007). No doubt that reporters will try to either elude the intervention or reinterpret and transform it (de Bruijn & ten Heuvelhof, 2008: 18–19), whether citizen journalism (Sienkiewicz, 2014), collaboration with software programmer-developers (Lewis & Usher, 2013), or digital journalism in general (Anderson, 2013)—journalists eventually see technological change as more of the same, a type of pressure to overcome, or the start of a new kind of journalism or journalistic routine (Powers, 2012). But, with guidance from editors, requiring reporters to acquire "audience knowing" can go beyond providing an escape option, loophole or traditional ritual.

This means editors must abandon traditional hierarchical practices that say, "This is where we're going and here's when I expect us to arrive;" such routes would allow reporters to block or delay substantive progress—in effect, to anticipate and, if necessary, act irresponsibly or to not fully comply. In networks, editors need a new strategy or, more accurately, a "maestro" non-strategy.

Each editor must extend the traditional reporting network and thus end the predictability of the result. The current network largely works at the whim or discretion of reporters, who have had virtual autonomy to recruit, cultivate, and select sources as they see fit, with occasional advice from the editor—which results in "news," quickly approaching commodification because of standard journalism objectivity, beats, and professionally shared news values. But editors must take the initiative and multiply the issues at stake in decision-making, give reporters other concerns and other interests to consider (de Bruijn & ten Heuvelhof, 2008: 49–53)—interests of other parties, namely members of the public. To date, newsroom "teams" have failed because they focus on coordination among reporters and editors, i.e., essentially the primary (and sometimes *only*) types of "actors" or interested parties traditionally used to create news, operating as a de facto "professional bureaucracy" via its near-programmatic status in newsrooms (Mintzberg, 1983: 37–39, 1989: 86).

In short, editors must re-arrange their organization much like recommendations for the medical world (Mintzberg & Glouberman, 2001), through better, natural communication between subordinates and the public. Since reporting obviously has been removed from the practical realm of editor supervision, editors must realize management of reporting through reporters themselves *via public citizens.* This departs from Burd's (1981) preventive call by asking or requiring editors to solicit public contribution—but through a public advisory group's active suggestions for participation in, analysis and creation of news through organized and constructive interaction with reporters and journalism.

Doing so accomplishes several objectives: The rearrangement puts a slight halt to the reportorial influences of specialty, putting additional and alternative other sources of information into play. Second, this restructuring of the story-making nucleus introduces a multiple-issue character to story topics, providing reporters and editors with many views and perspectives, eliminating the duality of the current network and enlarging the freedom for more give and take in deliberations. Third, a shakeup provides production power to audiences and reporters, diffusing the (already limited) power of editors and redistributing it in such a way that imparts motivation for different factions within the audience to work together and interact modestly toward a common goal. And that begets an opportunity to make the news—and newsroom decision-making—once more attractive and appealing to new and widened audiences.

Let's be clear: Audiences aren't surrogates for reporters. More than anything, this idea means editors have to edit "up and out" (Mintzberg & Glouberman, 2001: 81). Editors will have to spend less, more-targeted time with reporters and more, intensively facilitative time advocating "the real story" with community members, and managing the intricacies of network strategy. Much like the current state of editing, multi-issue processes never end; there are vulnerabilities to consider, relations to maintain, position-shifting to assess, resources to allocate, and perceptions to handle.

Audience members—as do journalists—recognize their status in any relationship and can be just as cynical. Editors need to recognize, value, nurture, and support them. For reporters to accept audience participation, editors will have to work to ensure it happens. That may mean that, in some cases and given some editors' prior work history, publishers may not want to always choose journalists as editors. But if editors are to become the leaders the newspaper industry requires, then this recommended transformation of journalism standards (and subsequent change in management and journalism values) is a first and necessary step.

References

Achtenhagen, L., & Raviola, E. (2007). Organizing internal tension: duality management of media companies. Organizing media: *Mastering the challenges of organizational change*. *JIBS Research Reports, 1*, 127–146.

Adner, R. (2006). Match your innovation strategy to your innovation ecosystem. *Harvard Business Review, 84*(4), 98–107.

Adner, R., & Kapoor, R. (2010). Value creation in innovation ecosystems: How the structure of technological interdependence affects firm performance in new technology generations. *Strategic Management Journal, 31*(3), 306–333.

Anderson, C. W. (2011). Between creative and quantified audiences: Web metrics and changing patterns of newswork in local US newsrooms. *Journalism, 12*(5), 550–566.

Anderson, C. W. (2013). *Rebuilding the news: Metropolitan journalism in the digital age*. Philadelphia, PA: Temple University.

Banaszynski, J. (2002). Editors and reporters: "quite frankly, we need each other". *Nieman Reports, 56*(1), 18–19.

Banaszynski, J. (2006). New metaphors needed for changing roles. *Nieman Reports, 60*(1), 65–66.

Batsell, J. (2015). *Engaged journalism: Connecting with digitally empowered news audiences*. New York: Columbia University Press.

Beaujon, A. (2014, June 16). After Louisville layoffs, reporters will be coached more than edited. *Poynter.org*. Available from http://www.poynter.org/news/mediawire/255923/after-louisville-layoffs-reporters-will-be-coached-more-than-edited/

Becker, L., Lowrey, W., Claussen, D., & Anderson, W. (2000). Why does the beat go on? *Newspaper Research Journal, 21*(4), 2–16.

Bennett, A. (2012, March 21). Lessons learned from a period of intense newspaper turmoil. *Nieman Watchdog*. Available from http://www.niemanwatchdog.org/index.cfm?fuseaction=Showcase.view&showcaseid=00171

Boczkowski, P. J., & Mitchelstein, E. (2013). *The news gap: When the information preferences of the media and the public diverge*. Cambridge, MA: MIT press.

Burd, G. (1981, August). *Press responsibility for health news: beyond precision and toward prevention*. Paper presented at the annual meeting of the Association for Education in Journalism. East Lansing, MI.

Chan-Olmsted, S. M. (2006a). Issues in strategic management. In A. B. Albarran, S. M. Chan-Olmsted, & M. O. Wirth (Eds.), *Handbook of media management and economics* (pp. 161–180). Mahwah, NJ: Erlbaum Associates.

Chan-Olmsted, S. M. (2006b). Issues in media management and technology. In A. B. Albarran, S. M. Chan-Olmsted, & M. O. Wirth (Eds.), *Handbook of media management and economics* (pp. 251–273). Mahwah, NJ: Erlbaum Associates.

Choo, C. W. (2006). *The knowing organization* (2nd ed.). New York: Oxford University Press.

Connor, M. J. (2012, April 5). How technology is making an industry adapt, adapt, adapt. *Syracuse Post-Standard.* Available from http://blog.syracuse.com/opinion/2012/04/michael_j_connor.html

Darrough, C.A. (2013). *How relationships between reporters and editors affect productivity in the newsroom* (master's thesis, University of Missouri—Columbia).

Day, M. (2010, Sept 29). Cutting the pecking order of newsrooms re-energises the news gathering process. *The Australian Business Review.* Available from http://www.theaustralian.com.au/business/media/cutting-the-pecking-order-of-newsrooms-re-energises-the-news-gathering-process/story-e6frg996-1225962350340?from=public_rss

de Bruijn, H., & ten Heuvelhof, E. (2008). *Management in Networks: On multi-actor decision making*. London: Routledge.

DeMers, J. (2013, May 8). How social media is supporting a fundamental shift in journalism. *Huffington Post.* Available from http://www.huffingtonpost.com/jayson-demers/how-social-media-is-suppo_b_3239076.html

Deming, W. E. (1982). *Quality, productivity, and competitive position*. Massachusetts Institute of Technology Center for Advanced Engineering.

DeRienzo, M. (2011, Feb 7). Is 'the editorial board meeting' defunct in a truly open newsroom? *Bringing the Outside In: Newsroom Cafe and more in Torrington, Connecticut.* Available from https://newspaperturnaround.wordpress.com/2011/02/07/is-the-editorial-board-meeting-defunct-in-a-truly-open-newsroom/

Deuze, M. (2008). Understanding journalism as news work: How it changes, and how it remains the same. *Westminster Papers in Communication and Culture, 5*(2), 4–23.

Ellis, J. (2010, Nov 3). It's people! Meet Soylent, the crowdsourced copyeditor. *Nieman Lab.* Available from http://www.niemanlab.org/2010/11/its-people-meet-soylent-the-crowdsourced-copy-editor/

García-Avilés, J. A., Meier, K., Kaltenbrunner, A., Carvajal, M., & Kraus, D. (2009). Newsroom integration in Austria, Spain and Germany: Models of media convergence. *Journalism Practice, 3* (3), 285–303.

García-Avilés, J. A., Kaltenbrunner, A., & Meier, K. (2014). Media convergence revisited: Lessons learned on newsroom integration in Austria, Germany and Spain. *Journalism Practice, 8*(5), 573–584.

Geisler, J. (2014, Dec 16). How to improve the reporter-editor relationship. *Columbia Journalism Review.* Available from http://www.cjr.org/business_of_news/reporter_editor_relationship.php

Gilbert, C. G. (2005). Unbundling the structure of inertia: Resource versus routine rigidity. *Academy of Management Journal, 48*, 741–763.

Giles, R. H. (1988). *Newsroom management: A guide to theory and practice*. Detroit, MI: Media Management Books.

Giner, J. A. (2013, Dec 20). Day-old news won't cut it in print anymore. *Nieman Lab.* Available from http://www.niemanlab.org/2013/12/day-old-news-wont-cut-it-in-print-anymore/

Glouberman, S., & Mintzberg, H. (2001). Managing the care of health and the cure of disease—Part I: Differentiation. *Health Care Management Review, 26*(1), 56–69.

Groves, J., & Brown-Smith, C. (2011). Stopping the presses: A longitudinal case study of the Christian Science Monitor transition from print daily to web always. In *International Symposium on Online Journalism* (Vol. 1, No. 2, pp. 86–128).

Hampden-Turner, C. (1990). *Charting the corporate mind: Graphic solutions to business conflict*. New York: Free Press.

Herndon, K. L. (2012). *The decline of the daily newspaper. How an American Institution Lost the Online Revolution,* New York, pp. 124–144.

Huang, T. & Bullard, S. B. (2014, March). Better story ideas and reporting. *Poynter.org*. Available from http://www.newsu.org/course_files/2014IndiaTourPDFs/TomHuangBetterstoryideasandreporting.pdf

Iansiti, M., & Levien, R. (2004). Strategy as ecology. *Harvard Business Review, 82*(3), 68–78.

Iyer, B., Lee, C.-H., & Venkatraman, N. (2006). Managing in a small world ecosystem: Lessons from the software sector. *California Management Review, 48*(3), 27–47.

Jarvis, J. (2011a, June 26). Digital first: What it means for journalism. *The Guardian*. Available from http://www.theguardian.com/media/2011/jun/26/digital-first-what-means-journalism
Jarvis, J. (2011b, Sept 3). But is it journalism? (Damnit). *BuzzMachine*. Available from http://buzzmachine.com/2011/09/03/but-is-it-journalism-damnit/
Jarvis, J. (2014). *Geeks bearing gifts*. New York: CUNY Press.
Ketterer, S., Weir, T., Smethers, J. S., & Back, J. (2004). Case study shows limited benefits of convergence. *Newspaper Research Journal, 25*(3), 52–65.
Kirkland, S. (2014, Aug 6). Tennessean-style changes coming to four other Gannett newsrooms. *Poynter.org*. Available from http://www.poynter.org/news/mediawire/261739/tennessean-style-changes-coming-to-four-other-gannett-newsrooms/
Lail, J. (2010). Knoxville's newsroom convergence. *The Convergence Newsletter, 7*(1). Retrieved May 28, 2010 from http://sc.edu/cmcis/news/convergence/v7no1.html
Larrondo, A., Domingo, D., Erdal, I. J., Masip, P., & Van den Bulck, H. (2014). Opportunities and limitations of newsroom convergence: A comparative study on European public service broadcasting organisations. *Journalism Studies, 17*, 277–300.
Lee, A. M., & Chyi, H. I. (2014). When newsworthy is not noteworthy: Examining the value of news from the audience's perspective. *Journalism Studies, 15*(6), 807–820.
Lewis, S. C., & Usher, N. (2013). Open source and journalism: Toward new frameworks for imagining news innovation. *Media, Culture & Society, 35*(5), 601–619.
Marszalek, D. (2014, Sept 4). Copy editors get digitally redefined. *NetNewsCheck*. Available from http://www.netnewscheck.com/article/35765/copy-editors-get-digitally-redefined
McClure, J., & Middleberg, D. (2009). Key findings from the 1st annual Middleberg/Society for New Communications research survey of journalists in the wired world. *Journal of New Communications Research, 4*(1), 135–138.
McLellan, M., & Porter, T. (2007). *News improved: How America's newsrooms are learning to change*. Washington, DC: CQ Press.
Marthoz, J.-P. (2003). To give sense to solidarity, we need to give meaning to reality. In M. Aguirre, F. Ferrándiz, & J. M. Pureza (Eds.), *Before emergency: Conflict prevention and the media* (pp. 23–34). Bilbao, Spain: University of Deusto.
Mecklin, J. (2010, April 14). Knowledge-based journalism is not an oxymoron. *Pacific Standard*. Available from http://www.psmag.com/business-economics/knowledge-based-journalism-is-not-an-oxymoron-11431
Michel, S. (2014, October). Capture more value. *Harvard Business Review*. Available from https://hbr.org/2014/10/capture-more-value
Mierzejewska, B. I., & Hollifield, C. A. (2006). Theoretical approaches in media management research. In A. B. Albarran, S. M. Chan-Olmsted, & M. O. Wirth (Eds.), *Handbook of media management and economics* (pp. 37–66). Mahwah, NJ: Erlbaum Associates.
Miller, J. (2014, June 16). Q&A: Louisville Courier-Journal editor Neil Budde discusses high-profile newsroom layoffs. *WFPL News*. Available from http://wfpl.org/qa-louisville-courier-journal-editor-neil-budde-discusses-high-profile-newsroom-layoffs/
Mintzberg, H. (1983). *Structure in fives: Designing effective organizations*. Englewood Cliffs, NJ: Prentice-Hall.
Mintzberg, H. (1989). *Our strange world of organizations*. New York: Free Press.
Mintzberg, H. (1997). Toward healthier hospitals. *Health Care Management Review, 22*(4), 9–18.
Mintzberg, H., & Glouberman, S. (2001). Managing the care of health and the cure of the disease—Part II: Integration. *Health Care Management Review, 26*(1), 72–86.
Moore, J. F. (1993). Predators and prey: A new ecology of competition. *Harvard Business Review, 71*(3), 75–86.
Mutter, A. (2013, Nov 5). *Job 1 for newspapers: Audience development*. Editor & Publisher. Available from http://www.editorandpublisher.com/TopStories/Columns/Job-1-for-Newspapers--Audience-Development
Nikunen, K. (2013). Losing my profession: Age, experience and expertise in the changing newsrooms. *Journalism, 15*(7), 868–888.

Noordegraaf, M. (2011). Risky business: How professionals and professional fields (must) deal with organizational issues. *Organizational Studies, 32*(10), 1349–1371.
Ortolani, A. (2013). One newsroom, many possibilities: How the merging of digital and print journalism in American newsrooms is shaping the future of U.S. news media. In P. J. Anderson, M. Williams, & G. Ogola (Eds.), *The future of quality news journalism: A cross-continental analysis* (pp. 127–142). New York: Routledge.
Oshiro, S. (2013, Oct 21). How managers can lead newsrooms in a digital age. *Poynter.org*. Available at http://www.poynter.org/how-tos/leadership-management/226528/how-managers-can-lead-newsrooms-in-a-digital-age/
Paulussen, S. (2012). Technology and the transformation of news work: Are labor conditions in (online) journalism changing? In E. Siapera & A. Veglis (Eds.), *The handbook of global online journalism* (pp. 192–208). Oxford: Wiley-Blackwell.
Pew Research Center (2015). Newspapers: Total circulation changes over time. *Pew Research Center: Journalism and Media*. http://www.journalism.org/media-indicators/total-newspaper-circulationchanges-over-time/
Picard, R. G. (2006). *Journalism, value creation and the future of news organizations*. Joan Shorenstein Center on the Press, Politics and Public Policy, John F Kennedy School of Government. Harvard University.
Picard, R. G. (2014). Twilight or new Dawn of journalism? Evidence from the changing news ecosystem. *Digital Journalism, 2*(3), 273–283.
Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. New York: The Free Press.
Powers, M. (2012). In forms that are familiar and yet-to-be invented: American journalism and the discourse of technologically specific work. *Journal of Communication Inquiry, 36*(1), 24–43.
Raviola, E., & Gade, P. (2009). Integration of the news and the news of integration: A structural perspective on news media changes. *Journal of Media Business Studies, 6*(1), 87–111.
Rohrbeck, R., Günzel, F. & Uliyanova, A. (2012). *Business model innovation: The role of experimentation*. Paper presented to R&D Management Conference, Grenoble, France.
Rolland, A. (2003). Convergence as strategy for value creation. *The International Journal on Media Management, 5*(1), 14–24.
Schierhorn, A. B., Endres, F. F., & Schierhorn, C. (2001). Newsroom teams enjoy rapid growth in the 1990s. *Newspaper Research Journal, 22*(3), 2–15.
Schmitz Weiss, A., & Domingo, D. (2010). Innovation processes in online newsrooms as actor-networks and communities of practice. *New Media & Society, 12*(7), 1156–1171.
Schudson, M. (1989). The sociology of news production. *Media, Culture & Society, 11*(3), 263–282.
Sienkiewicz, M. (2014). Start making sense: A three-tier approach to citizen journalism. *Media, Culture & Society, 36*(5), 691–701.
Singer, J. B. (2004). Strange bedfellows? The diffusion of convergence in four news organizations. *Journalism Studies, 5*(1), 3–18.
Singer, J. B. (2011). Journalism in a network. In M. Deuze (Ed.), *Managing media work* (pp. 103–109). Thousand Oaks, CA: Sage.
Stepp, C. S. (1989). *Editing for today's newsroom: New perspectives for a changing profession*. Hillsdale, NJ: Lawrence Erlbaum Associates.
Stepp, C. S. (1995). Reinventing the newsroom. *American Journalism Review, 17*(3), 28–33.
Stepp, C. S. (2007). *Writing as craft and magic*. New York: Oxford University Press.
Sylvie, G. (Ed.). (2012). *Newsroom decision-making: Under new management*. Lisbon: Media XXI.
Sylvie, G., & Moon, S. J. (2007). Framing change: Who's in charge in the newsroom? In L. Achtenhagen (Ed.), *Organizing media: Mastering the challenges of organizational change* (pp. 89–124). Jönköping, Sweden: Jönköping International Business School Media Management & Transformation Centre.

Sylvie, G., & Witherspoon, P. D. (2002). *Time, change, and the American newspaper*. London: Routledge.

Thornton, L.-J., & Keith, S. M. (2009). From convergence to webvergence: Tracking the evolution of broadcast-print partnerships through the lens of change theory. *Journalism & Mass Communication Quarterly, 86*(2), 257–276.

Understanding Government. (2015). *About Understanding Government: Through better journalism—to greater public understanding and more effective government*. Available from http://understandinggov.org/about/

Vane, S. (1997). Copy desk blues. *American Journalism Review, 19*(7), 36–41.

Vos, T. & Singer, J. B. (2014, August). *Entrepreneurial journalism: Shifting journalistic capital?* Paper presented to the Association for Education in journalism and mass communication Convention, Montreal.

Vu, H. T. (2014). The online audience as gatekeeper: The influence of reader metrics on news editorial selection. *Journalism, 15*(8), 1094–1110.

Weiss, A. C. S. (2008). *The transformation of the newsroom: The collaborative dynamics of journalists' work*. ProQuest.

Wirtz, B. W. (1999). Convergence processes, value constellations and integration strategies in the multimedia business. *The International Journal on Media Management, 1*(1), 14–22.

Zott, C., Amit, R. & Massa, L. (2010, June). *The business model: Theoretical roots, recent developments and future research*. IESE business school working paper no. WP-862, Navarra, Spain. Available from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1674384 [Accessed Oct 21, 2011].

The Economic Value of Creativity: How Much, for Whom, and What for?

M. Bjørn von Rimscha

1 The Value of Creativity for the Media Manager

Creativity is a core value in all areas of media production. Clearly, that is the case in fictional production where creativity is needed to create a story world and a drama from scratch. But creativity also is needed in non-fictional production, e.g. to define inspiring rules of a game. While news selection is driven by news values, news production also relies on creative value when it comes to the question of how to present the information. Thus, without creativity, the news output media companies would resemble robo-journalism with a perfect and never changing interpretation of news values and selection criteria as well as presentation standards.

The problem with creativity lies in the manifold interpretation of the term. Two basic schools of thought can be distinguished (von Rimscha & Przybylski, 2012). One regards creativity as a special kind of problem solving ability. In that perspective anybody can learn to be creative and find novel and efficient solutions to technical (engineering) or economic (entrepreneurship) problems. The other school of thought focuses on aesthetic or cultural creativity that emerges from the minds of a talented people often even without being prompted. There is a parallel with another fuzzy term in media research: quality. While some refer to quality as trait of a media product and ask whether it is fit for purpose (for a discussion see von Rimscha, De Acevedo, & Siegert, 2010), others focus on cultural or artistic quality that again is hard to measure (Dickie, 2001; Vermazen, 1975). When media managers claim that creativity is important for their business we can expect a problem solving oriented understanding of creativity that judges the economic value asking the fit-for purpose question. However, some media producers and parts of the audience might think that the societal value of creativity should be

M. Bjørn von Rimscha (✉)
Johannes Gutenberg-University Mainz, Mainz, Germany
e-mail: b.vonrimscha@uni-mainz.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_9

assessed from a cultural perspective. For this chapter, I will combine the two perspectives when assessing the *economic* value of *cultural* creativity.

In the past decades, the commitment to cultural creativity was not overly present in the day-to-day business decisions of many media companies, especially in the news sector. Creativity seems to be a value to be mentioned in the mission statement or on occasions when the chairperson of a media company addresses politicians who decide on subsidies. Supported by research in information systems, managerial practice in the media has concentrated more on how to reduce the necessary input of creativity in media production, how to limit it to "pockets of creativity" (Seidel, Müller-Wienbergen, & Rosemann, 2010).

Creativity is unpredictable both on the production and on the consumption sides. It is neither clear how to maximize the creativity of media workers, nor is it clear whether the media recipients will even honor a maximum of creativity. From a controlling point of view, betting on creativity thus means generating additional costs, since a novel creative approach means to forgo economies of scale from reusing proven concepts. While airport bookshops are full of managerial guidebooks with field reports that shall illustrate how creativity has been a boon for the author's enterprises there is actually no empirical prove that more creativity (however defined) increases the probability of success in the audience market. In contrast to the guidebook suggestions promoting creativity thus seems to be a strategy for which media managers are not likely to be promoted. Media managers often rather mitigate the risk of a failure increase the probability of success at the expense of creativity (Miller & Shamsie, 2001). Imitation strategies, sequels and formatted content all "recycle" (de Propris & Hypponen, 2008) creativity.

Economically valuable creativity—that which has proven to resonate with the audience as consumers—is distinguished from economically worthless creativity that will not be copied or repeated. In some sense, the question about the (cultural) value of creativity is transformed into a question about the rate of decay of the (monetary) value of economically proven creativity.[1] However, Towse is arguing that economic value derives from cultural value: "The economic value of creativity and talent in the creative industries is that they are necessary inputs to satisfy consumer demand for novelty and new experiences and to create lasting works of art" (Towse, 2004, p. 11). Similarly, Okpara describes the value creativity as providing a "gateway for astute entrepreneurship—actively searching for opportunities to do new things, to do existing things in extraordinary ways" (Okpara, 2007, p. 12). In this definition, the cultural aspect is neglected and creativity is reduced to problem solving. Creativity in this restricted sense would only be valuable as a solution to economic problems. Therefore, it seems clear that creativity is not an end to it self but an ingredient that has to be carefully dosed.

[1] Some media products are durable or they might even gain relevance and audience when they become part of a canon. Caves calls this the "ars longy property" (Caves, 2000, p. 9). However, for most media products including music and film novelty is important and the better part of the total revenue is realized within a few days after publication de Vany and Walls (2007).

However, not everybody working in the media, and not even all media managers, are solely monetarily oriented. Many media professionals acknowledge the public value (Karmasin, Süssenbacher, & Gonser, 2011) of media goods and their function for, and contribution to, society. While Fee (2002) suggests economic value and artistic freedom are mutually exclusive, media producers often believe they can deliver economic and artistic value at the same time (von Rimscha, 2010). Theoretically, this is supported by Thorsby (2001), who developed a model of the creative process in which creators seek to maximize both the cultural value and the economic value of their output. However, he points out the dual market for cultural works and suggests that the value of cultural works is to be determined in each market separately. In the economic (or pecuniary) market, only the economic (or pecuniary) value of a work is determined, while the cultural value is determined in a "market of ideas" (Coase, 1974).

Thus, the value of creativity is multidimensional with at times contradictory elements. From an economic perspective, creativity is to be bounded and probably is more valuable in terms of new processes rather than in terms of new ideas concerning the content. The cultural or artistic value could be interpreted as an external effect of media production (Hutter & Schustermann, 2006). Economist often struggle to estimate external effects, and art philosophers argue that artistic values of different pieces of art are incommensurable and, thus, there could not be one comprehensive scale to measure their value (Dickie, 2001; Vermazen, 1975). In the context of movie critics and awards, some authors (e.g. Ginsburgh & Weyers, 2006) argue that properties of art can not only be rated but also weighted to allow for comparisons. From a cultural perspective, a maximum of creativity does not always lead to the best possible result. Lins (2002) suggests that creativity in content and form would need to be balanced in order not to overwhelm the audience. A traditional story could be told in an experimental way, but an unfamiliar story would need a traditional format to remain digestible.

Therefore, across the two dimensions economic and culture, the value of creativity does not follow a linear function. A good working hypothesis might be an inverted U-shape where medium levels of creativity lead to a maximum value, both on an economic and on a cultural value scale.

2 The Value of Creativity for the Individual Media Worker

This leads us to a connected question: What is the value of creativity for the individual creative? We can assume it is a key element of the conception of self and, as such, the value must be rather high. However, what about that other pecuniary market? Does it payoff to be very creative, or—following the argument from above—is a medium level of creativity the key to monetary success also on the individual level?

Looking at the literature, creativity generally seems to be valuable for individuals, but less so for creators in the media and cultural industries. At the turn of the century, Florida (2002) found the average hourly wage of the "creative class" was 54% higher than the average of the U.S. workforce. Similarly, Gabe (2011, pp. 136–137) found that "working in a high-creativity occupation enhances earnings by about 16%." This sounds at the same time worthwhile and incredible, since most creatives are said to be underpaid and self-exploiting. In Switzerland, for example, more than 40% of full-time authors have an income below the poverty line (von Rimscha & Schwarb, 2012). The explanation here lies in the definition of "creative" people. Florida and Gabe refer not only to traditional "creative occupations," such as writers, designers, actors etc., but also to occupations included in the U.S. Department of Labor's Occupational Information Network, where some sort of creative thinking is deemed important and a certain level of creative thinking is required. Their typical example for a high level of creative thinking is "create new computer software"—a job some would considered a merely technical act of problem solving. On his occupational creativity index, Gabe scores astronomers and physicists highest and ahead even of actors, while news analysts, reporters and correspondents score below hairdressers and financial examiners. This way, the concept of creativity is expanded up to the point of arbitrary interpretation, and the findings can be boiled down to the conclusion that working with the brain, on average, results in higher salaries than working with the hands.

However, both Florida (2002) and Gabe (2011) do offer some conclusions for the value of creativity in a more narrow sense: Florida finds that the "super-creative core"—that is occupations whose main purpose it is to create something new (researchers, artists, designers, etc.) on average earn 12% less than the broader creative class that encompasses all knowledge-intensive occupations. Similarly, in a sectorial breakdown of his analysis Gabe finds that, in some sectors, high-creativity levels can have low or even negative returns. In "independent artists, performing arts, spectator sports and related industries" the effects of high creativity is a 22% reduction in earnings, all other variables held constant. He explains this effect with the abundance of creativity in this sector. Being creative does not make an individual stand out. To the contrary, the less creative managers, agents, accountants stand out and, thus, can realize an earnings premium.

Thus, the individual economic value of creativity is higher the less it is common in an industry. That is bad news for workers in the media and other creative industries. The fact that their whole industry is about creativity devalues their individual input.

3 The Economic Value of Cultural Creativity

For the remainder of this chapter, I will turn to the question of how to secure creative input. If media managers value creativity, this value should translate into a decent salary for creative employees. One could assume a connection between the salary and the creative output. I will present results from a study[2] that asked the question “Do financial concerns impede individual creative output?”

3.1 Salary as a Hygiene Factor for Creativity

If creativity contributes to the bottom line of a media company creativity is valuable and thus employees that can act out their creativity are valuable. It is often stated that creatives need intrinsic motivation and that external motivation could even hamper creativity (see e.g. Amabile, 1998; Frey & Osterloh, 2002; Koppetsch, 2006). Any attempt to foster creativity externally could only work in terms of creating a creativity-enhancing environment and setting, but not through monetary incentives. However, if increased monetary compensation cannot increase the creative output, too little monetary appreciation might still reduce the creative output. Salary can be regarded as a hygiene factor (Herzberg, 1972): the lack of it works as a dissatisfier and thus reduces motivation and job satisfaction and subsequently job performance (Judge, Thoresen, Bono, & Patton, 2001). Recent research on the impeding effect of poverty on cognitive capacity suggests that a small salary and financial concerns not only hamper motivation but actually reduce the available brain capacity evident in the performance to process intellectually demanding tasks such as Raven’s Progressive Matrices test (Mani, Mullainathan, Shafir, & Zhao, 2013). There is quite some debate in the literature about whether creativity is a cognitive skill or whether it resides in the sub-conscious incubating novel ideas (von Rimscha & Przybylski, 2012). However, creativity and intelligence are often said to be interrelated (Sternberg & O’Hara, 1999) and ever since Guilford (1950), creativity is regularly measured as one aspect of intelligence. Thus, it seems fair to assume that at least the cognitive aspects of creativity also are impeded by poverty and financial concerns.

3.2 Study Design

We modeled our experiment analogue to the one of Mani, Mullainathan, Shafir, and Zhao (2013) but, instead of using intelligence tests, we used a creativity test and, instead of shoppers in an U.S. American mall or farmers in India, we sampled fiction writers in Germany, Switzerland and Austria (n = 147) and asked them to take part in an online questionnaire that included the experimental treatment and a creativity test.

---

[2]The author would like to thank a class of 18 Master students at the IPMZ, University of Zurich who competently helped in the realization of this study.

3.3 Measures and Treatment

Creativity was measured using the "verbal creativity test" (VKT) by Schoppe (1975). This test is focused only on verbal aspects of creativity, which means it is especially well suited to test writers. Schoppe himself claimed that his test would measure creativity as a core element of the intelligence spectrum (Schoppe, 1975, p. 35). Therefore the VKT does not measure creativity as a whole but is very adaptable to the reasoning in the template study on intelligence by (Mani, Mullainathan, Shafir, & Zhao, 2013). The common critique that the VKT with its focus on language would depend on social class (Urban, 2011, p. 21) does not apply here, because we can assume that any writer should have a good command of language. Unlike creativity tests that require drawing or arranging symbols or reacting on non-verbal stimuli such as parts of the well-known Torrence test (Holland, 1968), the verbal creativity test can be adapted for use in an online survey. To make sure the effect of the treatment would last and avoid dropouts caused by excessive survey length, we reduce the allowed answer time and skipped the two least reliable subtests. Creativity was measured in a quantitative way by recording the number of word beginnings and endings provided, the number of four-word sentences derived from abbreviations, the number of names invented, the number equal characteristics identified and the number of elements in the description of utopian situations.[3]

Income was measured in an open question asking for the respondent's overall annual income. This measure makes allowance for the often irregular employment of writers. The respondents were grouped according to their income only after the survey. For each country, we used the respective national poverty line for the grouping.

Previous studies suggest creativity also might be related to other internal and external drivers, which were included as control variables. Personality traits are possible internal drivers (Feist, 1998; Wolfradt & Pretz, 2001). Possible external drivers are work satisfaction (Shalley, Gilson, & Blum, 2000) and workplace autonomy (Amabile, Conti, Coon, Lazenby, & Herron, 1996; Greenberg, 1992).

Personality traits of the writers were measured using a short German version of the big five inventory (Rammstedt & John, 2005). Thus, for each respondent, scores for neuroticism, extraversion, openness, agreeableness and conscientiousness were available. *Work satisfaction* was measured using the work-related subscale from the German questionnaire on life satisfaction (Fahrenberg, Myrtek, Schumacher, & Brähler, 2000). Autonomy was measured using the relevant items from the German version of the work-design questionnaire (Stegmann et al., 2010).

For the *treatment,* we followed the example of Mani, Mullainathan, Shafir, and Zhao (2013) in inducing financial concerns among our respondents. They were told

[3]Certainly this test does not capture all elements of creativity and might seem reductionist. However, it is a feasible proxy for the one aspect of creativity that is both comparable with intelligence and relevant for writers in a practical perspective.

they would have a severe toothache that would keep them from working and required urgent therapy. In one condition, the therapy was said to be cheap, in the other it was truly expensive. The respective amounts were adjusted to the wage levels in the three countries, and it was made clear that no insurance would cover the cost. Respondents were randomly assigned to the two groups.

3.4 Results

We expected the base creativity to be equal in each group. A lower income was expected to correspond to a slightly lower creativity score, either because higher creativity is rewarded with higher income or because the lower income creates a ground level of financial concerns that constantly reduces creativity. The high-income group was not expected to be strongly affected by the financial concerns triggered in the expensive condition of the treatment since they would be able to afford the therapy. On the other hand, the low-income group should show a reduced creativity score since the induced financial stress should reduce their cognitive capacity available for creative tasks.

Our sample matched common expectations about creative writers. The Swiss respondents, for example, on average ranked 28% higher on the openness scale but 12% lower on the agreeableness-scale compared to the average of the Swiss working population (Swiss Household Panel). On average, their work satisfaction was 9% lower than for the working population. We also checked whether the respondents actually could be regarded as creative as defined in the used creativity test. As a reference value, we used the average results of high school graduates from the original study by Schoppe (1975). On average, the responding writers received a 26% higher creativity score in the six subtests used, even in the face of potentially creativity impeding experiment conditions. Thus, although the response rate was only 18%, we can assume that the participants in our experiment actually are creative writer judging not only from the socio-demographics but also from their results in the verbal creativity test.

The results of the experiment were sobering: Neither income nor the financial concerns triggered have a significant influence on the measured creativity score. As for the control variables, the results are similar: the creativity score did not correlate with gender, personality traits, work satisfaction, or workplace autonomy. The fact that there was no relationship with the personality trait "conscientiousness" can be regarded as an indicator that the test was not merely measuring diligence. Otherwise, individuals with a high conscientiousness score should also have had a higher creativity score. The only significant correlation found was between the creativity score and work experience. The writers with more work experience on average achieved a lower creativity score. Just like scientist settle for a paradigm an do not aim for novelties of fact or theory (Kuhn, 1962/2012).

We also checked for the possibility of diminishing effects of the treatment as the financial concerns retreated over the course of the test. The results were the same when only the first subtest was analyzed, when the treatment should still have been influential.

Our study confirms the notion that in some industries creativity is too common to be a distinguishing and, thus, valuable attribute of practitioners.

4 Conclusion

The results of the presented study shed light on the problematic economic value of creativity in the media. The cultural creativity of the staff cannot be enhanced with higher wages, so media managers aiming for output that is more culturally creative (when on the left upward slope of the inverted U-shape) cannot just increase salaries but have to find other means of enhancing creativity. This could possibly mean investing in the work design as suggested in studies dealing with other industries (e.g. Andriopoulos & Lowe, 2000; Elsbach & Hargadon, 2006) or by selecting personnel who can compensate work strain that often comes with creative occupations with a stable private life (van Dyne, Jehn, & Cummings, 2002). Regarded from the opposite perspective, the results also could be interpreted as an indicator that reducing the salary of culturally creative personnel does not harm the level of output of cultural creativity. Given the oversupply in creative writers, media managers can take advantage of their market power and save on employee costs. This is somewhat counter intuitive given the existence of star writers, who act as a positional good and attract the bulk of the audience attention. Thus, the question is, are star writers more successful since their higher creativity is honored by the audience, or are they more successful just because they can capitalize on their celebrity? Immediate economic value derives from scarcity. As a positional good, celebrity clearly is scare, however, creativity is not. Therefore, creativity, or least the cultural aesthetic aspect of it, is not especially valued in media management. It is easy and cheap to obtain it from creators, and audiences do not honor too much of it anyway. While media creators might consider creativity as a value in itself, media managers consider it as an input factor with an inverted U-shape utility function.

References

Amabile, T. M. (1998, September–October). How to kill creativity: Keep doing what you're doing. Or, if you want to spark innovation, rethink how you motivate, reward, and assign work to people. *Harvard Business Review*, 77–87.

Amabile, T. M., Conti, R., Coon, H., Lazenby, J., & Herron, M. (1996). Assessing the work environment for creativity. *The Academy of Management Journal, 39*(5), 1154–1184. doi:10.2307/256995.

Andriopoulos, C., & Lowe, A. (2000). Enhancing organisational creativity: The process of perpetual challenging. *Management Decision, 38*(10), 734–742. doi:10.1108/00251740010379768.

Caves, R. E. (2000). *Creative industries: Contracts between art and commerce*. Cambridge, MA: Harvard University Press.

Coase, R. H. (1974). The market for goods and the market for ideas. *The American Economic Review, 64*(2), 384–391. doi:10.2307/1816070.

de Propris, L., & Hypponen, L. (2008). Creative clusters and governance: The dominance of the Hollywood film cluster. In P. N. Cooke & L. Lazzeretti (Eds.), *New horizons in regional science. Creative cities, cultural clusters and local economic development* (pp. 258–286). Cheltenham: Edward Elgar.

de Vany, A. S., & Walls, W. D. (2007). Estimating the effects of movie piracy on box-office revenue. *Review of Industrial Organization, 30*(4), 291–301. doi:10.1007/s11151-007-9141-0.

Dickie, G. (2001). *Art and value*. Malden, MA: Blackwell.

Elsbach, K. D., & Hargadon, A. B. (2006). Enhancing creativity through "mindless" work: A framework of workday design. *Organization Science, 17*(4), 470–483. doi:10.1287/orsc.1060.0193.

Fahrenberg, J., Myrtek, M., Schumacher, J., & Brähler, E. (2000). *Fragebogen zur Lebenszufriedenheit (FLZ): Handweisung*. Göttingen: Hogrefe.

Fee, C. E. (2002). The costs of outside equity control: Evidence from motion picture financing decisions. *The Journal of Business, 75*(4), 681–711. doi:10.1086/341639.

Feist, G. J. (1998). A meta-analysis of personality in scientific and artistic creativity. *Personality and Social Psychology Review, 2*(4), 290–309. doi:10.1207/s15327957pspr0204_5.

Florida, R. (2002). *The rise of the creative class: And how it's transforming work, leisure, community and everyday life*. New York: Basic Books.

Frey, B. S., & Osterloh, M. (2002). Motivation: A dual-edged factor of production. In B. S. Frey & M. Osterloh (Eds.), *Successful management by motivation. Balancing intrinsic and extrinsic incentives* (pp. 3–26). Berlin: Springer.

Gabe, T. M. (2011). The value of creativity. In D. E. Andersson, Å. E. Andersson, & C. Mellander (Eds.), *Handbook of creative cities* (pp. 128–145). Cheltenham: Edward Elgar.

Ginsburgh, V. A., & Weyers, S. (2006). Comparing artistic values: The example of movies. *Empirical Studies of the Arts, 24*(2), 163–175. doi:10.2190/5H68-A65W-AABK-K7LD.

Greenberg, E. (1992). Creativity, autonomy, and evaluation of creative work: Artistic workers in organizations. *The Journal of Creative Behavior, 26*(2), 75–80. doi:10.1002/j.2162-6057.1992.tb01162.x.

Guilford, J. P. (1950). Creativity. *American Psychologist, 5*(9), 444–454. doi:10.1037/h0063487.

Herzberg, F. (1972). *Work and the nature of man*. London: Staples Press.

Holland, J. L. (1968). Torrance tests of creative thinking (test review): E. Paul Torrance. *Journal of Counseling Psychology, 15*(3), 297–298. doi:10.1037/h0025735.

Hutter, M., & Schustermann, R. (2006). Value and the valuation of art in economic and aesthetic theory. In V. A. Ginsburgh & C. D. Throsby (Eds.), *Handbooks in economics*, *Handbook of the economics of art and culture* (Vol. 25, pp. 169–207). Amsterdam: North-Holland.

Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). The job satisfaction-job performance relationship: A qualitative and quantitative review. *Psychological Bulletin, 127*(3), 376–407. doi:10.1037//0033-2909.127.3.376.

Karmasin, M., Süssenbacher, D., & Gonser, N. (Eds.). (2011). *Public Value: Theorie und Praxis im internationalen Vergleich*. Wiesbaden: VS Verlag.

Koppetsch, C. (2006). *Das Ethos der Kreativen: Eine Studie zum Wandel von Arbeit und Identität am Beispiel der Werbeberufe*. *Analyse und Forschung*. *Sozialwissenschaften*. Konstanz: UVK.

Kuhn, T. S. (2012). *The structure of scientific revolutions*. Chicago: The University of Chicago Press (Original work published 1962).

Lins, G. (2002). *Strategien der Filmstoffauswahl bei deutschen Film- und Fernsehproduktionen*. Baden-Baden: Nomos.

Mani, A., Mullainathan, S., Shafir, E., & Zhao, J. (2013). Poverty impedes cognitive function. *Science, 341*(6149), 976–980. doi:10.1126/science.1238041.

Miller, D., & Shamsie, J. (2001). Learning across the life cycle: Experimentation and performance among the Hollywood studio heads. *Strategic Management Journal, 22*(8), 725–745.

Okpara, F. O. (2007). The value of creativity and innovation in entrepreneurship. *Journal of Asia Entrepreneurship and Sustainability, 3*(2).

Rammstedt, B., & John, O. P. (2005). Kurzversion des Big Five Inventory (BFI-K). *Diagnostica, 51*(4), 195–206. doi:10.1026/0012-1924.51.4.195.

Schoppe, K.-J. (1975). *Verbaler Kreativitäts-Test: Ein Verfahren zur Erfassung verbal-produktiver Kreativitätsmerkmale*. Göttingen: Horgrefe.

Seidel, S., Müller-Wienbergen, F., & Rosemann, M. (2010). Pockets of creativity in business processes. *Communications of the Association for Information Systems, 27*(8), 415–436.

Shalley, C. E., Gilson, L. L., & Blum, T. C. (2000). Matching creativity requirements and the work environment: Effects on satisfaction and intentions to leave. *Academy of Management Journal, 43*(2), 215–223. doi:10.2307/1556378.

Stegmann, S., van Dick, R., Ullrich, J., Charalambous, J., Menzel, B., Egold, N., et al. (2010). Der Work Design Questionnaire: Vorstellung und erste Validierung einer deutschen Version. *Zeitschrift für Arbeits- und Organisationspsychologie A&O, 54*(1), 1–28. doi:10.1026/0932-4089/a000002.

Sternberg, R. J., & O'Hara, L. (1999). Creativity and intelligence. In R. J. Sternberg (Ed.), *Handbook of creativity* (pp. 251–272). Cambridge: Cambridge University Press.

Thorsby, D. (2001). *Economics and culture*. Cambridge: Cambridge University Press.

Towse, R. (2004). Towards an economics of creativity? In Austrian Society for Cultural Economics and Policy Studies & Arbeitsgemeinschaft für wissenschaftliche Wirtschaftspolitik (Eds.), *Creative industries. A measure for urban development?* (pp. 4–19). Wien.

Urban, K. K. (2011). Möglichkeiten und Grenzen von Kreativitätsdiagnostik. *Karg-Hefte. Beiträge zur Begabtenförderung und Begabungsforschung, 2*, 18–27.

van Dyne, L., Jehn, K. A., & Cummings, A. (2002). Differential effects of strain on two forms of work performance: Individual employee sales and creativity. *Journal of Organizational Behavior, 23*(1), 57–74. doi:10.1002/job.127.

Vermazen, B. (1975). Comparing evaluations of works of art. *The Journal of Aesthetics and Art Criticism, 34*(1), 7–14.

von Rimscha, M. B. (2010). *Risikomanagement in der Entwicklung und Produktion von Spielfilmen: Wie Produzenten vor Drehbeginn Projektrisiken steuern*. Wiesbaden: VS Verlag.

von Rimscha, M. B., & Przybylski, P. (2012). Managing creativity in media companies. In C. Kolo, T. Döbler, & L. Rademacher (Eds.), *Wertschöpfung durch Medien im Wandel* (pp. 85–102). Baden-Baden: Nomos.

von Rimscha, M. B., & Schwarb, U. (2012). *Situation des Schweizer Buchmarktes: Marktübersicht, Beschaffung, Preisbildung und Bedeutung des Online-Handels. 1. Teilbericht "Aktualisierung der Daten zur Entwicklung der Buchbranche in der Schweiz"*. Im Auftrag des Bundesamts für Kultur. Zürich.

von Rimscha, M. B., De Acevedo, M., & Siegert, G. (2010). Securing quality in public service television entertainment. *Studies in Communication Sciences, 10*(2), 7–25.

Wolfradt, U., & Pretz, J. E. (2001). Individual differences in creativity: Personality, story writing, and hobbies. *European Journal of Personality, 15*(4), 297–310. doi:10.1002/per.409.

German Media Managers: A Survey on Their Origins, Careers, and Value Orientation

Regina Greck, Annika Franzetti, and Klaus-Dieter Altmeppen

1 Media Management and Indicators for Value Orientation

Values are currently a much talked-about topic in management. For industries in general, values are part of the changes that all companies are making to increase their value to shareholders. Furthermore, over the last decade, the concepts of corporate social responsibility (CSR) and corporate governance have become significantly more important in management. These trends can also be seen in the media industry, where the importance of shareholder value and CSR have grown over the years. This is partly due to these firms imitating successful concepts and to ever-stronger drives towards increased profit margins and CSR.

This chapter should be seen as a first rudimentary survey whose function is to give a first orientation on how research on values in organizations might be designed. It therefore is important to notice that this contribution concentrates on values in terms of "morality" or "ethics" instead of other contributions having a much more focus on monetary values. Value-orientations are linked to personal preferences and career-orientations as well as very generic phenomena like religious and political affiliations.

Referring to organizations as research object, it should be noticed that there are a number of differences between media organizations and other organizations (Altmeppen, 2006). One difference is the societal role of the media, which is expressed by its explicit legal protections in some countries. These protections underscore the media's public role of watchdog and interpreter of public issues and events. These protections also entail specific responsibilities that media managers must keep in mind when deciding about the aims of their organizations. Those responsibilities include the public expectation that news reporting will be credible and trustworthy in a way that can hardly be measured by manifest categories, which

R. Greck (✉) • A. Franzetti • K.-D. Altmeppen
Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany
e-mail: regina.greck@ku.de; annika.franzetti@ku.de; klaus-dieter.altmeppen@ku.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_10

distinguishes media products from other products like cars or electronic devices. Media products serve two purposes: simultaneously contributing to the success of a media organization and performing the above-mentioned societal functions. While conflicts between the economic and public roles of media organizations may result in disagreements between owners (whose primary interest is economic viability) and newsroom staff (whose primary interest is producing a quality product) (Daniels & Hollifield, 2002), the push to make a profit is usually the stronger argument.

For any organization, management is responsible for decisions about goals (Altmeppen, 2006). Hence, media managers must be considered when analyzing media organizations. Media managers are responsible for defining problems and aims. On the organizational level, management includes the owner, the sales manager, and the advertising manager. On the newsroom level, middle management includes section editors, producers, and coordinators (Altmeppen, 2008). At the top level, corporate and news executives such as the Editor-in-Chief "make organization policy, set budgets, make important personnel decisions, [and] protect commercial and political interests of the firm" (Shoemaker & Reese, 1996, p. 151).

The field of media management deals with the questions of how managers establish policies and govern organizations. This field addresses questions of organizational leadership and decision-making, and studies the work of media managers. Managers organize, budget, and work with people, as well as engage in market analysis, product planning, promotion, production, and distribution. Together, management shapes the organizational structure with regard to who is managing the structure, how they are managing, and what values guide that management.

Media management in Germany is changing. Media owners, who have their origins in a family tradition of owning and leading a media company, who follow handed-down convictions, traditions and values, are disappearing. They are being replaced by a new type of media manager who runs the media company like any other commercial enterprise. This change has raised questions about the role that values play in media companies. However, to date, no studies have been done on what values exist, what these values mean, or how they are changing. In the following section, we discuss our study, which investigated the career paths and the origins of media managers in Germany. Before we present the findings of our study, with a specific view on the background of their media values, we will discuss the theoretical framework underpinning our analysis.

1.1 The Business of the Media and the Process of Media Management

Management can be seen as a constellation of influential actors, whose power is grounded in the power to conceptualize, communicate, and control the institutional order of media organizations (Baecker, 1999, p. 242). Since management determines the aims and structures of media organizations, it is essential to know how the media is conceptualized in modern societies, and what role it plays. Due to the hierarchical order and decision-making styles of many media organizations, media management has the power to determine the structures of the industry, since it allocates resources and sets the rules for how those resources should be used (Aris & Bughin, 2005; Block, 2001; Lavine & Wackman, 1988).

The business of the media is the distribution of content, entertainment, and advertisements (Altmeppen, 2006, pp. 166 ff). This distribution guides all levels of the value chain: the procurement and/or production of content, the packaging of content, and the financing and distribution of content. Media management is primarily concerned with communication. Empirical studies on managers, in general, have offered some initial findings on how management understands this concept (Mintzberg, 2011; Pribilla, Reichwald, & Goecke, 1996, p. 160). Understanding management as a process places communication as the core competence of a manager (Buß, 2009, p. 246; Karmasin & Winter, 2002, p. 17; Mintzberg, 2011, pp. 43 ff).

Decisions play a key role in communication. Decisions are often made in situations of high uncertainty and risk and are the central link between the desires, obligations, and abilities of media managers. These media managers are responsible for coordinating both the societal requirements on media companies and the aims of corporations (Schimank, 1996, p. 247). Decisions concretize the institutional orders of the company, establishing its organizational form and expressing what it asks and expects of members of the organization. This encompasses that an organization's value orientation informs decisions relating to values within that company.

Managers make decisions about how to implement the structures (i.e., rules and resources) of their media organizations. Media managers set the rules of the game: they are actors in the process of creating social order in media organizations and, affected by societal expectations like values beyond a simple profit motive, contribute to the landscape of the media system as a whole.

1.2 Micro Level: The Career Path of Media Managers

Media managers are part of the economic elite, with a great deal of power at their disposal. Since media performance has both societal and economic dimensions, these managers are representatives of the media industry, which combines the profit motives of corporations with the societal responsibilities of news providers. This dual function has been a source of intense debate on the contradiction between capitalistic news production and the public interest component of the media industry. The structures that result from the conflicting status of media companies did not appear out of nowhere; rather, they are the results of human actions, especially of those of media managers. Consequently, the existence or absence of values is a result of the actions taken by managers.

Our study was based on the assumption that academic and professional qualifications, lifestyle (i.e., marital status, origins), and religious and political affiliations are crucial determinants for the actions of people who hold leadership positions in media industry. These actions then shape the behavior of media in modern societies. We can assume, that their social milieu, their origins, and life experience are part of their individual knowledge stock. As such they form manager's social practices and habitus of the job.

An individual's knowledge stock, which is acquired via socialization, shapes a person's occupational values and beliefs. Experiencing different milieus and having different origins are expressed in the social practices and habitus of the job. Structuration theory categorizes college and university degrees, as well as previous career experiences, as allocative resources. Managers need these qualifications to pursue their career, and these allocative resources guide the self-understanding and the working routines of the manager's job.

In addition to the role of knowledge stock and allocative resources, managers acquire their reputations and professional experiences through their on-the-job experiences, which they can apply in their work. Media managers then reproduce the conditions that enabled their actions (with regard to both their personal and professional lives) in and through their actions. In this sense, career paths "are structured properties of social systems, drawn upon and reproduced by knowledgeable agents in the course of interaction" (Giddens, 1984, p. 15).

While individual predispositions are a source of resources, they are also a source of rules—the second constitutional component of structures. The primary role of rules is to create and preserve sense, and managers will logically seek to align their individual educations and career paths with their occupational aims. Rules also regulate social behavior. Successfully completing college and university degrees and holding down a job will advance one's career, but failing to abide by rules of getting ahead will often cause professional failure. Rules are generalizable procedures woven into the social practices of the job and enable actors to enforce social norms.

Three kinds of resources are central to media managers: first, economic capital (i.e., salary, incentives), which serves as a criterion of distinction; second, educational capital, which is crucial for accessing this occupational milieu; and, third, social capital, which takes the form of communication abilities and origins, and which codetermines the integration and distinction of occupational milieus (Müller, 2012, p. 198). As with the working class, one can assume the existence of a managerial class, whose circumstances, for example, are less shaped by a culture of shortage than by their habitus, assets, and public face.

The impact of the forms of habitus and the corresponding social milieus manifest in a multitude of ways, including social and professional behavior, as well as preferred lifestyle, which is expressed in furnishings, food, dress, sports, music, arts, and television programs. Those who belong to the same milieu often have the same attitudes and value orientations; they interpret their environments in similar manners, which makes them feel distinguished from people occupying other milieus. The values and mentalities of the members of a specific milieu arise from the process of socialization and are reinforced through that occupational milieu's specific features with regard to income, education, and career position (Müller, 2012, pp. 199–200).

Through the processes and factors outlined in the preceding paragraphs, media managers' knowledge, individual backgrounds, attitudes, and opinions are shaped by the stages of life during which they adopted "skillful performances" to clearly manifest the values and beliefs of their milieu (Reckwitz, 2003, p. 290). Introverted or extroverted, decisive or indecisive, conservative or progressive, adventurous or risk-averse—all these individual characteristics arise from one's milieu, which leads to similar interpretations of one's environment.

Given the key role of one's milieu, collecting data about the careers, professional motivations and interests, origins, and attitudes (i.e., home environment, religious and political affiliations) would allow researchers to interpret the value orientations of media managers. We therefore assessed these variables via an online survey.

2 Methodological Design of the Study

The present study took the form of a quantitative online survey. Communication via e-mail is common at the highest management levels, making an online survey an appropriate survey method (see Altmeppen, Greck, & Franzetti, 2014 for details).

The target population for our survey encompassed all media managers and editorial office managers working in German media companies. We choose this population (1) according to the seven media categories that represent traditional media types: daily newspapers, weekly and Sunday newspapers, popular magazines, professional journals, radio, TV, and online media; (2) according to news agencies and TV production companies, which likewise are part of the media value chain but not mentioned all time as traditional media; and (3) according to media companies who are conglomerates and not included in the traditional media type. This proceeding should guarantee to reflect every level of hierarchy and the number of leadership positions in the media. For each group, we identified the main criteria for determining which of these media companies or editorial offices should be included in the sample (Table 1).

We then created a list of email addresses for potential respondents. These email addresses were obtained through various data sources in Germany, like Zimpel or Stamm, which regularly collect the contact details of media company personnel in Germany.

Finally, we designed a questionnaire comprising four dimensions, each of which was operationalized using different questions about respondents' professional positions, education, and early careers. The survey took place in August 2012 and we sent out about 3000 questionnaires. After removing incomplete or invalid questionnaires, we received 759 completed questionnaires, which constituted a response rate of about 25%.

Table 1 Categorization system for study sample

Category		Selection system
Daily newspapers		Independent newspapers: 134 titles
Weekly/Sunday newspapers		General content, nationwide: 5 titles
Popular magazines		Print run ≥50,000, random choice: 165 titles, trend-setting media: 50 titles
Professional journals		Print run ≥10,000, random choice: 150 titles
Radio	Public	All: 58 broadcasting stations
	Private	Broadcasting in at least one whole federal state, no thematic specification: 65 channels
TV	Public	All (without digital channels): 23 channels
	Private	No pay-TV, no thematic specification, broadcasting nationwide: 16 channels
Online media		Professionally managed media websites according to Neuberger; Nuernbergk; Rischke (2009: 88) websites
TV production companies		No thematic specification: 45 companies
News agencies		National agencies: 8 agencies
Media companies		Largest companies by turnover: 100 companies

3 Findings and Discussion

To assess the value orientations of media managers, we concentrated on three dimensions with multiple elements: (1) socio-demography, current position, and stage of career as describing variables for the status quo environment; (2) career development; and (3) origin, education, and ideological orientation as describing value orientation.

3.1 Socio-Demography, Current Position, and State of Career

As with many prestigious and leadership-oriented professional positions, women are underrepresented in media and editorial office management, as evidenced by the fact that a total of 589 male (77.6%) and only 162 female (21.3%) managers were included in the final sample. The respondents' average age was 48 (SD 8.083) years old, with male respondents tending to be slightly older than female respondents, with average ages of 48 (SD 7.997) and 45 (SD 8.04), respectively.

Several indicators were used to illustrate respondents' current positions and the state of their careers. Respondents were asked to give the exact name of their current position and how long they had held it. They were also asked whether their area of responsibility involved the entire media company, a certain section or unit

Table 2 Structure of the companies for which respondents worked

Structure of the company	Frequency	Percentage
Media company	384	50.6
Editorial office	208	27.4
Section of a media company	143	18.8
Other	23	3.0
No answer	1	0.1
Total	759	100.0

$n = 759$

of the company (e.g., a publishing house as a section of a multi-media company), or the editorial office. Screening questions were then used to specify the media company (i.e. news agency, TV production company, newspaper, magazine, TV and/or radio station, online media), the section or unit of the company, or the editorial office. The size of the company, section, or editorial office was assessed by the number of employees, and respondents were also asked to state the number of employees for which they were responsible.

Respondents reported a wide variety of titles and positions, which can be seen as an indicator of a rather heterogeneous field. This made summarizing and recoding the data a complicated task. Furthermore, not all respondents reported their exact position and title; many answers were general and unspecific, while others contained more detailed information.

A total of 175 (23%) respondents said they held high positions in the media management hierarchy, with positions like CEO, president, or executive director. Thirty-five (4.6%) respondents reported positions that were different, but at a similar hierarchical level: publishers, owners of publishing companies, or publishing directors. There were a total of 225 heads of department (29.6%), with eight of those as deputies. They led departments such as advertising, marketing, and technical equipment. A total of 286 respondents (37.7%) were linked to producing journalism, with positions such as Editor-in-Chief, head of the editorial office, head of planning, and head of programming. On average, respondents had held their positions for 6.24 years.

When asked whether they worked for a media company, a section of a company, or an editorial office, only about a third (208, 27.4%) reported holding management positions in editorial offices. In contrast, 527 respondents (69.4%) had authority over a larger media company, or a section of a multi-media company (Table 2).

3.2 Career Development

In examining the career paths of German media and editorial office managers, we were not only interested in their current professional positions, but also in their formative experiences and motivations, such as the experience of moving from another type of company to a media company.

On average, respondents held fewer than two (1.79) positions of responsibility (i.e. responsibility for a number of employees or responsibility for a budget) before they started their current job. On average, they attained their first position of responsibility at age 33, and held it for an average of 3.35 years. A total of 123 respondents had worked outside of Germany, a proportion (16.02%) that seems rather low considering the international nature of the media market. Of these 123, 119 reported the number of countries they worked in outside of Germany. On average, they had worked in two other countries, with the highest number reported by any respondent being 11.

Since career development experiences can influence a person's professional identity, we asked respondents what job they had held that made the greatest impact on their managerial career. Positions that create such an impression can provide valuable experiences and tasks for the further development of one's career, and can allow one to gain significant insights into work processes and decision-making strategies. Over time, these experiences assist people in accumulating a stock of resources that can accelerate their careers.

Despite the heterogeneous structure of media companies, study respondents reported being shaped in similar manners. Most respondents (264, 34.8%) reported that working for a publisher (i.e. newspapers, magazines, books) had the longest-lasting impact on their professional development. The similarities between where respondents reported being most impacted and where they reported currently working were quite high. In 358 cases ($n = 544$) the organizational structure of the media companies where respondents reported being shaped was the same as the structure of the company at which they currently worked, meaning that 66% of study respondents reported that the company with the greatest influence on their career had the same structure as the company where they currently work. This finding strongly supports the assertion that the German media industry is very traditional, with this traditionalism stemming from the typically traditional behavior of managers.

Via an open question on the survey, respondents were asked to identify why the experience described in the preceding paragraph was so impressive and defining. Of the 759 respondents, 511 answered this question. A total of 150 respondents named autonomy in involvement, creation, and decision-making (19.8%) as the most important reason, with responsibility (131; 17.3%) almost as frequently cited. Out of the entire sample, 57 (7.5%) respondents reported that creative duty and challenge were attractive to them. Media managers and managers of editorial offices have a lot of responsibility, and they are attracted by both high responsibility and by autonomy in decision-making and creation. These findings are confirmed by respondents' reported motives for working in the media industry. The majority reported seeking management-related tasks such as organizing, developing, coordinating, and leading (Table 3).

Table 3 Motivation for working in a media company

Motivation for working for a media company *(multiple choice)*	Answers		Percentage of cases
	N	Percentage	
I wanted to work as journalist	308	19.5	40.8
I wanted to work creatively	260	16.5	34.5
I wanted to organize	243	15.4	32.2
I wanted to develop	225	14.2	29.8
I wanted to lead	174	11.0	23.1
I wanted to coordinate	132	8.4	17.5
I had another motivation	88	5.6	11.7
I did not have a specific motivation	65	4.1	8.6
I wanted to work artistically	35	2.2	4.6
I had a general interest in media	20	1.3	2.7
Income/career	14	0.9	1.9
I wanted to act as an entrepreneur	13	0.8	1.7
Private/family reasons	3	0.2	0.4
Total	1580	100.0	209.5

$n = 759$; multiple choice

3.3 Origin, Education, and Ideological Orientation

In line with our expectations, the media and editorial office managers in our sample were highly educated (Table 4). A total of 638 (84.1% of the total sample) had a university entrance qualification, and 548 (72.2% of the total sample) had graduated from university. Of those 548 respondents who reported graduating from university, most attended a state university (426, 78.3%). The most common majors were economics (146, 26.6% of degree-holders), followed by a media-related group of majors such as media research, communication science, media design, media informatics, marketing and advertising, media economy, and journalism (101, 18.4%). Law (43, 7.8%), political science (39, 7.1%), and German language (37, 6.6%) were the next most-common majors.

The majority of the managers in the sample reported living in stable family structures (Table 5): 534 (70.4%) were married and lived with their spouse in one household; 216 were single, divorced, widowed, or lived apart from their partner; of this subsample, 146 (67.6%) report having a stable relationship. Most respondents reported having children (511; 67.3%). The average number of children was two, and the age of children was mostly between 5 and 15 years old.

Respondents' family backgrounds were characterized by a high level of education. A total of 408 (53.8%) reported that at least one of their parents had graduated from university, a particularly remarkable finding considering what a small percentage of this older generation attended university (Table 6). Many also indicated that their spouse or partner had an academic degree (404; 53.2%), and most (71.1%, 540 of the 680 respondents who reported being married or living in a stable partnership) reported that their spouse or partner had a job (Table 7). 36.0%

Table 4 University degree attainment

University degree (female respondents)	Frequency	Percentage
Yes	121	74.7
No	41	25.3
Total	162	100.0
University degree (male respondents)	Frequency	Percentage
Yes	419	71.1
No	170	28.9
Total	589	100.0

Female respondents ($n = 162$) and male respondents ($n = 589$); a total of eight respondents did not answer

Table 5 Civil status

Civil status	Frequency	Percentage	German national average (%)[a]
Married, living in one household	534	70.4	59.0
Unmarried	145	19.1	23.1
Divorced	46	6.1	8.6
Married, living apart	21	2.8	1.9
No answer	9	1.2	0.0
Widowed	4	0.5	7.2
Total	759	100.0	99.8

$n = 759$
[a]Source: Statista (2015)

Table 6 University degree attainment of respondents' parents

Father obtained university degree	Frequency	Percentage
Yes	285	37.5
No	459	60.5
No answer	15	1.9
Mother obtained university degree	Frequency	Percentage
Yes	124	16.3
No	620	81.7
No answer	15	1.9

$n = 759$

percentage of these employed spouses or partners (195) held jobs that usually require a university degree, such as lawyers, doctors, teachers, journalists, or pharmacists. The stable structures and high educational level of respondents' families indicated that they were rooted in a conventional milieu.

In contrast to our expectations, the political affiliations of the media and editorial office managers in our sample were not as traditional as their family environments

Table 7 University degree attainment and occupations of respondents' spouses or partners

Spouse obtained university degree	Frequency	Percentage
Yes	404	59.4
No	264	38.8
No answer	12	1.8
Spouse's occupation requires university degree	Frequency	Percentage
Yes	540	79.4
No	125	18.4
No answer	15	2.2

$n = 680$, representing all respondents who reported being married or living in a stable relationship

Table 8 Respondents' political affiliations

Political party affiliation	Frequency	Percentage
Bündnis 90/Die Grünen (Green party)	97	12.8
CDU/CSU (Conservatives)	91	12.0
SPD (Social democrats)	59	7.8
FDP (Liberals)	38	5.0
Die Linke (Left party)	5	0.7
Piratenpartei (Pirate party)	1	0.1
Freie Wähler/(lokales/legionales) Wählerbündnis (Independent party/(local/regional) Voters party)	1	0.1
I do not have a party affiliation	247	32.5
No answer	220	28.9
Total	759	100.0

$n = 759$

would have suggested (Table 8). Of the 539 respondents who answered this question (a 71% response rate), almost half (247) reported not being affiliated with any political party. This might be caused by the fact that many people rather hedge around definite statements about individual political attitudes and positions instead of making a commitment. The remaining 292 respondents, who feel affiliated to a political party, were mostly affiliated with the German Green Party (*Bündnis 90/Die Grünen*) or the conservative Christian Democratic Union (*CDU*).

Fewer than half ($n = 365$; 48.1%) of respondents answered the questions about their religious affiliation. Of those respondents, the percentage affiliated with a Christian church was higher than the German average; while 31.2% of the German population is Catholic and 30.8% Lutheran (Statistische Ämter des Bundes und der Länder, 2011), 47.6% of our respondents said they were Catholic and 46.8% they were Lutheran. This again underlines the importance of traditional values in the lives and careers of German media managers (Table 9).

Table 9 Religious affiliation

Religious affiliation	Frequency ($n = 361$)	Percentage	German national average (%)[a]	Managers of other sectors[b]
Catholic	172	47.6	31.2	23
Lutheran	169	46.8	30.8	55
No affiliation	10	2.7	–	–
Other	4	1.1	–	–
No answer	6	1.6	–	–

[a]Source: Statistische Ämter des Bundes und der Länder (2011)
[b]Source: Buß (2007, pp. 22, 41)

4 Conclusion

In summary, our data offer a rather homogenous picture of media and editorial office managers with regard to their positions, aims, and motivations for working in the media sector. This homogeneity was even stronger with regard to their social backgrounds and origins, which are indicators of their value orientations. Their roots in a bourgeois milieu are manifested in their high educational levels, as well as in the high educational levels of their parents and spouses or partners. Most of the managers we surveyed lived in stable relationships, and their religious and political affiliations underline the image of a highly educated milieu in which traditional as well as modern values are cherished. This means that managers appraise on one side traditional concepts of family life and education, values for which the conservative CDU stands. At the same time they share modern convictions regarding environment protection, sexual equality and autonomy in lifestyle, as the Green party advocates. It can be assumed that this specific environmental conditioning and value orientation shapes these managers' attitudes toward their careers and occupations. Finally, these data confirmed that these managers mostly hold positions with large areas of responsibility and decision-making power, characteristics that perfectly match the managers' reported interests and motivations, such as leading, developing, and coordinating.

Thus, these results provide an overview of the careers, current positions, and demographic and sociocultural attributes of German media and editorial office managers. At the same time, they highlight the need for further and more in-depth research. This initial study of a previously unexplored group of actors in the media invites researchers to delve deeper into the nature of their duties, the motives that inform their decisions and actions, and, finally, their attitudes and perceptions about their responsibility. The growing importance of media corporate responsibility and the ever-increasing drive for profits in media companies and newsrooms lead to more and more questions about the responsibilities of media managers, both to ensure profitability and to uphold the social functions of the media.

References

Altmeppen, K.-D. (2006). *Journalismus und Medien als Organisationen. Leistungen, Strukturen und Management*. Wiesbaden: VS-Verlag für Sozialwissenschaften.

Altmeppen, K.-D. (2008). The structure of news production: The organizational approach to journalism research. In M. Löffelholz & D. Weaver (Eds.), *Global journalism research. Theories, methods, findings, future* (pp. 52–64). Malden, MA: Blackwell Publishing.

Altmeppen, K.-D., Greck, R., & Franzetti, A. (2014). Die deutschen Medienmanager_innen. Wie sie wurden was sie sind. *Studies in Communication Media (SCM), 3*(1), 8–63.

Aris, A., & Bughin, J. (2005). *Managing media companies. Harnessing creative value*. Chichester: Wiley.

Baecker, D. (1999). *Organisation als system*. Frankfurt a. M.: Suhrkamp.

Block, P. (2001). *Managing in the media*. Oxford: Focal Press.

Buß, E. (2007). *Die deutschen Spitzenmanager—wie sie wurden, was sie sind: Herkunft, Wertvorstellungen, Erfolgsregeln*. München: Oldenbourg.

Buß, E. (2009). *Managementsoziologie. Grundlagen, Praxiskonzepte, Fallstudien*. München: Oldenbourg.

Daniels, G. L., & Hollifield, C. A. (2002). Times of turmoil: Short and long-term effects of organizational change on newsroom employees. *Journalism and Mass Communication Quarterly, 79*(3), 661–680.

Giddens, A. (1984). *The constitution of society. Outline of the theory of structuration*. Cambridge: Polity Press.

Karmasin, M., & Winter, C. (2002). Kontexte und Aufgabenfelder des Medienmanagements. In M. Karmasin & C. Winter (Eds.), *Grundlagen des Medienmanagements* (pp. 15–39). München: UTB.

Lavine, J. M., & Wackman, D. B. (1988). *Managing media organizations. Effective leadership of the media*. New York: Longman.

Mintzberg, H. (2011). *Managen* (2. Aufl ed.). Offenbach: Gabal.

Müller, H.-P. (2012). Werte, Milieus und Lebensstile. Zum Kulturwandel unserer Gesellschaft. In S. Hradil (Ed.), *Deutsche Verhältnisse. Eine Sozialkunde* (pp. 189–213). Bonn: Bundeszentrale für politische Bildung.

Neuberger, C., Nuernbergk, C., & Rischke, M. (2009) (Hrsg.). Journalismus im Internet. Profession—Partizipation—Technisierung. Wiesbaden: VS-Verlag für Sozialwissenschaften.

Pribilla, P., Reichwald, R., & Goecke, R. (1996). *Telekommunikation im Management. Strategien für den globalen Wettbewerb*. Stuttgart: Schäffer-Poeschel Verlag.

Reckwitz, A. (2003). Grundelemente einer Theorie sozialer Praktiken. Eine sozialtheoretische Perspektive. *Zeitschrift für Soziologie, 32*(4), 282–301.

Schimank, U. (1996). *Theorien gesellschaftlicher Differenzierung*. Opladen: Leske+Budrich.

Shoemaker, P. J., & Reese, S. D. (1996). *Mediating the message. Theories of influences on mass media content* (2nd ed.). New York: Longman.

Statista. (2015). Umfrage in Deutschland zum Familienstand. http://de.statista.com/statistik/daten/studie/180040/umfrage/familienstand.download

Statistische Ämter des Bundes und der Länder (2011). *Zensus 2011. Bevölkerung nach Geschlecht, Alter, Staatsangehörigkeit, Familienstand und Religionszugehörigkeit. Bad Ems* (p. 41). https://www.destatis.de/DE/Publikationen/Thematisch/Bevoelkerung/Zensus/ZensusBuLa.html

Part III

Corporate Governance and Corporate Social Responsibility: The Role of Management and Leadership for Value Orientation and Implementation

Corporate Social Responsibility in the Media Industry: Setting the Benchmark or Falling Behind?

Matthias Karmasin and Klaus Bichler

1 Introduction: Corporate Social Responsibility—A Mediated Debate

"Corporate social responsibility is a hard-edged business decision. Not because it is nice to do or because people are forcing us to do it, or because I want to do nice interviews with the *Guardian*, but because it is good for our business," argued Niall FitzGerald, co-chairman and chief executive, Unilever, in an interview with the *Guardian* in 2003 (Elliott, 2003). This statement addresses two important issues: First of all, corporate social responsibility (CSR) is part of the business strategy of many successful companies and, secondly, the CSR debate is a public—that is, mediated—debate.

Media as the fourth estate are an important factor in criticising economic developments, scandalising unacceptable managerial behaviour, and raising ethical concerns in the public debate on the nature and structure of the globalised economy. The mediated debate on business ethics and CSR has had an impact on the perception of the social responsibility of corporations as well as of the integrity of managers. But did it impact the CSR of media enterprises as well? How do media corporations deal with their twin responsibilities (Altmeppen, 2011, p. 247) of holding society responsible and being responsible themselves? Is media management ready for the CSR era?

Carroll and Buchholtz (2000, p. 36) summarise the new imperative for business: "Make a profit, obey the law, be ethical and be a good corporate citizen."

M. Karmasin (✉)
Institue for Comparative Media- and Communication Studies CMC, Österreichische Akademie der Wissenschaften, Alpen-Adria University, Vienna, Austria
e-mail: matthias.karmasin@uni-klu.ac.at

K. Bichler
Austria Tourism, Vienna, Austria
e-mail: klaus.bichler@gmx.at

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_11

CSR—understood as "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life"[1]—is up to date. The European Union (EU) Commission[2] wants to promote CSR in order to make Europe the leading sphere for CSR, and many initiatives are on the way that try to balance responsibility and business performance.[3] Elements of CSR strategies are: community relations, consumer protection, diversity, ethical business practices, health and safety, labour rights, strategic philanthropy and working conditions.

This chapter examines whether the due and legitimate criticisms of other industries, the claims for ethical behaviour of managers, and the CSR of modern corporations, have had an impact on the media industry itself. Do the critics apply the same standards to themselves? Do they just call for a balance of ethical and economic rationality where others are concerned, thus adding the ethical sauce to sell the crisis to disturbed audiences—but not entering the ethical debate for themselves? Is the call for a more humane, more ethical, and a more transparent way of doing business (Marrewijk, 2003, p. 95) heard in the media industry?

2 CSR in the Media Industry: Some Empirical Findings

The media landscape underwent fundamental changes in the last two decades resulting in "multinational media conglomerates" on the one hand and reduced barriers to entry on the other hand (Hoskins, McFadyen, & Finn, 2004, p. 156). As a result, the need to be efficiently organized and to generate profits increased. Zerdick et al. (2005, p. 16) summarize these changes:

1. Changing media: business models, multiple utilization, Internet, journalism
2. Changing technology: access technology, information of the worlds, use diffusion
3. Changing rules: regulatory forces, copyrights, competition policy, ethics
4. Changing society: communities, mobile Europe, digital divide

These changes affected not only the economic performance of media enterprises, but also the role of media enterprises' social responsibility. Media companies produce economic and cultural goods, as Karmasin (2010) points out. Furthermore, media companies act as quasi-public institutions offering dual goods. As a result of the changing technologies and societal changes, media companies have to react to the blurred boundaries of journalism. They should use their digital public relations as directly as possible with an eye to building trust (Schultz & Wehmeier, 2010).

[1] vgl. http://www.wbcsd.org/templates/TemplateWBCSD5/layout.asp?MenuID=1

[2] http://ec.europa.eu/enterprise/csr/index_de.htm

[3] e.g. Carroll and Buchholtz (2000), Göbel (2006), Karmasin and Litschka (2008), Noll (2002), and Ulrich (2001).

CSR strategies are one important tool to achieve this. Following Marrewijk (2003), CSR strategies can be conceptualized as follows:

1. *Compliance-driven CSR:* CSR is only realised within the requirements of a specific legal framework, such as providing welfare to society, within the limits of regulations from the rightful authorities (Marrewijk, 2003, p. 102). This implies media governance in the meaning of direct regulation on ethical issues as well as self regulation. For media corporations this means that social privileges, such as subsidies or licences, could be directly linked to the institutionalisation of CSR or—as in the 1991 US federal sentencing guidelines—fines would be directly linked to ethical ethical violations.
2. *Instrumental CSR:* Here business ethics are the business of ethics. Ethical responsibility is realised as long as it is profitable. Media corporations' ethics and CSR also have become important marketing tools to motivate employees and to create sustainable costumer relations. Ethics are seen as part of the business strategy and are promoted and marketed without changing or affecting the core business.
3. *Philanthropic CSR:* CSR-initiatives are more than just compliance or strategy. Profits are invested in social and philanthropic activities. The core business is not affected; it is just a question of the altruistic redistribution of profits. In this approach, CSR primarily means corporate giving for cultural and social projects.
4. *Synergistic CSR:* The goal is to balance ethical and economic considerations to increase the performance of the corporation in ethical, ecological, social, and economic perspectives. The core business can be affected. Marrewijk and Were (2003, p. 111) speak about "synergy", "self-development" and also about "environmentally concerned strategies".
5. *Holistic CSR:* CSR is integrated in every aspect of the organisation and is part of the core business. "Principles of self-determination" (Marrewijk, 2003, p. 103) lead to "multiple levels of Corporate Sustainability" (Marrewijk & Were, 2003). CSR is fully institutionalised: Ethical Codex, Ethics Officers, Ethics Training, Ethics Commissions, Readers' Editors, Ethics-Hotline, Stakeholder Management, CSR Reporting and more are part of the organisational setting.

From a business ethical—and, thus, naturally a normative—point of view, the latter two are to be preferred (e.g. Karmasin & Litschka, 2008; Ulrich, 2001) as they transform the organisation and realise the integration of ethical and economical rationality.

A clear classification of CSR instruments in practice is not always possible. Ethical codes, for example, vary strongly in their formulation, their implementation and the cultural framework in which they are implemented. These CSR measures and an active stakeholder management—from a management's perspective—can help face the earlier mentioned challenges in a fast-changing economic environment. Over recent years, CEOs of global companies changed their interpretation of CSR from a cost factor to an opportunity for growth in innovative markets and to an opportunity for revenue gain (Karmasin & Weder, 2009).

CSR and especially the changes in information policies—from pure visibility to pro-active transparency on diverse levels—were used to foster consumers' trust. Companies are no longer isolated from public belongings; they include primary and secondary stakeholders in diverse processes.

In conclusion, CSR is understood as a viable approach towards the question of media accountability and ethical business. CSR instruments, therefore, are suitable tools, because they are based on voluntariness and self-binding commitments. Moreover, they include economic self-binding. This is even more important as companies, in recent decades, became addressees of ethical demands by the audience and are viewed by the audience as responsible for their company's actions. The increase of ethical demands towards media companies, in general, and media companies, in particular, is a result of privatization and globalization alike. Against the background of individualization and personalization, global players in the media industry—which will be discussed in this chapter—gain more and more relevance for the user.[4]

The enhanced competition conditions and strategic challenges, including the permanent process of change in the media sector, foster these developments. The shift in the role of public broadcasting in the last decade is an example of these changes.

Considering the framework of the changing environment of the media industry and the theoretical analysis of CSR, the authors analyzed the ten biggest media companies in Europe on their CSR instruments and communication. We focussed on the following questions for the leading media corporations.

1. What are their CSR activities?
2. What are the main motives for CSR activities? (Which type of CSR is dominant?)
3. What are the main instruments and organisational realisations of CSR?

The top ten companies were chosen by the ranking of the Institute for Media and Communications Policy (IfM) in Berlin, which publishes the media database mediadb.eu in order to provide comprehensive and up-to-date structural data concerning international media corporations. Based on their annual ranking of the world's 50 biggest media corporations, the authors picked the top ten European media companies: Bertelsmann SE & Co. KGaA (GER), Vivendi S.A. (FRA), Lagardère Media (FRA), Reed Elsevier PLC (GB), ARD (GER), Pearson plc (UK), BBC (UK), The Nielsen Company (NL), Wolters Kluwer nv (NL), Mediaset SpA (IT).

The corporations' CSR strategies were analyzed and categorized on the corporation level. Single brands were not part of the analysis (Table 1).

The categorization of CSR instruments of the ten biggest media corporations in Europe show clearly: CSR as a management tool has arrived in most of the top ten

[4] see for an overview Bromley, Göttlich, and Winter (1999).

Table 1 CSR in Europe's top ten media companies 2015

	Compliance- driven CSR	Instrumental CSR	Philanthropic CSR	Synergetistic CSR	Holistic CSR
Bertelsmann SE & Co. KGaA (Gütersloh/ GER)	Support of voluntary work	Code of conduct for all company parts in 13 languages; support of the "World Book Day"	The Bertelsmann Stiftung (Bertelsmann foundation) supports social affairs, the 2014 topic was EU and their social issues concerning wealth distribution; catastrophe ad-hoc help; charity e.g. "Spendenmarathon" (Charity marathon)	CSR is communicated on the homepage;[a] Be-green (initiative to reduce Co_2)	Complete CSR strategy consisting of the code of conduct (including 20 core values), ethical training for all employees, contact persons for ethical problems, ombudspersons, information for suppliers and business partner, anti-bribery measures, diversity guidelines at Bertelsmann US
Vivendi S.A. (Paris/ FRA)		Universal musicians against Ebola; annual report	Sponsoring of the world forum for democracy organized by the council of Europe in Strasbourg; create joy fund	CSR is communicated on the homepage[a]	Complete compliance program defining ethical rules (quality of information, commercial ethics, respect for the environment etc.); applicable to all group entities, but adapted to local needs; the management board oversees the implementation of this program; implementation is followed by the legal teams and the compliance officers

(continued)

Table 1 (continued)

	Compliance- driven CSR	Instrumental CSR	Philanthropic CSR	Synergetistic CSR	Holistic CSR
Lagardère Media (Paris/FRA)			The Jean-Luc Lagardère foundation: commitment to young people in the fields of culture, solidarity and sport	Key CR data—also data on costs, climate balance	Cursory statement on the three core values
Reed Elsevier PLC (London/ GB)		Global Employee Opinion Survey (EOS); company donates $1 for every completed survey to their fundraising effort; code of conduct; reed Elsevier "Health and Safety Policy"	Work together with NGOs; fundraising/ charity actions	CSR is communicated on the homepage	Complete strategy on CSR; including different stakeholders (employees, customers, investors, NGOs, communities etc.); overseen by board, senior management and the CR forum; active communication via magazines etc.; training for employees; regulations on accessibility of their products
ARD (Berlin, München/ GER)[b]	Guidelines for the different beats, updated bi-annual; genre specific quality guidelines		Charity actions		the ARD's broadcasting councils has established internal regulatory bodies whose members are appointed by state actors
Pearson PLC (London/ UK)		Code of conduct (5 pages); plus anti-bribery and corruption policy; environmental	Pearson foundation donates to a number of not-for-profit organizations	CSR is communicated on the homepage	Entire strategy which is communicated on the website, ranging from transparency to

		policy; paper purchasing policy; code of conduct for suppliers; social media guidelines; reports			environmental issues and accessibility; member in CSR networks
BBC (London/ UK)[b]		Reports on different issues; code of conduct (editorial guidelines) plus guidance; advertising policy	Cooperation with museums etc.; charity events		Public-value monitoring (internal) and external advisory panels; BBC'S own complaints procedures for members of the public; online media literacy
The Nielsen Company (Haarlem/ NL)		Code of conduct (detailed 40 pages), as well as suppliers code of conduct (9 pages)			Total strategy including corporate governance guidelines and other codes
Wolters Kluwer nv (Amsterdam/ NL)		Sustainability strategy incl. an annual report on sustainability, code of conduct for board members			Core values (6) are listed on the website
Mediaset SpA (Mailand/IT)		Self-regulating code concerning television and minors; code of ethics; code of corporate governance; declaration vuarantees for minors			Training for employees

[a]"CSR is communicated on the homepage" is defined as clearly visible with a direct link to the CSR section, e.g. by showing the button "CSR" or "Responsibility"

[b]Public Service Broadcaster operating under different circumstances

media companies in Europe—but the industry is not setting benchmarks.[5] Most media corporations seem to have CSR on the agenda, but when it comes to institutionalization, there is a long way to go.

Instrumental CSR seems to dominate: For example, more than half of the surveyed companies have codes of conduct on their website. They vary from 5 to 40 pages; from one document with subsections to one core document with several additional documents. Furthermore, documents on energy saving, paper production, or similar environmental issues reflect the cultural change in management: being a good citizen and communicating that fact became an issue.

Although media companies currently suffer from the biggest financial crisis in decades, philanthropic CSR can still be found in some corporations—mostly by cooperating with NGOs or by contributing to charity events like telethons. Some philanthropic activities are done via company-linked foundations, like the Jean-Luc Lagardère Foundation.

Summarizing—the communication of CSR is still not a core issue in Europe's biggest media corporations. Only four out of ten communicate their CSR approach on their homepage with a direct link. Most information has to be dug out from the depth of the corporation's website. This is striking in the case of public broadcasters, as they do not proactively communicate their corporate social responsibility—a core issue in the discussion of public value and license fees. This is in line with other empirical studies. Ingenhoff and Kölling (2012, p. 161) conclude in their study that public service media organizations communicate differently: They focus mainly on CSR activities that address society, in general. The authors argue this can be explained by their mission, legal framework, and the financial restrictions under which they work because of their public funding.

Still, there is space to improve the CSR standards in Europe's leading companies. Only one company has explicit social media guidelines for its employees and only one has internal ombudspersons. Furthermore, explicit CSR reports are not a common practice among media companies.

3 Conclusion: Room for Improvement

As we tried to outline, CSR is on the agenda of media management. The "Media corporate social responsibility forum," which is an association of big European media companies developing CSR and sustainability practices,[6] recent studies (Ingenhoff & Kölling, 2012), and our own empirical findings show that the CSR debate has reached the media industry. Internal CSR instruments are now used by most companies, and core values or even whole CSR strategies are

[5]If we look at the empirical findings, we must draw into consideration that the public broadcasters BBC and ARD are bound by law—e.g. the BBC which operates under a Royal Charter—and that these regulations require several CSR aspects in terms of information, education or entertainment.

[6]http://mediacsrforum.org/home

communicated. CSR is instrumentally used as a tool to foster trust and credibility—but holistic approaches are scarce. So the media industry obviously does not set the benchmark for competing with integrity. In general, the media industry seems to underestimate the potential of CSR for its business—but media companies in Europe don't yet fully communicate their CSR efforts, and their internal CSR instruments have not even reached all of their employees (Karmasin, Kraus, Kaltenbrunner, & Bichler, 2014). In sum, then, there is empirical evidence that the critics do not apply the same rules to themselves. In other words: ethical behaviour and CSR is promoted through the media, which also report as scandalous other industries' failure to meet these standards. But the media themselves are not so strict when their own business strategies are at stake.

This is remarkable, especially for an industry that claims to serve the public as a fourth estate or is, in some cases, even legally obliged to produce public value. Furthermore, the public—respectively, the audience—increasingly demands ethical responsibility from companies and criticizes the old model of unilateral shareholder orientation. These media companies are global, decentralized networks, where each entity is ethically responsible and independent. As a consequence, these media corporations could see CSR as a new management challenge (see for example Karmasin & Freienstein, 2006). This is especially true for Western media companies, which expanded to Eastern Europe in the last decade. These expansions were accompanied by the implementation of their corporate cultures, especially the Western concepts of media accountability (Fengler, Eberwein, & Leppik-Bork, 2011, p. 12) without much cross-cultural responsibility.

Media enterprises are corporate citizens, but to become good corporate citizens, the balance between ethical, democratic, and economic performance must become a core element of their business as well as publishing strategies. As Altmeppen (2011, p. 254) points out, the social responsibility of media companies must focus on more than just journalistic products: Media corporations should embrace their ethical responsibilities more broadly.

This is an important task of media management, but it also can be supported by an appropriate legal framework in the tradition of regulated self regulation—. e.g.: the linkage of media subsidies to memberships in the respective media self-regulation sytstem or by public advertising guidelines requiring that advertising that is refinanced by public money has to be placed only in media meeting certain CSR standards. This regulative framework would reflect the idea that media corporations create not only economic but also public value.

It seems important to monitor and stimulate the social responsibility of media corporations as their (symbolic) role in the ambitious goal of the EU-Commission to make the EU into the leading CSR market in the world cannot be underestimated.

References

Altmeppen, K. (2011). Journalistische Berichterstattung und media social responsibility: Über die doppelte Verantwortung von Medienunternehmen. In J. Raupp, S. Jarolimek, & F. Schultz (Eds.), *Handbuch CSR: Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen* (pp. 247–266). Wiesbaden: VS Verlag.

Bromley, R., Göttlich, U., & Winter, C. (Eds.). (1999). *Cultural studies. Grundlagentexte zur Einführung*. Lüneburg: Zu Klampen.

Carroll, A., & Buchholtz, A. (2000). *Business & society. Ethics and stakeholder management* (4th ed.). Cincinnati, OH: South Western Educ Pub.

Elliott, L. (2003). *Cleaning agent. The Guardian* [online]. Accessed January 12, 2015, from http://www.theguardian.com/business/2003/jul/05/unilever1

Fengler, S., Eberwein, T., & Leppik-Bork, T. (2011). Mapping media accountability—In Europe and beyond. In S. Fengler, T. Eberwein, & T. Leppik-Bork (Eds.), *Mapping media accountability—In Europe and beyond* (pp. 7–21). Köln: Halem.

Göbel, E. (2006). *Unternehmensethik. Grundlagen und praktische Umsetzung*. Stuttgart: Lucius&Lucius.

Hoskins, C., McFadyen, S., & Finn, A. (2004). *Media economics. Applying economics to new and traditional media*. Thousand Oaks, CA: Sage.

Ingenhoff, D., & Kölling, A. M. (2012). Governance and corporate social responsibility of media organizations: An international comparison. *Business Ethics: A European Review, 21*(2), 154–167.

Karmasin, M. (2010). Medienunternehmen. In C. Schicha & C. Brosda (Eds.), *Handbuch medienethik* (pp. 217–231). Wiesbaden: VS Verlag für Sozialwissenschaften.

Karmasin, M., & Freienstein, J. (2006). Kommunikation an Schnittstellen. Neue Anforderungen durch technologische Konvergenz in Organisationen. In M. Karmasin & C. Winter (Eds.), *Konvergenzmanagement und Medienwirtschaft* (pp. 131–149). München: UTB.

Karmasin, M., Kraus, D., Kaltenbrunner, A., & Bichler, K. (2014). Media ethics as institutional ethics—The potential of corporate social responsibility. In S. Fengler, T. Eberwein, G. Mazzoleni, C. Porlezza, & S. Ruß-Mohl (Eds.), *Journalists and media accountability. An international study of news people in the digital age* (pp. 227–245). New York: Lang.

Karmasin, M., & Litschka, M. (2008). *Wirtschaftsethik. Theorien, strategien, trends*. Münster: LIT Verlag.

Karmasin, M., & Weder, F. (2009). Österreichische Medienunternehmen in der Verantwortung. Selbstregulierung als Antwort auf die Frage nach der gesellschaftlichen Verantwortung (CSR) von Medienunternehmen. In B. Stark & M. Magin (Eds.), *Die österreichische Medienlandschaft um Umbruch* (pp. 321–347). Wien: Verlag der ÖAW.

Marrewijk, M. (2003). Concepts and definitions of CSR and corporate sustainability. Between agency and communion. *Journal of Business Ethics, 44*(2–3), 95–105.

Marrewijk, M., & Were, M. (2003). Multiple levels of corporate sustainability. *Journal of Business Ethics, 44*, 107–119.

Noll, B. (2002). *Wirtschafts- und Unternehmensethik in der Marktwirtschaft*. Stuttgart: Kohlhammer.

Schultz, F., & Wehmeier, S. (2010). Online relations. In K. Beck & W. Schweiger (Eds.), *Handbuch online-kommunikation* (pp. 409–433). Wiesbaden: Springer.

Ulrich, P. (2001). *Integrative Wirtschaftsethik: Grundlagen einer lebensdienlichen Ökonomie*. Bern: Haupt.

Zerdick, A., Picot, A., Schrape, K., Burgelman, J.-C., Silverstone, R., Feldmann, V., et al. (2005). *E-Merging Media. Communication and the media economy of the future*. Berlin: Springer.

Company References

ARD. *ARD-Bericht 2013/14 und ARD-Leitlinien 2015/16 (Guidelines for the different beats)*. Accessed January 13, 2015.

ARD. *Genrespezifische Qualitätskriterien (Genre specific quality guidelines)*. Accessed January 13, 2015.

BBC. *Charity*. Accessed January 16, 2015, from http://www.bbc.co.uk/charityappeals/about/

BBC. *CSR*. Accessed January 16, 2015, from http://www.bbc.co.uk/responsibility

BBC. *Culture*. Accessed January 16, 2015, from http://www.bbc.co.uk/aboutthebbc/insidethebbc/howwework/partnerships/arts_and_culture.html

BBC. *Editorial Guidelines*. Accessed January 16, 2015, from http://www.bbc.co.uk/editorialguidelines/guidelines/

BBC. *Editorial Policy Guidance*. Accessed January 16, 2015, from http://www.bbc.co.uk/editorialguidelines/guidance/

BBC. *Policy guidelines*. Accessed January 16, 2015, from http://www.bbc.co.uk/aboutthebbc/insidethebbc/howwework/policiesandguidelines

Bertelsmann SE & Co. KGaA. *CSR*. Accessed January 12, 2015, from http://benet.bertelsmann.de/ethics/fs/de/index.jsp

Bertelsmann Stiftung. Accessed January 12, 2015, from http://www.bertelsmann-stiftung.de/de/startseite/

http://www.daserste.de/specials/ueber-uns/telemedien-leitlinien-2015-2016-100.pdf

Lagardère Media. *The Jean-Luc Lagardère Foundation*. Accessed January 13, 2015, from http://www.lagardere.com/group/the-jean-luc-lagardere-foundation-600279.html

Lagardère Media Values. Accessed January 13, 2015, from http://www.lagardere.com/group/values-301.html

Mediaset SpA. *Guarantees for minors*. Accessed January 16, 2015, from http://www.mediaset.it/corporate/impresa/garanzieminori_en.shtml

Mediaset SpA. *Code of corporate governance*. Accessed January 16, 2015, from http://www.mediaset.it/investor/governance/autodisciplina_en.shtml

Pearson PLC. *Policies*. Accessed January 16, 2015, from https://www.pearson.com/social-impact/policies---downloads.html

Reed Elsevier PLC. *Code of conduct*. Accessed January 13, 2015, from http://www.reedelsevier.com/investorcentre/corporatestructure/Documents/code-of-ethics/code-of-ethics-english.pdf

Reed Elsevier PLC. *Community*. Accessed January 13, 2015, from http://www.reedelsevier.com/corporateresponsibility/community/community-impact/Pages/Home.aspx

Reed Elsevier PLC. *CR Reports*. Accessed January 13, 2015, from http://www.reedelsevier.com/corporateresponsibility/crreport/Pages/Home.aspx

Reed Elsevier PLC. *Donation*. Accessed January 13, 2015, from http://www.reedelsevier.com/corporateresponsibility/community/Pages/projects-we-supported-centrally.aspx

Reed Elsevier PLC. *KEY CR*. Accessed January 13, 2015, from http://www.reedelsevier.com/corporateresponsibility/our-approach/Pages/key-CR-data.aspx

Reed Elsevier PLC. *Our approach*. Accessed January 13, 2015, from http://www.reedelsevier.com/corporateresponsibility/our-approach/Pages/Home.aspx

Reed Elsevier PLC. *Supplier code of conduct*. Accessed January 13, 2015, from http://www.reedelsevier.com/corporateresponsibility/policies/Documents/2015-reed-elsevier-supplier-code-of-conduct.pdf

Reed Elsevier PLC. *UN*. Accessed January 13, 2015, from http://www.reedelsevier.com/corporateresponsibility/UNGlobalCompact/Pages/Home.aspx

The Nielsen Company. *CSR downloads*. Accessed January 16, 2015, from http://ir.nielsen.com/investor-relations/investor-overview/governance-documents/default.aspx

Vivendi S.A. *Compliance program*. Accessed January 12, 2015, from http://www.vivendi.com/wp-content/uploads/2012/04/20120412_Compliance-_20121.pdf

Vivendi S.A. *Sustainable development reports*. Accessed January 12, 2015, from http://www.vivendi.com/social-responsibility/approach-performance/sustainable-development-reports/

Vivendi S.A. *Ethics and business practices*. Accessed January 12, 2015, from http://www.vivendi.com/social-responsibility/specific-issues/ethics-and-business-practices/

Finding Common Ground: CSR and Media Responsibility

Philipp Bachmann and Diana Ingenhoff

1 MR and CSR of Media Companies

Media companies have a ‘dual responsibility’. For one, they produce and distribute media products intended to inform and entertain the population. This entails a set of duties that may be termed *Media Responsibility* (MR). On the other hand media companies, just like any other company, have to be profitable, as well as living up to social and ecological standards. These related duties may be designated *Corporate Social Responsibility* (CSR) (see Altmeppen, 2011).

At the same time, media companies are confronted with a twofold structural change. On the one hand, the media sector is always in transition. Some changes are radical and drastic; quite a few are slow, incremental and creeping. The changes may be conceptualized by the keywords tabloidization, digitalization, commercialization, convergence, concentration, liberalization, and economization. As the media sector changes, we are seeing fewer media companies concentrating more market power. In the Swiss print media sector the three major media companies, Tamedia, Ringier and the NZZ media groups, currently control 79.3% of the market share (see fög, 2014, pp. 252–258). The concern here is that decreasing diversity in the media sector lowers the quality of the media. As a consequence, media companies are increasingly being accused of neglecting one of their core responsibilities, to inform the population, in their pursuit of increased profits (see Habermas, 2008; Kramber & Imhof, 2011). On the other hand, we see a moralization of the business world. Companies are expected to not only feel obligated to their shareholders, but also to their many stakeholders (see

P. Bachmann (✉)
University of Zurich, Zürich, Switzerland
e-mail: p.bachmann@ipmz.uzh.ch

D. Ingenhoff
University of Fribourg, Fribourg, Switzerland
e-mail: diana.ingenhoff@unifr.ch

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_12

Freeman, 1984). Firms are not only expected to be profitable, but also to meet social and ecological demands (see Elkington, 1998).

Due to their MR, media companies remained for a long time relatively untroubled by calls for CSR. This has changed, with the responsibilities of media companies now being closely examined (see Altmeppen, 2011; Trommershausen, 2011; Winkler, 2016). From the point of view of organizational communication research, the question raised is: how do media companies use their MR and CSR strategically?

Formulating a response to this question requires a social-theoretical framework that brings together the findings of organizational communications research, CSR research and MR research in a comprehensive manner. The research questions are: What is MR? And what is CSR?

The aim of this paper is to develop a relevant framework that may be fruitfully put to work for further empirical research. The most suitable tool here, as will be shown in due course, is a close look at Giddens' theories of structuration and late modernity. These have already proved useful in the analysis of media companies (see Altmeppen, 2006, p. 44). We unlock the potential of Giddens' theories by conceptualizing MR and CSR as social practices (see Giddens, 1984, p. xvii). It is in the process of ascribing between persons that MR and CSR become concrete phenomena. The aim of this paper is to develop a basis model of MR and CSR by referring to Giddens' concepts of the duality of structure and action as well as the double hermeneutic.

2 The Organization of Media Companies

For many decades the fields of social science and ethics have debated the question of whether organizations are actors (see Crane & Matten, 2010, pp. 46–51; Douglas, 1986, pp. 9–19; French, 1979). The answer provided by the theory of structuration is unequivocal: only persons (to be precise: entities with a corporeal existence) have a consciousness and are able to act. In contrast, neither organizations nor any kind of collective can be agents (see Giddens, 1984, pp. 5–8; 220–221). While Giddens (1984) concedes that it might, in certain circumstances, be expedient to simply use phrases like: 'the media company is acting strategically' or 'the management has decided', social scientists should never lose sight of the difference between reductive, everyday descriptions and scientific concepts (see Giddens, 1984, p. 221; Theis-Berglmair, 2003, p. 240).

According to Giddens (1984), organizations are social structures, and social structures do not exist independently from people in space and time. In fact, they only exist in the minds of people as "memory traces" (p. 25). Organizations represent a particular kind of social structure: bundles of rules and resources safeguarding and processing information; a bureaucratically ordered interaction of people and technologies (see Giddens, 1984, pp. 199–201; 1985, p. 13). As a collection of both material and immaterial resources, organizations represent 'power containers' (see Giddens, 1985, p. 13; Poole & McPhee, 2005, p. 179) for authorized persons (e.g. owners, managers, employees) that, from the perspective of the concept of the duality of structure and action, both enables and limits the scope of their actions. Organizations constitute both the result and the medium of human action (see Giddens, 1984, pp. 25–28; 199–206).

But what makes media companies different from other organizations? The particularity of media companies lies in the fact that they are bound to the twin goals, respectively the values of 'publicity' and 'economy'. The theory of structuration allows us to conceptualize publicity and economy as structural principles. According to Giddens (1984), structural principles make human action possible, while at the same time limiting it—in such an extensive invention in space and time that they remain nearly impervious to human action. Structural principles are caught in a contradictory relationship with each other (see Giddens, 1984, pp. 180–185). The contradictions between publicity and economy that media companies are exposed to finds expression in many pairs of opposites: media companies produce cultural and economic goods (see Heinrich, 2010, pp. 21–22); are received by people who are both citizens and consumers (see Lewis, Inthorn, & Wahl-Jorgensen, 2005); and sell both information and entertainment (see Gershon, 2000, p. 81). According to Altmeppen (2006), in media companies this contradiction manifests itself in the organizational separation between journalistically-oriented editorial departments and business-oriented media management. This gives media companies a bicameral system: while the editorial departments are geared towards providing relevant topics for public communication, media management aims to increase competitiveness and profits by distributing this information. The editorial section and media management are interlinked through media companies, resulting in a 'co-orientation'. This co-orientation means neither balance nor symmetry. On the contrary, in situations of conflict representatives from media management usually hold more power to make decisions (see Altmeppen, 2006, pp. 201–208; Altmeppen & Arnold, 2013, pp. 42–46).

3 Double Hermeneutic and Defining MR and CSR

3.1 Developing the Basic Model of Ascribing Responsibility

There are many definitions of MR and CSR. Dahlsrud (2008) for instance has compiled 37 different CSR definitions (see Dahlsrud, 2008). However, the problem with surfeits such as this is that they tend to hinder understanding just as much as a lack of definition would. In the words of the editors of the 'Oxford Handbook of Corporate Social Responsibility':

> For a subject that has been studied for so long, it is unusual to discover that researchers still do not share a common definition or a set of core principles, that they still argue about what it means to be socially responsible (Crane, McWilliams, Matten, Moon, & Siegel, 2008, p. 4).

What we hear regarding MR is in a similar vein (see Bardoel & d'Haenens, 2004). The only consensus here is around the lack of consensus. In order to find

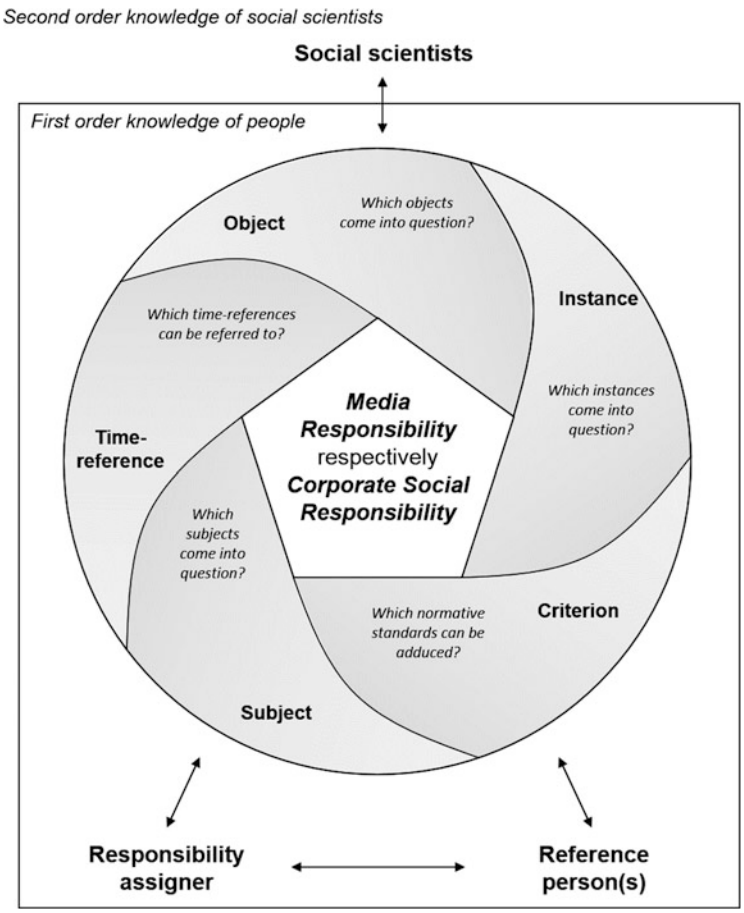

Fig. 1 Framework to analyze the social practice of ascribing MR resp. CSR

suitable definitions to answer the research question, we must first ask: what are the reasons for the continued lack of consensual definitions for MR and CSR?

Applying Giddens' (1990) theory of late modernity, we can say that definitions, which are able to generate a consensus, remain absent not *in spite of* but *because of* continued scientific efforts. One particularity of late modernity is institutional reflexivity. Today, no knowledge or social practice is exempt from being questioned. This also means that scientific research might produce knowledge, but no certainties, because reflexivity implies a constant revision of social activities (see Giddens, 1990, pp. 38, 139).

Under these conditions, in order to develop a viable understanding of MR and CSR that is as free from contradictions as possible, a basic model of ascribing responsibility is laid out in a number of steps. We firstly draw on the available literature on responsibility from social sciences, as well as the theories of structuration and late modernity, to develop a basic framework of the social practice of responsibility ascriptions (see Fig. 1). Examining the available research on MR and CSR, this basic model allows us subsequently to deduce definitions of MR and CSR.

1. First of all we need to clarify what is meant by ‘responsibility.’ Despite responsibility being an everyday phenomenon, or indeed because of that fact, responsibility is difficult to define. Giddens (1999) comments: “As it is used today, ‘responsibility’ is an interestingly ambiguous or multi-layered term” (p. 8). In this paper we understand responsibility as a five-element relational concept: Somebody (*subject*) taking guilt in a retrospective sense, or, in a prospective sense, an obligation or duty (*time reference*) for something (*object*) towards somebody (*instance*) on the grounds of specific normative standards (*criterion*) (see Schütz, 1964; Hübenthal & Wils, 2009).
2. From a Giddensian perspective, responsibility is a social practice: responsibility only becomes apparent through the social practice of ascribing. This means that responsibility as a phenomenon in space and time cannot be imagined without a *person ascribing responsibility* to at least one *relatable person*, conveying the five-element relation of responsibility within a social relationship (see Giddens, 1984, p. 116). Pincoffs (1988) argues in a similar vein: “What responsibility might be outside of or apart from this practice, I have no idea” (p. 828). It is only in the social practice of ascribing between people that responsibility becomes a concrete reality of social life.
3. It is precisely in the “illumination of concrete processes of social life” that Giddens (1984) sees the main remit of the social sciences (see Giddens, 1984, p. xvii). According to the theory of structuration, ascribing responsibility is not limited to communication, but is always connected to action. This can take place through facial expressions, gestures, oral or written statements, or other bodily expressions on the part of the person ascribing the responsibility (see Giddens, 1984, pp. 78–83; 1993, pp. 93–99; see also Goffman, 1959, pp. 167–207). A person may, for instance, ascribe responsibility to themselves or other subjects by ‘leading by example’ or by ‘letting actions speak louder than words’. Conversely, that person may act responsibly through language alone, for instance by ‘standing up verbally for a weaker person’ in front of other people in a risky situation. Some persons possess more power than others to shape these responsibilities and other “realities”. Power in all its forms plays a central role in Giddens’ theories. He points out that power is intrinsically tied to human agency. His conception is different from that of Weber (1984), who has argued that power only exists when resistance of other persons is overcome. Giddens argues that there are two sources of power in social interactions: allocative resources (e.g., wealth, technologies) and authoritative resources (e.g. reputation) (see Giddens, 1984, pp. 14–25).
4. Structuration theory sees only human beings as able to ascribe responsibility. However, people ascribing responsibility do have recourse to frameworks of significance (interpretative schemata), where not only human beings, but also groups, collectives, organizations and creatures of a higher order may sensibly

be perceived as actors and, as such, as being capable of responsibility (see Giddens, 1984, pp. 30, 220). At the same time, authorized persons may speak in the name of a group, collective or organization, creating the illusion that those entities are ascribing responsibility to themselves. For instance, on the website of Ringier AG, under the heading 'Corporate Responsibility', we read: "Ringier AG consistently strives to lessen its burden on the environment" and "Ringier engages in social commitments, focusing on issues that are closely related to its business activities" (Ringier, 2015). Goodpaster and Matthews (1982) see a useful "moral projection" in the idea that views companies as actors, making it easier for people to assert claims towards them (see Goodpaster & Matthews, 1982, p. 136). This idea of company as actors has hardened over time and lead to the institutionalized construction of company as a "person" by virtue of law.

5. This shows that social scientists deal with a "double hermeneutic": They interpret on the basis of basic scientific frameworks how people interpret their world. In the words of Giddens (1984, 1993), this means that the definitions and concepts of social sciences always represent "second-order" significance frameworks referencing "first-order" significance frameworks, which derive from the social practice of ascribing (see Giddens, 1984, p. 284; 1993, pp. 84–84). Achieving a social-science related concept of MR and CSR and establishing definitions of MR and CSR (second-order significance frameworks) requires adopting the first-order significance frameworks of people engaged in social practice.
6. Another factor needs to be taken into consideration when determining scientific second-degree significance frameworks, namely that the knowledge of the social sciences, for its part, sometimes enters into these significance frameworks in social practice: The point here is not that there is no stable world to be perceived, but that the knowledge about this world contributes to its instability or inconstancy. Giddens calls this the *circulation of social knowledge in double hermeneutic:* Social scientific ideas can re-enter into society (see Giddens, 1990 pp. 53–54). Herein lies another reason for the lack of 'one-solution-fits-all' definitions on MR and CSR (see Marrewijk, 2003). When social science concepts of MR and CSR are taken up in social practice, their original meaning is changed, requiring a readjustment of the definitions. Thus, there can be no final definitions of MR and CSR.

3.2 Defining MR and CSR Ascriptions

The issue then is not how to go about finding the only two correct definitions for MR and CSR. The question is rather: how may we as social scientists establish definitions of MR and CSR that are comprehensible? Defining MR and CSR requires us to examine the first-degree significance frameworks and to translate them into the significance frameworks of the social sciences. In additional steps we may then use previous reflections to define the ascribing of MR and CSR. This entails integrating well-known approaches from MR and CSR research into the basic model of ascribing responsibility.

7. Ascribing *Media Responsibility* is a specific form of human action distinguished by the fact that the assigner acts with the intention of conveying information to one or several persons. Namely, in the sense of conveying information according to the five-element relational term of responsibility, whereby people, professional groups, or organizations (or their units) from the media sector (*subject*) (see Dimmick & Coit, 1982; McQuail, 2010, pp. 278–280) are obliged to ensure (*prospective time reference*) (see McQuail, 2003, p. 195) media structures (e.g. diversity of providers) or media content (e.g. media quality), which increase society's social, political or cultural well-being (*object*) (see van Cuilenburg & McQuail, 2003, p. 202; McQuail, 2010, p. 165); towards those affected by it (e.g. citizens or recipients) (*instance*), on the basis of normative standards that may vary in their degree of obligation (*criterion*) (see Hodges, 1986; McQuail, 1997, p. 516).
8. Ascribing *Corporate Social Responsibility* is a specific form of human action distinguished by the fact that the assigner acts with the intention of imparting information to one or several persons, and particularly imparting information in regard to the five-element relational term of responsibility, whereby companies or their managers (*subjects)* (see Carroll, 1991, p. 42) have the obligation (*prospective time reference*) to ensure profit and competitiveness in the economic sense; or social, political, or cultural well-being in the social sense; or, in the ecological sense, for the conservation of the natural environment (*object*) (see Elkington, 1998, pp. 69–96); towards those affected by it (e.g. shareholders or stakeholders) (*instance*) (see Freeman, 1984), on the basis of normative standards that may vary in their degree of obligation (*criterion*) (see Carroll, 1991, p. 42).

These definitions draw the outer boundaries of the second-degree social science framework, within which, in social practice, MR and CSR are assigned in a meaningful way. In the social practice of assigning MR or CSR it is rare to find every single member of this relationship explicated. Nor is this crucial, but the person assigning responsibility is able, if the need arises to name the relational elements of his or her responsibility ascription (see Giddens, 1993, pp. 81–82).

4 Media Companies' Strategic Use of MR and CSR

Our reflections thus far lead to the following problem: On the one hand, it was asked how media companies use their MR and CSR strategically, on the other, it was argued that media companies are not actors capable of strategic thinking. According to structuration theory, only people can use MR and CSR in a strategic way (see

Giddens, 1984, pp. 5–8; 220–221). This inconsistency can be resolved by referring to the basic framework of the social practice of responsibility ascriptions (see Fig. 1).

We have seen that media companies' self-ascriptions of MR and CSR are illusions within the first-degree frame of significance, reproduced by authorized persons (such as managers, company spokespersons) representing a media company or its organizational units as a responsible subject in the sense of the MR and CSR definitions referenced.

9. It is important here to establish the fact that concrete ascriptions of MR and CSR do not necessarily involve strategic intention. According to Giddens' (1984) stratification model of action, people may also ascribe responsibilities for non-strategic, non-instrumental reasons. People may even ascribe responsibilities for their personal disadvantage if they are convinced of the moral truth of their ascription (see Giddens, 1984, p. 5). On the other hand, the lack of a strategic intention is improbable with those specific MR and CSR assignations performed by authorized members in the name of their respective media companies. For the authorized media management this is a social space of institutional reflexivity, where one's own practices are always scrutinized as to their efficacy. In companies, the mantra is that there is always the option of improving things by employing a different method. In the words of modern organizational semantics: workflows may always be shaped to be 'more rational' or 'more strategic' (see Giddens, 1984, pp. 199–201; 1990, pp. 38–40).

The strategies dealing with the illusion that companies are responsible agents fall within the remit of PR. From PR research we can learn that concepts of PR—and concepts used synonymously, such as publicity or communication management—stands for activities with strategic intentions in the interest of their own organization, or that of a client.

Media companies' strategic self-ascriptions of MR and CSR take place in interactions and social relations between the members of a media company (e.g. media managers, PR experts) and stakeholder groups. According to structuration theory, actions and ascriptions in social relations and interactions reproduce and modify structures of signification, domination and legitimacy (see Giddens, 1984, pp. 16–28; Röttger, 2005, p. 14). Bearing this in mind, and bringing in Zerfaß (2014), the targeted dimensions of strategic MR and CSR self-ascriptions may be broken down further: in terms of the *communication/signification* dimension the goals may lie in disseminating information and divulging images; in terms of the *power/domination* dimension the goals could lie in securing allocative resources (money through a competitive edge; profitability and liquidity in particular) and authoritative resources (e.g. reputation and confidence). As regards the *sanction/legitimacy* dimension, the goals may lie in securing the 'license-to-operate' through acceptance or a favorable legal framework. In strategic MR and CSR ascriptions, all dimensions always come into play, if to variable degrees (see Zerfaß, 2014, pp. 28–29).

5 Conclusions and Outlook

So how can we conceptualize how media companies go about using MR and CSR in their strategies? In conclusion, the answer is that within media companies authorized persons (managers or PR experts, for instance) perform strategic MR and CSR ascriptions in the name of their own organization or its units, based on PR expertise, in order to reproduce or modify the social structures in the interest of the organization or its units. Strategic MR and CSR ascriptions aim to adapt both the organizational structures and those of the stakeholders in the interest of the media company.

Based on the theory of structuration and the theory of late modernity, this theoretical framework, as well as the definitions developed, allow the empirical analysis of media companies' strategic approach to MR and CSR.

Just to point to a few options, the two definitions of MR and CSR allow the use of interviews or content analyses to find out which obligations and duties are ascribed to media companies by their own organization members or members of stakeholder groups. They also allow the examination of the impact of certain MR and CSR ascriptions on the target variables in the dimensions of signification, domination and legitimacy. For instance, there is speculation about the fact that extensive CSR ascriptions of companies do not increase their legitimacy, but rather tend to bring about the opposite, due to the skeptical attitudes of the persons involved (see Ashforth & Gibbs, 1990; Morsing, Schultz, & Nielsen, 2008). They also allow the determination of which persons and professional groups within media companies and within stakeholder groups are in charge of ascribing responsibility (e.g. managers, CEOs, PR experts, marketing experts).

References

Altmeppen, K.-D. (2006). *Journalismus und Medien als Organisationen. Leistungen, Strukturen und Management*. Wiesbaden: VS Verlag für Sozialwissenschaften.

Altmeppen, K.-D. (2011). Journalistische Berichterstattung und Media Social Responsibility: Über die doppelte Verantwortung von Medienunternehmen. In J. Raupp, S. Jarolimek, & F. Schultz (Eds.), *Handbuch CSR. Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen. Mit Glossar* (pp. 247–266). Wiesbaden: VS Verlag für Sozialwissenschaften.

Altmeppen, K.-D., & Arnold, K. (2013). *Journalistik. Grundlagen eines organisationalen Handlungsfeldes*. München: Oldenbourg.

Ashforth, B. E., & Gibbs, B. W. (1990). The double-edge of organizational legitimation. *Organization Science, 1*(2), 177–194.

Bardoel, J., & d'Haenens, L. (2004). Media responsibility and accountability: New conceptualizations and practices. *Communications, 29*, 5–25.

Carroll, A. B. (1991, July–August). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons, 34*, 39–48.

Crane, A., & Matten, D. (2010). *Business ethics. Managing corporate citizenship and sustainibility in the age of globalization* (3rd ed.). Oxford: Oxford University Press.

Crane, A., McWilliams, A., Matten, D., Moon, J., & Siegel, D. (2008). The corporate social responsibility agenda. In A. Crane, A. McWilliams, D. Matten, J. Moon, & D. Siegel (Eds.), *The Oxford handbook of corporate social responsibility* (pp. 3–15). Oxford: Oxford University Press.

Dahlsrud, A. (2008). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management, 15*, 1–13.

Dimmick, J., & Coit, P. (1982). Levels of analysis in mass media decision making. A taxonomy, research strategy, and illustrative data analysis. *Communication Research, 9*(1), 3–32.

Douglas, M. (1986). *How Institutions Think*. Syracuse: Syracuse University Press.

Elkington, J. (1998). *Cannibals with forks: The triple bottom line of the 21st century business*. Oxford: Capstone.

Fög (Ed.). (2014). *Jahrbuch 2014. Qualität der Medien. Schweiz—Suisse—Svizzera*. Basel: Schwabe.

Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.

French, P. A. (1979). The Corporation as a moral person. *American Philosophical Quarterly, 16* (3), 207–215.

Gershon, R. A. (2000). The transnational media corporation: Environmental scanning and strategy formulation. *Journal of Media Economics, 13*(2), 81–101.

Giddens, A. (1984). *The constitution of society. Outline of the theory of structuration*. Cambridge: Polity Press.

Giddens, A. (1985). *The nation-state and violence. Volume two of a contemporary critique of historical materialism*. Cambridge: Polity Press.

Giddens, A. (1990). *Consquences of modernity*. Stanford: Stanford University Press.

Giddens, A. (1993). *New rules of sociological method. A positive critique of interpretative sociologies* (2nd ed.). Cambridge and Malden: Polity Press.

Giddens, A. (1999). Risk and responsibility. *The Modern Law Review, 62*(1), 1–10.

Goffman, E. (1959). *The presentation of self in everyday life*. Garden City: Doubleday Anchor Books.

Goodpaster, K. E., & Matthews, J. B. (1982). Can a corporation have a conscience? *Harvard Business Review, 60*(1), 132–141.

Habermas, J. (2008). *Medien, Märkte und Konsumenten—die seriöse Presse als Rückgrat der politischen Öffentlichkeit Ach, Europa: Kleine politische Schriften XI* (pp. 131–137). Frankfurt am Main: Suhrkamp.

Heinrich, J. (2010). *Medienökonomie. Band 1: Mediensystem, Zeitung, Zeitschrift, Anzeigenblatt* (3rd ed.). Wiesbaden: VS Verlag für Sozialwissenschaften.

Hodges, L. W. (1986). Defining press responsibility: A functional approach. In D. Elliot (Ed.), *Responsible journalism* (pp. 11–31). Beverly Hills: Sage.

Hübenthal, C., & Wils, J.-P. (2009). Verantwortung. In G. Ueding (Ed.), *Historisches Wörterbuch der Rhetorik* (Band 9: St-Z, pp. 1015–1019). Tübingen: Max Niemeyer.

Kamber, E., & Imhof, K. (2011). Nordwest- und Südostschweiz: Konzentration und publizistisches Angebot im regionalen Pressemarkt. In Fög (Ed.), Jahrbuch 2011. Qualität der Medien. Schweiz - Suisse - Svizzera (pp. 359–376). Basel: Schwabe.

Lewis, J., Inthorn, S., & Wahl-Jorgensen, K. (2005). *Citizens or consumers? What the media tell us about political participation*. Maidenhead: Open University Press.

Marrewijk, M. V. (2003). Concepts and definitions of CSR and corporate sustainbility: Between agency and communication. *Journal of Business Ethics, 44*, 95–105.

McQuail, D. (1997). Accountability of media to society. *European Journal of Communication, 19*, 511–529.

McQuail, D. (2003). *Media accountability and freedom of publication*. Oxford: Oxford University Press.

McQuail, D. (2010). *McQuail's Mass Communication Theory*. (6th edition). Los Angeles et al.: Sage.

Morsing, M., Schultz, M., & Nielsen, K. U. (2008). The 'Catch 22' of communicating CSR: Findings from a Danish study. *Journal of Marketing Communications, 14*(2), 97–111.

Pincoffs, E. L. (1988). The practices of responsibility-ascription. *Proceedings and Addresses of the American Philosophical Association, 61*(5), 825–839.

Poole, M. S., & McPhee, R. D. (2005). Structuration theory. In S. May & D. K. Mumby (Eds.), *Engaging organizational communication. theory & research. Multiple perspectives* (pp. 171–195). Thousand Oaks: Sage.

Ringier. (2015). *Corporate Responsibility*. Retrieved March 1, 2015, from http://www.ringier.com/en/about_ringier/corporate_responsibility/

Röttger, U. (2005). Kommunikationsmanagement in der Dualität von Struktur. Die Strukturationstheorie als kommunikationswissenschaftliche Basistheorie. *Medienwissenschaft Schweiz, 2*, 12–19.

Schütz, A. (1964). Some equivocations in the notion of responsibility. In A. Brodersen (Ed.), *Collected papers II. Studies in social theory* (pp. 274–276). Den Haag: Martinus Nijhoff.

Theis-Berglmair, A. M. (2003). *Organisationskommunikation. Theoretische Grundlagen und empirische Forschungen* (Vol. 2. Auflage). Münster: Lit Verlag.

Trommershausen, A. (2011). *Corporate responsibility in medienunternehmen*. Köln: Herbert von Halem.

van Cuilenburg, J., & McQuail, D. (2003). Media policy paradigm shifts. Towards a new communications policy paradigm. *European Journal of Communication, 18*(2), 181–207.

Weber, M. (1984). Soziologische Grundbegriffe (6. Auflage, erneut durchgesehene Auflage mit einer Einführung von Johannes Winckelmann). Tübingen: Mohr Siebeck, UTB.

Winkler, I. (2016). Gesellschaftliche Verantwortung von Medienunternehmen: Selbstbild und Fremdwahrnehmung in der öffentlichen Kommunikation. In P. Werner, L. Rinsdorf, T. Pleil, & K.-D. Altmeppen (Eds.), Verantwortung - Gerechtigkeit - Öffentlichkeit. Normative Perspektiven auf Kommunikation (pp. 227–240). UVK.: Konstanz und München.

Zerfaß, A. (2014). Unternehmenskommunikation und Kommunikationsmanagement: Strategie, Management und Controlling. In: A. Zerfaß & M. Piwinger (Eds.), *Handbuch Unternehmenskommunikation. Strategie—Management—Wertschöpfung* (Vol. 2., vollständig überarbeitete Auflage, pp. 1–79). Wiesbaden: Springer Gabler.

Managing Values: Analyzing Corporate Social Responsibility in Media Companies from a Structuration Theory Perspective

Isabel Bracker, Stephanie Schuhknecht, and Klaus-Dieter Altmeppen

1 CSR in Organizations: The Problems with an Expanding Set of Values

The terms *corporate social responsibility* (CSR) and *corporate citizenship* (CC) are at the core of the debate about the societal responsibility of corporations. However, although numerous publications from different disciplines have discussed these terms, broad agreement about what societal responsibility means does not yet exist (Dahlsrud, 2008; Ihlen, Bartlett, & May, 2011b, p. 7, Hoffjann, 2011, p. 230).

CSR in German Communication Studies is ascribed with a key position for establishing the topic on the whole (Backhaus-Maul, 2009, p. 11), which means to investigate CSR activities as well as CSR communication. But a broader stock of literature is developing only slowly (Ihlen, Bartlett, & May, 2011a; May, 2011; May, Cheney, & Roper, 2007; Morsing & Beckmann, 2006; Raupp, Jarolimek, & Schultz, 2011a; Schmidt & Tropp, 2009). In contrast, in the field of Economics, a broader stock of literature exists. But "management books are largely silent on the topic of CSR communication. (. . .). When communication is actually mentioned in this literature, the communication ideal that is implied is often ill-defined and vague." (Ihlen et al., 2011b, p. 4).

In spite of the long period of preoccupation in the U.S. with the "Social Responsibilities of the Businessman" (Bowen, 1953) and despite the definitions of CSR between a wider and a narrow understanding (Raupp, Jarolimek, & Schultz, 2011b, p. 11; Hiß, 2007, p. 8), one problem with CSR has remained: the lack of difference between "acting responsibly" and "communicating responsibly". All

I. Bracker (✉) • K.-D. Altmeppen
Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany
e-mail: isabel.bracker@ku.de; klaus-dieter.altmeppen@ku.de

S. Schuhknecht
Catholic University Eichstätt-Ingolstadt, Augsburg, Germany
e-mail: stephanie.schuhknecht@posteo.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_13

criticism of whitewashing as an attempt to demonstrate greater responsibility is targeting this difference (Altmeppen, 2011a). “Responsibility,” for example, is a cloudy term. Typically, it means “acting responsibly.” Thus, empirical work should first attempt to assess whether responsibility-related action occurred before turning its attention to “responsibility-communication”.

The problematic terminology in the field of responsibility and sustainability highlights the necessity of developing more theoretical approaches to explain and analyze values in the media, as well as the origin and growth of those values. To address this gap, in this chapter, we attempt to analyze CSR from a structuration theory perspective.

2 Rules and Resources, Communication and CSR: How Do They Fit Together?

Leaderboards like the “Good Company Ranking” reveal that the field of CSR needs rules to make it possible to rank competitors. Rankings are belonging to such rules. They serve as an authoritative resource since they allow to evaluate the companies’ performance on a comparative level. Furthermore, like every game, CSR needs resources in order to be played. There are many questions that arise when discussing and studying CSR: What are the rules for CSR activities and under what circumstances do companies initiate CSR activities? What are the instruments and mechanisms of CSR-related communication? Do media companies expend resources for CSR and, if so, what kinds of resources and to what extent? What kinds of resources (e.g., reputation, image, publicity) do media companies gain from CSR activities? Is there a difference between what media firms are doing and saying about their CSR activities and, if so, what are the reasons for this gap? And finally, what is the outcome with regard to, for example, media coverage about CSR communication, when bad news is known to generate so much more interest than good news (Galtung & Ruge, 1965)?

Those questions and many more are raised when it comes to identifying the relationships and operational sequences relevant to CSR and CSR communication. Giddens’ (1984) theory of structuration is a good theoretical basis from which to answer these questions and analyze them empirically. Applying this framework allows researchers to look beyond normative levels since the investment in CSR can be analyzed through different variables which are defined as resources (finance, staff, reputation) as well as variables describing rules (e.g., the reasons why CSR is done) . Thus, this framework also helps researchers to determine when companies are only paying lip-service to CSR, as opposed to taking action.[1] Looking at CSR from a structuration theory perspective helps to structure and assess these activities and put them into relation with expenses for these activities.

[1]Taking action is marked off from “lip-service” (communication) to differentiate between doing nothing but talking (unless it supports e.g. tranparency or dialogue) and taking action.

We assume that CSR brings together norms, values, and responsibilities into long-term management practices. While values in media management practices are not a new phenomenon, the difference that CSR affords is that it is a new trend with renewed values. Furthermore, CSR results in dynamic processes, since media companies that act as early adopters force other companies to copy their CSR activities or implement new ones.

In the present paper, we arrange Giddens' (1984) ideas in a cube to analyze CSR as part of value-oriented media management. Our aim is to illustrate the strong explanatory value of this theory regarding the necessity to differentiate between responsible action and the associated communication. This cube arrangement also allows us to cover the social practices of signification, legitimation, and domination, as well as related rules and resources. We start with a brief overview of CSR and how it is communicated, and then present Giddens' cube.[2] Finally, we offer some examples to demonstrate the analytic force of the cube for value-oriented CSR.

2.1 CSR and CSR Communication

Although research on CSR has grown considerably over the last few decades, the concept of CSR remains elusive, and the presence of so many conflicting definitions does not clarify the term (Carroll, 1999; Van Oosterhout & Heugens, 2006). In their extensive bibliometric analysis, De Bakker, Groenewegen, and Den Hond (2005) made it clear that there have been changes to increasingly specific sub-items of the umbrella term of CSR, and Garriga and Melé (2004) distinguished between instrumental (Friedman, 1970; McWilliams & Siegel, 2001; Porter & Kramer, 2002), political (Carroll, 1998; Matten, Crane, & Chapple, 2003), integrative (Carroll, 1979; Freeman, 2010; Wood, 1991), and ethical theories of CSR (Donaldson & Preston, 1995).

As compared to CSR literature, in general, theoretical research on CSR communication seems to be more clear and has gained more attention in recent years (Golob et al., 2013). Three edited volumes on CSR and communication are especially noteworthy: *The Handbook of Communication and Corporate Social Responsibility* (Ihlen et al., 2011a), *Handbuch Corporate Social Responsibility* (Raupp et al., 2011a), and *Corporate Citizenship in Deutschland* (Backhaus-Maul, Biedermann, Nährlich, & Polterauer, 2010).

Some authors put more emphasis on communication in their CSR concept. Karmasin and Weder (2008, p. 89–90), for example, add the "communicative dimension" to the Triple-Bottom-Line, thereby widening it to the "Quadruple-Bottom-Line". The communicative dimension thereby complements the social, ecological, and economic dimensions (cf. Elkington, 1999). Communication should be kept in mind as relevant to communicate *about* CSR-activities, in accordance

[2]That means as a three-dimensional Matrix.

with the question of *how* things are communicated. Communication is an important internal part of CSR that occurs in dialogue with stakeholders and consequently *is* a CSR-activity as well.

In the following sub section, we give a short introduction to the basic ideas of structuration theory before discussing this theory's strength in analyzing CSR management and value orientation in the media. Any mentions of CSR in this sub section also refer to CSR communication as an integrated part of CSR.

2.2 Structuration Theory: Duality of Structure

Wehmeier and Röttger (2011, pp. 204–205) analyzed the reasons for and against engaging in CSR. Drawing upon Campbell (2007) and other authors (DiMaggio & Powell, 1983; Scott, 2008), they found eight factors that enable or constrain the emergence and expansion of CSR. Inhibitive factors are economic conditions (e.g., competition, economic performance), while stimulating factors are clear rules and regulations (e.g., from political bodies, nongovernmental organizations, unions, or trade commissions), public visibility, and motivating impulses. In sum, CSR depends on rules and resources. Giddens' theory of structuration therefore promises greater insight into the external and internal dependencies and influences that are essential for CSR and its further research (Giddens, 1984).[3] Having greater insight into dependencies and influences allows researchers to draw more meaningful conclusions about CSR. Structuration theory can therefore be seen as an applied theory, and, as such, it can be tested via empirical surveys.

Structuration theory is an explicit attempt to bridge the longstanding dualism between structure and action (Klare, 2010, p. 91; Zerfaß, 2010, p. 85ff; Jarren & Röttger, 2009, p. 31). Action and structure are understood as counterparts of one and the same process; rather, Giddens acts on the assumption that there is a "duality of structure" in place of a dualism (Giddens, 1984, p. 25ff). While action and structure are not contrasts, they determine each other (Klare, 2010, p. 92) and are seen as different aspects of the same thing, implying and requiring each other (Röttger, 2010, p. 125; Lamla, 2003, p. 45). Rules and resources are then seen as connections or links between structure and action (Klare, 2010, p. 91ff).

Rules are generally defined as "techniques or generalizable procedures applied in the enactment/reproduction of social practices" (Giddens, 1984, p. 21). They are divided into rules of signification, rules of domination, and rules of legitimation (see Fig. 1). *Rules of signification* refer to interpretative schemes (Giddens, 1984, p. 29), explaining the reasons for what is done and providing the normative grounds for doing it. The goals of the organization are regarded as the most significant element, and CSR can be analyzed with regard to how it complements or clashes with those organizational aims.

[3]See also Busco (2009) on structuration theory and management accounting research, and for Giddens' influence on management studies, Whittington (1992).

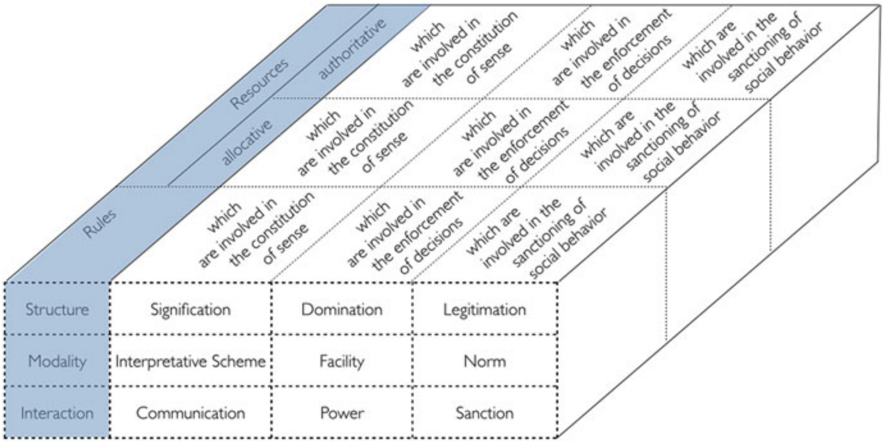

Fig. 1 Giddens' cube. Sources: Design entirely by the authors; Terms: Giddens (1984)

The rules of domination deal with ways to enable or constrain power. Media management is a very important actor, as it possesses a great deal of power. Media managers set the rules for corporate activity, determining the presence and extent of CSR. Finally, since leadership decisions enabling or constraining CSR activities have to be justified, the *rules of legitimation* constitute the normative basis of rules, which allow for sanctioning actions (Giddens, 1984, p. 29).

In addition to these three types of rules, Giddens names allocative and authoritative resources as parts of the structure (Giddens, 1984, p. 33). *Allocative resources* in general are "[m]aterial resources involved in the generation of power, including the natural environment and physical artifacts. Allocative resources derive from human dominion over nature" (Giddens, 1984, p. 373; edited by the authors). *Authoritative resources* are understood as "[n]on-material resources involved in the generation of power, deriving from the capability of harnessing the activities of human beings. Authoritative resources result from the dominion of some actors over others" (Giddens, 1984, p. 373; edited by authors).

Finally, Giddens specifies three modalities: interpretative scheme, norm, and facility. In structuration theory (Giddens, 1984), social practices act as intermediary structural modalities between the actors (e.g., the management) on the micro level, as well as with the organization with which they are affiliated, at the meso level. Modalities result from the reflexive guided actions of CSR actors in the context of signification, domination, and legitimation. Structural modalities manifest themselves in rules and resources, which create sense. In this process of structuration, interactions (e.g., among managers) and signification (i.e., the meaning underlying the action) come together (Altmeppen, 2011b; Giddens, 1984, p. 29; Ortmann, Sydow, & Windeler, 1997, p. 319f).

Figure 1 shows the elements of Giddens' theory visualized as a cube with the three elements of structure, interaction, and modality at the front (Giddens, 1984, p. 29) and rules and resources behind them.

In much of the scholarship on Giddens' theory, rules are only related to the dimensions of signification and legitimation, while resources are assigned to the dimension of domination (Klare, 2010, p. 96ff, 113; Wesser, 2011, p. 197). We, however, define signification, domination, and legitimation as structural dimensions that encompass both rules and resources on every level. We also see power is an independent criterion that pervades all aspects of structure and social interaction (see Fig. 1). This conceptualization is consistent with Ortmann, Windeler, Becker, and Schulz (1990), who also emphasized domination and power (Ortmann et al., 1990, p. 24ff).

It should also be noted that structure not only constrains interaction but is also the foundation for enabling it (Giddens, 1984, p. 25). Structures are therefore regarded as both "medium and outcome of the practices they recursively organize" (Giddens, 1984, p. 25).

New and different structures can be established (Giddens, 1984, p. 25), if there is a source of signification in response to the question "Does it make sense?", a source of legitimation in response to "Is it useful?", and a source of domination in response to the question "What are the instruments of power?". It also should be emphasized that differentiation is analytical in nature (Lamla, 2003, p. 57) and that the rules and resources are "not 'external' to individuals"; rather, they are an integrative part of the agents, partly "as memory traces" or in "social practices" (Giddens, 1984, p. 25); as well as in "discursive consciousness" and "practical consciousness" (Giddens, 1984, p. 7).

In the following subsection we transfer these theoretical conceptualizations to prior research on CSR and CSR communication, so as to identify the rules and resources.

2.3 CSR and Structuration Theory: Applying Giddens' Cube to Analyze Corporate Rules and Resources

Using the theory of structuration, CSR can be seen as a structure that challenges both for-profit and non-profit organizations to determine whether CSR has to be implemented and, if so, what kind of CSR communication they practice.

If companies take CSR seriously, it acts as a structure that restricts their behavior; it also enables specific actions (i.e., authorization and innovation) and opens up chances for benefits like competitive advantages and the early identification of risks. However, if there is a real stakeholder dialogue and responsible communication, CSR has to make sense, and must be legitimated through actions and rules both within and outside of the organization (Giddens, 1984, p. 25ff). These different aspects will be explained in this section.

As mentioned in the preceding section, although structure and action are not opposites (Klare, 2010, p. 92), separating these two concepts is helpful for analyzing dependencies and influences (see Fig. 2), especially with regard to the methods and instruments used to empirically analyze the suggested framework.

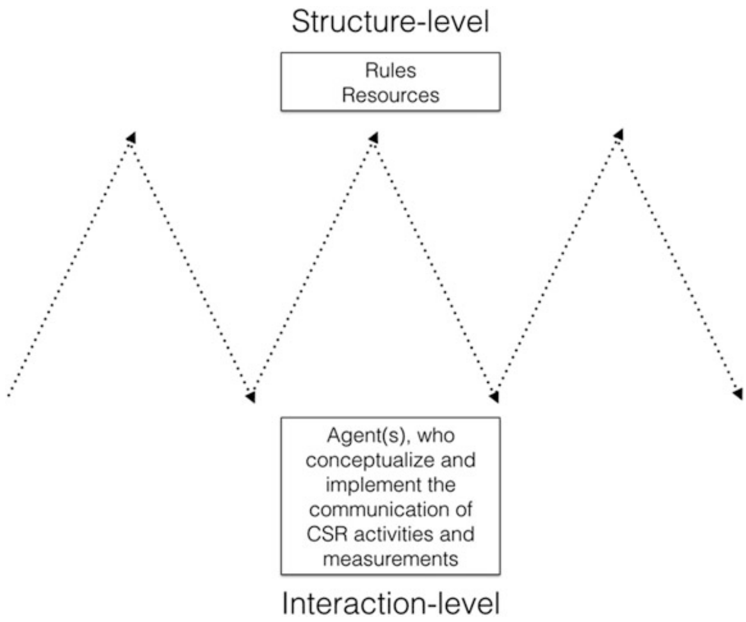

Fig. 2 Analytical separation of corporate internal processes

As depicted in Fig. 2, agents are focused on the interactional level, and conceptualize and implement the communication and assessment of CSR activities. On the structural level, the rules and resources relevant for CSR communication are displayed.

On the action level, it is important to identify what structures the agent refers to when he or she acts (e.g., communicates CSR; Röttger, 2010, p. 136). One must also identify what structures (i.e., rules and resources) exist as the framework for interaction, and how both rules and resources are produced and re-produced. In other words, researchers must seek to understand what the rules and resources are that allow or prevent the implementation of CSR, what kind and amount of resources are established by the organization investing in CSR, and who the people promoting and deciding about CSR and its communication are.

When examining concrete cases, it is important to distinguish between rules and resources that are within or external to organizations (Klare, 2010, p. 108); although different, both have influence on and are influenced by CSR. As organizations are not "isolated formations" ("isolierte Gebilde"; Röttger, 2010, p. 166), organization-external rules and resources such as laws or regulatory frameworks must be considered as well (Röttger, 2000, p. 184). This is especially the case for CSR communication, for which dialogue with the public (or at least the relevant segment of the public) represents a core aspect.

Within this section we offer a set of examples for internal rules and resources that can be analyzed empirically to discover how organizations organize and manage their CSR communication (see Table 1).

2.3.1 Signification

Mission statements can be categorized as rules of signification (Röttger, 2005, p. 14; Ortmann et al., 1990, p. 30; Röttger, 2010, p. 138; Becker, 1996, p. 141, 194). Not only are they part of the organizational aims, but they can be transferred into strategies that guide the actions of the persons in charge, such as the staff who is responsible for CSR communication or employees of the CSR communication department. These agents have to relate their actions to the general statements that are valid for the whole company and that guide day-to-day business decision-making.

The strategic goals behind CSR communication also influence decisions regarding how communication about CSR activities is planned and conducted; for example, deciding whether to engage in truly transparent communication or deceptive, whitewashing communication regarding CSR activities (or their absence).

Leadership can serve as an authoritative resource when it comes to making sense out of CSR: Charismatic leadership whereby the CEO or managing director sets an example of authentically embodying the CSR mission statement might contribute to a team spirit and enable more successful and genuine CSR communication.

2.3.2 Domination

When discussing the enforcement of CSR, one must first understand whether a company has truly chosen to apply CSR activities, or whether the company or whether the company only pays lip-service to keep up with competitors who otherwise appear more progressive: Voluntary CSR is much easier to perform and establish than CSR that feels obligatory. Companies must first decide to implement CSR, and then how to enforce rules about CSR.

The last aspect concerning the domination dimension is tied to the organizational and hierarchical structure of an organization. Flat or strict hierarchies influence both CSR communication and the organizational setting for CSR enforcement (e.g., creating a specialized CSR department or appending staff to an existing department). Launching a new department requires interplay between rules and resources, as resources have to be expended for staff, equipment, and so on.

The corporate organizational setting for CSR and CSR communication can be seen as an indicator of the relevance of CSR communication (Röttger, 2010, p. 165). Since each position within the organization contains and implies specific rights, rules, and resources (Röttger, 2010, p. 135), the autonomy or heteronomy of CSR-related actors indicates the relevance of CSR communication. For example, successful communication of CSR requires access to all the necessary information (Röttger, 2010, p. 168) within the organization.

A number of aspects play important roles in identifying the allocative and authoritative resources. The extent of CSR communication depends on the financial resources, material goods, space and services that are made available (Röttger,

Table 1 Examples of rules and resources

Structure		Signification (involved in the constitution of sense)	Domination (involved in the enforcement of decisions)	Legitimation (involved in the sanctioning of social behavior)
Rules		– Mission statement / vision/general principle/ orientation – Wording – CSR definition/ Framing	– Organizational and hierarchical structure (flat/high) – Governance – Routines; definition of workflow – Informal rules: ranking of CSR (-Communication)	– Law – Profession (al) rules – Informal rules; guidelines – Codes of ethics, codes of conduct
Resources	Authoritative	– Charismatic leadership – Team spirit	– Hierarchical composition; power/ influence caused by hierarchy – Credibility, trust, integrity, reputation – Freedom of action – Access to internal information – Individual resources of the responsible employee, biography (education, competences/expertise, experience, expert knowledge, skills, network, reputation based on earlier jobs)	– Political CSR support program – Partnerships, cooperation – Labels (fair trade, good company etc.)
	Allocative	– To have budget at one's disposal	– Authority to dispose about staff and budget – Authority to give directives/discretionary power/decision to hire and fire – Coordination and control of resources – Own position/location or department for CSR communication (full-time or part-time; experts or learning by doing; outsourcing of communication to a PR-agency) – Internal or external responsibility for communication	
Interaction		Communication	Power	Sanction

Sources: Table by the authors, based on Röttger (2005, p. 14, 2010, p. 136ff), Ortmann et al. (1990, p. 30), Becker (1996, p. 141, 194), Klare (2010, p. 107ff, 119)

2010, p. 166). Different levels of CSR communication—ranging from simple reporting to large campaigns or events (Faber-Wiener, 2012, p. 496f)—require different amounts of capital. The amount of capital that companies are willing to expend will depend on the meaning of CSR in the company (*signification*) (perhaps according to strategic interest) and on the power of the management to implement CSR and its communication (*domination*). Thus, the meaning of CSR can be deduced from, for example, the number of employees working for the CSR communication department; this can also be evidenced by whether these employees' full-time occupation is CSR communication, or whether these activities are only part of their larger jobs (Röttger, 2010, p. 165ff).

Finally, the individual resources of the employees responsible for CSR communication must also be considered (Röttger, 2010, p. 166; Klare, 2010, p. 108). These resources include their education, experiences, and expertise in the field of CSR communication, as well as their contacts, networks, and knowledge from previous jobs (Klare, 2010, p. 111; Röttger, 2000, 2010). For example, this last resource—knowledge from previous jobs—could be especially crucial for a journalist or a former NGO-activist, as it is essential for public credibility and acceptance. As such, a resource like that should be considered as an instrument of power and as an advantage that should not be underestimated in CSR communication.

2.3.3 Legitimation

The rules of legitimation are not only actual laws, but also the meaning and acceptance of CSR in society (e.g. the current acceptance of profit-oriented thinking or the handling of nature) and in the different industrial, public, and non-profit sectors. Public acceptance of an organization's CSR performance alleviates organizations' need to install formal or informal rules, or to create codes of professional ethics (Röttger, 2005, p. 14; Ortmann et al., 1990, p. 30; Röttger, 2010, p. 138; Becker, 1996, p. 141, 194).

An organization's participation in a political CSR program (e.g., "Global Compact") can be seen as an authoritative resource because such an affiliation not only constrains and determines the organization's actions, but offers them opportunities for valuable benefits (Giddens, 1984, p. 25, e.g., the right to use specific labels such as "fair trade" in their CSR communication).

Overall, CSR communication can be seen simultaneously as an enabling and a constraining factor: While the communication of CSR activities has positive effects like motivating employees, it also can have negative effects like allegations of white washing. Creating organizational structures for CSR communication also makes CSR more visible and gives it more clout, both inside the organization and in the public sphere.

3 Conclusion

In this paper we applied Giddens' structuration theory to CSR and CSR communication. We were thereby able to develop a meta-framework that we refer to as Giddens' Cube, which displays rules and resources and makes clear the relationships between structure, modality, and interaction.

We then transferred the content of Giddens' Cube to CSR as a bundle of different values. This allowed us to identify rules and resources on a practical level, which is relevant for managing CSR and CSR communication in media companies.

These rules and resources include mission statements, which guide the daily business of CSR managers and empower them to make decisions, but also constrain their actions, if they do not fit. Mission statements can be seen as resources to legitimate actions, encourage certain behaviors, and give access to information.

The organizational structure and the importance granted to the CSR department in the corporate hierarchy can be important indicators for the relevance of CSR, as they are associated with the CSR department's rights, rules, and access to resources. This includes individual resources like education or knowledge from previous jobs, which can, for example, make it easier to work with journalists.

Employees' authority to direct actions or the existence of an independent CSR department are both examples of resources on the domination level. Another example of personal resources is charismatic leadership, which can often be found in family businesses.

To summarize, the present chapter demonstrated Giddens Cube's applicability to certain practical situations and problems associated with CSR in media companies. Not only does this theoretical conceptualization make it possible to identify rules and resources and to analyze them empirically, but Giddens' Cube allows for comparative research by conceptualizing rules and resources as highly abstract categories.

References

Altmeppen, K.-D. (2011a). Journalistische Berichterstattung und Media Social Responsibility: Über die doppelte Verantwortung von Medienunternehmen. In J. Raupp, S. Jarolimek, & F. Schultz (Eds.), *Handbuch CSR. Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen. Mit Glossar* (pp. 247–268). Wiesbaden: VS Verlag.

Altmeppen, K.-D. (2011b). Medienökonomisch handeln in der Mediengesellschaft. Eine Mikro-Meso-Makro-Skizze anhand der Ökonomisierung der Medien. In T. Quandt & B. Scheufele (Eds.), *Ebenen der Kommunikation. Mikro-Meso-Makro-Links in der Kommunikationswissenschaft* (pp. 233–258). Wiesbaden: VS Verlag.

Backhaus-Maul, H. (2009). *Zum Stand der sozialwissenschaftlichen Diskussion über "Corporate Social Responsibility" in Deutschland. Expertise im Auftrag des Bundesministeriums für Arbeit und Soziales*. Accessed February 20, 2015 from https://www.csr-in-deutschland.de/fileadmin/user_upload/Downloads/CSR_in_Deutschland/CSR_Forum/AG_3_Expertise_vom_Ausgangspunkt_Sozialwissenschaften.pdf.

Backhaus-Maul, H., Biedermann, C., Nährlich, S., & Polterauer, J. (Eds.). (2010). *Corporate Citizenship in Deutschland: Gesellschaftliches Engagement von Unternehmen; Bilanz und Perspektiven*. Wiesbaden: VS Verlag für Sozialwissenschaften.

Becker, A. (1996). *Rationalität strategischer Entscheidungsprozesse: ein strukturationstheoretisches Konzept*. Wiesbaden: DUV Deutscher Universitätsverlag.

Bowen, H. R. (1953). *Social responsibilities of the businessman*. New York: Harper & Brothers.

Busco, C. (2009). Giddens' structuration theory and its implications for management accounting research. *Journal of Management and Governance, 13*(3), 249–260.

Campbell, J. L. (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review, 32* (3), 946–967.

Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review, 4*(4), 497–505.

Carroll, A. B. (1998). The four faces of corporate citizenship. *Business and Society Review, 100/101*(1), 1–7.

Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business and Society, 38*(3), 268–295.

Dahlsrud, A. (2008). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management, 15*, 1–13.

De Bakker, F. G. A., Groenewegen, P., & Den Hond, F. (2005). A bibliometric analysis of 30 years of research and theory on corporate social responsibility and corporate social performance. *Business and Society, 44*(3), 283–317.

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*(2), 147–160.

Donaldson, T., & Preston, L. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review, 20*(1), 65–91.

Elkington, J. (1999). *Cannibals with forks. The triple bottom line of the 21st century business*. Oxford: Capstone Publishing Ltd..

Faber-Wiener, G. (2012). CSR und Kommunikation—Praktische Zugänge. In A. Schneider & R. Schmidpeter (Eds.), *Corporate social responsibility: Verantwortungsvolle Unternehmensführung in Theorie und Praxis* (pp. 481–499). Berlin: Springer-Verlag.

Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. Cambridge: Cambridge University Press.

Friedman, M. (1970). The social responsibility of business is to increase its profits. *The New York Times Magazine, 13*, 173–178.

Galtung, J., & Ruge, M. H. (1965). The structure of foreign news: The presentation of the congo, cuba and cyprus crises in four norwegian newspapers. *Journal of Peace Research, 2*(1), 64–90.

Garriga, E., & Melé, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics, 53*(1-2), 51–71.

Giddens, A. (1984). *The constitution of society: Outline of the theory of structuration*. Cambridge: Polity Press.

Golob, U., Podnar, K., Elving, W. J., Nielsen, A. E., Thomsen, C., & Schultz, F. (2013). CSR communication: quo vadis? *Corporate Communications: An International Journal, 18*(2), 176–192.

Hiß, S. (2007). Corporate social responsibility. Über die Durchsetzung von Stakeholder-Interessen im Shareholder-Kapitalismus. *Berliner Debatte Initial, 18(4/5)*, 6–15.

Hoffjann, O. (2011). PR-Beratung und Corporate Social Responsibility. In J. Raupp, S. Jarolimek, & F. Schultz (Eds.), *Handbuch CSR. Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen* (pp. 229–246). Wiesbaden: VS Verlag für Sozialwissenschaften.

Ihlen, Ø., Bartlett, J., & May, S. (Eds.). (2011a). *The handbook of communication and corporate social responsibility*. Chichester: Wiley-Blackwell.

Ihlen, Ø., Bartlett, J. L., & May, S. (2011b). Corporate social responsibility and communication. In Ø. Ihlen, J. L. Bartlett, & S. May (Eds.), *The handbook of communication and corporate social responsibility* (pp. 3–22). Chichester: Wiley.

Jarren, O., & Röttger, U. (2009). Steuerung, Reflexion und Interpenetration: Kernelemente einer strukturationstheoretisch begründeten PR-Theorie. In U. Röttger (Ed.), *Theorien der Public Relations Grundlagen und Perspektiven der PR-Forschung* (pp. 21–41). Wiesbaden: VS Verlag für Sozialwissenschaften.

Karmasin, M., & Weder, F. (2008). *Organisationskommunikation und CSR: Neue Herausforderungen an Kommunikationsmanagement und PR*. Wien: Lit Verlag GmbH & Co. KG.

Klare, J. (2010). *Kommunikationsmanagement deutscher Unternehmen in China. Eine strukturationstheoretische Analyse internationaler PR*. Wiesbaden: VS Verlag für Sozialwissenschaften.

Lamla, J. (2003). *Anthony Giddens*. Frankfurt am Main: Campus.

Matten, D., Crane, A., & Chapple, W. (2003). Behind the mask: Revealing the true face of corporate citizenship. *Journal of Business Ethics, 45*(1-2), 109–120.

May, S. K. (2011). *Corporate social responsibility: Vice or virtue?* Cambridge: Polity Press.

May, S., Cheney, G., & Roper, J. (2007). *The debate over corporate social responsibility*. New York: Oxford Univ. Press.

McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review, 26*(1), 117–127.

Morsing, M., & Beckmann, S. C. (Eds.). (2006). *Strategic CSR communication*. Copenhagen: DJØF Publishing.

Ortmann, G., Windeler, A., Becker, A., & Schulz, W. (1990). *Computer und Macht in Organisationen: mikropolitische Analysen, sozialverträgliche Technikgestaltung*. Opladen: Westdeutscher Verlag.

Ortmann, G., Sydow, J., & Windeler, A. (1997). Organisation als reflexive Strukturation. In G. Ortmann, J. Sydow, & K. Türk (Eds.), *Theorien der Organisation. Die Rückkehr der Gesellschaft* (pp. 315–354). Opladen: Westdeutscher Verlag.

Porter, M. E., & Kramer, M. R. (2002). The competitive advantage of corporate philantrophy. *Harvard Business Review, 80*(12), 57–68.

Raupp, J., Jarolimek, S., & Schultz, F. (Eds.). (2011a). *Handbuch CSR: Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen*. Wiesbaden: VS Verlag für Sozialwissenschaften.

Raupp, J., Jarolimek, S., & Schultz, F. (2011b). Corporate Social Responsibility als Gegenstand der Kommunikationsforschung. In J. Raupp, S. Jarolimek, & F. Schultz (Eds.), *Handbuch CSR. Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen. Mit Glossar* (pp. 9–18). Wiesbaden: VS Verlag für Sozialwissenschaften.

Röttger, U. (2000). *Public Relations—Organisation und Profession. Öffentlichkeitsarbeit als Organisationsfunktion. Eine Berufsfeldstudie*. Wiesbaden: Westdeutscher Verlag.

Röttger, U. (2005). Kommunikationsmanagement in der Dualität von Struktur. Die Strukturationstheorie als kommunikationswissenschaftliche Basistheorie. *Medienwissenschaft Schweiz, 2*(1), 12–19.

Röttger, U. (2010). *Public Relations—Organisation und Profession. Öffentlichkeitsarbeit als Organisationsfunktion. Eine Berufsfeldstudie (2nd ed.)*. Wiesbaden: VS Verlag für Sozialwissenschaften.

Schmidt, S. J., & Tropp, J. (Eds.). (2009). *Die Moral der Unternehmenskommunikation: Lohnt es sich, gut zu sein?* Köln: Herbert von Halem Verlag.

Scott, W. R. (2008). *Institutions and organizations. Ideas and interests* (3rd ed.). Thousand Oaks: Sage.

Van Oosterhout, J., & Heugens, P. P. M. A. R. (2006). *Much ado about nothing: A conceptual critique of CSR*. Rotterdam: Erasmus Research Institute of Management.

Wehmeier, S., & Röttger, U. (2011). Zur Institutionalisierung gesellschaftlicher Erwartungshaltungen am Beispiel von CSR. Eine kommunikationswissenschaftliche Skizze. In T. Quandt & B. Scheufele (Eds.), *Ebenen der Kommunikation. Mikro-Meso-Makro-Links in der Kommunikationswissenschaft* (pp. 195–216). Wiesbaden: VS Verlag für Sozialwissenschaften.

Wesser, U. (2011). *Heteronomien des Sozialen*. Wiesbaden: VS Verlag für Sozialwissenschaften.

Whittington, R. (1992). Putting Giddens into action: Social systems and managerial agency. *Journal of Management Studies, 29*(6), 693–712.

Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review, 16* (4), 691–718.

Zerfaß, A. (2010). *Unternehmensführung und Öffentlichkeitsarbeit: Grundlegung einer Theorie der Unternehmenskommunikation und Public Relations*. Wiesbaden: VS Verlag für Sozialwissenschaften.

The Perspective of Value Orientation for the *Shareholder* and the *Stakeholder*: The Case of Corporate Governance in Media Companies

María Elena Gutiérrez-Rentería

1 Introduction

Corporate governance and media management are topics of interest to research. Firstly, because there have been changes in business models in some companies, and incorporation of digital technologies has led to convergence among industries (Albarran, 2010, 2014; Gutiérrez-Rentería & López Hernández, 2014; Picard, 2014). Secondly, because changes in legislation and regulation in many countries have contributed to the surge in alliances between large companies, in markets that are new to them (Sánchez-Tabernero, 2003, 2008). All of this is taking place within an adverse economic environment; this leads to the need for reflection. It is interesting, as well, to study value-orientations in media management due to changes in audience habits, characterized by greater interactivity and fragmentation.

Nowadays, an excess in products related to information and entertainment through the *network economy* has changed the perception of "omnipotence" surrounding some entrepreneurs. At the same time, there have been more than a few cases of fraudulent practices, overconfident managers, lack of transparency or absence of due vigilance or norms within communications firms. Many of these scandals have taken place under the tutelage of corporate governance.

To understand in what measure corporate governance exerts a positive or negative influence on the director or CEO to generate value orientation, it is necessary to examine some related concepts. It is especially important to consider the function of corporate governance in value-oriented management, media economy, and the communications market, in regards to content offerings. How the latter contribute to added value for different shareholders, employees, audiences, and advertisers is of great interest.

M.E. Gutiérrez-Rentería (✉)
Universidad Panamericana, Campus Guadalajara, Guadalajara, Mexico
e-mail: egutierr@up.edu.mx

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_14

This study aims to compile the principle elements that contribute to strategic administration and media management of communications companies for the creation of value orientation. It seeks also to identify challenges or obstacles, which interfere from the point of view of corporate governance.

To clearly describe the conditions that enable or constrain value orientation, market and entrepreneurial logic are valuable. So also, is an anthropological vision, which involves a true appreciation of person. The present work intends to present a holistic view of the role of media management and the importance of corporate governance for these companies.

The essay is structured in three parts. The first briefly describes the principles of corporate governance and the concept of value orientation. The second part deals with value-oriented management. The third section focuses on the logic of the communications market, especially in regards to value as oriented to the diverse publics of media companies.

2 Principles of Corporate Governance: Maximizing Company Value

Various studies have been carried out in regards to the economic, political and social logic of media entrepreneurs (Albarran, 2014). The media industry has been analyzed by scholars under the lens of neoclassical economic theory and strategic theory of the firm. Studies based on corporate finance also have been carried out (Gillan, 2006).

The concept of corporate governance refers to the system or model which regulates performance of both the company and the persons who manage it (Taracena, 2009). The topic of corporate governance includes the features of the board of directors, the proprietor of the company, and the CEO or managing officer. Depending on the country, it includes the diverse relationships and distribution of power among the shareholders and stakeholders, the efficiency and efficacy in the value chain, and the accounting processes and financial results (Dyck & Zingales, 2004).

Good corporate governance aims to ensure maximum profits and protect the interests of shareholders and stakeholders, understood as anyone who is involved in, or interested in, the performance of the company (Morck & Steier, 2005). The processes of corporate governance seek to maximize company market value, and report on the effectiveness of corporate strategy, the level of transparency in the operational management of the company, and ultimately, on the financial results or expectations of attractive returns on invested capital.

Practices in corporate governance deal with the responsibilities and rights of each member of the organization, as well as the rules which directors must follow in decision-making. Corporate governance must also consider transparency in the information shared with different sectors in regards to company performance (La Porta, López-de-Gilanes, Pop-Elecher, & Shleifer, 2004). It even helps to access different sources of financing and can also contribute to more stable succession processes-especially in family businesses. Finally, it contributes to the continuity of the company for the benefit of shareholders and third parties (Gerum & Stieglitz, 2005), and facilitates the social responsibility of the institution.

Corporate governance should emphasize transparency in information relevant to the company and to results of operations. It should ensure that results are duly audited by external parties, according to the legislation and ethical codes established in each country and under international financial norms or standards.

Corporate governance functions in a variety of contexts, according to the macro and micro economic environment of the region in which the company is working (Morck & Steier, 2005). For example, the American experience has shown a strong orientation toward the shareholder. This orientation influences both the structure of the governing body and corporate strategy. On the other hand, European companies show an orientation toward the stakeholder, in which the interest of the institution and the workers are predominant.

In a deeper sense, it can be said that the essence of corporate governance is intimately linked to the topic of confidence in the market. It is the market which must guarantee that the company acts according to its economic, political, and social functions. Information transparency toward the market helps generate confidence in both internal and external audiences, shareholders, and stakeholders. Confidence contributes to the creation of value orientation.

The topic of corporate governance in media companies, however, has been a subject of discussion in both industry and academic forums (Picard, 2005). Most of these discussions center around company growth and the complexity of managing, especially when the companies operate in markets which are new to them (Gershon, 2006) or when considering the political, economic, and social influence of content on society (Arrese, 2005). Another topic of discussion has been pressure on managers to comply with demands for maximizing company value, coupled with the pressures of the markets in which media companies operate (Pérez-Latre & Sánchez-Tabernero, 2012).

On the other hand, the interests of some of the shareholders center on obtaining financial gain in the short term, based on yield expectations that are sometimes grounded in speculation or unfounded perceptions. This has been especially evident in some communications firms that do not yet have a clear business model. It also can be seen in companies that are in the process of adjusting their business models in response to economic circumstances, demands created by technological convergence, and changing consumer habits. These factors affect company management, and in consequence, the value chain and the quality of the products offered to society (Sánchez-Tabernero, 2008).

In 2005, the *Media Management and Transformation Centre* at Jönköping International Business School held a seminar where several scholars presented studies related to corporate governance in the industry. Picard showed that, despite the fact that good practices in corporate governance contribute to permanence and growth in communications firms, some media entrepreneurs have not adopted them yet (Picard, 2005).

3 Media Management and Value Orientation

Value-oriented management is a concept originated in the 1950s, when interest centered mainly on maximizing investor gains (Williamson, 1985). The concept has been the basis of studies and investigations carried out in corporate finance.

According to Milla (2010), at present there is great interest on the part of shareholders in controlling the results of companies in which they have invested. This has led to a culture of value creation where shareholders are not content with merely investing and awaiting their returns, as they did in the past. Rather, they demand that company managers maximize the value of their shares, bringing about a change of paradigm in the manager-shareholder relationship. For Milla, value creation for the shareholder can be observed from a double perspective.

The first is internal and consists of maximizing the value of each of the processes in the production-distribution chain, thus increasing the value of each element of the company. The second refers to the external perspective, which is only observable in what the market expects of the company, according to the type of business, the market it participates in, and its own dynamics. Under the external perspective, value orientation only can be measured in firms that are listed on the stock market.

Multiple theories in corporate finance have arisen from this latter perspective, which has a special interest in the risk investors assume when they invest their capital (Brickley & Zimmerman, 2010; Grinblatt & Titman, 1998). The risk, in this sense, is quantified and contributes to the yield expected by the capital market—that is, the shareholders—over a period of time.

Corporate finance contributes to transparency and security for shareholders, since different factors are considered in evaluating the market value of a company. These factors are: analysis and forecast of financial information, measured mainly in ratios; corporate valuation of the company, measured by what it represents and what is expected of it; and decisions on investment capital and expected returns on investment. Finally, management risk is considered. In this sense, it can be said that value-oriented management contributes to the correct financing and operation of the company for the market.

Under the principles of maximizing company value with the above-mentioned parameters, and the business opportunities created as the telecommunications market opened up, some information and entertainment firms took advantage to establish strategic alliances and mergers with other companies related to the sector (Albarran, 2010). Economic logic led shareholders to assume risk in alliances and mergers in their search for value orientation. This would come about due to the attractiveness of new international markets, cost reduction, and the generation of economies of scale through digital technologies, which fostered industry convergence.

Results, however, do not always conform to expectations. There have been more than a few cases in the telecommunications and media industry where alliances or mergers did not work out. Failures can be attributed to problems related to differing organizational cultures, operating styles, or business models, or simply because the companies involved could not adapt to change (Gershon, 2006; Sánchez-Tabernero, 2008). In these cases, the good practices of corporate governance show that all the members of the board of directors must anticipate all kind of negative circumstances that could affect the implementation of the strategy. Sometimes, the problem is not necessarily the CEO or the figure of corporate governance. The problem could be corporate strategy if the directors forget the internal culture and the content providers belonging to the value chain of the company. Other problems could be the unwillingness of employees to change in the face of new challenges to the company and the adoption of a new corporate strategy. In this sense, the managers or the CEO have to consider how they could help them through a special internal communication or rethink what kind of professionals the organization requires in order to build value in the current circumstances of the company and the market.

It is true that the product of communication forms part of the intangible assets that must be valued under financial principles, but this criterion cannot be more important than the principle of political and social responsibility. In the words of Nieto and Iglesias (2000, p. 97) *say that the purpose of a media company, in addition to economic benefits, is to achieve the power that derives from the business; that is, the power to inform and entertain through various media* (*original in Spanish; own translation*).

Under the principle of value-oriented management, based on neo-classical business economy principles- the creation of value orientation for the shareholder does not always seek the best interests of the stakeholder. The latter considers that the objective of profit maximization is not correct, and that equal attention should be given to all interested parties: customers, employees, and society, if long-term value creation is the goal. Though it is true that maximizing company value is of interest to shareholders, it is also true that it should not be at the expense of stakeholders, who contribute to creating value for the organization. In this sense, for communications firms, value orientation must include quality of information, given the characteristics of the product and the society that it serves. Therefore, the deontological code of communications should be a crucial part of the operating standards of governing bodies in communications firms.

4 Value Oriented to the Diverse Publics of Media Companies

Nevertheless, social responsibility for managers and owners of media companies goes beyond that of executives in many other sectors. This is because they exert social and economic influence of the first order. The nature of the product offered by media firms influences the market with political ideas as well as with lifestyle options. It is especially important to consider that their products or services have an effect on social perceptions of reality.

In this sense, it becomes relevant to consider the concept of the functions of a communications company according to its doctrinal formulations. Thus, the firm can be considered according to neo-classical economic theory, or in its role as an institution of social society, or from a view of social solidarity.

The desire for growth or the need to comply with corporate strategy in a complex environment has caused some owners to forget or neglect the principle creators of editorial content: their employees (Sánchez-Tabernero, 2000). Lack of motivation among employees leads to poor quality products. Employees can also suffer from excessive pressure caused by the search for financial yields. This leads to even more frustration.

On the other hand, some managers may be so immersed in so many activities, including management operations and complying with demands established by the board of directors, that they have lost sight of their main social functions.

Just like any other company, those in the communications industry must focus on the market, where the audience is their reason for existence. Audiences, people, the public, must be placed at the start of the process, not at the end. In that sense, the figure of the corporate governance forces the board of directors to define the specific market, and the segment of the market that the company will serve. The corporate strategy based on the business model contributes to focus on the desires and needs of information and entertainment of the people at the beginning of the process in the value chain.

The entrepreneur must reinforce the company brand and generate confidence and loyalty among its diverse publics (shareholders, stakeholders, society). This could generate the audience preference in the long term in a highly competitive market with many options for information and entertainment. Thus, innovation and differentiation of content and distribution must be focused on the business model and in the characteristics of the market.

The essence of corporate governance is linked to a series of collective corporate practices, the design of a corporate strategy, and the establishment of processes which seek to promote that the communications firms generates value for its audiences, the shareholders and the stakeholders. Confidence in those who govern the firm and those who work there is a necessary intangible which in some way depends on the generation of value.

5 Conclusions

This study presents the advantages to communications firms in adopting the figure of Corporate Governance as a model for value generation. The factors which contribute to it are the protection of the interests of both shareholders and stakeholders, maximization of market value, and the development of an effective corporate strategy which will help company growth and the development of its market. On the other hand, it contributes to transparency of information shared with different sectors with regards to functioning and performance of the firm, and it facilitates the acquisition of different forms of external financing. Finally, it may help in the succession process of family businesses.

Factors which impede value generation under the figure of corporate governance are not linked to its essence. That is, the factors which complicate the value offer are linked to the macro- and microeconomic environments in which the firm participates. Occasionally, it is linked directly to the leadership style or materialistic ideology of the CEO, which hinders communication and dialogue about stakeholder interests. On the other hand, the implementation of a corporate strategy cannot be successful due to employee resistance or to the organizational culture of the firm. Finally, a purely utilitarian mentality on the part of some shareholders, who seek short-term results with high yield, become factors which block value generation permanently, and long term for both stakeholders and society.

As pointed out by Picard (2005), corporate governance practices contribute to the persistence and growth of the company communication. Thus, it does facilitate the generation of value for all publics. However, there are communication entrepreneurs who have not yet discovered the opportunity to implement them.

Finally, the search for value orientation on the part of the company CEO in occasion becomes complicated under the principles of good corporate governance. This is due to ideologies or ways of thinking in the persons who make up the board. Other factors are corporate finance or the social function of communications entrepreneurs. To this point can be added the debate on diverse business models, where audiences are the main actors.

References

Albarran, A. (2010). *The media economy*. New York: Routledge.

Albarran, A. (2014). Assessing the field of media management and economics research: Looking back, looking forward. *Palabra Clave, 17*(4), 1025–1040.

Arrese, A. (2005). Corporate governance and news governance in economic and financial media. In R. Picard (Ed.), *Corporate governance of media companies* (pp. 77–125). Jönköping, Sweden: Jönkoping International Business School.

Brickley, J., & Zimmerman, J. (2010). Corporate governance myths: Comments on Armstrong, Guay, and weber. *Journal of Accounting and Economics, 50*(2), 235–245.

Dyck, A., & Zingales, L. (2004). Private benefits of control: An international comparison. *The Journal of Finance, 59*, 537–600. doi:10.1111/j.1540-6261.2004.00642.x.

Gershon, R. (2006). Issues in transnational media management. In A. Albarran, S. Chan-Olmsted, & M. Wirth (Eds.), *Handbook of media management and economics*. London: Routledge.

Gerum, E., & Stieglitz, N. (2005). Corporate governance, ownership structures, and corporate strategy of media companies: The German experience. In R. Picard (Ed.), *Corporate governance of media companies*. Jönkoping, Sweden: Jönkoping International Business School.

Gillan, S. L. (2006). Recent developments in corporate governance: An overview. *Journal of Corporate Finance, 12*(3), 381–402.

Grinblatt, M., & Titman, S. (1998). *Financial markets and corporate strategy*. Burr Ridge, IL: Irwin/McGraw-Hill.

Gutiérrez-Rentería, M., & López Hernández, C. E. (2014). La convergencia digital propicia convergencia entre industrias: Principales empresas que participan en el mercado de capitales, concentran los mayores ingresos en 2013. *Revista de Comunicación, 13*, 145.

La Porta, F., López-de-Gilanes, F., Pop-Elecher, C., & Shleifer, A. (2004). Judicial check and balances. *Journal of Political Economy, 112*(2), 445–470.

Milla, A. (2010). *Creación de Valor para el Accionista*. Madrid, Spain: Diaz de Santos.

Morck, R., & Steier, L. (Eds.). (2005). *A history of corporate governance around the world. Family business groups to professional managers*. Chicago: The University of Chicago.

Nieto, A., & Iglesias, F. (2000). *La Empresa Informativa*. Barcelona: Ariel.

Pérez-Latre, F., & Sánchez-Tabernero, A. (2012). Innovación en los Medios. In *La Ruta del Cambio*. Navarra, Spain: Eunsa.

Picard, R. (2005). Corporate governance: Issues and challenges. In R. Picard (Ed.), *Corporate governance of media companies*. Sweden: Jönkoping International Business School.

Picard, R. (2014). The information industry: Does it have a future? *Palabra Clave, 17*(4), 1069–1096.

Sánchez-Tabernero, A. (2000). *Dirección estratégica de empresas de comunicación*. Madrid: Cátedra.

Sánchez-Tabernero, A. (2003). El Futuro de las Empresas de Comunicación. In A. Arrese (Ed.), *Empresa Informativa y Mercados de la Comunicación. Estudios en Honor del Profesor Alfonso Nieto-Tamargo*. Navarra, Spain: Eunsa.

Sánchez-Tabernero, A. (2008). *Los contenidos de los medios de comunicación: calidad, rentabilidad y competencia*. Barcelona: Ediciones Deusto.

Taracena, E. (2009). Consideraciones para el Diseño y Puesta en Marcha de un Consejo de Administración. In *Gobierno Corporativo*. México: IMEF-IPADE-KPMG.

Williamson, O. (1985). *The economic institutions of capitalism*. New York: The Free Press.

Media Management in the Digital Age: Toward a Practical Wisdom-Based Approach

André Habisch and Claudius Bachmann

1 Introduction

During recent years, the importance and far-reaching impact of digitalization and IT-based 'disruptive innovation' has been constantly discussed. From a mere business perspective, the world's largest and most profitable companies are currently IT based; moreover, even from a social perspective, utopists are praising digitalization as a pathway to overcome some of the most fundamental future problems, such as food scarcity or human rights violations. Some are therefore talking about the "age of digitalization", comparing its social impact with the Industrial Revolution, which during the nineteenth century boosted wealth and wages as never before in Human history.

In view of this impressive potential, the business world is watching Silicon Valley (as the physical home of most of these revolutions) with a mixture of anxiety and fascination: managers want to learn from the best to radically re-think their business models; universities seek to emulate the spirit of Stanford and the success formula of its innovation labs and incubators; and the larger cities of the 'Old World' are now competing to become Europe's digital capital. For instance, Berlin recently discussed installing no fewer than 100 new professorships for IT research and teaching; the Bavarian Government has started its IT centre hosted by Technical University of Munich, etc.

The media world is currently even more fascinated by the IT revolution. A few years ago, the *International Journal on Media Management* asked its editorial board to highlight the management challenges that are going to be of importance to the media industry over the next years. Almost all of them referred to the issue of digitalization (Salzman, 2007). Moreover, according to the *Federal Association of German Newspaper Publishers* (Bundesverband Deutscher Zeitungsverleger/

A. Habisch (✉) • C. Bachmann
Catholic University Eichstätt-Ingolstadt, Eichstätt, Germany
e-mail: andre.habisch@ku.de; claudius.bachmann@ku.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_15

BDZV), the digital business is the most important push factor of economic growth of the sector. In this context, the launch of the “Digital News Initiative” has recently gained widespread attention: a 150 million Euro innovation fund has been founded and sponsored by Google—framing a collaboration with European publishing companies to explore the various potentials of digitalization.

On the other side, however, digitalization also appears as an existential threat to the media business itself. With the rise of the World Wide Web, the dailies in the U.S. forfeited half of their revenues and more than 16,000 print editors lost their jobs within the course of a few years; in Germany, similar developments were observable, even if they started later and unfolded more organically. Moreover, as became obvious in the meantime, the epochal decrease of analogous media cannot be compensated by a corresponding increase of new digital products and projects. For example, even the most successful journal websites could not achieve the revenues of the corresponding printed journals. Thus, it seems that ‘media follows music’ as the second branch fundamentally disrupted by digital innovators; even media has to pay its tribute. This analogy becomes most visible in reference to the realm of the news. Referring to the “iTunes-model”, start-ups like *Blendle* and *Pocketstory* or even Apple itself are offering their customers the opportunity to select, buy, and consume single articles of many different journals and newspapers, including the option to return the purchases if they didn’t like it. Other start-ups like *Readly* are following the “Spotify-model“, providing flat-rate access to a number of customer-chosen newspapers for a monthly package price.

The idea of “digital news on demand” fit to the customer’s individual preferences appears to be a smart one. The consequences, however, are far-reaching and might undercut the media business as a whole. First and foremost, the traditional media risk losing their already crumbling role as informational gatekeeper to a streaming industry, which is interested in safeguarding neither freedom of opinion nor other human rights, but rather is focused on profits and market-domination. In order not to be misunderstood: Also traditional media have often withdrawn from covering stories of public interest to keep, for instance, readers and advertisers; thus we surely do not wish to follow a romantic stereotype of independent and investigative journalism. However, these decisions (even though prioritizing economic interests over journalistic concerns) are still based on a sort of deliberative judgment which epistemologically and practically leaves room for the practical wisdom of an informational gatekeeper. In contrast, personalized news-apps are mainly tailored to provide cheap and easily accessible information. There are often mere algorithms which, based on stored user information, decide about the accessibility of certain content. This will further reinforce the already perceptible trend in today’s digital age that legacy journalistic media increasingly abandon investigative and hard news reporting crime, sports, and fluff—because those topics can be more easily and cheaply covered with the skeleton staffs they have left. What do these developments mean for journalists, editors, authors, etc., who are more and more reduced to suppliers of raw materials customized by mathematical calculations? Is there any free choice left in media management between profit and responsibility? And finally: Do we actually need value-oriented media management at all anymore?

In order to answer these questions, we follow a two-step approach. First, we identify and describe the main challenges for value-based media management in the age of digitalization. Second, we introduce the ancient concept of *practical wisdom* as an integrative and normative paradigm that has recently gained renewed attention within the economic discourse. In this vein, we will propose a wisdom-based, multi-dimensional perspective of media management by contrasting it to the information-based one-dimensional perspective of the digital rationality. Finally, we will conclude by suggesting the scope of possible applications.

2 Challenges for Media Management in the Age of Digitalization

Already a fresh look at the developments described above demonstrates that there is more at stake in the current discussion about IT-based media management than mere economic considerations concerning the market share of traditional newspapers. Rather what is raised here is the question about the ultimate role of the media as a gatekeeper for information. Is it really an essential one? Or can an algorithm substitute for it? It was Lanier (2000), who provocatively formulated already at the turn of the century that people might become no more than cybernetic patterns. Jonah Peretti, founder of the news website *Buzzfeed,* which attracts more than 100 million people monthly, once described the digital disruption of the media business as the vision to replace journalists and editors with algorithms. In the end, a highly efficient software collects and syntheses the most favored articles, videos and photos from all corners of the World Wide Web and arranges them under automatically generated appealing headlines. If media managers perceive it as their only goal to maximize their coverage, working with this model might become a helpful device. However, by replacing journalists and editors with algorithms, it is a calculating software that decides what content is displayed and what is not, based on purely profit-maximizing considerations. Thus, media management is threatening journalists' famous gate-keeper function—in the sense that they simply become an "open door." Moreover, digital media platforms will not only collect and administer, they also will select and emphasize media products and content. The selection, however, will not be on the basis of independent and investigative journalism or freedom of opinion, but purely on the basis of financial concerns. This not only decreases the media's impact on the quality of the information, it also increases their susceptibility to political or ideological instrumentalisation. For example, the censors of the social network Facebook could ban photos of kissing homosexual couples in Russia or any cartoon of the prophet Mohammad in Turkey. If media distribution becomes the highest goal and tricky editorial decisions are delegated to an algorithm, the flood-gates are opened for uncritical adaptation towards economic, political or cultural imperatives.

This might particularly be the case in the context of the highly regarded "platforms", which are supposed to become the most important electronic market places in the twentyfirst century. The genesis of a platform is nurtured by attracting the highest possible number of customers—and customers join because they expect to find most of the products there. Thus, the required prioritization of market and growth orientation might be at the expense of identifiable but exclusive profile. Traditional media company brands (like the *Washington Post*, *Corriere della Sera*, *Frankfurter Allgemeine Zeitung*, etc.) did stand for identifiable values, which also allowed for financial redistribution in favor of certain articles. But an algorithm-based media platform effectively sidelines these effects. In that context, it seems doubtful that costly reporting, e.g. from a remote conflict area, will attract a sufficient number of readers to be included in mainstream news platforms.

Summing-up, algorithm-driven media administration is systematically crowding out autonomous and professional journalism, which is invigorated by the ambition to write articles with the necessary intellectual rigor and complexity. More than in the past, a value-based orientation is required that frames media management in the age of digitalization and might counteract these developments to assure a balance between profits and the necessary organizational space for responsible journalism.

3 Practical Wisdom: An Integrative Approach in the Age of Digitalization

In view of these fundamental challenges for value-based media management in the age of digitalization, we introduce the ancient concept of practical wisdom (prudence) as an integrative and transformative paradigm. Recently, the concept of practical wisdom has attracted increased attention within the business sciences. Inspired by research done mainly in the fields of psychology, philosophy and theology, a growing number of organizational and leadership scholars are striving to revive the Aristotelian notion of practical wisdom (*phronêsis*). Rooted in book VI of his Nichomachean Ethics, the concept aims to re-establish the managerial capability of making prudent judgments, i.e. to integrate moral, social, and technical aspects into management (for an overview cf. Bachmann, Habisch, & Dierksmeier, 2017; McKenna, Rooney, & Kenworthy, 2013). In this vein, we will explore the integrative and normative dimensions of practical wisdom in order to develop a wisdom-based, multi-dimensional perspective of media management in contrast to the information-based, one-dimensional perspective of digital rationality.

4 The Integrative Dimension of Practical Wisdom

"Where is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information?" In the digital age, this dictum of 1948 Nobel Prize laureate in literature T.S. Elliot is of even more relevance. The boundless access to data might suggest an all-embracing knowledge that resembles the ideal of wisdom. However, digital *information* based on a mathematical code is always one-dimensional. In contrast, *wisdom* is diverse, multilayered and, thus, does not emanate from data and numbers alone. Since ancient times, the concept of practical wisdom has essentially been linked to particular circumstances or the concrete occurrences of a given situation. Thus, the Aristotelian *phronêsis* requires the ability to open-mindedly receive, and holistically understand, the complex reality in its mutual interdependencies (NE 1140a26). Even throughout the Islamic tradition, a concept of practical wisdom (*al-Hikmah*) is widely dispersed that can be described as sound judgment concerning a matter or situation through understanding the phenomena of cause and effect (El Garah et al., 2012). Thomas Aquinas, who integrated ancient Greek philosophy with Christian beliefs and traditions, characterized practical wisdom (*prudentia*) as comprehensive insight into the situational context, in order to choose and apply the fitting means (Sum. Theol. II-II, 47–56, 2006). At present, practical wisdom in management is determined by the ability to respond appropriately to the specific situation at hand, considering the contextual framework of time, space and sociality (Malan & Kriger, 1998). Undoubtedly, management has always been a challenging task. In view of the constantly increasing complexity, information gaps, ambiguities, and unpredictability of today's business world (Hahn, Preuss, Pinkse, & Figge, 2014; Intezari & Pauleen, 2014), conditions are even more intense than in the past. Contemporary management appears to be "essentially decision-making in complex situations, where no set of rules uniquely determines the right decision" (Grassl, 2010: 711). Therefore, practical wisdom includes heuristics on how to handle ambiguities, tensions, and differences in values and worldviews, both in terms of individuals as well as social systems (Baltes & Staudinger, 2000). It transcends the one-dimensionality of digital rationality. Rather, it requires holistic models of organization and leadership (Küpers, 2012) and rejects "one size fits all" solutions (Statler, 2014; Yuengert, 2012). Thus, practical wisdom materializes as an integrative way of thinking and doing business that encourages synthetic thinking, different rationales, and insightful perception (Gibson, 2008; Bachmann et al., 2017) that might counteract the informational reductionism of an algorithm-driven digital rationality.

5 The Normative Dimension of Practical Wisdom

Digitalization and value-based management do not simply contradict each other. Rather, some specific normative guiding principles have emerged in cyberspace which have been focused mainly on efficiency, utility, functionality, and velocity. Analogously, the guiding question has shifted from the (qualitative) concerns about "true" versus "false" or "good" versus "evil" into a (quantitative) calculus of "functional" over "nonfunctional." In contrast, practical wisdom is not purely concerned with deliberating how to achieve *any* intended outcome, but how to achieve a good life, in general, both for oneself and for one's community. By not only considering the concrete particularities but expanding the scope of consideration to include teleological and ethical objectives, practical wisdom transcends indifferent cleverness based on the mathematical calculation that is incorporated in an algorithm. It is a crucial part of wise management to transcend the quotidian and ephemeral everyday requirements and to consider long-term perspectives and visions (McKenna, Rooney, & Boal, 2009). In other words, even in today's postmodern, digitalized age, knowledge and access to information are by themselves not enough to produce a wise leader (Muff, 2013). They must be accompanied by resources beyond the realm of logic and rationality, such as intrinsic motivation and spiritual orientation (Habisch & Bachmann, 2016). In this vein, Alford recently stressed that "we cannot continue ignoring resources from the world's religions, if they can help us come up with the best answers of which we are capable" (2010, p. 704). Wise managers, thus, analyze the pathways of history, valuing experience and tradition, and use this resource appropriately (McKenna et al., 2009). The accumulated wisdom of spiritual traditions is conveying a multidimensional significance that goes beyond digital definiteness and leaves room for an ever new adaptation from a contemporary reader's perspective and context (Habisch & Bachmann, 2016). Thus, practical wisdom materializes as a normative way of thinking and doing business that transcends the mere rationalist normative perspective of a digital functionalism and moves towards a value-based management employing the spiritual capital of humankind.

6 Conclusion: Wise Media Management in the Digital Age?

Achieving practical wisdom has been a most challenging aspiration at all times. In a digital age, however, when the need for excellence in judgement, character, and perspicacity appears to be higher than ever but less and less available, practical wisdom might prove a most valuable resource for management practice. On the other side, it is neither possible to reverse the process of digitalization, nor is that desirable anyway. However, if digitalization can take its full enriching effect for humanity only if it is embedded in a clearly defined set of values, there is no time to waste before defining those values and applying them to cyberspace.

One traditional metaphor from the popular medieval wisdom philosophy is becoming most relevant here: Practical wisdom as the charioteer of the virtues, in Latin: "auriga virtutum." Applying this metaphor to the contemporary challenges of media management, the practically wise media manager has to act as the *auriga virtutum*, the charioteer of the virtues who assesses, judges, guides, or mediates among the required virtues, capabilities, and techniques on the one hand, and the particular contexts on the other. He or she is able to handle the horses of economic rationality and recent digital techniques just as expertly as the horses of journalistic professionalism and value orientation. Quite similar to a sports team, the synthesis of all these different components needs a captain or coach in order to become more than just the sum of the individual team members. Thus, practically wise media management requires first the openness to receive and understand each particular situation as it is, second the professional excellency and experience to choose and apply the fitting means, and third the firmness of character to define the right ends. It goes without saying that practical wisdom, understood as the peak of excellent media management practice, can rarely be achieved in a pure form and state. Rather, we suggest, apt media managers are always on their way towards practical wisdom; they are continuously striving to fulfil the proposed wisdom-related qualities in their day-to-day practice.

The possibilities of how to apply practical wisdom to media management in the age of digitalization are manifold and may include areas as variegated as personnel management and human resource development, innovation and creativity, strategy and business policy, communication and information management, marketing and sales. The examination of all these areas through the lenses of practical wisdom can lead to concrete improvements and adjustments. For instance, a manager's practical wisdom includes, but also exceeds, mastering a single ability (i.e. one horse), and implies that social, cultural, spiritual, and religious aspects must also be recognized as a necessary dimension of management, if the goal is to promote the well-being of the organization. Last but not least, the idea of applying practical wisdom to media management is in line with current tendencies within the economic community towards a progressive reconfiguration of the educational system. In order to nurture future leaders' capacity for practical wisdom both instrumental knowledge and abstract techniques, *as well as* social, cultural, and moral aspects of personal development, have to be integrated into the curriculum.

To sum up, what distinguishes the practical wisdom-based approach from a digital-based approach is its integrative and normative character and its conscious alignment with the complexity and diversity of a multi-faceted reality. In this way, the practically wise media manager may serve as a guardian of journalistic professionalism and ethos. Thus, practical wisdom opens the doors for a managerial stance on value-based media management that can intermediate between imparted values and accumulated click preferences, efficiency and ethics, digital calculi and moral concerns.

References

Alford, H. (2010). The practical wisdom of personalism. *Journal of Management Development, 29* (7/8), 697–705.

Aristotle. (2009). The Nicomachean ethics, D. Ross (Trans.), Oxford World's classic. New York: Oxford University Press.

Bachmann, C., Habisch, A., & Dierksmeier, C. (2017). Practical wisdom: Management's no longer forgotten virtue. *Journal of Business Ethics*. First Online: 12 January 2017, doi: 10.1007/s10551-016-3417-y.

Baltes, P. B., & Staudinger, U. M. (2000). Wisdom: A metaheuristic to orchestrate mind and virtue toward excellence. *American Psychologist, 55*(1), 122–136.

El Garah, W., Beekun, R. I., Habisch, A., Lenssen, G., & Loza Adaui, C. R. (2012). Practical wisdom for management from the Islamic tradition. *Journal of Management Development, 31* (10), 991–1000.

Gibson, P. S. (2008). Developing practical management wisdom. *Journal of Management Development, 27*(5), 528–536.

Grassl, W. (2010). Aquinas on management and its development. *Journal of Management Development, 29*, 706–715.

Habisch, A., & Bachmann, C. (2016). Empowering practical wisdom: Spiritual traditions and their role in the global business world of the 21st century. In A. Habisch & R. Schmidpeter (Eds.), *Cultural roots of sustainable management: Practical wisdom and corporate social responsibility*. Cham, Switzerland: Springer.

Hahn, T., Preuss, L., Pinkse, J., & Figge, F. (2014). Cognitive frames in corporate sustainability: Managerial sensemaking with paradoxical and business case frames. *Academy of Management Review, 39*(4), 463–487.

Intezari, A., & Pauleen, D. J. (2014). Management wisdom in perspective: Are you virtuos enough to succeed in volatile times? *Journal of Business Ethics, 120*(3), 393–404.

Küpers, W. M. (2012). Die Bedeutung von praktischer Weisheit für die integrale Führungs- und Organisationspraxis. *Wirtschaftspsychologie, 3*, 46–57.

Lanier, J. (2000). *One-half of a manifesto*. First appeared at Edge.org, an online forum of the Edge Foundation. Available:. www.edge.org/3rd_culture/lanier/lanier_p1.html

Malan, L.-C., & Kriger, M. P. (1998). Making sense of managerial wisdom. *Journal of Management Inquiry, 7*(3), 242–251.

McKenna, B., Rooney, D., & Boal, K. (2009). Wisdom principles as a meta-theoretical basis for evaluating leadership. *The Leadership Quarterly, 20*, 177–190.

McKenna, B., Rooney, D., & Kenworthy, A. L. (2013). Introduction: Wisdom and management—A guest-edited special collection of resource reviews for management educators. *Academy of Management Learning & Education, 12*(2), 306–311.

Muff, K. (2013). Developing globally responsible leaders in business schools. *Journal of Management Development, 32*(5), 487–507.

Salzman, C. C. (2007). Editorial board forum: Management challenges and research issues. *International Journal on Media Management, 9*(3), 87–93.

Statler, M. (2014). Developing wisdom in a business school? Critical reflections on pedagogical practice. *Management Learning, 45*(4), 397–417.

Thomas Aquinas. (2006). *Summa Theologiae, Secunda Secundae* 47–56 (Vol. 36). Thomas Gilby O. P. (Transl.). Cambridge: Cambridge University Press.

Yuengert, A. M. (2012). *Approximating prudence: Aristotelian practical wisdom and economics models of choice*. Gordonsville, VA: Palgrave MacMillan.

The Diffusion of Authority: A Case Study Analysis of News Corporation's *News of the World* Newspaper

Richard A. Gershon and Abubakar Alhassan

> *I knew nothing about phone hacking...*
> Rupert Murdoch CEO, News Corporation Ltd.
> *I accept that I did not do enough. It doesn't mean I was a party to it.*
> Andy Coulson, Former Editor News of the World
> *I don't think anybody, me included, knew it was illegal.*
> Rebekah Brooks, Former Editor News of the World

1 Introduction

As today's media and telecommunication companies continue to grow and expand, the challenges of staying globally competitive have become increasingly more difficult. The need to be profitable and the fear of failure have made many of such companies ever more willing to engage in high-risk strategy. The sense of beating the competition, the promise of financial compensation, or in journalism parlance being first to break a story can sometimes cause those in senior leadership positions to cross the line in ethical judgment. As pressures arise, senior managers and editorial decision-makers become increasingly more insulated from public accountability. Management decision-making, under such circumstances, becomes in the words of Charran and Useem (2002) "an incremental descent into poor judgment." The purpose of this study is to understand the confluence of factors that led to business misconduct at News Corporation's *News of the World* newspaper. Special attention is given to three contributing factors: (1) organizational

R.A. Gershon (✉)
Western Michigan University, Kalamazoo, MI, USA
e-mail: richard.gershon@wmich.edu

A. Alhassan
Bayero University, Kano, Nigeria
e-mail: abubadan@gmail.com

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_16

culture, (2) management decision-making and high-risk strategy, and (3) failures in corporate governance. The information presented in this paper is theory-based and supported by case-study evidence. As a methodology, the case study is unparalleled for its ability to consider a single or complex research question within an environment rich with contextual variables (Morgan & Smircich, 1980).

A basic argument of this case study analysis is that such glaring failures were directly aided by a diffusion of authority where neither the company's executive leadership nor its corporate board of directors were willing to acknowledge or take responsibility for the actions of the newspaper's management and professional writing staff. There was an information gap that allowed poor strategy decision-making to occur. The consequences of the *News of the World* (NoW) phone hacking scandal were significant, including public and judicial condemnation, major fines and lawsuits brought against the company, loss in investor confidence as well as a lasting stain on News Corporation's worldwide reputation. Lastly, the NoW phone hacking scandal brought to an end a 168 year old highly successful English-language newspaper (Keeble & Mair, 2012).

2 The Diffusion of Authority

In 1945, U.S. President Harry S. Truman coined the phrase the "buck stops here" to describe the importance of taking responsibility for the actions of the American government. The expression is derived from the slang expression *pass the buck*, which means passing the responsibility on to someone else. In his farewell address to the American people given in January 1953, President Truman referred to this idea by asserting that,

> The President, whoever he is, has to decide. He can't pass the buck to anybody. No one else can do the deciding for him. That's his job.

Since then, the expression *the buck stops here* has become a widely adopted phrase to describe situations where politician and business leaders alike claim to take responsibility for the actions of subordinates. The public has come to expect that a President and his/her senior leadership team will take responsibility when an organization is faced with a complex problem or impending disaster. But what happens when just the opposite occurs? What happens when a President and CEO of a major corporation fails to take responsibility during a crisis situation? We use the term *diffusion of authority* to describe situations where a Chief Executive Officer (CEO) or members of a senior leadership team fail to take responsibility for the actions of others (Cohan, 2002). Worse still, they shift the blame to subordinates for possible mistakes that may have occurred.

3 Organizational Culture

Organizational culture (or corporate culture) refers to the collection of beliefs, expectations and values shared by an organization's members. As Pilotta, Widman, and Jasko (1988) point out, organizations (even large ones) are human constructions; that is, they are made and transformed by individuals. Culture is embedded and transmitted through both implicit and explicit messages, the organization's general tone and atmosphere as well as a shared value system.

3.1 Tabloid News Room Culture

A tabloid newsroom is a harsh, brittle and unsentimental place to work. The secret lives of celebrities is part of the essential formula designed to appeal to the general reader. What distinguishes a tabloid newspaper from a traditional newspaper is the amount of bullying and pressure that is brought to bear in finding the next important or salacious story. The newsroom exhibits a nonstop competitive fever. Get the story at all costs becomes the cultural norm to describe the reporter's mission. As British journalist Nick Davies (2014) writes:

> The commercial pressure in UK newsrooms is relentless, particularly for the mass-circulation titles. Tabloid editors will send out their reporters with an unmistakable message pinned painfully to the back of their heads—'just get the story'. No excuses are accepted, no failure is allowed, you stand on that doorstep till she talks to you, you keep asking till you get the answer, open the miser's paw, just get that damned story... (p. 10).

In the United Kingdom, the pressure of tabloid newsroom culture is all the more pronounced given the fact that the country's best selling newspapers are competing in a highly defined national geographic space for readership and circulation. What distinguished the *News of the World* from other down market tabloids was the sheer amount of bullying and stress that existed at the newspaper. It was a mean spirited culture where editors routinely hurled abuse at reporters (Fenton, 2012). Michelle Stanistreet, the general secretary of the National Union of Journalists, paraphrased one journalist who had spent 3 years at the newspaper by describing the newsroom culture as a "real military chain of command."

> You did what you were told, when you were told, and it took a pretty brave person to take a stand.... You grit your teeth and put up with it. If you want a career in the future, you shut up and you keep quiet (Ball, 2012).

All this points to the fact that the management and the editorial decision-makers at NoW set the tone in terms of what was expected of reporters and professional news staff. The message from the top was get the story at any cost; even if that means crossing the line in terms of invading someone's privacy.

3.2 Journalistic Integrity

The term *journalistic integrity* refers to the idea of how a news organization or reporter should conduct themselves in the various professional roles they assume (Pritchard, 2006). Journalism exhibits a unique code of conduct deemed fundamental to the discipline. They represent the essential duties and responsibilities by which any working journalist conducts himself/herself by. A code of ethics represents a shared commitment to uphold the highest traditions and practices of the discipline (Pritchard, 2006). The code of ethics for a working journalist might include fair and accurate reporting, honoring confidentiality given to a news source and not engaging in libelous and false light actions (Hanlin, 1992). According to the Society of Professional Journalists, journalistic integrity rests on four key principles: (1) Seek truth and report it, (2) Minimize harm, (3) Act independently and (4) Be accountable and transparent (SPJ Code of Ethics, 2014).[1]

Journalistic integrity also pertains to how one goes about obtaining information from a possible news source. Consider, for example, the issue of privacy invasion in the pursuit of a news story. The field of journalism has a long history of reporters using questionable methods for obtaining stories that sometimes includes paying for information (Sanders, 2003). Tabloid newspapers routinely pay for stories that might otherwise be unavailable. And the reverse is equally true. Tabloid newspapers deal in a world where trusted friends and family members are only too willing to approach a tabloid newspaper for money. Getting the story can also involve the ambush interview as well as the use of hidden cameras and recording devices to name only a few. Worse still, are journalists who steal information that was never intended for them to see. Hacking someone's cellphone became one such way for a journalist to obtain news information. It was a common practice found at

---

[1]According to the Society of Professional Journalists, journalistic integrity rests on four key principles:

1. Seek truth and report it

Ethical journalism should be accurate and fair. Journalists should be honest and courageous in gathering, reporting and interpreting information.

2. Minimize Harm

Ethical journalism treats sources, subjects, colleagues and members of the public as human beings deserving of respect. Journalists should balance the public's need for information against potential harm or discomfort. The pursuit of the news is not a license for arrogance or undue intrusiveness.

3. Act Independently

The highest and primary obligation of ethical journalism is to serve the public. Journalists should avoid conflicts of interest, real or perceived... Refuse gifts, favors fees and special treatment that may compromise integrity or impartiality or may damage credibility.

4. Be Accountable and Transparent

Ethical journalism means taking responsibility for one's work and explaining one's decisions to the public. Journalists should explain ethical choices and processes to audiences... Acknowledge mistakes and correct them promptly and prominently... Expose unethical conduct in journalism, including within their [own] organizations (SPJ Code of Conduct, 2016).

NoW. Such aggressive tactics violate an essential trust between the reporter and the general public as well as fellow members of the profession.

4 Managerial Decision-Making and High-Risk Strategy

Managerial decision-making is a process that involves influence and the art of directing people within an organization to achieve a clearly defined set of goals and outcomes. Successful managers know what they want to accomplish in terms of organizational outcomes. The challenge occurs when the senior manager (or editor) loses perspective on his/her own role within the organization. Such individuals feel by virtue of their position, intelligence, or compensation, that they are in charge of every key decision that is made on behalf of the news operation. Sometimes the decision-making works as planned. Other times, the management decision-making can lead to catastrophic failure, thereby, putting the entire news organization at great risk.

The term *strategy* is about developing a plan of action designed to achieve a specific goal or outcome. At issue, are the decisions made by senior-level managers who engage in high-risk strategy in pursuit of business goals. In doing so, they put the company and its employees at significant risk (Stanwick & Stanwick, 2016). Perhaps the most telling example of this was the 2004 case of Enron Corporation. President and CEO Jeff Skilling was engaged in financial fraud and a massive cover-up that ultimately destroyed the company. Enron's Chief Financial Officer, Andrew Fastow engaged in a complex web of partnerships that was used to hide more than $1 billion in debt and inflate profits. The company's subsequent bankruptcy caused thousands of company employees to lose their jobs and wiped out retirement savings for those employees who were required to hold onto stock while seniors executives were allowed to cash out.

Similarly, during the decade of the 1990s Mississippi based WorldCom quickly rose to become the number two long distance telephone carrier in the US. Along the way, the company used its soaring stock to make 70 acquisitions, including a hostile takeover of MCI in 1998. Beginning in early 2002, WorldCom suffered a stunning reversal of fortune. The company became the focus of intense scrutiny by regulators and law enforcement officials after the disclosure that WorldCom had improperly overstated earnings by $3.8 billion in 2001 and the first quarter of 2002 ("Congress Begins", 2002). It was the largest accounting fraud in U.S. corporate history. The number later rose to an estimated $9 billion. A U.S. Congressional investigation into the WorldCom debacle reveals that WorldCom's accounting department under the direction of Chief Financial Officer Scott D. Sullivan had manipulated the company's financial record keeping in order to paper over multibillion dollar losses. It was done with the intention of propping up WorldCom's deteriorating financial standing on Wall Street.

From Enron to News Corporation, a diffusion of authority can prove highly toxic to an organization. At issue, are senior level executives who make the claim that they had no knowledge of the illegal activities taking place within their own organization. Worse still, are the ones that blame others for the mistakes that may have occurred. In a blame culture, problem-solving is replaced by blame-shifting. Most insidious of all, blaming others can create business climate of fear and suspicion from subordinates who feel powerless to change the situation. The warning signs of a failing company soon become widely apparent to everyone associated with the organization. Such disruptions can translate in a number of ways, including damage to reputation, wide-scale public and government condemnation, the loss of jobs and in the worst-case scenario and the dissolution of the business enterprise itself. The NoW newspaper scandal resulted in the paper's eventual closure. An estimated 200 plus employees lost their jobs. As labor leader Ed Miliband commented,

> This is the saddest day of my professional career. For 168 years, the *News of the World* has been a huge part of many peoples' lives. Sundays without this great British institution will not be the same ("Reaction to News of the World", 2011).

The case of News Corporation's *News of the World* newspaper provides a glaring example of where failures in management decision-making and high-risk strategy became the catalyst for one of the worst newspaper scandals ever to occur in the annals of journalism history. It put the entire journalism profession on trial (Keeble & Mair, 2012).

5 Failures in Corporate Governance

The role of a corporate board of directors is to provide independent oversight and guidance to a CEO and his/her staff of senior executives. This can involve everything from approving new strategic initiatives to reviewing CEO performance. Corporate boards provide a level of professional oversight that embodies the principles of "self regulation". One of the important goals of corporate governance is to help prevent significant mistakes in corporate strategy and ensure that when mistakes happen, they can be corrected quickly (Gershon, 2013; Pound, 2002).

A corporate governance system presupposes a tripod of players, including senior management (led by the CEO), the board of directors and its shareholders. In theory, the corporate tripod is suppose to provide a system of checks and balances. The reality, however, belies the fact that many of today's corporate governance structures are woefully out of balance (Monks & Minow, 1996). The problem occurs when a corporate board of directors ignores its fiduciary responsibility to company stockholders and employees by failing to challenge questionable business strategy and/or by permitting unethical business practices to occur. There are several reasons that help to explain why a corporate governance system can sometimes fail.

1. Senior management provides corporate boards with limited information
2. The pursuit of personal goals by senior leadership executives that are contrary to the best interests of the company or organization
3. Corporate cultures of intimidation where questioning senior management decision making will be met with resistance and the possibility of job loss
4. Board Independence. Corporate board members are either family members, friends, or paid executives of the company and are, thereby, beholden to senior management (Cohan, 2002; Siebens, 2002; Turnbull, 2002).

The story of News Corporation's governance structure illustrates the problems of a large company operating without a true independent board of directors. At issue, is the fact that CEO Rupert Murdoch exercises a disproportionate effect over all aspects of the company's design and operations. Planning and decision-making can be greatly affected by stock ownership and voting rights. At News Corporation, class A shares account for about 70% of the company's market cap, but stockholders have no voting rights. In contrast, owners of class B shares, which accounts for the other 30% of the market cap, get to vote. Rupert Murdoch possesses almost 40% of the class B shares. In practical terms, he owns just 12% of the company, but exercises enormous control because he gets to choose the board's composition. The News Corporation board is comprised mainly of corporate insiders, friends and family members of CEO Murdoch. The corporate culture made it difficult (if not impossible) for board members to come forward and raise the kinds of questions that needed asking concerning NoW's journalistic conduct. As Colvin (2011) writes: "While legally the board can fire Rupert Murdoch, practically he can fire the board, and the board knows it. Truly the company has earned its F in governance."

6 The News of the World: Its History and Beginnings

The *News of the World* was once considered one of Britain's most successful Sunday newspapers, featuring a high gloss of sex, crime, politics and excellent sports coverage. The paper had been run by the Carr family since the 1890s. In 1969, William Carr senior was in bad health and the family was looking for an outside investor. That same year, News Corporation President and CEO Rupert Murdoch was notified about the possibility of buying into the London-based newspaper. At the time, Robert Maxwell had also expressed interest in buying the newspaper. Maxwell had a notorious reputation in Great Britain for being dishonest, boisterous and rude. The Carr family was intent on not letting Maxwell acquire a controlling interest. The Carr family and the company's board of directors agreed to let Murdoch become the principle investor and partner even though he was offering less money (Addley, 2011).

As soon as the acquisition was complete, Murdoch assumed immediate control and steadily transformed the paper into more of tabloid format, featuring lots of headlines, photographs and sensational stories. Despite written promises and assurances, Murdoch had no intention of being a silent partner. The Carr family was quickly relegated to the sidelines. For the next 42 years, the *News of the World* proved highly successful concentrating on celebrity-based scoops and populist news. By 2011, NoW had a circulation of 7.4 million weekly readers. Its fondness for sex scandals gained it the nickname, *News of the Screws*. At the same time, the newspaper enjoyed a formidable reputation for late-breaking investigative news stories. Some were salacious, but many involved exposés of the famous and not so famous criminals, unseemly politicians and corrupt officials. As one former employee put it,

> It was a proper paper 20 years ago. We turned over drug dealers, immigration rackets, things like that. Really good, hard-hitting stories. It also made people laugh; there was lots of fun stuff in it. Sure, there was a touch of spin to it all, but the stories were genuine. We were not saints. We bent things, but it was only to get the guys who deserved to be got (Doward et al., 2011).

7 The Phone Hacking Scandal Unfolds

For years, there had been street talk and accusations that select journalists at NoW and other Murdoch owned newspapers had been engaged in the practice of hacking people's cellphones to gain information. Worse still, the British police were often bribed so that NoW reporters could obtain breaking news stories as they happened. Part of the paper's success lay in the near symbiotic relationship it enjoyed with the local police authorities; the two institutions swapping tips and working together on major stories that often produced a win-win for both parties: the police got the credit; the paper got the page-one headline (Kellner, 2012). The first indications of phone hacking and privacy invasion occurred as early as November 2005. At the time, a series of stories appeared in the NoW revealing personal details about the Royal family and in particular Prince William. On the surface of things, they were fairly innocuous stories except for the fact that the information could only have come from a few select sources. Palace officials concluded that someone must have listened in to the voicemail messages of royal aide, Jamie Lowther-Pinkerton. The privacy breach was turned over to Scotland Yard for further investigation. The following August, detectives announced that they had made two arrests. The first arrest involved NoW's veteran royal editor, Clive Goodman, while the second was a private detective named Glenn Mulcaire. They were charged with intercepting voicemails and in January 2007 were briefly jailed after admitting their offense. NoW's parent company, News International, conducted an internal investigation and concluded that phone hacking had been the work of Clive Goodman acting as a "single rogue reporter." Andy Coulson, then editor of the paper, apologized to the royal family for the privacy breach while insisting he knew nothing of what had gone on (Davies, 2014; Evans, 2014).

Gordon Taylor

In 2005, reporters at NoW began investigating former English professional football player Gordon Taylor who now served as chief executive of the English footballers' trade union. At the time, NoW paid private detective Glenn Mulcaire to hack into Taylor's phone messages. Taylor became aware of the fact that he was being targeted by the paper and that his voicemail messages were being listened to. In response, he filed a lawsuit against NoW making a claim for damages. Parent company News International was duly ordered to provide all relevant material pertaining to the case, including an email to Mulcaire containing the transcripts of 35 messages that had been taken from Taylor's cellphone. What was particularly damaging was the email that preceded the 35 messages that read: 'This is the transcript for Neville.' The name Neville is a reference to Neville Thurlbeck, chief reporter of NoW. The email and transcripts were highly problematic, so much so, that NoW in 2008 agreed to an out of court settlement with Taylor for £700,000 in an effort keep the story quiet (Sears, 2013). That might have been the end of the matter except that the Gordon Taylor law suit was followed by additional law suits including civil claims made from celebrity publicist Max Clifford and football agent Sky Andrew. In July 2009, the British based *Guardian* newspaper published a series of exposes claiming that thousands of people had been hacked by a private detective working for the *News of the World*.

Milly Dowler

On July 4th, 2011, journalists Nick Davies and Amelia Hill from the *Guardian* reported that the mobile telephone of murdered schoolgirl Milly Dowler, had been illegally accessed. British police had found evidence suggesting that journalists working for NoW had hired private investigators to hack into Dowler's voicemail inbox while she was still missing. It was alleged that they had deleted some messages, giving false hope to police and to Dowler's parents who thought that she might have deleted the messages herself and therefore might still be alive (Davies & Hill, 2011).

In the days following the Milly Dowler story, the *Guardian* newspaper *r*eported that NoW had also been engaged in the routine phone hacking of British celebrities, politicians, members of the British Royal family as well as private citizens. Several of the newspaper's journalists were accused of engaging in a complex web of cell phone hacking and police bribery in the pursuit of page one news stories. Reporters for the NoW were accused of bribing police officers to obtain information pertaining to the British Royal family as well as government officials. Other examples of journalistic misconduct included the hacking of cellphones belonging to the relatives of deceased British soldiers as well as victims of the 7/7 London bombings. Over the course of 6 years, reporters for NoW had tapped into the private cellphones of an estimated 5000 plus public and private citizens. Public reaction to the Milly Dowler incident was swift and furious. Nationwide public resentment coupled with a steady stream of advertising boycotts, forced the closure of NoW on July 10th, 2011. It was Britain's biggest selling Sunday newspaper.

7.1 The News Story Frame and Journalistic Scandal

Central to this discussion is the importance of framing which means the selection of particular narratives (or story lines) that will be of special interest to readers (Blaszkiewicz, 2013; Entman, 1993). Cultural values are an important element in understanding news frames (Lule, 2001). Celebrity scandals involving well known politicians, business people and entertainers are among the most popular types of narratives for a news organization. The celebrity's sometimes illicit actions makes good news copy because they run counter opposite to commonly held values, norms and assumptions. One of the great ironies of the NoW phone hacking scandal is that the newspaper itself (and professional staff) became a great story frame for others to write about (Blaszkiewicz, 2013). It had become the story of stories in 2011 inviting worldwide news attention and public comment regarding the question of journalistic integrity.

Keith Rupert Murdoch is President and CEO of News Corporation Ltd., parent company to News International and by extension *News of the World*. More than any person of his generation, Rupert Murdoch is an empire builder in the tradition of the great media press lords of the nineteenth and early twentieth centuries. Murdoch's love of dealmaking and political gamesmanship are as important to his business success as are the diverse set of media properties that he steadfastly manages (Gershon, 1997). As a transnational media corporation (TNMC), News Corporation Ltd. can rightfully make claim to the fact that the company has the highest newspaper circulation in the world. Those who have worked closely with Murdoch indicate that he has a tremendous grasp for details which is rather unusual in an age where TNMCs are typically managed by an assembled team of media managers. Through the years, Murdoch's continuing success and domination of the media has made him the target of much criticism among business rivals, government regulators, labor unions and media analysts. Murdoch has sometimes been described as the "Magellan of the Information Age" splashing ashore on one continent after another. The combination of Murdoch's aggressive dealmaking style coupled with his reputation for promoting tabloid journalism has made him a lightning rod for criticism among those who claim that he manipulates politics and is too preoccupied with the bottom line (Shawcross, 1992).

How does Rupert Murdoch respond to such charges? In a 1987 interview, Murdoch was asked whether he considers himself a someone who has debased and sensationalized the press? He answered "No. But I can think of more important things than being loved by everyone." A more grounded assessment Rupert Murdoch can be found in the explanation that Murdoch is first and foremost a business opportunist (Gershon, 1997). News Corporation is a transnational media corporation. Management decision-making should be viewed in a much larger context. The company's decision to close *News of the World* was a risk management assessment based on whether the newspaper's continued operations and public exposure would hurt News Corporation's other media holdings. It is worth noting that less than a year later, in February 2012, Murdoch lunched *The Sun* (Sunday edition) to replace the *News of the World* newspaper.

James Murdoch is the younger son of News Corporation CEO Rupert Murdoch. He was the Executive Chairman of News International (parent company to the *News of the World*). James, along with his father appeared twice before a hearing of the House Commons Culture, Media and Sports Committee. During his second appearance on November 10, 2011, James Murdoch denied any knowledge of widespread phone-hacking practices at NoW. Instead, he leveled accusations against former NoW editor Colin Myler and legal chief Tom Crone, who had earlier testified that Murdoch was made aware of the phone hacking situation as early as 2008 and that it was not limited to one rogue reporter as had been originally claimed. In response, Labor Party lawmaker Tom Watson commented at the time, "Mr. Murdoch, you're the first mafia boss in history to not know he was running a criminal enterprise." (House of Commons, 2011, p. 140). James Murdoch subsequently resigned his position as Executive Chairman of News International.

Rebekah Brooks was a prominent figure in the NoW phone hacking scandal, having been its editor when the illegal phone hacking was said to have taken place. On July 15, 2011, Brooks resigned as chief executive of News International, following widespread criticism of her role in the controversy (Burns & Peters, 2011). While News Corporation CEO Rupert Murdoch initially gave his full support to Brooks, the fact that she edited the paper during the time of the phone-hacking activities made her position untenable. Rebekah Brooks was later arrested on suspicion of conspiring to intercept communications (i.e., phone hacking) and on suspicion of making corrupt payments to public officials (Dodd & Garside, 2011). A second set of charges were leveled against Ms. Brooks accusing her of evidence tampering in connection to the police's phone-hacking probe. She was later acquitted of all charges.

Andy Coulson was the editor of *News of the World* from 2003 until his resignation in 2007, following the conviction of one of the newspaper's reporters responsible for illegal phone hacking. Coulson appeared in front of the Commons Culture, Media and Sports Select Committee. He denied any knowledge of the phone hacking scandal. Coulson would later join Prime minister David Cameron's staff as the Director of Communications. During that time, Coulson continued to be subjected to allegations that he had direct knowledge pertaining to the hacking of phones. A September 2010 article in *The New York Times* printed new statements from former NoW reporters alleging that Coulson had "actively encouraged" reporters to illegally intercept voicemail messages, and that he "was present during discussions about phone hacking."

> ... interviews with more than a dozen former reporters and editors at News of the World .... describe a frantic, sometimes degrading atmosphere in which some reporters openly pursued hacking or other improper tactics to satisfy demanding editors. Andy Coulson, the top editor at the time, had imposed a hypercompetitive ethos, even by tabloid standards. One former reporter called it a "do whatever it takes" mentality (Van Natta, Becker, & Bowley, 2010).

Coulson was eventually forced to resign his position with the Prime minister's office. In June 2014, he was found guilty of conspiracy to intercept voicemails and was sentenced to 18 months in prison. He served less than 5 months of his 18-month prison sentence.

Glenn Mulcaire was a paid private investigator used by *News of the World* to obtain hard, difficult stories. In the English world of tabloid journalism, the word "blagging" is used to describe someone who gets something they want by lying to people in a clever way. Mulcaire was an excellent blagger. His specialty was in perfecting the technique of hacking the voicemail of individual cellphone users. NoW editor Greg Miskiw was the person who had first discovered and hired Mulcaire (Hanning, 2014). According to Nick Davies,

> All the stories which had won Coulson the award of Newspaper of the Year were based on Mulcaire hacking voicemail… He had hacked David Beckham to expose the footballer's affair with his personal assistant. No matter how many times Beckham changed his number, no matter how many extra SIM cards he shuffled though his phone, Mulcaire kept listening to his messages… (2011, p. 45).

Clive Goodman is an English journalist, former royal editor and reporter for NoW. He was a co-conspirator of Glenn Mulcaire. Goodman was arrested in August 2006 and jailed in January 2007 for intercepting cell phone messages involving members of the Royal Household. In the beginning, Goodman was portrayed by News International Executive Les Hinton as a "rogue reporter" acting alone. NoW editor Colin Myler similarly told the Press Complaints Commission in August 2009, "our internal inquiries have found no evidence of involvement by *News of the World* staff other than Clive Goodman… (Sabbagh, 2012). Subsequent events would prove otherwise. Goodman would later claim that he was asked by Andy Coulson to serve as the fall guy in exchange for being allowed to return to work. In testimony given at Andy Coulson's trial, Goodman admits some regret at having hacked the phones of princes William and Harry and the Royal family.

> Now, it feels very wrong. I've had plenty of time to reflect on this, it's not something I'm proud of, not the greatest move of my career. I'd dearly love to be able to move on but nobody seems to let me move on. We still seem to be discussing it . . . (O'Carroll, 2015).

Goodman also acknowledges hacking the voicemails of Kate Middleton when she was dating Prince William in 2005 and 2006. Records of phone calls prepared by police for the trial showed he hacked the now Duchess of Cambridge's phone 155 times, including once on Christmas day in 2005.

7.2 Corporate Governance at News Corporation

Through the years, one reason that helps to explain Rupert Murdoch's aggressive management and deal-making style is based on the fact that News Corporation did not have a diverse, independently constructed board of directors. Instead, the Murdoch family had a controlling 43% interest in News Corporation. The next biggest investor is Saudi Prince Al Waleed Bin Talal, whose stake in News Corp.

was estimated to be 7%. Thus, Murdoch was the last word on all important decisions affecting the company. In practical terms, this translates into an unusual power and ease by which he can negotiate deals on four continents. In a 1994 interview, Murdoch once remarked:

> I'm in the very fortunate position of having a family with a third of the shares of News Corp., and I enjoy that security. It also enables us to take risks. We could make a couple of bad mistakes without being snapped up or taken over by some company that wants to break us up. It's given us great security to know that while we can't be careless, we can take risks. . . (West, 1994).

Rupert Murdoch would eventually recover from the events of the phone hacking scandal. He retained his position as Chairman of News Corporation's Board of Directors for several years thereafter. The company's board stood by him despite the phone hacking scandal's legal ramifications and public relations fallout. At the same time, Murdoch's tight grip on the company may have suffered its first setback as a majority of independent shareholders voiced concerns that the company's Board of Directors chose to protect those close to Murdoch rather than investigate the misconduct when it learnt about it.

8 The Leveson Special Investigation Inquiry

On July 13, 2011, Prime Minister David Cameron named Lord Justice Leveson as Chairman of a special taskforce to conduct a judicial inquiry into the culture, practices and ethics of the British press in the aftermath of the phone-hacking scandal. The Leveson Special Investigation Inquiry was assigned the task of looking into the various claims made about phone hacking at the *News of the World,* as well as allegations of illicit payments made to the police by members of the press. The Leveson committee gathered information from 337 witnesses who testified in person as well as the gathering of some 6000 plus pages of evidence. The inquiry was asked to put forward a set of non-binding recommendations concerning the future of the British press (The Leveson Report, 2012).

8.1 Rupert Murdoch Testifies

In his second day of testimony before the Leveson inquiry, Rupert Murdoch was forced to admit that a cover-up had taken place at *News of the World*. He acknowledged that he was "misinformed and shielded" from what was going on at the newspaper adding that there was a "cover-up" (O'Carroll & Halliday, 2012). Murdoch later revealed he wished he had closed the *News of the World* earlier and also admitted that he panicked when the phone-hacking affair became a major scandal in July 2011.

> When the Milly Dowler [story] was first given huge publicity, I think newspapers took the chance to make this a huge national scandal. It made people all over the country aware of this, you could feel the blast coming in the window (O'Carroll & Halliday, 2012).

Rupert Murdoch later apologized for failing to take measures to avert the phone-hacking scandal and for not doing sufficient follow-up. "I also have to say that I failed... I am very sorry about it." It should be noted that Murdoch made a personal apology to the family of the murdered schoolgirl Milly Dowler at a private meeting held at a central London hotel.

8.2 The Leveson Committee Issues Its Report

On November 29, 2012, the Leveson Committee issued its final report finding that Rupert Murdoch's newspapers and other British media were reckless in the pursuit of sensational stories "almost irrespective of the harm caused." The 1,987 page report published in four volumes offers a withering critique of the press as a whole, saying that it displayed "significant and reckless disregard for accuracy," and urged the press to form an independent regulator to be underpinned by law (The Leveson Report, 2012). The report singled out Murdoch's *News of the World* newspaper for sharp criticism, citing a clear diffusion of authority.

> Too many stories in too many newspapers were the subject of complaints from too many people with too little in the way of titles taking responsibility, or considering the consequences for the individuals involved ... The *News of the World* had lost its way in relation to phone hacking. Its casual attitude to privacy and the lip service it paid to consent demonstrated a far more general loss of direction (The Leveson Report, 2012).

The Phone hacking scandal has had a major rippling effect on the company's worldwide operations. At issue, is the extent to which a sister company's bad behavior can create collateral damage that is felt by all subsidiary members of the same corporation. The phone-hacking and bribery scandals at News Corporation's U.K. newspaper division, News International not only forced the closure of *News of the World*, but made it all but impossible for News Corporation to go ahead with the full acquisition of British-based satellite TV service BSkyB, for which the company held a minority interest.

8.3 Fines and Restitution

In all, News Corporation has had to pay an estimated £332 million ($512 million) in fines, lawsuit claims and settlements (Ponsford, 2015). This includes a £700,000 settlement to football executive Gordon Taylor as well as £1 million paid out to celebrity public relations agent Max Clifford. In addition, News Corporation agreed to pay £2 million ($3.2 million) to the family of Milly Dowler. Rupert Murdoch

Table 1 Claims paid to news of the world phone hacking victims

Charlotte Church, singer—£600,000
Christopher Eccleston, actor—undisclosed amount
Gavin Henson, rugby player—£40,000
George Galloway, lawmaker—£25,000
Hugh Grant, actor—undisclosed amount
John Prescott, former Deputy Prime Minister—£40,000
Jude Law, actor—£130,000
Sadie Frost, ex-wife of Jude Law—£50,000
Sarah Ferguson, the Duchess of York—undisclosed amount
Sienna Miller, actress—£100,000
Simon Hughes, Liberal Democrat MP—£75,000
Sky Andrews, sports agent—£75,000
Steve Coogan, actor—£45,000
Uri Geller, psychic—undisclosed amount

Source: CNN, "Fast Facts" (2015)

further agreed to pay £1 million to charities chosen by the Dowler family. Additional claims paid can be seen in Table 1.

8.4 Restructuring at News Corporation

In response to the phone-hacking scandal, Rupert Murdoch made the formal decision to split News Corporation into two major divisions. The first grouping is comprised of News Corporation film and television businesses, including twentieth Century Fox and the Fox television network. The second grouping includes all News Corp's publishing interests, such as *the Wall Street Journal*, *the Times, the Sun, the Australian, the New York Post* and publisher HarperCollins. In June 2013, the UK subsidiary known as News International (parent company to the *Times*, the *Sun* (and previously *News of the World*) was given a name change to News UK. It was part of the rebranding strategy to move public opinion away from the events of the phone hacking scandal.

9 Discussion

What began as an investigation of eavesdropping on members of the royal family by "one rogue reporter" steadily evolved into a newspaper scandal that captured the public's attention for more than a decade. The *News of the World* phone hacking scandal led to the arrests of numerous journalists and the conviction of the paper's former editor, Andy Coulson. The scandal resulted in the closure of the once highly successful NoW with a readership of 2.6 million people. The *News of the World* scandal and its eventual closure were attributable to problems associated with management decision-making, a highly corrosive newsroom culture, and noticeable failures in corporate governance (Chitam, 2011). The problems were further exacerbated by a diffusion of authority where neither the company's executive leadership nor corporate board of directors were willing to acknowledge or take responsibility for the actions of senior management.

9.1 Hackgate and Watergate

The NoW phone hacking scandal has sometimes been compared to the events of Watergate in the U.S. The leadership behavior of News Corporation President Rupert Murdoch suggests more than a passing resemblance to Richard Nixon presiding over a criminal conspiracy in which he insulated himself from specific knowledge of numerous individual criminal acts while authorizing general policies that routinely resulted in law breaking and criminal conduct. What both examples share in common is a diffusion of authority and tendency toward cover up (or blaming others) thereby, masking any responsibility for wrong doing. When Rupert and James Murdoch were called upon to testify at a parliamentary committee hearing, both vehemently denied any knowledge or involvement in the phone hacking activities at NoW. Any and all apologies put forward only occurred because judicial inquiries, criminal investigations and public opinion required them to do so.

Rupert Murdoch's legacy will forever be tarnished by the phone-hacking scandal. More than anyone, Murdoch invented and established the "do whatever it takes to get the story culture" that permeated the NoW newsroom. For the working journalist, newswroom culture is set from the top starting with the paper's owner, publisher and senior editors. Reporters and editors do not routinely break the law, bribe policemen and engage in cellphone hacking unless it devolves into an accepted practice by the news media's senior editorial staff. Private detectives and phone hackers do not become the primary sources of a newspaper's information without the tacit knowledge and approval of newspaper's senior leadership.

9.2 Self Regulation

The closure of *News of the World* raises the question whether more could have been done to address reckless business decision-making and journalistic misconduct. The main difficulty is that market discipline and self-regulation noticeably failed when it came to management decision-making and newspaper operations. The takeaway lessons from the NoW phone hacking scandal has prompted a rethinking about regulatory oversight as well as corporate governance structures. A number of regulatory and business reforms have been suggested by various commentators, academics and regulatory officials. The solutions vary in size and scope. One of the recommendations that was put forward by the Leveson committee included the establishment of an independent newspaper commission with greater regulatory authority (The Leveson Report, 2012). Some media professionals are concerned that the British government will over react and produce a more stringent set of rules that would undermine press freedom. Many journalists feel that such rules would unfairly make an entire industry share the blame for the crimes committed by one newspaper.

Nevertheless, the challenges and difficulties faced by today's media companies call into question some basic assumptions regarding the principle of self- regulation (Kuttner, 2002). In the end, the problem is not entirely self-regulation. Rather, the problem is a failure to recognize that there is no such thing as wholly free markets devoid of professional oversight both internal and external to the organization. More specifically, senior leadership and corporate governance failed to provide the objective oversight necessary to ensure appropriate business conduct at *News of the World*. The diffusion of authority at NoW made it possible for both owners and senior editors to look the other way and pass ultimate responsibility on to someone else.

9.3 Conclusion

The *News of the World* phone hacking scandal has forced a major rethinking of issues pertaining to British and American civic life, including political coverage by the media, press freedom, law enforcement, privacy invasion and journalistic integrity to name only a few. It has challenged many of our basic assumptions regarding press freedom as well as the rights and obligations of today's journalist. Journalistic integrity requires the ability to exercise good judgment. The *News of the World* phone-hacking scandal was a crime against the privacy of both public and private citizens. It violated the basic tenets of sound journalistic practice and, thereby, undermined the larger public trust. In the end, the *News of the World* newspaper became a victim of the culture it helped create.

References

Addley, E. (2011, July 7). The news of the world's sensational history. *The Guardian*. Retrieved from http://www.theguardian.com/media/2011/jul/07/news-of-the-world-history

Ball, J. (2012, February 9). News of the world journalists reveal a newsroom culture. *The Guardian*. Retrieved from http://www.theguardian.com/media/2012/feb/09/news-of-the-world-bullying-stress

Blaszkiewicz, Z. (2013). *Creating scandal to avoid panic: How the UK press framed the news of the world phone-hacking scandal*. Dissertation. London: London School of Economics and Political Science.

Burns, J., & Peters, J. (2011, July 15). Two top deputies resign as crisis isolates Murdoch. *New York Times*. Retrieved from http://www.nytimes.com/2011/07/16/world/europe/16hacking.html?pagewanted=all&_r=0

Charran, R., & Useem, J. (2002, May 27). Why companies fail. *Fortune*, 50–62.

Chitam, R. (2011, July 27). Rupert Murdoch and the corporate culture of news corp. *Columbia Journalism Review*. Retrieved from http://www.cjr.org/the_audit/rupert_murdoch_and_the_corpora.php

CNN. (2015, December 11). *UK phone hacking scandal fast facts*. Retrieved from http://www.cnn.com/2013/10/24/world/europe/uk-phone-hacking-scandal-fast-facts/

Cohan, J. (2002). I didn't know and I was only doing my job: Has corporate ethics governance careened out of control? A case study of Enron's information myopia. *Journal of Business Ethics, 40*(3), 275–299.

Colvin, G. (2011, July 19). The trembling at news corp. has only begun. *Fortune*. Retrieved from http://fortune.com/2011/07/19/the-trembling-at-news-corp-has-only-begun/

Congress begins WorldCom investigation. (2002, June 28). *The Wall Street Journal* (pp. A3, A9).

Davies, N. (2014). *Hack attack*. New York: Farrar, Straus & Giroux.

Davies, N., & Hill, A. (2011, July 4). Missing Milly Dowler's voicemail was hacked by news of the world. *The Guardian*. Retrieved from http://www.guardian.co.uk/uk/2011/jul/04/milly-dowler-voicemail-hacked-news-of-world

Dodd, V., & Garside, J. (2011, July 17). Rebekah Brooks arrested over phone-hacking scandals. *The Guardian*. Retrived from http://www.guardian.co.uk/media/2011/jul/17/rebekah-brooks-arrested-phone-hacking-allegations

Doward, J., Helm, T., Robinson, J., Watchman, R., Thorpe, V., & Harris, P. (2011, July 9). Phone-hacking scandal: Is this the tipping point for Murdoch's empire? *The Guardian*. Retrieved from http://www.guardian.co.uk/media/2011/jul/09/phone-hacking-scandal-rupert-murdoch

Entman, R. (1993). Framing: Toward clarification of a fractured paradigm. *Journal of Communication, 43*(4), 51–58.

Evans, M. (2014, June 25). Phone hacking: How the scandal unfolded. *The Telegraph*. Retrieved from http://www.telegraph.co.uk/news/uknews/phone-hacking/10890763/Phone-Hacking-How-the-scandal-unfolded.html

Fenton, M. (2012, February 9). News of the world bullying culture. *Financial Times*. Retrieved from http://www.ft.com/cms/s/0/6c822dd4-5324-11e1-950d-00144feabdc0.html#axzz416UxsCgA

Gershon, R. (1997). *The transnational media corporation: Global messages and free market competition*. Mahwah, NJ: Erlbaum.

Gershon, R. (2013). *Media, telecommunications and business strategy* (2nd ed.). New York: Routledge.

Hanlin, B. (1992). Owners, editors and journalists. In A. Belsey & R. Chadwick (Eds.), *Ethical issues in journalism and the media* (pp. 33–48). London: Routledge.

Hanning, J. (2014, July 20). The making of Glenn Mulcaire, *Independent*. Retrieved from http://www.independent.co.uk/news/media/opinion/the-making-of-glenn-mulcaire-a-strong-character-and-an-excellent-organiser-who-commanded-respect-and-9617580.html

House of Commons: Culture, Media and Sport Committee. (2011). *News international and phone hacking*, 11th Report of Session 2010–2012, Volume II.

Keeble, R., & Mair, J. (Eds.). (2012). *The phone-hacking scandal: Journalism on trial*. Suffolk: Arima Publishing.

Kellner, D. (2012). The Murdoch media empire and the spectacle of scandal. *International Journal of Communication, 6*, 1169–1200.

Kuttner, R. (2002, July 29). Today's markets needs new rules. *Business week* (p. 26).

Lule, J. (2001). *Daily news, eternal stories: The mythological role of journalism*. New York: The Guilford Press.

Monks, R., & Minow, N. (1996). *Watching the watchers: Corporate governance for the 21st century*. Cambridge, MA: Blackwell Publishers.

Morgan, G., & Smircich, L. (1980). The case for qualitative research. *Academy of Management Journal, 5*(4), 491–500.

O'Carroll, L. (2015, May 22). Ex-NoW royal editor tells court of his regret over hacking princes' phones. *The Guardian*. Retrieved from http://www.theguardian.com/uk-news/2015/may/22/clive-goodman-andy-coulson-trial-regret-phone-hacking-royals

O'Carroll, L., & Halliday, J. (2012, April 26). Rupert Murdoch admits NoW phone-hacking culture of cover-up. *The Guardian*. Retrieved from http://www.guardian.co.uk/media/2012/apr/26/murdoch-admits-phone-hacking-coverup

Pilotta, J., Widman, T., & Jasko, S. (1988). Meaning and action in the organizational setting: An interpretive approach. *Communication Yearbook, 11*, 310–334.
Ponsford, D. (2015, May 8). *News corp. hacking scandal rises to $512m PressGazette*. Retrieved from http://www.pressgazette.co.uk/news-corp-hacking-scandal-costs-rise-512m
Pound, J. (2002). The promise of the governed corporation. *Harvard Business Review on Corporate Governance*. Boston, MA: Harvard Business School Press.
Pritchard, M. (2006). *Professional integrity: Thinking ethically*. Lawrence, KA: University of Kansas Press.
Reaction to News of the World closure. (2011, July 7). *BBC news*. Retrieved from http://www.bbc.com/news/uk-14070856
Sabbagh, D. (2012, March 13). Phone-hacking: How the 'rogue reporter' defense slowly crumbled. *The Guardian*. Retrieved from http://www.theguardian.com/media/2012/mar/13/phone-hacking-rogue-reporter-defence
Sanders, K. (2003). *Ethics & Journalism*. London: Sage.
Sears, N. (2013, August 28). Taylor hacking case sparked demise of news of the world. *Daily Mail*.com. Retrieved from http://www.dailymail.co.uk/sport/football/article-2405084/Gordon-Taylor-hacking-case-sparked-demise-News-World.html
Shawcross, W. (1992). *Murdoch*. New York: Simon & Schuster.
Siebens, H. (2002). Concepts and working instruments in corporate governance. *Journal of Business Ethics*, *39*, 109–116.
Society of Professional Journalists, (2014, September 6). *SPJ Code of ethics*, Retrieved from https://www.spj.org/ethicscode.asp
Stanwick, P., & Stanwick, S. (2016). *Understanding business ethics* (3rd ed.). Thousand Oaks, CA: Sage.
The Leveson Report. (2012, November). *An inquiry into the culture, practices and ethics of the press*. Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/270939/0780_i.pdf
Turnbull, S. (2002). *A new way to govern: Organizations and society after Enron*. London: New Economics Foundation.
Van Natta, D., Becker, J., & Bowley, G. (2010, September 1). Tabloid hack attack on royals and beyond. *New York Times*. Retrieved from http://www.nytimes.com/2010/09/05/magazine/05hacking-t.html?ref=global-home
West, D. (1994, January 24). The wonder's still in the wireless: An interview with Rupert Murdoch, *Broadcasting & Cable* (p. 26).

Part IV

Trust, Branding, Digitalization: Value Drivers

Media Branding: A Strategy to Align Values to Media Management?

Gabriele Siegert and Stefanie A. Hangartner

1 Introduction

Media organizations are dealing with different value sets within the organization and with different environmental value-based expectations. Hence, value orientation in the context of media management must not only refer to monetary values and market expectations—as the term "management" might suggest—but also to the individual values of media professionals, to journalistic values as professional standards, to corporate values and, not the least, to societal values and expectations of society. Media management faces the task of aligning the different value sets, professional standards and environmental expectations, so that the organization's decision-making processes, as well as the development, production and distribution of media products, are coordinated smoothly in order to achieve market success as well as legitimacy. In our chapter, we argue that branding is the appropriate strategy for media to ensure exactly that and, by doing so, to embed a multi-dimensional value orientation in media management. Thus, the aim of this article is to describe different value sets in media organizations and expectations regarding media organizations' behavior (2), and to outline how media branding addresses those (3).

2 Value Sets Within (Media) Organizations

2.1 Personal Values, Behavior and Decision Making

Milton Rokeach, a pioneer in the field of understanding values, defined a value as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or controverse mode of conduct or

G. Siegert (✉) • S.A. Hangartner
University of Zurich, Zurich, Switzerland
e-mail: g.siegert@ipmz.uzh.ch; s.hangartner@ipmz.uzh.ch

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_17

end-state of existence" (1973, p. 5). His definition is based on several assumptions, including: that a person possesses relatively few values, that all people possess the same values but to different degrees, that values are organized into systems and that they are based on culture, society and personality (1973). Because of its behavioral component, the most important starting point for reflections on value sets and value alignment in (media) organizations is the function of values "as standards that guide ongoing activities, and of value systems as general plans employed to resolve conflict and to make decisions" (1973, p. 12). Based on these considerations, we understand values as desirable standards or principles of existence based on culture, society, and personality, which guide the behavior of a person. Individuals judge, decide, and act according to their personal value system or value set (for a research overview example of individual values in organizations see Meglino & Ravlin, 1998; for values and decision-making styles see, e.g., Connor & Becker, 2003).

Within media organizations the value sets of management people, editorial, creative or writing people, and technical, design and production staff (McQuail, 1992, p. 83 based on Engwall, 1978) come into play. Based on hierarchical theories of influence on news production, most authors primarily investigate the value sets of journalists (for an overview see: Hanitzsch et al., 2011; Plaisance, Skewes, & Hanitzsch, 2012), while a few authors have investigated the value sets of entertainment producers (e.g. von Rimscha & Siegert, 2011).

2.2 Organizational Value Sets

To complete Rokeach's definition, Schwartz (1994) wrote that values "serve as guiding principles in the life of a person or other social entity" (p. 21). He therefore understands values not only as standards for individuals, but also for a group as a social structure, which then includes organizations. In the last few decades, values have been acknowledged as a major component in scientific work about corporate and organizational culture (e.g. O'Reilly & Chatman, 1996), and especially as a central concept of organizational identity: ". . . scientists have recognized values as a means for ascertaining an organization's identity" (Aust, 2004, p. 519). Particularly literature focusing on corporate values sees them as "as guiding principles used by organizations to provide the direction and focus that govern all operations and disciplines" (Rubino, 1998, p. 24). This means that linking the organizational strategy and employees' value sets is important because strategy and values frame an organization's purpose (Williams, 2002).

Journalistic norms or principles play an especially important role when discussing media organizations, as they serve as decision-making standards for journalists and editors and, therefore, have a major influence on news production: "The essential shared values of journalism provide the criteria by which reporters and editors judge the adequacy of their actions and the adequacy of their peers' actions" (Elliott, 1988, p. 30). In a study about US newspaper editors, Sylvie and Huang (2008) examined, among other predictors, the influence of values on decision making and identified, besides journalistic values: social (e.g. peers or routine), organizational (e.g. motivation, company goals), and audience values.[1]

2.3 Value-Based Expectations of Markets and Society

Following a neoinstitutionalistic approach (see e.g. Greenwood, Oliver, Sahlin, & Suddaby, 2008; March & Olsen, 2006; Powell & DiMaggio, 1991), organizations are seen as surrounded by various environments, each having value-based expectations regarding the organization's behavior. Some of these expectations might be in competition or even in conflict with each other. Hence, organizations are not only rationally acting entities that invest resources in the most efficient way to achieve economic objectives and, in doing so, address market expectations, serve monetary values and achieve economic legitimacy. Organizations are as well social constructions that focus on other external expectations such as ethical standards or social and legal norms (e.g. Carroll & Buchholtz, 2006; Margolis & Walsh, 2001) to address societal expectations, serve societal values and achieve social legitimacy.

Usually media organizations are expected to incorporate means of rationalization (e.g. accounting practices), to respect social and legal norms (e.g. equal opportunities), and to reflect upon ethical standards (e.g. sustainable development). In addition, media organizations are expected to contribute to democracy and social cohesion by informing, investigating, criticizing, being an arena for debates, and communicating accepted values, as well as by entertaining and enabling recreation. As organizational survival depends on economic and social legitimacy, there is a need to meet the expectations of all stakeholders. Since these expectations are based themselves on values, stakeholders' values need to be incorporated into the organizational (corporate) value set.

2.4 Value Alignment

There are different reasons for aligning core values. Starting with the value sets inside an organization, aligning values leads to internal integration (Schein, 1985). That results in, or at least tends to increase, organizational commitment (e.g. Finegan, 2000), employee satisfaction (e.g. Fitzgerald & Desjardins, 2004), a negative link to turnover (e.g. Meglino & Ravlin, 1998, p. 384) and positive performance outcomes (e.g. Fitzgerald & Desjardins, 2004) and, therefore, possible market success. This does not mean that organizational values are defined by an organization's management. In his corporate values methodology, Rubino (1998) underscores that "the organization and employees must work together to develop

[1]Audience values here were understood as a prediction of the audience's taste, like the visual appeal.

business and human resources processes that continually strive to align both sets of values" (p. 24). Environmental expectations, which are, as we argue, based on values, too, need to be aligned with the organizational values as well, because only external adaptation and the achievement of legitimacy from the market and society guarantee organizational survival in the long-term. From Schein's (1985) postulate that a function of values is to facilitate external adaptation, it follows that an organization's culture specifies the behaviors necessary for the organization to survive in its environment (Meglino & Ravlin, 1998, p. 357).

When Aust (2004) points out that "attention to and measurement of an organization's values, norms, and beliefs—as established through its messages—represent a way to detect an organization's identity" (2004, p. 518), he emphasizes the communicative role in aligning values. This is in line with Altmeppen's (2006) argument concerning media organizations that the different value sets of editorial departments and media organizations are aligned by co-orientation and the definition of decision premises ("rules of the game"). Therefore, media management is not only a planning but a communication task as well.

3 Media Branding as a Strategy to Align Value Sets and Value-Based Expectations

It is widely agreed that branding is a differentiation strategy for media (e.g. Chan-Olmsted, 2006; Förster, 2011; McDowell, 2006, 2011; Ots, 2008; Siegert, 2001; Siegert, Gerth, & Rademacher, 2011). Following this strategy, media organizations build up a brand identity and communicate the differentiating aspects of this brand identity to target groups in order to influence their attitudes and behavior, which further builds their brand's image. However, media branding is not only a clever differentiation strategy, it symbolizes the media organization's values and is able to align different environmental expectations, value sets and professional standards with each other. This is especially the case when we think of a media brand as a brand of a single media outlet or a family of outlets.

3.1 A Media Brand Is Based on a Value Set

When talking about branding, we usually think of names and logos. But a media brand identity not only includes labels and design specifications, but also a well-grounded value set. As Paul Schrage, Senior Executive Vice President and Chief Marketing Officer of McDonalds, memorably described it: "A product is something you sell, but a brand is who you are and what you stand for" (cited in: Mei-Pochtler, 1998, p. 667). Brand identity as a concept is the 'identity card' of a brand—it should represent the soul of a brand with beliefs and values driving it, the organizational competencies, and what the organization (or media outlet) stands for (e.g. Aaker, 2010). Or as summed up by Burmann and Zeplin (2005, p. 280): "what they [advocates of the identity-based brand management approach] all share is the inclusion of organizational values, capabilities and behavior as an important part of the brand identity," A media brand value set includes: first, a thematic or geographical orientation and the editorial position of a media outlet; second, the way news and topics are processed and what amount of background investigation is usually behind the published stories; and third, the presentation style, such as the nature of the language used and the treatment of visual images (Siegert, Gerth, & Rademacher, 2011, p. 58). Altogether, a media brand gives a clear vision of "what a good story is about" for a particular media outlet. The media brand value set also includes the value proposition—foremost for the customers, but followed by all the stakeholders involved in the business activities of a media brand.

As corporate values can be seen as organizational guidelines, media brands based on value sets can influence the corporate culture of media companies. In doing so they communicate what is appropriate in this company and what is not. Furthermore, even if media organizations do not manage their brands actively, but have a "'hidden brand identity,' they have ideas about what the brand of their product(s) is all about. And this even serves journalists and other employees as implicit guidelines for their behaviour" (Gerth, 2010, p. 1).

3.2 A Media Brand Guides Organizational Decision Making and Management Processes

Starting from the premise that decisions and actions of organizational members are based on the brand identity, a media brand guides organizational decision making and management processes according to the brand value set. This seems to be abundantly essential in order for media organizations and their outlets to realize internal integration, organizational commitment, employee satisfaction or additional positive performance outcomes, as well as to avoid internal conflicts based on the different objectives and standards of the different groups of employees. Therefore, internal brand management through human resources (HR) activities, brand communication and leadership play an important role in assuring media brand commitment, which ideally leads to brand citizenship and media brand strength (Burmann & Zeplin, 2005; Burmann, Zeplin, & Riley, 2009).

3.2.1 Media-Brand Centered HR Activities Align Personal Values and the Media Brand Value Set

Aligning personal values and the media brand value set and, therefore, ensuring the person-brand fit, can be achieved through HR activities. More particularly, brand identity and its value set provide guidelines for HR management to conduct employer marketing and employee selection as a first step. This means that the HR department can already "ensure that applicants with high personal identity-brand identity fit are recruited and selected, and that those employees with a high person-brand fit are promoted" (Burmann & Zeplin, 2005, p. 287). For a successful implementation of the person-brand fit, employer branding has to be a process of the co-creation of values too. HR should encourage organizational members to assess their personal values and integrate them into the corporate value set to accomplish the best possible fit (Rubino, 1998, p. 35). Otherwise the brand identity concept will not be accepted among employees.

Within media brands, two groups of professionals are primarily responsible for outcomes—those responsible for editorial creativity and those responsible for management. Here a person-media brand fit might be the result of self-selection as well as of active HR-guided employee selection—although the fit need not go so far that the political position of an editorial department represents the sum of the political views of journalists and editors (Donsbach & Patterson, 2004). But a media brand serves as a means to attract new, and retain well-known, talents.

3.2.2 Media Brand Communication and Leadership Form the Media Brand Value Set as Corporate Values

As outlined in part 2, value sets operate as guidelines for decision-making processes and corporate behavior. Hence media brands, based on their value sets, present a sense of internal leadership in terms of stimulating internal commitment to the brand values. Awareness and internalization of brand values can be achieved through internal brand communication measures (e.g. brand books, value statements, brand mantras), but also through brand leadership by the CEO/executive board and personal leadership by executives on all levels of the organization (e.g. internal role models, brand workshops, organizational storytelling) (Burmann & Zeplin, 2005, pp. 288–292; Keller, 1999; Aaker & Joachimsthaler, 2000).

Altogether, a brand benefits a media company in its internal management processes, from developing ideas and producing content to how people treat each other in daily business matters. This is especially important when considering the often clashing relationship between journalists and media management due to the potential discord between journalistic professional standards and market expectations (e.g. Hamilton, 2004; Underwood, 2001). The value set of the media brand serves as a guideline that is integrated into daily business operations and decision-making processes. In particular, when it comes to journalistic production this means, for example, that there is an existing editorial statute and a published set of ethical codes, that the journalists' articles are critically read and edited by editorial staff, that information reaching the journalists in press releases is at least cross-researched or that quality of journalism is discussed at editorial meetings.

3.3 A Media Brand Addresses Environmental Expectations, Monetary and Societal Values

As mentioned, media organizations need to meet both monetary and societal expectations and, therefore, align the distinct values of markets and society with the media organization's value set. Although the expectations of markets and society might be in competition with each other, they are not mutually exclusive in principle: "Serving the marketplace is not always incompatible with serving the public, just frequently" (McManus, 1994, p. 327). Media brands and their value sets may offer a possibility to reconcile the expectations and the underlying value sets and to include both in management. Therefore, an established media brand becomes a valuable, hard-to-imitate and hard-to-substitute property-based resource of strategic relevance (see e.g. Habann, 2000).

3.3.1 Markets

As media organizations operate in two markets with their own distinct conditions, media brand management needs to take into account customers' as well as advertisers' expectations and align these with the aforementioned value sets inside a media organization (or "outlet-division"). In doing so, a successful media brand generates several advantages.

Due to the characteristics of media content as experience or credence good, a media brand supports recipients in their decisions on media selection and use because media brands signal their value sets and, as a result, give additional information about the quality (including credibility, trustworthiness and reliability) of the media content. Therefore, media brands help recipients to deal with the countless number of titles and programs on offer and give a clear notion of what to expect from that product or service. Hence, a media brand based on a well-aligned value set serves as a value proposition and—if keeping the brand proposition or promise—contributes to the media outlet's success.

On the other hand, advertisers benefit from successful media branding too, which leads to the involvement of the distinct target group and subsequently improves the credibility and efficiency of the advertisement, which is enhanced by the association with the media brand) (Ots & Wolff, 2008; Sommer, 2015). Empirical evidence shows that media brands increase the efficacy of high-priced product advertisement (Grossenbacher, 2013; WEMF, 2013). Media brands as a reliable marketing concept provide, therefore, not only the specific target group's attention, they additionally lower the need for advertisers to use their own marketing tools and can also provide more equal relationships between media organizations and advertisers (Siegert, 2001). Baumgarth (2004) assumes, further, that strong media brands are more likely to be in the consideration set of decision makers and that their evaluation will show better results than what you would expect from quantitative figures alone. Especially in times of advertising cuts, media brands could still secure advertising revenues, meaning potential market success and, thus, financial legitimacy for the media organization.

3.3.2 Society

To serve societal values and achieve social legitimacy, media organizations need to adress societal expectations by including them in their brand value sets. Taking a normative approach, media organizations are not only expected to comply with ethical standards and social and legal norms, but are also expected to contribute to democracy and social cohesion. For news brands, for example, a substantial amount of hard news, topic diversity, critical distance and analytical depth can be seen as indicators of quality journalism and, as a result, generate societal value. Empirical results show that having an editorial mission—what would be part of a quality news brand value set—increases the chance to produce hard news as well as critical distance; further, journalistic professionalism as part of the journalistic value set fosters analytical depth (Humprecht, 2014).

What's more, in their value set, media brands refer not only to quality production standards but to standards of professional ethics as normative guiding principles for journalism. In a recently conducted study, most of the interviewed media professionals in five countries expected their media brands to contribute to traditional journalistic values, such as "providing analysis and interpretation of complex problems," "investigating claims and statements made by the government," or "contributing to shaping public opinion" (Krebs, Russi, & Siegert, 2012).

On the other hand, disappointments in quality that come along with damage to a media brand's reputation will lead to a decline in the audience and the advertising market, which might exceed any savings made through cheaper production. Media companies are usually aware of such potential reactions, which might lead to appropriate production processes and news coverage. In doing so, media brands function as "institutional arrangements" that help to ease the problems of market failure to a certain degree (Lobigs, 2015; Siegert, 2015).

As an important goal of branding continues to be differentiation, it is essential for media organizations to differentiate their outlet from that of their competitors. Doing something different or doing something known in a different way might not necessarily lead to internal diversity; it is nevertheless the basis for product differentiation, be it horizontal or vertical product differentiation. Therefore, media brand management contributes to the societal goal of diversity.

4 Conclusions

Although the aforementioned potential of media brands to align different value sets and value-based expectations to media management might not be fully integrated in the daily business operations of the media industry, branding represents a promising strategy to embed a multi-dimensional value orientation in media management. Since media brands are not only based on a value set, but are established in co-orientation and co-creation processes between the media organization and its different stakeholders, the value sets of the different stakeholders are incorporated and influence the decision-making processes. Thus, the development, production and distribution of media products should not only be coordinated smoothly but should also address personal values, journalistic values and professional standards. This allows for achieving economic and social legitimacy, and will serve monetary as well as societal values. In addition, as evidenced by Interbrand's list of the world's most valuable brands, media branding and brand management increase the financial value of media organizations and outlets.

References

Aaker, D. A. (2010). *Building strong brands*. London: Pocket Books.

Aaker, D. A., & Joachimsthaler, E. (2000). *Brand leadership*. New York: Free Press.

Altmeppen, K.-D. (2006). *Journalismus und Medien als Organisationen: Leistungen, Strukturen und Management*. Wiesbaden: VS Verlag.

Aust, P. J. (2004). Communicated values as indicators of organizational identity: A method for organizational assessment and its application in a case study. *Communication Studies, 55*(4), 515–534.

Baumgarth, C. (2004). Markenführung im Mediensektor. In M. Bruhn (Ed.), *Handbuch Markenführung. Kompendium zum erfolgreichen Markenmanagement: Strategien—Instrumente—Erfahrungen* (2nd ed., pp. 2251–2272). Wiesbaden: Gabler.

Burmann, C., & Zeplin, S. (2005). Building brand commitment: A behavioural approach to internal brand management. *Journal of Brand Management, 12*(4), 279–300.

Burmann, C., Zeplin, S., & Riley, N. (2009). Key determinants of internal brand management success: An exploratory empirical analysis. *Journal of Brand Management, 16*(4), 264–284.

Carroll, A. B., & Buchholtz, A. K. (2006). *Business & society: Ethics and stakeholder management* (6th ed.). Mason: Thomson South-Western.

Chan-Olmsted, S. M. (2006). *Competitive strategy for media firms: Strategic and brand management in changing media markets*. Mahwah: Lawrence Erlbaum.

Connor, P. E., & Becker, B. W. (2003). Personal value systems and decision-making styles of public managers. *Public Personnel Management, 32*(1), 155–180.

Donsbach, W., & Patterson, T. E. (2004). Political news journalists: Partisanship, professionalism, and political roles in five countries. In F. Esser & B. Pfetsch (Eds.), *Communication, society and politics. Comparing political communication. Theories, cases, and challenges* (pp. 251–270). Cambridge: Cambridge University Press.

Elliott, D. (1988). All is not relative: Essential shared values and the press. *Journal of Mass Media Ethics, 3*(1), 28–32.

Engwall, L. (1978). *Newspapers as organizations*. Farnborough: Saxon House.

Finegan, J. E. (2000). The impact of person and organizational values on organizational commitment. *Journal of Occupational and Organizational Psychology, 73*(2), 149–169.

Fitzgerald, G. A., & Desjardins, N. M. (2004). Organizational values and their relation to organizational performance outcomes. *Atlantic Journal of Communication, 12*(3), 121–145.

Förster, K. (2011). Key success factors of TV brand management: An international case study analysis. *Journal of Media Business Studies, 8*(4), 1–22.

Gerth, M. A. (2010). *Brand management of small regional media companies*. Paper presented at the EMMA annual conference, the changing ecology of the media, London, Zürich.

Greenwood, R., Oliver, C., Sahlin, K., & Suddaby, R. (Eds.). (2008). *The Sage handbook of organizational institutionalism*. Los Angeles: Sage.

Grossenbacher, R. (2013). *MediaBrands 2013: Medienmarken im Wirtschaftsraum Zürich*. Intermedia-Studie zur Nutzung und qualitativen Positionierung von Medienmarken im WR Zürich. Zürich.

Habann, F. (2000). Management of core resources: The case of media enterprises. *International Journal on Media Management, 2*(1), 14–24.

Hamilton, J. (2004). *All the news that's fit to sell: How the market transforms information into news*. Princeton, NJ: Princeton University Press.

Hanitzsch, T., Hanusch, F., Mellado, C., Anikina, M., Berganza, R., Cangoz, I., et al. (2011). Mapping journalism cultures across nations: A comparative study of 18 countries. *Journalism Studies, 12*(3), 273–293.

Humprecht, E. (2014). *Shaping news performance. Comparing online news in six western democracies (Promotion)*. Zürich: Universität Zürich.

Keller, K. L. (1999). Brand mantras: Rationale, criteria and examples. *Journal of Marketing Management, 15*(1-3), 43–51.

Krebs, I., Russi, L., & Siegert, G. (2012). Gesellschaftliche Wertschöpfung klassischer Massenmedien: Die Perspektiven von Medienorganisationen und Publikum in sechs Europäischen Ländern. In C. Kolo, T. Döbler, & L. Rademacher (Eds.), *Wertschöpfung durch Medien im Wandel* (pp. 361–378). Baden-Baden: Nomos.

Lobigs, F. (2015). An economic theory of media brands. In G. Siegert, K. Förster, S. M. Chan-Olmsted, & M. Ots (Eds.), *Handbook of media branding*. Berlin: Springer.

March, J. G., & Olsen, J. P. (2006). Elaborating the "New Institutionalism". In R. A. W. Rhodes, S. A. Binder, & B. A. Rockman (Eds.), *Oxford handbooks of political science. The Oxford handbook of political institutions* (pp. 3–19). Oxford: Oxford University Press.

Margolis, J. D., & Walsh, J. P. (2001). *People and profits? The search for a link between a company's social and financial performance. LEA's organization and management series*. Mahwah: Lawrence Erlbaum Associates.

McDowell, W. S. (2006). Issues in marketing and branding. In A. B. Albarran, S. M. Chan-Olmsted, & M. O. Wirth (Eds.), *Handbook of media management and economics* (pp. 229–250). Mahwah: Lawrence Erlbaum.

McDowell, W. S. (2011). The brand management crisis facing the business of journalism. *International Journal on Media Management, 13*(1), 37–51.

McManus, J. H. (1994). *Market-driven journalism: Let the citizen beware?* Thousand Oaks: Sage.

McQuail, D. (1992). *Media performance: Mass communication and the public interest*. London: Sage.

Meglino, B. M., & Ravlin, E. C. (1998). Individual values in organizations: Concepts, controversies, and research. *Journal of Management, 24*(3), 351–389.

Mei-Pochtler, A. (1998). Markenmanagement für Dienstleistungs-Anbieter. In A. Meyer (Ed.), *Handbuch Dienstleistungs-Marketing* (pp. 665–678). Stuttgart: Schäffer-Poeschel.

O'Reilly, C. A., & Chatman, J. A. (1996). Culture as social control: corporations, cults and commitment. *Research in Organizational Behavior, 18*, 157–200.

Ots, M. (Ed.). (2008). *Media brands and branding*. Jönköping: Jönköping International Business School.

Ots, M., & Wolff, P.-E. (2008). Media consumer brand equity: Implications for advertising media planning. In M. Ots (Ed.), *Media brands and branding* (pp. 95–112). Jönköping: Jönköping International Business School.

Plaisance, P. L., Skewes, E. A., & Hanitzsch, T. (2012). Ethical orientations of journalists around the globe: Implications from a cross-national survey. *Communication Research, 39*(5), 641–661.

Powell, W. W., & DiMaggio, P. (Eds.). (1991). *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press.

Rokeach, M. (1973). *The nature of human values*. New York: Free Press.

Rubino, J. A. (1998). Aligning personal values and corporate values: A personal and strategic necessity. *Employment Relations Today, 25*(3), 23–35.

Schein, E. H. (1985). *Organizational culture and leadership: A dynamic view*. San Francisco: Jossey-Bass.

Schwartz, S. H. (1994). Are there universal aspects in the structure and contents of human values? *Journal of Social Issues, 50*(4), 19–45.

Siegert, G. (2001). *Medien marken management: Relevanz, Spezifika und Implikationen einer medienökonomischen Profilierungsstrategie*. München: Reinhard Fischer.

Siegert, G. (2015). Market driven media brands: Supporting or faking high journalistic quality? In G. Siegert, K. Förster, S. M. Chan-Olmsted, & M. Ots (Eds.), *Handbook of media branding*. Berlin: Springer.

Siegert, G., Gerth, M. A., & Rademacher, P. (2011). Brand identity-driven decision making by journalists and media managers: The MBAC model as a theoretical framework. *International Journal on Media Management, 13*(1), 53–70.

Sommer, C. (2015). Media brands and the advertising market: Exploring the potential of branding in media organizations' b2b relationships. In G. Siegert, K. Förster, S. M. Chan-Olmsted, & M. Ots (Eds.), *Handbook of media branding* (pp. 102–115). Berlin: Springer.
Sylvie, G., & Huang, J. S. (2008). Value systems and decision-making styles of newspaper front-line editors. *Journalism & Mass Communication Quarterly, 85*(1), 61–82.
Underwood, D. (2001). Reporting and the push for market-oriented journalism: Media organizations as businesses. In *Mediated politics: Communication in the future of democracy* (pp. 99–116).
von Rimscha, M. B., & Siegert, G. (2011). Orientations of entertainment media workers. *Media, Culture & Society, 33*(7), 1009–1026.
WEMF. (2013). *Was Medienmarken wert sind: Ein Experiment*. Zürich, Bern. Retrieved from http://www.wemf.ch/pdf/de/Forschung/17_MFT/Prsentation_Was-Medienmarken-wert-sind.pdf
Williams, S. L. (2002). Strategic planning and organizational values: Links to alignment. *Human Resource Development International, 5*(2), 217–233.

The Role of Trust in Value Networks for Journalism in a Convergent Media Environment

Lars Rinsdorf

1 Introduction

This article describes the ongoing discussions about trust in journalism as an indicator for change in the institutional environment of news companies. It argues that the strategic efforts of news companies to be perceived as a trustworthy cornerstones of public debate in a convergent environment are less effective than they have been in an analogue media system. But it also concludes that trust remains important for our understanding of how new institutional arrangements emerge to provide reliable news in a convergent media environment. It points out that professional actors in journalism should use the reflexive character of trust to maintain their value networks.

The disruptive change in the media industry is well described in many scientific articles, consultancies' whitepapers and professional blogs (e.g. with a focus on innovation, see Ekdale, Singer, Tully, & Harmsen, 2015). There is a lot of empirical evidence that news organizations are challenged by media convergence, here defined as a "series of ongoing discontinuities in technology, infrastructure, consumer behavior, and competitive dynamics that are creating new competitors and business models and are redefining a wide range of industries besides media, communications, and technology" (Rose, Bock, DiGrande, Duranton, & Field, 2007). Continuously declining circulation, shrinking advertising revenues and widespread cuts of newsroom jobs can be interpreted as crises in the news media or—more precisely—in news media organizations.

From an economic perspective, we need not worry that single privately owned news media companies may disappear, this is a normal market phenomenon. But from a societal perspective, the decline of a diverse news media landscape may cause serious problems, because the institutional arrangement of journalists

L. Rinsdorf (✉)
Stuttgart Media University, Stuttgart, Germany
e-mail: rinsdorf@hdm-stuttgart.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_18

embedded in private publishing companies was perceived for years as a relevant enabler of participation in deliberative processes in western democracies (Kiefer, 2010; Neuberger, 2013): News organizations are reducing complexity by providing selected, relevant information, and they are bridging gaps in the perceived quality of their publications by means of successful brand management (Berkler, 2008).

In consequence, news organizations can be seen as important trustees for public communication. It also can be argued that this kind of trust is the main factor that renders news valuable for consumers. As final challenge: Which organizations replace news organizations when they leave the market? Or will organizations be replaced by other ways of coordination at all? Thus, the following article discusses the role of trust in news markets in a convergent media environment. It is structured into six chapters. Chapter 2 gives an overview of value creation in the news industry to show how media companies use journalism as a resource in their business models. This chapter will also explain the particular areas of value networks in which trusts comes into play. Chapter 3 discusses the role of institutional arrangements as resources for news companies. Chapter 4 outlines different perspectives on trust and to which extend they are useful describing the role of trust in news value networks. This is necessary to explain in Chap. 5, why "doing trust" (Frevert, 2014, p. 47) is a successful strategy to bridge information gaps between news organizations and their audiences in convergent news markets. Finally in Chap. 6 will be argued, that trust can be seen as a sufficient mode of coordination within news production networks.

Being aware that privately owned enterprises are only one of many organizational options to provide journalism (Kaye & Quinn, 2010), this article focuses on this specific model for at least two reasons: First, privately owned media offer potential advantages regarding the direct influence of state authorities on journalism in comparison to the public services models. Second, private news media outlets are aware of the importance of a vivid political discussion for their business model and in consequence try to prevent it for economic reasons (Kiefer, 2010, p. 167). Nevertheless, the chapter does not deal with particular business models and revenue streams of news organizations because the role of trust in value creation in news organizations is widely independent from individual configurations of value chains and revenue sources. Even using subsidies to refinance journalism in public service media requires a sufficient level of social acceptance for mandatory broadcasting fees.

2 Value Networks for News Products

Although we observed a lot of newspapers and news magazines entering and leaving the marketing on a single title layer, the newspaper industry in Western industrialized countries could be described as vital and stable for decades. The intermediate position of publishers between marketers and customers guaranteed stable revenue streams from advertising. Coupling news to a physical product enabled some publishers to generate remarkable direct sales revenues. Moreover, high first-copy costs were efficient entrance barriers for new competitors. Hence, creating value was described with models like Porter's value chain defining the bundling of information into a news product as the core step in this process (Gläser, 2008, p. 395).

In a convergent media environment things are more complicated for at least three reasons. First, news companies have to defend their market position against new competitors such as search engines, instant messaging services or online social networks. Second, they are facing innovative ways of news production and news presentation such as crowd sourcing or de-bundling. Third, they have to readjust their products to qualitative change in user habits and media usage strategies, often described with key words such as mass customization or produsage (Bruns, 2008). Consequently, some media economists are using value networks instead of value chains to describe value creation in a digital economy (Ollrog, 2014, p. 170; Wirtz, 2013).

From a value network perspective the analytical focus is set on the customer's perception of the particular value added by an actor in the network to a product or service. For example Facebook is providing the technological infrastructure for an online social network, but it is mainly the content created by the community which makes Facebook's service valuable for a single user. Analyzing the news industry from this perspective is fruitful to understand the new role of trust in news markets in a digitalized environment for at least two reasons:

First, it clarifies that news production is not—and never has been—the result of one news organization but a process of multiple interactions between different actors such as agencies, stringers, reporters, editors and users. To create value in this complex network, the individual or corporate actors have to be coordinated—by markets, agreements, hierarchy or, as it will be shown later, by trust.

Secondly it focuses on the users' perceptions of journalists' products and their quality. It is a well-known characteristic of information goods like news that it is difficult, or sometimes nearly impossible, to assess their quality and, hence, their value. This view, however, is shortsighted: On the one hand, we see that some dimensions of news products are quite easy to assess, such as whether a news piece is up to date or written comprehensively: Take for example whether a report on a *Champions League* match is printed the same night or not, or if a report on the discovery of gravitation waves is full of scientific terms without further explanation. On the other hand, we can analyze what kind of strategies actors use to bridge gaps in quality perception, where these obviously exist. Take for instance the relevance and accuracy of news: was the bomb attack in Nairobi the most important incident that happened in Africa that day, or did it make it into the evening TV news, because a broadcasting team was available to shoot it? And were the suspects presented by the local police in a press conference really responsible for the attack?

One common strategy to deal with this specific uncertainty is brand management, where journalistic brands signal quality standards to stabilize the users' product expectations in routine media usage situations (Neuberger, 2013, p. 108). This is an important point in our rationale, because most of these branding strategies refer to a scarce, fragile resource that is difficult to imitate: the societal function of journalism as an institution. Therefore we will go more into detail regarding this aspect in the next chapter.

3 Institutional Arrangements as Resources for News Organizations

Media, in general, and journalism, in particular, can be defined as institutions (Donges, 2006; Kiefer, 2010; Sparrow, 2006). From this theoretical perspective, institutions are enabling social interaction through an often normative structure that reduces ubiquitous contingencies in modern society, using codified law, accepted social norms or—and this is the most relevant thing when we talk about media and journalism—as a shared mindset about how things have to happen (Buschow, 2012). In the case of journalism, there exists a taken-for-granted assumption: that journalism provides the public with relevant and accurate news, using specific types of language, genres, and professional rules about how to select relevant content (Neuberger, 2013).

It's important to mention that institutions are objects of social change with a preliminary character. They are the results of evolutionary, self-energizing processes of institutionalization, and some initial events can also trigger a dynamic of de-institutionalization (Kiefer, 2010, p. 105). It can be argued that the fundamental change in the media environment through digitization is such a trigger, challenging journalism in its role as an intermediary between consumers and others such as actors from the political or economic sphere. Following this, the adoption of specific journalistic formats by content marketing or corporate publishing could be described as an obvious symptom of this process of de-institutionalization. This leads us to analyze value networks in the news industry from a diachronic perspective.

Furthermore, we should keep in mind that an institution as a specific kind of a social structure becomes relevant by and through the social action of individual or collective actors in the relevant field (Schimank, 2007). That implies, first of all, that we have to take a look at the relevant actors in the news industry to explain or predict institutional change. Moreover, it emphasizes that even quite stable institutions seek to reduce, but not eliminate, contingencies. Given these assumptions, the institution of journalism constitutes the organizational environment for news companies. Within this framework the companies could either establish new markets or defend their market positions against new competitors.

From a historical perspective, this can for example be shown by the American press establishing the professional norm of objectivity in the second half of the nineteenth century (Kaplan, 2006). The newspapers used to be bound to a specific political or ideological perspective, sharing this with their readers. But to attract broader audiences and benefit from economies of scale, they got rid of their clear political position. Doing this they were able to gain new readers who were not strictly committed to a certain political party or movement. This shift to objectivity should be seen as the result of market dynamics, where the news companies observed their competitors and adopted successful attempts of repositioning a single title or brand. In a similar way, the efforts of the German newspaper industry to establish a specific ancillary copyright can be interpreted as attempt to establish a new institutional arrangement to defend its market position against its new and mighty competitor Google (Buschow, 2012).

Following this interpretation, journalism is a crucial resource in the value networks of news organizations, and branding strategies can be seen as attempts to stabilize a beneficial institutional arrangement. Empirical studies show us that media brands were transferred to the web and are perceived as trustworthy sources of information. That could be taken as evidence that this strategic institutionalization is successful in a convergent media environment as well. Ironically, we learn more about value networks in the news industry when we apply these data: Even if we assume that media companies are perceived as a cornerstone of a sufficient public debate because of such a strategic arrangement, we can imagine an efficient institutional arrangement with less dominant news companies. This invites us to rethink one central claim in the semantics of journalistic media brands: trust.

4 Perspectives on Trust in Value Networks of the News Industry

Trust is a favored expression in political and economic debates, and there are good reasons for it: It has an explicit normative background, is widely interpretable and has positive connotations. Banks for example loss credibility after 2008 because of their poor risk management leading to the subprime mortgage crisis. Nevertheless, they reclaimed trust in their business models during and after the crisis to stabilize their customer relationships. But one can also bring trust into play to destabilize the position of an actor. Frevert (2014, p. 36) for example shows that politicians like Margret Thatcher and Ronald Reagan used this strategy to invent their concept of deregulation: They demanded accountability from public organization for their efficiency in fulfilling their tasks. Doing this, they questioned trust in public organizations. Finally that made it easier to hedge governmental influence on the private sector (Frevert, 2014, p. 36).

But the analytical perspective on trust differs a lot from this strategic usage of the term. We can use three levels to analyze trust in institutional settings: it reduces uncertainty, stabilizes social relations, and enables transactions.

On a basic level, we can define trust as a necessary condition for successful communication. In this understanding, introduced by Luhmann (2000 [1968]), trust underlines the contingency of social situations. Contingency stresses the fact that even in a well-defined context, the uncertainty regarding the motives and decision-making of other actors cannot be solved. This mutual mistrust is not a contradiction to trust, but a core part of the concept. To put it in other words: The opposite of trust is certainty, not mistrust. Trust is important, when actors cannot calculate risks of their options.

Even in a stable, well-established institutional setting, actors have to deal with different levels of uncertainty (Möllering & Sydow, 2005, p. 68). This is, of course, not a specific characteristic of value networks in the news industry, but it could be said, that uncertainty—and therefore trust—is a relevant issue in the institutional arrangement of journalism, which is structured more by a shared mindset of its societal function than by social norms or codified law.

Given this we could use theories of public sphere as a framework to describe the role of trust in news media and its consequences for public debates. From this perspective, the level of trust in news media depends on to which extend news media are fulfilling the expectation of an audience in reporting true information and/or acting as a watchdog. Following Müller (2013), theories of public sphere differ in their description of societal mechanisms providing trust in news media, more precisely on the role of markets. Liberal theories for instance are explaining a low level of trust by market or audience failure while deliberative theories are doubting the ability of markets to provide trustworthy information in general. Despite of this differences these approaches are mainly focusing on media audience relationship in a given institutional environment. But we are also interested in the interaction of media organizations and individual actors embedded in these organization. And we would like to understand driving forces of institutional change. And therefore we add more layers to our framework.

But exactly its focus on uncertainty stresses its relevance for sustainable societal patterns—and this is what we are talking about when we discuss institutional change in journalism.

On a second level, we can look on trust from a diachronic perspective. Authors like Tanner (2014) have pointed out that the meaning of trust in a social network has to be described in its historical context. Institutional trust in modern societies is completely different from familiarity in prehistoric tribes or faith in a religious sense (Seligman, 1997). From this point of view, trust is an object of continuous societal change with periods of widely shared and more or less taken-for-granted understandings of trust, along with periods of social deliberation about the concept (Tanner, 2014, p. 99).

If we follow this argument, we can interpret public debates about trust as a reliable indicator of institutional change. Hence, the widespread claims about diminishing trust in media and journalism would be evidence for rising problems of established news companies to defend their dominant position in their relevant institutional arrangements. Moreover, it seems not unlikely that another stable institutional arrangement with a modified understanding of trust emerges after a period of deliberation and/or enforced strategic action of old and new competitors in the field. But even if not, we could provisionally state for our further analysis, that it is less important how trust can be defined exactly than how it works as a cultural entity among involved actors (Tanner, 2014, p. 91).

This leads us straight to a third and most relevant way of understanding trust in the context of our topic. It is related to the role of trust in transactions between collective and individual actors in the value network of the news industry. It will be argued here, that trust is not just another strategy to cope with partial information, but instead a unique mode of coordination beside markets and organizations.

5 "Doing Trust" as a Bridging Strategy in Convergent News Markets

Before we go more into detail regarding trust as mode of coordination, we should analyze more precisely how trust strengthens and stabilizes news value networks. From the perspective of the audience, trust is often conceptualized as trust in the system of journalism as a whole (see e.g. Kohring, 2010). People generally believe that journalists are doing a good job of mistrusting politicians, executives, scientists, or whoever, as part of their professional routines.

Comparable to institutions, this kind of trust on a structural level is the result of actions on an organizational and individual level and is continuously reproduced by these actions. A certain level of trust is the result of a self-energizing process, triggered by an initial event. Every change in the level of trust can be explained by actors and their actions. As Altmeppen (2007, p. 289) referring to Giddens, stated: Journalistic organizations are playing an important role in this process, because they are catalyzing societal expectations of journalism and integrating the individual journalists with their specific actions and professional self-concepts, using allocative, authoritative and symbolic resources. They are "doing trust" by raising or cutting down trust as an issue in specific semantics (Frevert, 2014, p. 47).

Thus, organizations are taking an important part in stabilizing trust, but still there are other mechanisms working. As proposed by Welskopp (2014, p. 56ff), we can distinguish between three layers of trust in a professional context. First, working trust, defined as aggregated, collective, and often implicit knowledge about professional programs and workflows. This could be observed in a well-rehearsed newsroom team. Second, self-efficacy, which is defined as a shared, stylized understanding of your own professional role. This can, for instance, be observed in programmatic papers from journalist unions or in journalists' contributions to the debate about the relationship between bloggers and journalists. And third, trust in personal professional networks, for example reliable sources, experienced freelancers or well-known editors working for another news company. These layers gain importance, if we assume that established news organizations fail in their strategic efforts to claim trust in their capabilities to provide the public with relevant news and background information. Because, then, we may find trigger events for a new self-energizing process leading to a new shared mindset of trust on one of these layers.

This becomes even more important if non-media-organizations such as producers and individual users as producers are taken into the equation. Examples of this include content curation (embedding corporate media products into journalistic content platforms and vice versa) or the active integration of users into editorial workflows as we can observe in crowdsourcing projects like *The Guardian's* famous London Riots documentation (Guardian, 2011). It would be interesting to see in which specific semantics trust is incorporated in professional culture (for this particular concept of culture see Hanitzsch & Seethaler, 2009).

6 Trust as Modus of Coordination in Journalism Networks

After having ascertained the different layers of trust in news value networks and their specific semantics, we can finally discuss the function of trust in these networks. Therefore, we examine our object from an economical perspective again, more precisely from transaction cost theory. In this framework, the interactions of economic actors are explained by the costs of their transactions. They can be quite low in functioning markets or enormously high, if you need complex agreements or integrate transactions hierarchically in your own organization.

Trust is often integrated in transaction cost theory as a parameter: It allows economic actors to keep a cost-extensive market coordination modus up for a longer time in a risky context, where actors can switch to a more cost-intensive modus of coordination. If you trust your fulfillment partner, a formal contract is not obligatory; if you trust in your counterpart in a strategic alliance, you don't need a joint venture, and so on. This sounds like a plausible assumption, but it neglects that there may be situations of uncertainty, where neither markets nor hierarchies are appropriate modi of coordination. For instance, Möllering and Sydow (2005) have shown this for enterprise networks in the creative industry. Under these circumstances, trust could be an alternative mode of coordination to interact under the condition of acceptable transaction costs.

When we imagine value networks in the news industry less dominated by established media companies, the parallel to enterprise networks in the creative industry is obvious. Providing trust can be a core competence of media companies to maintain a reliable network of users in crowdsourcing projects. Trust may be the only way to handle information asymmetries while cooperating with a technology-fulfillment partner in a data journalism project. And trustworthiness could be crucial for extremely specialized groups of investigative journalists in their positioning strategy as brand personas both in their relationships to news organizations and to audiences.

But what exactly can individual and collective actors do to maintain a sufficient level of trust to stay in this mode of coordination? Generally, organizations should be aware of their vulnerability. Trust is the result of social dynamics. In a routine modus trust is reproduced by individual actors in a value network. Watching these dynamics carefully enables organizations to switch to a reflexive modus and initiate self-energizing trust-building processes to maintain a certain level of trust: On the signification layer by communicating about trust, on the legitimation layer by honoring trustful interaction, and on the domination layer by influencing your organizational environment (see Möllering & Sydow, 2005, p. 83ff).

7 Conclusion

We started our discussion of trust in media value networks with the consequences of disruptive change in the media industry on news production and their positive external effects on public debates. We recognized the challenges of established news companies competing with new actors like Google or Facebook. We emphasized the role of news organizations and journalistic brands as trustees in a traditional analogue media environment. Finally, we asked in which ways trust can stabilize news value networks, when well-known news organizations are losing influence or leaving the market.

On first sight we assumed mainly negative effects, due to the important institutional role of news media in Western media systems. On a second look, things changed a bit, because we identified the strategic usage of trust in media branding as part the media companies' efforts to maintain a positive institutional arrangement, which could be read as a hint of an ongoing institutional change in the field. Finally, the current configuration with a few dominant organizations could be replaced successfully by a more complex network of smaller units. This network could for example include users who are providing content to a media outlet or adding value to a news website by embedding particular news pieces in their online social networks.

But even in this convergent media environment, trust keeps its important role. It is still relevant on a structural level to cope with unavoidable contingencies in the societal function of journalism. But we also learned that adding conceptual layers to this traditional view on trust in journalism helps us to understand how it stabilizes the institutional role of journalism under these new conditions. We may differentiate between working trust, self-efficacy and trust in professional networks to describe changes in journalism culture and enhance the analytical strength of trust, if we conceptualize it as a unique modus of coordination in news value networks beyond markets or hierarchies.

References

Altmeppen, K. (2007). Das Organisationsdispositiv des Journalismus. In K.-D. Altmeppen (Ed.), *Journalismustheorien: Next generation. Soziologische Grundlegung und theoretische Innovation* (pp. 281–302). Wiesbaden: VS.

Berkler, S. (2008). *Medien als Marken? Wirkungen von Medienmarken aus medienökonomischer Perspektive*. Konstanz: UVK.

Bruns, A. (2008). *Blogs, wikipedia, second life, and beyond: From production to produsage*. New York: Peter Lang.

Buschow, C. (2012). *Strategische Institutionalisierung durch Medienorganisationen. Der Fall des Leistungsschutzrechtes*. Köln: von Halem.

Donges, P. (2006). Medien als Institutionen und ihre Auswirkungen auf Organisationen Perspektiven des soziologischen Neo-Institutionalismus für die Kommunikationswissenschaft. *Medien & Kommunikationswissenschaft, 54*, 563–578.

Ekdale, B., Singer, J. B., Tully, M., & Harmsen, S. (2015). Making change: Diffusion of technological, relational, and cultural innovation in the newsroom. *Journalism & Mass Communication Quarterly, 92*(4), 938–958.

Frevert, U. (2014). Über Vertrauen reden: Historisch-kritische Beobachtungen. In J. Barberowski (Ed.), *Was ist Vertrauen? Ein interdisziplinäres Streitgespräch* (pp. 31–48). Frankfurt: Campus.

Gläser, M. (2008). *Medienmanagement*. München: Vahlen.

Guardian. (2011). *Reading the riots. Investigating England's summer of disorder*. Download January 12, 2014, from http://www.theguardian.com/uk/series/reading-the-riots

Hanitzsch, T., & Seethaler, J. (2009). Journalismuswelten. Ein Vergleich von Journalismuskulturen in 17 Ländern. *Medien & Kommunikationswissenschaft, 57*, 464–483.

Kaplan, R. L. (2006). The news about new institutionalism: Journalism's ethic of objectivity and its political origins. *Political Communication, 23*(2), 173–185.

Kaye, J., & Quinn, S. (2010). Funding journalism in the digital age. In *Business models, strategies issues and trends*. New York: Lang.

Kiefer, M. L. (2010). *Journalismus und Medien als Institutionen*. Konstanz: UVK.

Kohring, M. (2010). Vertrauen durch Misstrauen. Zur Rolle von Paradoxien in der Journalismustheorie. In B. Pörksen, W. Loosen, & A. Scholl (Eds.), *Paradoxien des Journalismus. Theorie—Empirie—Praxis* (pp. 609–622). Wiesbaden: VS.

Luhmann, N. (2000 [1968]). *Vertrauen. Ein Mechanismus der Reduktion sozialer Komplexität*. Stuttgart: UTB.

Möllering, G., & Sydow, J. (2005). Kollektiv, kooperativ, selektiv: Vertrauen und Glaubwürdigkeit in Unternehmungen und Unternehmensnetzwerken. In B. Dernbach & M. Meyer (Eds.), *Vertrauen und Glaubwürdigkeit. Interdisziplinäre Perspektiven* (pp. 64–93). Wiesbaden: VS.

Müller, J. (2013). *Mechanisms of trust. News media in democratic and authoritarian regimes*. Frankfurt: Campus.

Neuberger, C. (2013). Onlinemedien als Institutionen. In M. Künzler et al. (Eds.), *Medien als Institutionen und Organisationen. Institutionalistische Ansätze in der Publizistik- und Kommunikationswissenschaft* (pp. 97–116). Baden Baden: Nomos.

Ollrog, M. C. (2014). *Regionalzeitungen 2015. Geschäftsmodelle für die Medienkonvergenz*. Baden Baden: Nomos.

Rose, J., Bock, W., DiGrande, S., Duranton, S., & Field, D. (2007). Convergence 2.0. Will you thrive, survive, or fade away? *BGC Focus 4/07*. Download January 12, 2014, from https://www.bcgperspectives.com/content/articles/media_entertainment_technology_software_convergence_2_0_will_you_thrive_or_fade_away/

Schimank, U. (2007). *Handeln und Strukturen*. Weinheim: Juventa.

Seligman, A. (1997). *The problem of trust*. Princeton, NJ: Princeton University Press.

Sparrow, B. H. (2006). A research agenda for an institutional media. *Political Communication, 23* (2), 145–157.

Tanner, J. (2014). "Die Währung der Finanzmärkte ist Vertrauen": Nachhaltigkeit und Hinterhältigkeit eines mentalen Phänomens in historischer Perspektive. In J. Barberowski (Ed.), *Was ist Vertrauen? Ein interdisziplinäres Streitgespräch* (pp. 73–99). Frankfurt: Campus.

Welskopp, T. (2014). Vertrauen: Drei Beispiele aus einer praxistheoretisch orientierten Geschichtswissenschaft. In J. Barberowski (Ed.), *Was ist Vertrauen? Ein interdisziplinäres Streitgespräch* (pp. 49–72). Frankfurt: Campus.

Wirtz, B. W. (2013). *Business model management. Design, Instrumente und Erfolgsfaktoren von Geschäftsmodellen* (3rd ed.). Wiesbaden: Springer.

Media-Related Value Generation: New Paradigms on the Horizon? Or—What a Wonderful Morning for Prof. Beale

Frank Habann

Cologne, March, 9, 2022.

6.00 a.m.

The gentle vibration of his ILM© (iLifeManager) implant reminds him that it is time to get up. The Google APIEs© (Always-plugged-in-earphones) very gently fade-in his favorite jazzy tune of Diana Krall, —after a short branded audio jingle on his YSE (Your Spotify Everywhere).

As the ILM has quickly checked all his personal in-house, in-body and in-cloud systems, the business calendar for the coming weeks, his cardiovascular system data and the online bank account, the decision helper clearly indicates an 85% probability for today's first decision: to take a 2-week sabbatical abroad. Recommended starting date: March, 10.

After browsing all his past vacations, ILM now displays the user interface of the WAYOWA B.T. © (What-you-wanna buy-today?) leisure time manager on his retina. The UI displays now the top five destinations of the search results (Middle-Eastern destinations in the lead) including all details of the arrangements.

The journey is recommended as a one-person-arrangement. The system friendly reminds him of the fact that his acquaintances of the last year had an average duration of 26 days (overlaps included), and led to a total spending of 34.586€, ongoing expenses not included. The life quality value generated over the last 12 months was calculated as −6.9%, compared to the average life quality level of the preceding 10 years. His aim for the end of this year was to get as close to a "black zero" as possible.

The first option seems really interesting—very enthusiastic guest reviews. While his humanized shokkenki robot serves his soja-stevia-latte, he recalls a debate among scholars and practitioners in the publishing industry some years ago.

F. Habann (✉)
Offenburg University of Applied Sciences, Offenburg, Germany
e-mail: frank.habann@hs-offenburg.de

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8_19

In the information business segment (at that time still called special interest print media), a heated discussion could be witnessed concerning the leisure time-centered special interest segments such as travel.

Most information-oriented B2C media offerings at that time were, in fact, infotainment—closely related to products and services, because people are interested in the newest fashion trends, cosmetics, sports and computer equipment, hip venues for a night-out, holiday destinations and so forth. Therefore, the content was considered mainly to be part of a "Consumer Decision Journey." As the profit margins—originating from the still-existing printed product versions at that time—began to melt at a tremendous speed, most media managers began to ask themselves questions like: Why were they paying for a high-level editorial team and/or independently evaluating products (Stiftung Warentest—my goodness), while leaving the lion's share of the margin—the generated financial value—to the supplier of that product or service?

As Dr. L., board member of a leading German media conglomerate, pointed out very precisely: complexity reduction (meaning: filtering and sorting user-generated content related to products and services) and a professional management of the Consumer Decision Journey, finalized by a successful consumer transaction, is *the* future business model for all information media that do *not* own really exclusive, highly valuable content, —which is the vast majority, as he insinuated. The buzzword here: *curating* user-generated content.

After a very aggressive debate within the Verband Deutscher Zeitschriftenverleger (Association of German Magazine Publishers), some member companies together with some members of BVDW (Bundesverband Digitale Wirtschaft) (German Digital Economy Association) launched a new association called PAME.FO.CDJ (Patriotic Media Enterprises for an optimized Customer Decision Journey). Their members' clever mix of one-stop-shopping-platforms with a huge "curated" review base, online booking, personalized advertorials and native advertising created tremendous value for users and was a big success in the German consumer market, skyrocketing with double-digit annual growth rates.

He turned back to the planning of his sabbatical—yes, it was indeed inevitable. He instructed the ILM to book option one and went over to the bathroom, equipped with a very good mood, considering this time of the day.

4.00 p.m.

Before he had to prepare his luggage, there was still some time left. After his election as member of the national scientific board of Wikimedia Deutschland e.V. (responsible for the German Wikipedia), he was regularly asked to contribute to the editing of Wikipedia articles—specifically those requiring an in-depth academic assessment. Acknowledging the value for information-seeking users being generated by Wikipedia, this board had been established in 2017 after an increasing number of articles were found to be suffering from unspecified weblinks and the problem of an unidentifiable author. Besides, the problem remained that for very challenging scientific terms, Wikipedia was unlikely to gather the most capable experts. The board was supposed to serve as a remedy for this.

Yesterday, he had been asked to review the newest version of the Wikipedia entry "media austerity," together with colleagues from the UK and Greece. However, the term did not seem to make a lot of sense to him. He opened the Wikipedia entry and began to read.

Airport Cologne-Bonn, March, 10.

7.00 a.m.

After he passed the security check, a tweet on his ILM introduced him to the Deutsche Medienforum's[1] scoop of the day: The Medienforum's investigative inquiries had revealed very strange practices of a secret business cooperation between WAYOWA B.T., Facebook and about three dozen big hotels and tour operators. It was obvious that this practice has been ongoing since spring 2019. As Facebook owns billions of online user profiles including their global online behavior, it was easy for them to generate virtual consumer avatars that submitted hotel reviews and other destination-related evaluations from all over the world. Needless to say, the submissions were always very positive reviews. For a certain amount—about 250.000€, as the inquiries had revealed—it was guaranteed to have two out of the top three review results of *any* consumer request to be a positive, avatar-based review. It was possible for any hotel or tour operator that was a member of the "network" to buy sponsored reviews by these avatars on WAYOWA B.T.

That was kind of a shock, or was it a relief? More of a relief—something he had suspected all along had now become a fact.

The airport's main destination board now displayed that his flight to Budai International Airport was ready for boarding at Gate 42...

It occurred to him that his travel insurance included a 75% refund in any case of attested illness, even if he had already checked in. A quick contact with Dr. Cranston via Skype premium would probably help in that case.

⋮

Back in his car, he entered the name of the small village in the Black Forest, where his parents spent most of the time during the nicer half of the year in their

[1]The "Deutsche Medienforum" is a merger of *Süddeutsche Zeitung* and *Frankfurter Allgemeine Zeitung*. The deal was closed in Dec. 2018. This media conglomerate is considered as the last German independent high-quality political information platform. Unfortunately, their preceding competitor *Die Zeit* was relaunched in 2019 under the name *(S)WATCH OUT!* as a weekly magazine delivering value for Germany's real intellectual elite. In 2017, *Die Zeit* had been sold by Holtzbrinck Publishing Group to Bertelsmann SE & Co. KGaA. After Bertelsmann went public in 2019, it became clear to shareholders that the last monetary value generating segment of *Die Zeit* was, ironically, the *Zeit Reisen (Travel Time)*. As targeting this industry was a major strategic thrust of SWATCH group SA at that time, 51% of *Die Zeit* were sold to that Group, which then executed a relaunch, resulting in the new name *(S)WATCH OUT!*. The deal was part of a corporate growth strategy aiming at the travel segment, which led to the relaunch of *Zeit Reisen* as *Check-Your-Holiday* platform, the European leader in the high class tourism business segment.

cozy little summer cottage. His father time and again had invited him to spend a weekend with them and enjoy the new sauna in the basement and superb cooling-off pond. Definitely a value-added decision, he thought, as the HyuKi Driving Assistant navigated the limousine softy towards the motorway heading south. . .

About the Authors

Albarran, Alan B., Dr., is a full professor and former Chair of the Department of Media Arts at the University of North Texas, Denton, TX, USA. His research revolves around the management and economics of the media industries. The author of 14 books, many articles in scholarly journals and several book chapters in edited volumes, Dr. Albarran previously served as the Editor of the Journal of Media Economics (1997–2005) and the International Journal on Media Management (2005–2008).

Alhassan, Abubakar D., Ph.D., is a lecturer at Bayero University, Kano, Nigeria, where he teaches courses in communication law and ethics, International communication, media and religion and history of mass media. From 2011 to 2015 he served as Special Assistant on legislative research and policy analysis to the Deputy Chief Whip of Nigeria's House of Representatives & Head of Nigerian Standing Delegation to the ACP-EU Joint Parliamentary Assembly.

Altmeppen, Klaus-Dieter, Prof. Dr., is a professor at the School of Journalism at Catholic University Eichstaett-Ingolstadt. His research focuses on the economics, management, and organization of media; the structures, ethics, and accountability of journalism and media; and entertainment acquisition and production.

Bachmann, Claudius is a research associate at the Catholic University Eichstätt-Ingolstadt, Faculty for Business and Economics and lectures on Business Ethics and Christian Social Sciences. He studied Catholic Theology, Christian Social Science, and Economics at the Westfälische Wilhelms-Universität Münster, Germany. He also works as a project manager of the 'Bund katholischer Unternehmer' (BKU) and is researcher at the 'Center for Corporate Citizenship' in Ingolstadt. From 2012 to 2014 he developed the German-Arab research and dialogue project 'Practical Wisdom for Sustainable Management'. His research interests fall at the intersection of economics, ethics, and education, specifically in the field of responsible leadership and practical wisdom.

Bachmann, Philipp, Dr. des., is a postdoctoral researcher at the Institute of Mass Communication and Media Research (IPMZ), University of Zurich. His research interest focuses on strategic communication, corporate social responsibility, and media organizations. He is editorial manager of the international journal Studies in Communication Sciences (SComS).

Bichler, Klaus, MMag., PhD candidate at the Department of Media and Communication Sciences, University of Klagenfurt. Lecturer at the University of Vienna and the University of Krems. Research interests: journalism research, media ethics, web 2.0, literature and media. E-mail: klaus.bichler@gmx.at.

Bracker, Isabel, Dipl.-Online-Journ. (FH), is working as a research associate at the School of Journalism at the Catholic University of Eichstaett-Ingolstadt. Her main area of research is corporate social responsibility and corporate citizenship for media companies, the communication of these concepts by the companies as well as in the media, and the structuration theory.

K.-D. Altmeppen et al. (eds.), *Value-Oriented Media Management*, Media Business and Innovation, DOI 10.1007/978-3-319-51008-8

Doyle, Gillian is Professor of Media Economics and Director of the Centre for Cultural Policy Research (CCPR) at the University of Glasgow where she directs Glasgow's MSc in Media Management. Gillian has carried out and supervised studies of economic and policy aspects of media for the Council of Europe, European Commission and OECD and her research has been translated and published in several languages. Gillian is former President of the Association for Cultural Economics International (ACEI).

Elsäßer, Marc, Dipl. Oec., is doctoral candidate and research associate at the Chair for Information and Communication Management at the German University of Speyer. His publications focus on media and internet management, business model management and marketing.

Franzetti, Annika is lecturer and research associate at the School of Journalism at the Catholic University of Eichstaett-Ingolstadt. Her research and teaching interests primarily focus on political communication, journalism research, and media management.

Gershon, Richard A., Ph.D., is Professor and Co-Director of the Telecommunications & Information Management program at Western Michigan University where he teaches courses in Media Management and Telecommunications. Gershon is the author of six books, including Digital Media & Innovation: Management and Design, Strategies in Communication (Sage, 2016). He is a Fulbright scholar having held visiting appointments at the University of Navarra, Spain and Nihon University, Japan. Gershon is a founding member of the Information and Telecommunications Education and Research Association (ITERA) where he served as the organization's first President.

Gossel, Britta, Dipl.-Medienwiss., is research assistant at Media and Communication Management group, Technische Universität Ilmenau (Germany). Her research focuses organization and entrepreneurship in the area of media, technology and engineering, including entrepreneurial journalism. She is alumna of trust for the Foundation of German Business and worked as spokesperson of a Vice-President of the European Parliament in Brussels, Strasbourg and Berlin. E-mail: britta.gossel@tu-ilmenau.de.

Greck, Regina, Dr., is research associate at the the School of Journalism at the Catholic University Eichstätt-Ingolstadt (Germany). Her research interests focus on political communication an mediatization, journalism research, media management as well as elite research.

Gutiérrez-Rentería, **María Elena**, PhD, is a Professor in the School of Business and Economics at the Universidad Panamericana in Guadalajara, México. She was Visiting Scholar Professor at the College of Media & Communication, Texas Tech University, United States. Gutiérrez Rentería is a member of the National System of Researchers in Mexico. Gutiérrez Rentería currently serves on the editorial boards of the International Journal on Media Management and the International Journal for Hispanic Media. E-mail: egutierr@up.edu.mx.

Habann, Frank, Prof. Dr., is full professor of media management at the University of Applied Sciences, Offenburg, Germany, since 2010. He focuses his research on media innovation, media entrepreneurship and international media development. He has published several scientific contributions in these fields and has been working as researcher and lecturer for media management and marketing at the Universities of Cologne, St. Gallen (Switzerland), Zurich (Switzerland, invited professor) and Mainz before.

Habisch, André, Prof. Dr., is a trained Economist and Theologian and teaches Social- and Business Ethics at the Faculty for Business and Economics, Catholic University of Eichstätt-Ingolstadt. Prof. Habisch is a Scientific consultant of the Catholic Entrepreneurs Union (BKU) in Germany as well as the Global Association of Christian Entrepreneurs and Managers (UNIAPAC). Moreover, as a Associate Research Director at the Academy of Business in Society (ABIS), Brussels, he coordinates a project on 'Practical Wisdom in Management from the Religious and Spiritual traditions' since 2009. He serves as an Associate Editor of 'Business Ethics—A European Review' and is the Co-editor of a series of Special Issues of the Journal of Management Development on Practical Wisdom from the Spiritual traditions. Moreover, he has published in the Journal of Business Ethics, Business Strategy and the Environment, Journal of Management Education, Zeitschrift für Umweltrecht.

Hangartner, Stefanie A., M.A., is a research and teaching associate at the IPMZ-Institute of Mass Communication and Media Research at the University of Zurich (Switzerland). She writes her dissertation thesis on communicative legitimation strategies of legacy news media organizations. Her research interests lie in the fields of media management, strategic communication, organizational sociology, and persuasion effects.

Hollifield, C. Ann, is the Thomas C. Dowden Professor on Media Research in the Grady College of Journalism & Mass Communication at the University of Georgia in the United States. She also directs the graduate Certificate Program in Media Analytics. Her research focuses on the structural effects of markets and organizations on news media performance, international media sustainability, and the effects of media on economic development.

Ingenhoff, Diana, Prof. Dr., is full Professor of Media and Communication Research and currently Vice-Dean of the Faculty of Economics and Social Sciences at the University of Fribourg (Switzerland). Since 2015, she is President of the Swiss Association of Communication and Media Research (SACM). Her research interest focus on Organizational Communication, Media Economics, and International Public Relations, especially with regard to Public Diplomacy, Reputation Research, Responsibility Communication, and New Technologies.

Karmasin, Matthias, PhD, is director of the institute for comparative media and communication studies of the Austrian Academy of Sciences and the AAU (Alpen Adria University Klagenfurt). Furthermore, he is a full professor and chair for media and communications sciences at the University of Klagenfurt. He is corresponding member of the philosophic-historic class of the Austrian Academy of Sciences. He is an expert for media accountability and he has published extensively on media ethics and media management, political communication, communication theory and media practice. E-mail: Matthias.karmasin@aau.at.

Moellinger, Terry, Dr., is an Adjunct Professor in the Department of Media Arts at the University of North Texas. His primary areas of research focuses on media economics and organizations, as well as Internet-based communication and the changing patterns of both communication and interpersonal relations that these communication modalities have influenced. A second line of research deals with media content and examines media presentations for their semiotic meaning.

Rinsdorf, Lars, Prof. Dr., is professor for journalism at Stuttgart Media University (HdM), Germany. His fields of research are newsroom management, innovation management, and news media usage. Before joining HdM he used to be head of research and development for a huge German newspaper publisher. Rinsdorf got a degree in journalism and spatial planning at TU Dortmund, Germany. Since 2014, he's vice president of the German Communication Association (DGPuK). E-mail: rinsdorf@hdm-stuttgart.de.

Scholz, Christian, Prof. Dr., since 1986 full professor of Management at the Faculty of Law and Economics at the Universität des Saarlandes in Saarbrücken (Germany). He is founding director of the European Institute of Advanced Behavioural Management (EIABM) with its MBA-Program. 2004 he started together with John Lavine the International Media Management Academic Association (IMMAA). His research interests include both Human Resource Management and Media Management, as well as changes in the work environment (Darwiportunism). Currently his focus is on Digitalization and the impact on new structures of work, in particular with respect to the Generation Z.

Schuhknecht, Stephanie, Diploma in International Cultural and Business Studies, is a PhD student at the WFI, Ingolstadt School of Management at the Catholic University of Eichstaett-Ingolstadt. Her main areas of research are corporate social responsibility and corporate citizenship for energy providers, as well as social innovation in the energy sector.

Siegert, Gabriele, Prof. Dr., is full professor of communication science and media economics at the IPMZ-Institute of Mass Communication and Media Research, University of Zurich, Switzerland. She is member of the Swiss Federal Media Commission, president of the Foundation for Research in Science and the Humanities at the UZH and member of editorial and advisory boards. Her research interests include media economics, media management and advertising.

Sylvie, George, associate professor of journalism at The University of Texas at Austin, studies newspaper innovation, change, and decision-making, specifically newspaper editors' decision-making styles, personal value systems, ethics, and approaches to management. His works include Newsroom Decision-Making: Under New Management (Media XXI, 2012); a leading media management textbook, Media Management: A Casebook Approach (Routledge, 2015); and Time, Change, and the American Newspaper (Erlbaum, 2002). Sylvie is on the editorial boards of Journalism & Mass Communication Quarterly, The Journal of Media Economics, The International Journal on Media Management, and The Journal of Media Business Studies.

Trappel, Josef, Prof. Dr., is full professor of media policy and media economics at the Department of Communications Studies at the University of Salzburg (Austria). His research work concentrates on media and democracy, changes in mass media structures and their implications on mass communication, national and international media policy and media economics. Since 2006, he is the convenor of the Euromedia Research Group.

van Loon, Joost, Prof. Dr., is Professor of General Sociology and Sociological Theory at the Catholic University Eichstätt-Ingolstadt. His main research interests concern the fields of Media, Technology, Risk, Space, Sociological Theory and Empirical Philosophy. He is currently the Editor-in-Chief of the journal Space and Culture and vice chair of the "Sociology of Culture" Research Network of the European Sociological Association.

von Rimscha, **M. Bjørn**, Prof. Dr., is Professor of Media Business at Department of Communication at the Johannes Gutenberg-University Mainz (Germany). His research interest focuses on the drivers of media production on the structural, organizational and individual level. He was speaker of the media economics division in the German Communication Association and serves on the board of the European media management association (emma).

Will, Andreas, Prof. Dr., is a full professor of Media and Communication Management at Technische Universität Ilmenau (Germany). His research focuses media management, digital media markets, entrepreneurship and crowdsourcing/crowdfunding. He holds a Dr. rer. Pol. in Business Administration/Information Systems from Augsburg University and a Diploma in Industrial Engineering from Karlsruhe University of Technology. E-mail: andreas.will@tu-ilmenau.de.

Wirtz, Bernd W., Prof. Dr., is full professor (Chair for Information and Communication Management) at the German University of Speyer (Germany). His publications focus on media and internet management, business model management, marketing, electronic business and e-government (approximately 250 publications). He is an editorial board member of the journal *Long Range Planning,* the Journal of Media Business Studies*,* The International Journal on Media Management*,* the International Journal of Business Environment*, the* International Journal of Public Administration and the International Review on Public and Nonprofit Marketing.