



# Competing institutional logics in collaborative innovation: A case study

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## Abstract

While various scholars point to the advantages associated with collaborative forms of innovation in the public sector, this paper demonstrates how such arrangements can also be demanding and delicate. Diversity and dissonance among organizational actors tend to be seen as sources of creativity and innovation, but dissonance may also cause conflicts, disintegration and undermine collaboration. This implies that collaborative innovation entails demanding balancing acts, which need to be better understood. The article contributes to this by asking: How may institutional logics theory enhance insights on management of conflicts and tensions in collaborative innovation? The institutional logics lens is applied in the analysis of a drop-in centre providing low-threshold services to persons engaged in risky use of substances.

## Keywords

Collaborative innovation, institutional logics, substance use, harm reduction

## Introduction

Collaboration has been increasingly recognized as key for enhancing capacity, effectiveness and for spurring innovation in the public sector. This recognition springs from understandings of the public sector as positioned in an era of collaborative governance (Ansell & Gash, 2008) or in a new public governance (NPG) paradigm, which tends to be contrasted with traditional Public Administration (PA), and New Public Management (NPM) (Hartley, Sørensen & Torfing 2013; Osborne, 2006, 2010; Torfing & Triantafillou, 2013). Conceptualizations of the public sector as marked by NPG trends entail focus on participation, horizontal networks and collaborative relations (Hartley et al., 2013; Osborne, 2006), and new forms of integration are presented as necessary to meet increasingly complex and cross-cutting public policy problems (Osborne, 2006; Torfing & Triantafillou, 2013).

This sets the stage for collaborative arrangements, which among others entail contributions of private actors in collaboration with public sector actors. Bringing together diverse actors with different knowledge and experiences can lead to renewed framings and approaches to public policy problems, which can generate innovation and the spread of new solutions. This rationale is underpinning the emerging discourses on ‘collaborative innovation’ (Bommert, 2010; Sørensen & Torfing, 2013; Torfing, 2016, 2019).

The literature advances collaborative innovation as preferable to market competition and closed, bureaucratic processes because it mobilizes a broader range of innovation assets

such as knowledge, imagination, creativity, courage, resources and transformative capacities (Bommert, 2010; Torfing, 2016, 2019). Thus, ‘collaborative innovation’ can be broadly defined as innovation enabled through multi-actor collaboration (Torfing, 2019), in which innovation is understood as changes that break with established practices and mind-sets of an organization or organizational field (Hartley, 2005; Hartley et al., 2013).

A problem with the term ‘collaborative innovation’ is that it is ambiguous since it used as a theoretical concept in analyses of public sector innovation, and advanced as a (promising) reform strategy for practitioners at the same time (Torfing, 2016). Moreover, the literature is largely conceptual and underpinned by a positive normativity, which creates blind spots when it comes to addressing potential limitations, problems and risks of collaborative innovation (Wegrich, 2019). It is also argued that claims of increasing horizontal relations on equal terms across sectors are exaggerated because the public sector tends to become the dominating actor, since the state largely dictates the rules for collaboration. It is argued that while public policies may be imbued with rhetoric on horizontal collaborative relations, actual relations are often marked by hierarchical structures (Davies, 2011).

Thus, there is need for empirical research that broadens the research dialogue and sheds light on the diverse aspects of collaborative innovation. Specifically, we need to better understand how conflicts and tensions may potentially affect, undermine or shape collaborative innovation (Agger & Sørensen, 2018). There is a need for studies and theoretical approaches that enable analysis of tensions, dilemmas, potentially destructive conflicts and disintegration in collaborative innovation.

This article contributes in this regard by introducing and demonstrating the relevance of the institutional logics perspective (Friedland & Alford, 1991; Thornton, Ocasio & Lounsbury, 2012) in studies of collaborative innovation. The institutional logics perspective is used as an analytical lens to make sense of conflicts and underlying tensions in a specific case set in the context of harm reduction measures targeting persons engaged in the risky use of substances. With this backdrop, the paper addresses the following research question: How may institutional logics theory enhance insights on management of conflicts and tensions in collaborative innovation?

The article addresses the research question by first accounting for how management of difference and conflicts has been discussed in the collaborative innovation literature, followed by an outline of the theory on institutional logics. I subsequently present the methodology and the empirical findings and discuss finally the study’s implications and limitations.

## **Theoretical framework**

### **Collaborative innovation and management of difference**

The collaborative innovation ‘argument’ holds that the involvement of diverse actors entails diversity and pluralism which will foster creativity and enable innovation, which requires the constructive management of difference (Gray, 1998; Torfing, 2019). However, existing research has scarcely examined the conditions for such management of difference, and hardly explored instances where differences may create destructive conflicts resulting in disintegration (Agger & Sørensen, 2018).

However, discussions of the more problematic aspects of collaborative innovation have started to emerge (Agger & Sørensen, 2018; Torfing et al., 2020; Wegrich, 2019). Agger and Sørensen (2018) discuss, for instance, how collaborative innovation within planning entails the management of diverse dilemmas and challenges caused by the institutional complexity

of the context in which different institutional logics and modes of governance come together. Conflicts may arise in cross-sector collaboration as partners come with different expectations, worldviews and understandings of the issues addressed. This is also problematized in the broader literature on collaborative governance, which highlights that power struggles tend to ensue as diverse stakeholders will try to dominate and define directions for collaborative processes (Bryson, Crosby & Stone, 2006; Crosby & Bryson, 2010). Thus, cross-boundary and cross-sectoral collaborations are seen to require meta-governance (Sørensen & Torfing, 2009, 2017) and integrative leadership (Crosby & Bryson, 2010) in which management of conflicts, conflicts resolutions and building of trust between partners is highlighted as crucial.

While the literature on collaborative governance focuses on conflict resolution as central in the management of conflicts (Emerson, Nabatchi & Balogh, 2012) the collaborative innovation literature is more focused on leadership strategies and institutional designs which allow dissonance and conflicts to exist in ways that may be productive for spurring innovation and change (Agger & Sørensen, 2009; Torfing, 2016, 2019; Torfing et al. 2020; Sørensen, 2014). While the latter strategy seems alluring, it is also highly challenging, particularly in contexts where some partners have the resources and capacity to dominate (Davies, 2011; Knutsen; 2012).

Agger and Sørensen (2018) suggest that the management of tensions and conflicts in collaborative innovation can be understood by contrasting the institutional logic of collaborative innovation with the institutional logic of public bureaucracies. Public bureaucracies are described as hierarchical, focused on procedures, continuity and intra-organizational relations while collaborative innovation emphasizes horizontally distributed authority, problem solving, creativity, experimentation and change. These differences between logics are described as institutional tensions, and the authors explore how such tensions are coped with by planners managing collaborative innovation in urban planning.

While Agger and Sørensen (2018) explore conflicts in collaborative innovation as linked to tensions between different institutional logics, the analysis is not explicitly linked to theory or research on institutional logics. Making more explicit linkages between institutional logics theory and the literature on collaborative innovation can be a way to advance deeper insights into the management of difference and conflicts as a crucial aspect of collaborative innovation. As pointed out, the collaborative innovation literature suffers from shortcomings because it shifts between promoting collaborative innovation as a viable strategy for public sector innovation (Hartley et al., 2013; Sørensen & Torfing, 2011; Torfing, 2019) while it also appears as an analytical concept in studies of a particular kind of public sector innovation (Wegrich, 2019). To avoid this confusion, collaborative innovation may be treated more as an empirical phenomenon which may be studied and analysed through different perspectives.

Studying collaborative innovation as embedded in or shaped by different institutional logics could be one way forward. The institutional logics perspective has been used to explore how multiple institutional logics affect the collaboration within public sector organizations (van den Broek, Boselie & Paauwe, 2014), while others have highlighted and demonstrated the perspective's relevance in public-private relations at inter-organizational levels (Bryson, Crosby, & Stone 2006; Saz-Carranza & Longo, 2012) and in hybrid organizational models (Jay, 2012; Skelcher & Smith, 2015). The existence of competing institutional logics has also been analysed as the driving force for institutional change on organizational field levels (Edvardsson, Kleinaltenkamp, Tronvoll, McHugh & Windahl, 2014; Mullins, 2006).

We know that competing institutional logics can be fruitful for bringing about change at field levels (Edvardsson et al., 2014; Mullins, 2006), but we also know that competing logics need to be carefully managed and balanced for inter-organizational relations to work (Saz-Carranza & Longo, 2012). This points to the demanding balancing acts involved in collaborative arrangements: Diversity may on the one hand foster creativity and innovation (Bommert, 2010; Hartley et al., 2013; Sørensen & Torfing, 2011; Torfing, 2016), but dissonance may at the same time cause conflicts and undermine collaboration (Hartley et al., 2005; Jay, 2013; Bryson et al. 2006).

The institutional logics perspective departs from the premise that the legitimacy or illegitimacy of certain norms and practices are dependent on the vantage points among involved stakeholders (Bryson et al. 2006). It may as such provide deepened insights into dilemmas and predicaments involved in efforts to constructive manage difference and conflict in collaborative innovation (Agger & Sørensen, 2018; Torfing 2019; Sørensen, 2014). To grasp what this may entail, I continue with an outline of the core arguments of the theory on institutional logics.

### Institutional logics as analytical lens

The institutional logics perspective is both a meta-theory and a method of analysis, anchored in institutional and neo-institutional theory (Thornton & Ocasio, 2008; Thornton et al., 2012). The origins of the perspective springs from Friedland and Alford (1991) who perceived society as an interinstitutional system. In the capitalist western societies, this system was seen as constituted around five basic macro institutions: The capitalist market, the bureaucratic state, democracy, the nuclear family and Christian religion. In revisions and further developments of the perspective, the institutional orders have been more clearly developed as ideal types and analytical categories, detached from specific institutional sectors (Thornton et al., 2012).

As ideal types, basic characteristics can be linked to these different institutional logics (Thornton & Ocasio, 1999; Thornton et al., 2012). The institutions are seen as symbolic systems constituting frameworks for valid and invalid forms of reasoning within specific contexts, or it is seen as shaping 'the rules of the game' in a given context (Thornton & Ocasio, 2008, p. 112). The basis of the theory asserts that central macro institutions of society inhibit contradictory institutional logics, and opportunities for change is seen as linked to actors' positioning and enactments at the crossroads of incompatible logics (Friedland & Alford, 1991).

As a meta-theory, this perspective contributes to bridge the gap between macro-structures and individual agency, in line with social construction theory (Berger & Luckmann, 1967; Giddens, 1984). This is captured in the notion of 'embedded agency', which refers to how interests, identities, values, and assumptions of individuals and organizations are embedded within prevailing institutional logics (Thornton & Ocasio, 2008). Society is thus seen as consisting of three interconnected levels: Individual, organizational and macro institutional. Ideally, one level should not be given primacy over another. However, most research on institutional logics is biased towards one level (Thornton & Ocasio, 2008) as integration of the three levels is demanding due to the comprehensiveness and complexity at stake. Still, the agency-structure interdependency may be accepted as an underlying premise in studies applying the institutional logics lens, even though the study may be empirically directed towards one level of analysis. This article accepts these underlying premises concerning agency and structure, while empirically focusing on the individual and inter-organizational level.

It should be stressed that institutional logics and the typology of an interinstitutional systems are to be regarded as *ideal types*. Ideal types can be used as analytical models to interpret meaning and make sense of empirical data (Thornton et al., 2012; Weber, 1990). Institutional logics in the theoretical model are neat, structured and rigid, while institutional logics at play in empirical organizational contexts are fluid, overlapping and blurred. The notion of institutional logics is not meant as descriptions of sectors or organizational contexts, it is abstractions, and thus simplifications, which provide a useful lens for guiding analysis especially in studies of cross-sectorial and inter-organizational collaborative relations. I draw on this lens in the analysis of a case study on collaborative innovation.

## Methodology

The case study is designed as an explorative and interpretive single case study (Yin, 2009), and the case sampling is based in an intensity sampling logic (Patton, 2002). This means that the case is graphic and information rich and provides in this way an apt empirical entrance to gain deepened understandings of tensions and conflicts in collaborative innovation. The case was initially included as one of six case studies in a broader research project on collaborative innovation (public-private) within health, welfare and social services. The project title was Municipal Innovation Research for Regional Development (MIRID). The overall aim of the project was to gain deepened understandings of public-private innovation through explorative qualitative case studies. The explorative approach was suitable since empirical research in this field was scarce (Yin, 2009). Moreover, the research was conducted in an abductive manner which supports the explorative approach (Alvesson & Skoldberg, 1994). This means that theoretical literature on collaborative innovation in the public sector informed the empirical research, but we also searched for theory that was found particularly suitable for making sense of the data in the various cases. As such, insights on the relevance of institutional logics theory emerged gradually through the analytical process.

## Case description

The case study entails examination of efforts to introduce and sustain a drop-in centre providing low-threshold services to persons engaged in risky use of substances. The centre was established in a mid-size city in Norway, and the services were run by a private foundation in collaboration with the municipality. The case study was carried out when the drop-in centre had been in operation for about ten years.

The drop-in centre was innovative when introduced because this kind of service had not been available in the region before, and it was new kind of service to be provided by the private foundation. Thus, the drop-in centre can be termed innovative because it was perceived as new to the units of adoption (Rogers, 2003 [1962]). The organization runs around 20 different centres, predominantly within the area of drug-related problems, but the drop-in centre was the only centre providing low threshold services to persons actively using drugs without offering rehabilitation or treatment. Thus, this particular service stands out compared to the other kinds of drug-related service offerings of the organization because it spurs more political controversy compared to rehabilitation and treatment. The analysis of the case relies on an understanding of this political context of the drop-in centre, which is briefly described next.

### Case context

The purpose of the drop-in centre is to provide easy access to help and care, ideally on the users' terms, with few conditions. The services may thus be defined as low threshold services, which are closely related to the harm reduction conception and approach to drug problems (Edland-Gryt & Skatvedt, 2013). Harm reduction can be understood as an international social movement, which include social policies and concrete measures that aim to decrease the negative effects of drug use. It represents an alternative to abstentionism, which prioritizes decreasing drug use (Lenton & Single, 1998; Marlatt, 1996).

In the Norwegian drug policy context, drug use has increasingly been perceived as a health-related problem, which has paved way for implementation of harm reduction measures as a central aspect of the drug policies. Among other things this entails public financing of low-threshold services such as the drop-in centre focused on in this study (Skretting, 2014). Penalties for drug-related offences have at the same time been strictly enforced, which give way to argue that the official view on the drug problem has become 'schizophrenic' (Skretting, 2014). While drug use is highly criminalized, reflected in the persistence of high penalties for drug offences, harm reduction measures are at the same time valued and prioritized, which entail a certain acceptance of the drug problem. This underlying tension in the national policy discourse has implications for how the drug problem is dealt with at the municipal level, where the strict law enforcement model is combined with harm reduction measures.

### Data collection and analysis

The empirical material consists of process data (Langley, 1999) in the sense that the study follows the process of creating and maintaining a new kind of service in a specific context, provided as a collaborative arrangement between a public and non-profit actor. The material is generated from 11 individual, personal interviews with representatives from the public and private partner at different levels. The data collection was assessed and approved by Norwegian Centre for Research Data (NSD).

The interviews were semi-structured, lasted approximately one hour each, and they were conducted by one researcher. All interviews were recorded and transcribed. Research design, interview guides and directions for the analysis was continuously discussed in a broader group of researchers working on similar cases studies on collaborative (public-private) innovation within health, social and welfare services. Relevant documents such as newspaper articles (21), information material (2), planning documents (2) and evaluations (3) supplement the interview material.

The data collection was conducted in two phases, and recruitment of informants followed a combination of purposive and snowball sampling (Patton, 2002). Interview guides were used as a point of departure for the interviews, but the interviews had largely an open character. The informants were invited to speak freely about their personal experiences as involved participants, and they were asked about their more general perceptions of the collaborative model and the role of the various actors involved. The data collection revealed that 'critical events' (Nigam & Ocasio, 2010) occurred in 2009, when the drop-in centres had been running for around three years, which largely affected the collaborative climate. The interviews were further structured to gain deeper insights into these critical events, and it also guided the recruitment of informants in line with the principles of snowball sampling. Moreover, the controversies underpinning the critical event clearly articulated the competing institutional logics at play in the collaborative model and was used as point of departure for the analysis. The analysis and presentation of data follow a narrative strategy, implying that the research is set in an interpretive research paradigm (Langley, 1999).

## Case analysis: Exploring competing logics in collaborative innovation

The interviews with actors involved in the drop-in centres revealed that the two organizations agreed on the basics regarding the purpose of the centre, which was merely presented as ‘a place to be’. However, diverging views between the partners became evident when they elaborated on the role of the services. Different stories and examples of controversies were recounted in the interviews, indicating that the collaborative arrangement was based on underlying tensions and disagreements.

One concern expressed by representatives of the municipality, was that the drop-in centre attracted clients from neighbouring municipalities that lacked this kind of low-threshold service. The municipality was reluctant to finance services to users from other jurisdictions. In addition, a general criticism was that these kinds of harm reduction measures could make life as an addict ‘too comfortable’ – thereby reducing individuals’ incentives to bring about change. When the representative from the public social services was asked about her perception of this general criticism, she explained:

When we facilitate the way we do, we postpone the consequences. We postpone those things that sting, things that hurt in ways that make you turn around and realize that I do not want to do this anymore (...) you don’t have to save money for food, because that’s provided, you don’t need to save for a washing machine, you get your laundry done, you get a shower and you come to this place where everyone is just friendly and nice no matter what you do. Then you don’t feel the full consequences, and I think that leads some to live as addicts longer than if we did not have this kind of place.

The representatives from the non-profit expressed, not surprisingly, a different stance on this issue, for instance:

To bring about change, you need space, you need a foundation. I am thinking that if we did not have the drop-in centre people would descend further, they would be in the park, frequently visited by the police. They would have had significantly less food, struggle to get food, more crime, more contact with the justice system. It would have been far more difficult to live life in between treatment programs, and I think that they would be significantly less capable of and willing to make changes; to change their life and to accept treatment. I think this kind basis in life quality is essential.

Such diverging views were underlying the idea and principles of the drop-in centre. While the divergence can be seen as problematic, it was also recognized as constructive among the involved actors. This is expressed in an interview with a representative from the public services:

When this service is run by a non-profit organisation it challenges the municipal system. It sharpens us to interact with those who are there [at the drop-in centre] just providing, and they raise questions about the things that our system does not cover. It is more dynamic when two different systems run services like these together.

This quote summarizes in many ways the ‘essence’ of the collaborative innovation argument; it captures how a multi-actor approach to innovation brings in new perspectives and challenges “the way that things are usually imagined and done” (Torfing, 2019, p. 1). Hence, in principle the arrangement seemed capable of coping with a way of working which entailed constructive management of difference (Gray, 1998; Torfing, 2019). However, as time went by, the drop-in centre faced several conflicts and controversies in which the

dynamics between the different systems and perspectives tended to become destructive rather than constructive. This became evident in periods where the differences between the two systems were accentuated, which was linked to the outlooks and behaviour of the shifting leaders of the centre.

The second leader of the centre acted most clearly as an entrepreneur and seemed to actively use the alternative position of the non-profit to bring about change and add new elements to the established services. During his period as a leader, the drop-in centre was prospering. The centre shifted to new premises in the city centre, two more employees were hired; they enrolled 15 regular volunteers and had on average 40–50 visitors per day. A dental office opened on the second floor in the same building as part of the services, and work-related measures were available in the backyard for a couple of hours each day. This involved users carrying out various work tasks for a small sum per day. The second leader explained his view on the transition as follows:

I wanted it to be grand and beautiful. I believed that this was important. A nice environment matters for how you feel, it provides opportunities for change. We made significant investments and bought new premises. The users took part in renovating and decorating.

The municipality supported the expansion and the development of the additional services, and the daily interactions with employees from the public social services worked well: “They came by to have coffee, we had close contact. I wanted it this way, but it had to be based on trust. This was not to be used as a control post”, explained the second leader. The well-functioning collaboration at the outset was also confirmed by the public services: “It started out great, but that was merely the honeymoon period, which was great fun”.

However, the collaborative climate gradually worsened. The second leader explained that he sensed a certain scepticism from the social services from the outset, and he found that this had to do with the fact that he had some clear ideas that ran counter to the dominant understandings within the public service system dealing with problems related to risky use of substances. The representatives from the two parties told essentially the same story about what caused the escalating conflict, even though they used different framings. The public services found that the leader at the drop-in centre took the loyalty to the users too far, and lost sight of the bigger picture. The second leader also saw the conflict as grounded in loyalty issues: “There were challenges regarding where you have your loyalty – we saw that there were fundamental value discrepancies (...) we followed a different philosophy”.

The conflicts escalated to a point where the second leader was eventually fired. This received detailed media coverage and attracted negative attention to the municipality as well as the non-profit. This became problematic for the non-profit organization at the national level and prolonged disputes regarding the involvement of media in the operations of the centre.

The controversies surrounding the second leader of the centre seemed to result from the fact that he accentuated the distinctive character of the low-threshold services and assumed that the diversity they represented could contribute to bring about change within the overall services to persons engaged in risky use of substances. He acted as an entrepreneur on this basis, but also as a rebel, which was found problematic. This led in turn to a situation where the municipality saw the need to increasingly control the non-profit organization. The feeling of being inferior and controlled by the public sector actor was expressed by the third leader of the centre, hired after the heated controversies: “If I am to describe it [the collaborative relations] in one word; it’s colonial. They act as if I were their employee. I know it



sounds harsh, but that's how I perceive it". The remaining part of this section analyses how the dynamics and controversies around the drop-in centre springs from underlying conflicts between competing institutional logics.

### Logics Enacted by the Non-profit Actor: Family and Democracy

Following the institutional logics perspective, the family logic is defined as activities motivated through unconditional loyalty to community members (Friedland & Alford 1991:248). The non-profit's enactment of the family logic was simply evident in the way the representatives described the purpose of the centre, and their way of working. For instance:

This is a place to be yourself, to be greeted with a hug and welcomed with love. They are rarely met in that way in other places, so they feel safe here. They can relax, be themselves and be freed from nagging and yelling from others.

Words like love, compassion, humanity and dignity were repeated in the interviews with representatives from the non-profit, as well as in the public sector representatives' characterization of the drop-in centre. The drop-in centre was furthermore distinguished as a place for encounters between *humans*, as opposed to interactions within the public service systems, which entailed encounters between a system and people placed in categories: Patients, addicts, clients, claimants, criminals etc. The centre's accentuation of the value of merely human encounters is illustrated in the following quote from one of the employees: "Something special happens when we just meet humans as humans".

The services are thus described as based in love, compassion and trust, which resonates with the family logic. The premises are also meant to give a sense of homeliness, which is reflected in the interior and decoration. The leader of the centre explained: "It's not merely that we offer some services, we try to make it feel homely and cosy". The family logic thus enacts a kind of informal, close, personal unconditional care based on compassion and understanding of the users' situations. During the conflicts at the centre, the leader found that the situation became especially difficult because the public services perceived him as being "on their [the users] side" – this can be interpreted as a kind of unconditional loyalty otherwise reserved for family members.

The democracy logic is defined as participation and extension of popular control over human activity (Friedland & Alford 1991, p. 248). The enactment of the democracy logic was first evident in the way the drop-in centre strived to voice the interests of the centres' users through media. We have seen how the second leader was committed to let the "users speak" in media on housing issues. The democracy logic was furthermore visible in the centre's efforts to ensure user-involvement. The second leader explained:

We had regular house assemblies, and people said you can't do that. You cannot let them [the users] participate, but we could and we did. I strongly emphasized that they were to participate; I said for instance that "hey you will be leading the meeting today". And he was like; "if you get high and all around here, they have to close the place down. So don't do that – then we can't be here".

Controversies regarding enactment of the democracy logic was in this context related to the fact that the users were seen as unreliable due to their addictions. This view was held by the municipal services and the other professional actors involved in services dealing with drug problems. The non-profit opposed these perceptions and put emphasis on expressing trust by involving the users in a democratic manner. One of the employees at the centre explained: "We involved the users and used them as counsellors. There is this

perception of addicts, that they are violent, manipulative, liars, – but they are just regular people as well”.

### Logics enacted by the Public Sector Actor: Bureaucracy and Profession

The logic of the bureaucratic state is defined as the rationalization and regulation of human activity by legal and bureaucratic hierarchies (Friedland & Alford 1991, p. 248). The Public Social Services enacted, obviously, the institutional logic of the bureaucratic state. In the context of this study, it is primarily interesting to explore how this logic appears in encounters with the logics enacted by the representatives of the non-profit. While the representatives of the non-profit were ‘allowed’ to provide unconditional care on the users’ terms in line with the family logic, the public service officers had to handle the demanding duality of care and control, which is embedded in the welfare bureaucracy (Lipsky, 1980). This duality is clearly expressed in this quote from an interview with a representative from the municipal social services:

It’s about roles. It’s about understanding what we are obliged to be loyal to. (...) Things are not as easy as you want them to be, we have to rethink these things again and again. We have an administrative role, we follow legislation with certain criteria that define your rights. We cannot just focus on one case in particular. I understand that if you are helping someone in an awful place, then you wish that one employee could follow up that person all the time, but we can’t do that.

The statement highlights the tensions between the family logic, which primarily entails loyalty to the users, while the bureaucratic logic primarily entails loyalty to the rule-based system, which among others regulates equality of treatment of all users. This difference was also pointed out by one of the non-profit’s informants: “It is all about loyalty, the public sector employees are loyal to their employer”.

From the public service perspective, it was reasoned that the non-profit support and loyalty to the users could make their ‘unpopular’ bureaucratic positions increasingly difficult:

When you use drugs, you are angry with absolutely everything. It is everyone else’s fault that you are in so much pain, and it is certainly the fault of the social security system, which just takes your money; they don’t really want you to do well at all. When you are in a place where this reasoning receive support, then the situation escalates.

The logics of professions’ value differentiation is based on personal expertise and professional group membership (Thornton & Ocasio, 2008) The various public services involved in the substance use problem area enacted the logic of professions in combination with the bureaucracy logic. This implied that they had the authority to advocate certain ways of reasoning and acting on the basis of their expertise based on formal education, professional vocabulary, and positioning within specific professional communities. Representatives from the drop-in centre lacked this professional anchoring and consequently felt that they struggled to be heard and to justify their position. A quote from the interview with the second leader illustrates this:

We had a group that met regularly from different parts of the service system. I was the only one in these settings that had to explain our way of working. I had to defend it, while nobody else had to do that. I could have found vocabularies and concepts in the literature to describe it, but I chose to just describe it in my own words; the way I understood it and what I believed in.

Again, we see that the leader enacts the family logic of the drop-in centre, characterized by informality and daily life vocabularies, which loses ground and is hard to justify in encounters with the logics of profession. The superiority of professional expertise, which characterizes the other actors involved in the service system, places the representatives of the drop-in centre in an inherent dilemma. The enactment of the family logic is what makes the drop-in centre unique and different from the other actors within the public service system. This logic is at the same time contradictory to the highly valued professional logic, which assumes professional, categorized relations between people, rather than personal and informal relations of the family logic. Paradoxically, the uniqueness of the family logic justifies the existence of the centre, while the prevalence of the family logic also threatens the legitimacy of the centre because it is then deemed ‘unprofessional’. These dilemmas were evident when representatives from the drop-in centre met with the other actors working with substance use problems. The second leader explained: “We provide essentially a kind of care, which entails a fine balance between professionalism and just being human”.

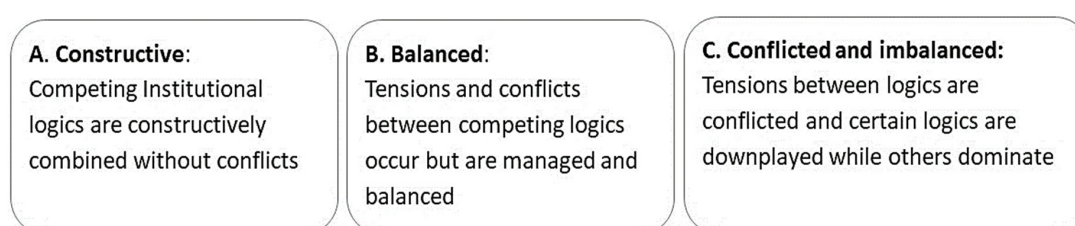
To summarize, the case shows how an innovation (introduction of a new kind of service offering) struggles to sustain itself due to conflicts between competing institutional logics among collaborating organizational actors. The analysis shows that the public sector actor enacts the logics of bureaucracy and profession, while the non-profit actor enacts the logic of family and democracy. The conflicting relations between competing logics led the public sector actor to increasingly control and downplay the logics of the non-profit actor, which resulted in an increasingly imbalanced collaborative model.

## Discussion and contributions

The collaborative innovation argument is largely built on the assumption that a multi-actor approach to innovation takes place through constructive management of difference (Agger & Sørensen, 2018; Torfing, 2019; Torfing et al., 2020). However, as shown through this study, constructive management of difference may be just one among several possible scenarios of collaborative innovation processes. While the case examined here started out with the best intention to bring in new actors that could question the status quo and ‘challenge the municipal system’, it proved difficult to find ways of ensuring constructive management of difference. Rather, the differences between the actors became gradually more problematic and eventually conflicted and destructive. Therefore, the collaborative relations became imbalanced in the sense that the logics of the public sector actor became more dominant, and the logics of the non-profit were downplayed. While this can be seen as an effective strategy for reducing tension and conflicts in the collaborative relations, it counteracts the point of bringing in heterogenous actors to spur creativity and innovation as the actors become gradually more similar.

Based on these findings, a more nuanced understanding of collaborative innovation can be proposed. There are (at least) three possible ‘scenarios’ for how the dynamics of differences between actors may play out in collaborative innovation, it can be: 1) Constructive 2) Balanced or 3) Conflicted and imbalanced (see figure 1). Moreover, the analysis shows that institutional logics theory is helpful for conceptualizing and analysing differences between actors in collaborative innovation. The lens enables analysis and comparison of inter-organizational relations across cases and organizational contexts (see for instance Mullins, 2006; Saz-Carranza & Longo, 2012; Skelcher & Smith, 2015), and it provides analytical tools that are helpful for identifying and making sense of underlying tensions and conflicts in collaborative arrangements.

Collaborative innovation processes may be characterized by one of the three scenarios displayed in figure 1; the scenarios may co-exist and overlap, or collaborative innovation may shift between different scenarios over time. For instance, Saz-Carranza & Longo (2012) show how conflicts and tensions between logics in a collaborative arrangement between a public and commercial actor were constructively managed, reaching a situation in which different logics were balanced and allowed to co-exist. Thus, the case shows a shift from C (conflicted) to B (balanced) during the collaborative process. In the case examined in this paper, we see shifts in the other direction over time. The collaborating actors started out with a collaborative climate in which it was assumed that different institutional logics could be constructively combined (A), but the differences became problematic and failed to be managed and balanced (B), and the relations between competing logics became eventually conflicted and imbalanced (C). In this way, the model can help to capture how collaborative innovation may evolve through a combination of different scenarios.



**Figure 1:** Scenarios of how institutional logics interact in collaborative innovation

Exploring different scenarios of collaborative innovation contributes to address central shortcomings in the research literature. It provides ways of analytically approaching collaborative innovation in more neutral manners by departing from the premise that interactions between different actors (and logics) may not only foster creativity and innovation, but also conflicts and destructive patterns. Thinking of collaborative innovation in terms of different scenarios thus enables analytical approaches that move beyond the positive normativity dominating the existing literature (Wegrich, 2019).

This study shows that such broadened understandings of institutional logics in collaborative innovation become particularly relevant when such arrangements involve the ‘third sector’ and non-profit actors. Previous research has underlined the importance of ensuring balance between competing logics in inter-organizational collaboration (Saz-Carranza & Longo, 2012) and it is found that such balances are more likely to occur in arrangements where public service organisations collaborate with for-profit organizations (Jay, 2013; Purdy & Gray, 2009; Reay & Hinnings, 2009; Saz-Carranza & Longo, 2012). In collaborative models where the collaborating actors are non-profits, imbalances are more likely to emerge due to financing and resource dependency (Knutsen, 2012; Osborne et al., 2008). The empirical findings of the presented case study confirm these claims.

Finally, the findings of this study have also practical implications. First, the institutional logics lens may be helpful for practitioners that are managing or involved in collaborative innovation, because identifying and articulating the existence of different logics can help understand why and how conflicts occur, and it may enable actors to find ways to manage and balance competing logics. Second, the study underlines how heterogeneity of logics is valuable, and that the aim should not be to eliminate differences but to manage collaborative models that allow competing institutional logics to co-exist, as this may spur creativity and induce change. Understanding and debating the role of different logics can be an important part of this.

## Limitations

This article focuses on advancing and demonstrating the relevance of institutional logics theory for collaborative innovation research and practice. By highlighting the contributions of this perspective, I may have obscured or neglected its shortcomings and limitations. Still, it should be noted that while the theory on institutional logics have been widely adopted, it is also criticized and debated (Alvesson & Spicer, 2019; Thornton & Ocasio, 2008). First, it seems difficult to explain the micro-foundations of institutional logics; if logics enable and constrain individual and organizational agency, how do these socially constructed logics come into being in the first place? Second, the definitions of institutional logics and institutional orders are general and broad; so how are institutional logics different from connecting concepts such as paradigms, or discourses? The broad definition of institutional logics makes it an alluring concept which seems applicable to diverse contexts, but this may also imply that it is tautological (Alvesson & Spicer, 2019). Moreover, the connections between institutional orders and institutional logics are unclear, making it difficult to use the theory as framework for analysis.

However, the perspective still seems helpful for understanding and analysing dynamics, predicaments and dilemmas of collaborative innovation from a pragmatic point of view. This article has made a first attempt to apply this lens, but the applicability and limitations of the approach should be further explored through studies in diverse empirical contexts. The analysis of this case gave a quite simplified image of how dynamics between institutional logics came into play since the collaborating organizations so clearly enacted competing logics. Research in other contexts may show how different logics compete within organizations; how more hybrid logics emerge and how competing logics can co-exist and fuel collaborative innovation over time.

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