Culture as understood in a management sense is a term that is at once ubiquitous and ambiguous. An integral part of the inner life of an organisation, it is commonly understood as a coherent system of shared beliefs and assumptions which distinguish one group from another, are learned over time and which operate unconsciously (Schein, 1992).

One of the reasons behind the selection of culture as a focus theme of this issue of the JMM is that while much is known about the role of culture in organisations in general, far less is known about the specificities of its role in media firms, although many who have managed or researched in the sector have suggested that cultural influences are particularly strong (see, for example, Wolf, 1999; Graham, 1997; Wyatt, 2003).

As the articles in this special edition of the JMM show, culture’s influence on the sector is indeed pervasive: culture is a powerful undercurrent that directs the flow of many surface dimensions of life in media firms. First, as has been widely documented by researchers since the mid-1980s, the implicit belief structures that constitute culture affect a firm’s adaptive behaviour (see, for example, Schein, 1992; Marshak in Grant & Oswick, 1996), specifically they influence strategic choice, confirming Johnson’s conclusion (1992: 29) that culture it is “at one and the same time, a device for interpretation and a formula for action”. Thus, in this volume we learn how cultural values shared by executives in the music industry have influenced the strategies their firms have adopted in response to peer-to-peer MP3 file sharing. The repressive nature of these, and their lack of success to date, also provide insights into the dynamic by which a culture forged during a period of market dominance can also hinder an organisation when its environment changes.

As Edgar Schein explains in his contribution to this volume, cultural assumptions about the correct responses to the problems of internal integration and external adaptation are formed through organisational success. Continued success validates these further, and they are passed on to new members as the ‘correct’ way to feel and act. In this way is an organisation’s culture is perpetuated. Yet should the competitive environment change markedly, as, for example, did that of the music industry after the emergence of the Internet, what were appropriate beliefs about ‘correct’ strategic responses can become inappropriate, and a culture that was once positive can become “tenacious and unalterable” (Gagliardi, 1986: 119), limiting the scope of strategic options and ultimately inhibiting performance. The reason is that fundamental changes in strategy can require members of the organisation to change substantially their core assumptions, but such changes are hard to make. Revising basic assumptions requires us to revise some of the deepest parts of our cognitive structures, which temporarily destabilises our cognitive world, releasing large quantities of anxiety (Schein, cited in Coutu, 2002). From this dynamic comes the strength but also the intractability of culture as an organisational phenomenon.

The articles included in this edition of the JMM also provide suggestions of a link between culture and creativity. To return to the music industry, in the case of the those geographically-dispersed individuals engaged in the exchange of MP3 files, an activity that occurs placelessly in cyberspace (where common cultural assumptions are one of the few cohesive elements that links these individuals into communities), their shared implicit assumption that information, in this case digital music files, should be freely shared has resulted in the application of high levels of creativity in order to circumvent the music industry’s attempts to restrict their activities. From a theoretical perspective, the link between culture and creativity could function as follows. At its deepest level, culture concerns the underlying belief structures which give purpose to our working life – “the ... expressive social tissue around us that gives ... tasks meaning” (Pettsigrew, 1979: 574). And a sense that a task has a deep and real meaning in turn gives rise to a constituent that is central to organisational creativity, intrinsic motivation. As Amabile’s componential model of creativity in organisations shows (Amabile, 1993; 1996; Amabile et al., 1996; 1998), intrinsic motivation is the one of the strongest drivers of creative achievement.
Recent events indicate another potentially critical dimension of the role of culture in media firms, and that is its influence on the journalistic ethics that govern the nature of its creative output. In comparison to analysis of the cultural dimensions of the impact of the Internet on the music industry, this is an under-researched field, but reports to date of both the fabrication of stories by a journalist on the New York Times, discussed by Edgar Schein in this volume, and the events surrounding the tragic death of the UK scientist Dr. David Kelly, suggest that tacit assumptions shared by members of the news media community can have powerful tangible consequences for their organisations. As Edgar Schein points out here, without deeper analysis it is impossible to know what the content of these assumptions may be. But there are indications that within the professional culture shared by ‘quality’ news journalists, beliefs – perhaps concerning the primacy of speed over accuracy, or of attracting attention over depth of analysis – may exist. These events underline and how vital it is for media firms to understand the unconscious assumptions that influence the information they provide and for the public to understand that such beliefs exist and affect the information they receive.

About the articles in this edition

The Call for Papers for this special edition was written in fairly broad terms, and it was surprising therefore how the accepted submissions coalesced around a single theme; the cultural dimensions of the impact of the Internet on the recorded music industry.

Jointly, these contributions serve to underline how rich and multi-dimensional the concept of culture is, and how multifarious are its ramifications on organisational life. From a management point of view, culture is perhaps most frequently considered from the perspective of the organisation, and in his contribution here, Edgar Schein sensitises us to the fact that while organisational culture is a far-reaching concept, it is also a term that needs to be used with precision. Culture is not monolithic, but rather comprises many sub-dimensions including occupational cultures, sub-cultures and so on. The articles in this edition broaden the concept still further, to encompass also the cultures of external group organisations. Thus we learn of the culture of digital community networks, the consumers – albeit illegally – of the output of the music industry, and of the occupational culture shared by executives in the music industry, and the strikingly similar strategic responses implemented in response to this culture’s activities.

As an opening article in this edition we are honoured to have a contribution from one of the great scholars in the field of corporate culture, Professor Edgar H. Schein of the MIT Sloan School of Management. This wide-ranging article serves as a foundation for the subsequent ones in this volume, in that it not only provides an overview of what is understood by the term organisational culture, but also, through discussion of recent events at the New York Times and television news’ current preoccupation with breaking news highlights the intricacies, the ‘conflicting and inconsistent nature’ of the ‘cluster’ of ‘deeper cultural assumptions’ that ‘define the core’ of any occupation. The functioning and specific impact of such phenomena in the media arena is explored through discussion of how the assumptions that form the basis of journalists’ professional culture is then be filtered and subtly altered by those shared by the managers, owners, and perhaps even the advertisers who ultimately finance the media institution. In an Information Age, he argues, it is vital that the public understand the true nature of these varied assumptions that direct, ultimately, the editorial process and thus the information we have about events in the world.

In “Managing Pirate Culture: Corporate Responses to Peer-to-Peer Networking” Des Freedman explores two cultures in conflict: the executive culture of the music majors, and the culture of the users of peer-to-peer file-sharing sites. He reports how the culture of the former has for decades led them to rely on ‘simplistic narratives of technological succession’ as an explanation for falls in music sales, and in the current situation to perceive MP3 file-sharing as ‘theft which threatens the future of the industry’. In contrast, the cultural assumptions of the Internet downloaders lead them to view music as a ‘crucial communicative entitlement’ and thus to believe that ‘music can be free’. Intriguingly, he provides evidence that while the reported strategy of the industry is to effect a shift in the cultural values of the so-called ‘pirates’, so that they understand their activities constitute theft, in fact the conflict is engendering a shift in cultural values on the part of the music industry’s senior managers, evidence of culture evolving in response to challenges of external adaptation.

Much writing about culture concerns its internal influence on the firm. In “If I had a Song: The Culture of Digital Community Networks and Its Impact on the Music Industry” by Jerald Hughes and Karl R. Lang we gain insights into how cultures ‘external’ to the firm can influence strategy. In addition to offering a valuable historical perspective on the origins of the present structure of the recorded music industry, this contribution explores how technological developments have altered the economic and societal norms governing the creation and generation of music, and how this has given rise to a new cultural grouping, comprising the individual technology users who employ MP3 technology for musical ends different to those promoted by the music industry, such as to acquire music otherwise unavaiable, to sample new types of music, and to exchange music. New patterns of
interaction between these group members have in turn led to the emergence of new values concerning the exchange of information and intellectual property, which reflect the implicit structure of the Internet. The authors suggest that such cultural values, shared by music users and creators, may well shape the long-term consequences of IT innovation in society.

Much has been written about the music majors’ litigious response to the impact of the Internet. In “Innovative Product and Consumer Retention Strategies in the Music Business”, Michel Clement, Marcel Engh and Bodo Thielen evaluate an as yet little researched strategic response on the part of the music business, one which seeks to build on, rather than repress, the potential of the Internet, the so-called ‘Enhanced CD’. They detail the underlying rationale of such offensive responses, and drawing on a unique data set conclude that enhanced CD’s are a success in that they provide additional value for customers and strengthen the relationship between fans and artists.

The final contribution in this edition of the JMM does not relate to the special theme of corporate culture, but rather addresses a more general issue facing the media industry, organisation change. The CEO’s of media firms have been found to have a disproportionately direct influence on the growth strategies of their organisations (Eisenmann & Bower, 2000). In “Leadership, an essential requirement for effecting change in media companies: an analysis of the Spanish market” Francisco J. Perez-Latre and Alfonso Sanchez-Tabernero show how the influence of leaders of change initiatives in general is equally significant. Their study shows how radical change in media organisations requires the mobilising influence of transformational leaders, and also underlines the profound transformations which the Spanish media market has undergone in the past twenty-five years.

I hope that these articles provide a deeper understanding of the role of culture in the media industry, and that their collected insights are as stimulating to readers as they were to those engaged in the processes of editing and reviewing. To close I would like to thank all the contributors and reviewers who have put so much work into this issue, and also and most particularly Bozena for her sterling help in guiding it from conception to publication.

References


