

# **Mad Men of the Digital Age:**

## **Towards a New Conception of Control in the Advertising Field?**

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### **Abstract**

This paper uses Neil Fligstein's framework of conception of control in order to investigate IT-led transformations in the French advertising field. The adoption of the internet for advertising has led to fundamental changes in the field over recent years which have been under-researched in the literature. Our analysis based on a qualitative study involving extensive interviews with advertising experts as well as secondary data analysis, organisations in the field tend to move towards what we term an IT conception of control, i.e. a 'worldview' that is grounded in the growing centrality of IT for advertising. While this has resulted in the emergence of new organizational forms and the rise of new elites in the field, these processes have not been unilateral but incoherent and fraught with tension.

### **1. Introduction**

The impact of information technology (IT) on the form and function of organizations has been a topic of research in organization and management studies since the 1950s (see Zammamuto et al., 2007). Earlier deterministic accounts identified IT as one of the causes of an organization's structure (Thomson and Bates, 1957). From the 1990s onwards, developments in IT are seen as a driver of structural industrial transformations towards an increasingly complex web of networked organizations (Castells, 1996). In doing so, IT has been identified as a key factor in the rise of new organizational forms, sometimes referred to as 'virtual corporations' (Davidow and Malone, 1992) which are characterised by flatter hierarchies, interlinking structures, and decentralized decision-making (Child and McGrath, 2001). These new organisational forms have also had fundamental implications for the nature of work and employment (Grimshaw et al., 2002; Colbert et al., 2016). In recent years, organization research has become concerned with newer developments such as big data (George et al., 2014) while the theoretical frameworks deployed have moved away from deterministic accounts towards appreciating the mutually interdependent relationships between technology, organizations and work (see Orlikowski and Scott, 2009) as well the dimension of power (Bridgman and Willmott, 2006).

Unsurprisingly, developments in IT have had a seismic impact upon advertising. The internet has become the fastest growing platform for advertising (Ha, 2008) and fundamentally redefined customer relationships (Mohammed et al, 2003). Yet, relatively little is known about how IT shapes the advertising field and impacts upon the structure of advertising agencies. Our paper seeks to remedy this omission by asking the following questions:

1. In what way has IT been a factor in shaping perceptions and organizational structures within advertising over the last decade?
2. What are the implications of these changes for the advertising profession?

To this end, the paper deploys the Neil Fligstein's (1990) framework of conceptions of control in the context of the French advertising field. We argue that IT has been a major factor in driving organizational reorganisation towards a multidivisional form and the integration of advertising services. Yet, this process is fraught with difficulties and inconsistencies and has created divisions and struggles between incumbent managers and new 'digitally native' challengers.

## **2. Theoretical Approach: Conceptions of Control**

The concept of conceptions of control (Fligstein, 1990) allows for an investigation of the interrelated dynamics between the cognitive orientations of organisational actors and field level processes. In this context, an organizational field refers to a population of actors that constitute a social arena by orienting their actions towards each other (Fligstein, 2002). These actors are firms and consumers as well as intermediating regulatory agencies that range from the state to lobbying groups, unions, advocacy groups, and social pressure groups (Di Maggio and Powell, 1983).

According to Fligstein (1990, 2001), organizations are driven by the need for survival rather than profit seeking per se. Crucial in this respect is how they address problems and threats resulting from competition with other firms. Therefore, both the structure of fields as well as the internal organization of firms are aimed at controlling and mitigating the effects of competition.

In doing so, actors rely on so-called conceptions of control playing the role of 'cognitive scripts' (Beckert, 2010) that simplify decision-making. These scripts act as a form of collective identity (I would prefer shared categories?) with which actors can identify in order to promote stability and types of competition that actors can agree upon. Once established, conceptions of control become part of the culture of the organisation. They form a sort of 'social structure in their own right' which provides referential categories to act despite the uncertainties of the outcome. As Fligstein (1990, p.12) puts it:

'Conceptions of control are totalising worldviews that cause actors to interpret every situation from a given perspective. They are forms of analysis used by actors to find solutions to the current problems of the organization. At the centre of conceptions of control are simplifying assumptions about how the world is to be analysed'.

These conceptions of control affect the strategy, structure and the so-called sub-unit power base of the firm. The latter refers to the group within an organisation that can lay claims to the organization's goals and direction and from which high-ranking executives might emerge. Firms whose structures and strategies correspond to dominant conceptions of control within a field gain legitimacy (Meyer and Rowan, 1977). However, factors endogenous and/or exogenous to the field (e.g. internal power struggles or a technological jolt) might result in a changing cognitive outlook. This, in turn, may lead to the

delegitimization of existing institutional arrangements which favours ‘skilled actors’ with new solutions and visions (Fligstein and McAdam, 2012; see also Suddaby et al., 2016).

Fligstein (1990) traces the historical evolution of conceptions of control in the U.S by broadly distinguishing five stages: a direct conception of control (1865-1904) characterized by the formation of cartels and trusts, a manufacturing conception of control (until the 1920s), associated with the pursuit of manufacturing strategies, a sales and marketing conception of control (until mid-1950s) associated with product diversification and the emergence of marketing, a finance conception (until 1980s) of control characterized by the rise of finance and the multidivisional form of the firm and, finally, a (somewhat related) shareholder value conception of control (from the 1980s) associated with the maximization of shareholder value for corporate governance (Fligstein and Shin, 2007).

This ‘evolution’ of conceptions of control can be conceptualized as processes of power struggle within both firms and fields. Power struggles within organizations determines which conceptions of control will proliferate and how these will be translated into particular structures and strategies by the winners of these struggles (Fligstein, 1990, p.17). As Rajao and Hayes (2007) point out, the introduction of new information technology can be at the center of the power dynamics and struggles surrounding the emergence and shape of novel conceptions of control.

However, despite its analytical potential, the concept of conceptions of control has been under-used in terms of investigating both the dynamic interplay of organizations and fields as well as in terms of mapping broader transformations within the contemporary economy and corporate governance/ organizational structures (for exceptions see Lamarche and Rubinstein, 2012 and Rajao and Hayes, 2007) which our paper seeks to address.

## **1. Methods and Data**

Our paper deploys a qualitative approach that is based on a two-fold process of data collection. Firstly, a documentary analysis was carried out in order to investigate the broader structuration of the French advertising field. Secondly, a series of semi-structured interviews were conducted in order to map the experience of advertising experts with regard to recent technology-induced changes in the field.

The documentary study consists of information from three types of sources: market surveys, websites of professional bodies (such as the Association des Agences Conseil en Communication) and trade and national press outputs via the Lexis-Nexis, Factiva and Delphes-Indexpresse databases from 1988 to 2008). Additionally, 100 interviews with 85 communication professionals were carried out.

The interviews were conducted in four distinct phases: an exploratory phase and three data-collection phases from 2005 to 2013. This process produced more than 1,900 pages of interview data. After the phases of coding and sub-coding of the 100 interviews five dominant themes emerged.<sup>1</sup> This article is mainly based on three of these themes which refer to a) the digitalization of the field b) organizational change and c) the representation of professional culture within the field.

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<sup>1</sup> 1. Market transformations (40 pages and 160 verbatims). 2. Digitalization (42 pages and 169 verbatims). 3. Organizational change (38 pages and 152 verbatims). 4. Fees and measurement (88 pages and 278 verbatims). 5. the culture of the advertising profession (43 pages and 181 verbatims).

## 2. Findings

### 4.1 The Emergence of an IT Conception of Control

The rise of the internet can be understood as a major technological jolt to economy and society. As a founder and CEO of an independent communication agency puts it: “information technology is massively shifting the lines in our society, in the way we live, the way we consume, the way we produce” (TPM 002, 2006).

The rise of the internet for advertising initially resulted in a loss of meaning (cf. Fligstein and McAdam, 2012 chapter 2) and a delegitimization of existing institutional arrangements and established referents within the advertising field.

The new elites that emerged from this scenario are the tech-savvy practitioners that succeed in adopting a quantifiable and “scientific” approach towards marketing that is based on the use of IT. As a CEO of a network of digital agencies points out, the internet “scientificizes” marketing and therefore tends to disqualify what he calls “street performers” such as the more traditional advertising experts:

At the heart of [*my network of agencies*], there is the promise to scientificize through a highly-integrated service marketing approach, to make marketing and communication much more rational, much more predictable and thus much more manageable and steerable. It is a genuine corporate discipline, more than a performer’s trick to please the CEO [of the advertised brand]. And thus, this makes the digital totally central to the rationalizing agenda, because digital communication is measurable. (TPM 038, 2009)

As a result, new forms of inter-disciplinary competition have emerged within the field which redefines the parameters that used to delineate the role of each discipline and its professional jurisdiction. As an agency manager puts it:

Everyone is becoming the competitor of everyone. TV channels have become our competitors, media agencies have become our competitors. The below the line, the web... In fact, everyone is in competition with everyone. In the end, everyone knows how to do everything, at least so they say. That is the first thing, highly disorganized competition. There is a sort of explosion because everyone wants to do everything. (TPM 015, 2008)

As IT is transforming the categories and institutional frameworks of the past, communication experts react by originating new organizational forms which are able to circumvent rivalries and jurisdictional overlaps and thus are aimed at controlling competition.

### 4.2 New Organizational Forms

IT became one of the main drivers of organizational restructuring toward a multidisciplinary form which seeks to address the aforementioned problems of increased competition, blurred jurisdictions, and loss of established institutional rules.

Until the 1970s, the organizational norm was the “one-room office”, an agency specializing in a single discipline of communication. On the back of the 30 prosperous years following World War II, operators could preserve their market share while remaining specialized.

Due to progress in IT as well as the combined pressure of economic crises (1975; 1991; 2000; 2008), a new type of agency came into being, the “one-stop shop” with all the different communication disciplines in one place illustrating a more integrated conception of control. The communication groups that were historically built around advertising started underplay their advertising skills by focusing more on their ability to “orchestrate” a whole set of complementary skills (direct marketing and promotion, public relations, corporate communication, etc.).

When I started [*in 1978*], as I was telling you, [*my network, one of the world's biggest operators in marketing communication*] was slightly ahead with a revolutionary concept - orchestration. [...] All the big groups started promising both the coverage of all the disciplines at the same time, and a slightly reunified and global vision of communications. (TMP 029, 2009).

The discourses on the marketing profession surrounding these developments became highly idealized proclaiming to provide “global” services and the combined “orchestration” of all marketing disciplines. However, in reality, the creation of synchronicity and collaboration between the different communication disciplines became somewhat more difficult to achieve. Nevertheless, the appeal for multidisciplinary organizations solidified with the spread of the internet. The talk now became of “360 agencies”.

Professionals from all the different disciplines were required to work together in order to propose a more “integrated” responses to advertising. However, while advertising specialists were increasingly put under pressure to accept the digitalization of the profession, they could not do so without placing themselves in peril. As a result, advertisers came to live within a permanent state of tension between the economic pressures towards digitalization on the one hand and the preservation of their discipline-specific expertise and power on the other.

In order to bypass both disciplinary quarrels and advertising experts’ resistance, young executives started to found new agencies which are more suited to their own understanding of the demands of the moment:

I wanted to set up a company that was more in line with a changing world, that would profit from this changing world rather than having it forced upon it. It’s much easier when you are a start-up, you play an attacking game, rather than defending. You don’t have much, you have no legacy, you have no historic model to protect. (TPM 038, 2009)

The rise of the internet has therefore (to some degree) stimulated the realignment of existing organizational structure with a newly emerging conception of control as well as the emergence of new organizational forms. This, however, has also sparked resistance and ‘protectionism’ on the side of advertising experts.

### **3. Conclusion**

The established ‘cognitive scripts’ within the advertising field which are associated with a conception of control that prioritizes specialist advertising experts (slowly and rather incoherently) give way to new ‘ways of seeing the world’ as well as novel organizational

strategies to control competition (cf. Fligstein, 1990). This, in turn, has sparked the emergence of new organizational forms and structures as well as the rise of digitally literate players and elites. More broadly, these processes feed on, and contribute to, structural transformations in economy and society which are increasingly driven by information technology (Castells, 1996).

However, while these developments effectively take root in small agencies, they are facing a number of pitfalls in larger ones. Here, these developments come up against obstacles which are not solely attributable to age effects but are due to the fear among established advertising specialists of losing control over their agencies and the field. Notably, the new digitally literate challengers have not made it to the very top of established agencies yet. Therefore, while the notion of conceptions of control provides a useful tool in terms of mapping recent developments in the field and beyond, it should not be reified but understood as process that can be contradictory and conflict-ridden.

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