

FROM COOPERATION TO COMPETITION:

Changing Strategies and Logics of Action in the Nordic Postal Industry

Kristian J. Sund

Roskilde University

sund@ruc.dk

Abstract

This paper explores the transition from logics of cooperation to logics of competition in strategic groups in liberalizing industries. A number of industries have traditionally been characterized by government ownership and monopoly power, such as the transportation industry, power generation and distribution, telecommunication and many others. Within such industries, it is common to collaborate with peers in other countries. Over the past thirty years, a number of these industries have been deregulated or even fully liberalized, and many of these organizations have been privatized, either partially or fully. They suddenly face a situation where they risk having to compete rather than collaborate across borders. I suggest that the notion of logics of action, usually associated with studies of institutional fields, can usefully be applied to the study of cognition in strategic groups. Over time, a dominant logic emerges through cognitive processes of simplification, elaboration, and the avoidance of cognitive dissonance, as well as through interaction between executives, across organizations within the strategic group. These processes serve to maintain a dominant logic of competition in strategic groups over longer periods, until external environmental changes lead to a sufficiently large rise in dissonance, prompting the emergence of a new logic. The Nordic postal industry today presents many of the hallmarks of a strategic group, including pursuing similar strategies, regularly benchmarking against each other, and pursuing both competitive and cooperative strategies against and with each other. Until the end of the 1990s cooperation was maintained and competition avoided. However, the transformation from government agency to government-owned corporations, as well as the impending liberalization of the European postal market, initiated a transition from logics of cooperation to logics of competition within the strategic group. Then, in 2007, the logic of cooperation within the group was permanently disrupted by the unexpected merger of the Swedish and Danish posts, leading to the creation of a new company, Post Nord. A new logic focussing almost entirely on competitive logics emerged during the 2000s and entirely replaced the logics of cooperation in the aftermath of this merger. The empirical base for this chapter is a series of interviews conducted with the top management of the Danish, Norwegian and Finnish Posts, complemented by a variety of historical documents.