In the field of mass communication, the term theory is often loosely defined.\(^1\) Paradigms,\(^2\) conceptual frameworks, models, normative theories and, of course, actual theories are all frequently referred to as theory, although very different constructs are represented by those words. As traditionally defined in science, a theory is a systematically related set of statements about the causes or relationships underlying observable phenomena (Rudner, 1966). Theories are developed by abstracting from observation and are confirmed through repeated experiments designed to test hypotheses related to the theory. The result is often the development of law-like generalizations about underlying causes and relationships.

The purpose of a theory is to increase scientific understanding through a systemized structure capable of both explaining and predicting phenomena (Christensen & Raynor, 2003; Hunt, 1991).

Accepted theories become a part of our understanding and are the basis for further explorations of less-understood areas. Even though not all phenomena can be replicated in experiments, quantified, and measured—a problem often faced in the social sciences—multiple observations and identified causal processes constitute the basis for theory. Good theories are valuable for making predictions. Being a statement of cause and effect, they help us predict with a certain degree of confidence future consequences of our current

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\(^1\)It has been observed by Jonathan Turner that there is an increasing tendency among social scientists to use the term theory in a “humpty-dumpty fashion.” One of the often-cited examples is the mistaken notion that the theory “emerges” when sufficient number of facts are gathered about a subject (Turner, 1993).

\(^2\)Paradigms are differences in the ontological and epistemological assumptions underlying scholarship. They are discussed in detail elsewhere in this volume.
actions. Sound theories also help to describe what is happening and why, hence, they are valuable tools for data interpretation.

In mass communication and social science research, theory is used in a broad sense and generally refers to conceptual explanation of phenomena. Among social scientists, a theory represents the way in which the observers see the environment and its forces rather than its specific causes, as is the case in the physical sciences. Few theories developed in the social sciences have met the physical sciences test of describing law-like causal forces, but social science theories do constitute a set of useful concepts and frameworks that contribute to general understanding.

For all of their usefulness, theories do have limitations:

- They are focused and very specific; therefore, they cannot give full explanations of all factors involved. This very characteristic usually results in deterministic explanations.
- They tend to be based on narrow, unrealistic assumptions. Theories aim to develop models used for predictions of future behaviour and consequences, but they need to deal with complications of the unpredictability of individual humans and social groups.

A theory represents a fairly advanced level of understanding in a particular area and emerges, if at all, only after considerable research on a specific topic. Consequently, much, if not most, social science and mass communication research is conducted without the benefit of fully developed theories. In the absence of a cohesive theory, the primary approach to abstracting relationships is to use conceptual frameworks. Conceptual frameworks draw on existing research that has revealed underlying relationships or variables relevant to the current research question and builds them into a new framework for understanding a specific situation. A conceptual framework may involve identifying and testing the interrelationship between variables that emerged in very diverse streams of research. It also may take the form of developing a systematic way of categorizing phenomena. As Ulrich (1984) points out, conceptual frameworks serve as a frame of reference where useful thoughts can be placed and organized systematically. Frameworks, in this understanding, identify the relevant variables and questions that an analyst should consider in order to develop conclusions tailored to a particular situation or company (Porter, 1991). The use of conceptual frameworks is often a step toward the development of a more fully tested theory.

A third approach to abstracting or understanding the variables related to a phenomenon is to develop and test models. Models are specific descriptive statements, often visually diagrammed, about the relationships among variables or the process through which something occurs. In communication sciences, models have been widely utilized and offer convenient ways to think about communication. As with theories, using models contains some risks. They tend to encourage scholars to harden their conceptions of how a process works, slowing further development and refinement, and they can be self-perpetuating, keeping alive questionable assumptions (McQuail & Windahl, 1993).

Finally, in addition to positive theories, that is, theories that describe real cause–effect relations, the social sciences also have developed normative theories. Normative theories
are a subset of theories that describe norms and behaviours that *should* exist, rather than those that do exist. In essence, normative theories are prescriptive rather than predictive. Recommendations developed based on normative theories challenge existing systems and generate new points of view.

The common thread uniting research that utilizes theory, conceptual frameworks, models, or normative theories is the focus on abstracting underlying causal variables from observed phenomena. The results of such research can then be applied toward understanding events that involve similar variables but that may occur in entirely different contexts. In contrast to such a theoretically or conceptually based approach, atheoretical or descriptive research is research that describes phenomena or events without trying to identify anything more than direct, contextually specific factors. As a result, atheoretical research provides a detailed snapshot of the conditions at one particular place and time. However, because underlying forces are not abstracted, as soon as the conditions or context change, it can no longer be assumed that the findings are valid. Nor can it be assumed that the findings can be applied to other similar situations. Consequently, descriptive research has little long-term value to the scholarly community.

An example of atheoretical research would be a study that described the media mergers and acquisitions that occurred in a specific year. A conceptually based study of the same phenomenon might be one that applied strategic theory to understand the common market, competitive, or resource conditions among the companies that launched mergers and acquisitions in that year, rather than focusing on the details of the mergers themselves. Findings from the conceptually based study could be used to understand or predict future mergers and acquisitions in the industry, whereas the atheoretical study would be valuable primarily to business historians as documentation of the events in a particular year.

In summary then, in its abstraction from the specific to the general, theory allows us to recognize, understand, and solve problems that have similar underlying factors, even though on the surface the problems may seem dissimilar. Theory allows us to predict *probabilities*, but not certainties, in human behavior.

In media management research, most theory is drawn from the larger field of organizational studies and, in principle, is based on similar constructs. Management theory is considered distinct from economic theory, although both microeconomic and management theory focus on organizational-level phenomena. Also, management research often, although not always, includes economic performance among the dependent variables examined. Management science is seen as one of the applied sciences that would serve managers in a similar way as the physical sciences serve engineers. This particular positivist understanding of the practice of science is the main principle of research into management (Reed, 1996).

Management theory covers a spectrum of organizational topics that can be categorized along a structural-agency continuum. *Structural theories* focus on nonhuman organizational factors such as the organizational structure, market conditions, technologies of production, etc., whereas *agency theories* focus on the human influences in organizations: leadership, power and gender and racial diversity, decision making, culture, communication. The lines between this typology of management theories are, however, blurred because such areas as strategic management, although considered structural, clearly involve human elements as the very word strategy implies.
Although most of the theories and conceptual frameworks from which media management research draws are based in organizational studies, the field of media management is distinctive in a number of ways. First, media organizations produce information products rather than tangible products, and the underlying economic characteristics of information products differ from other types of goods in critical ways (Priest, 1994). These fundamental economic characteristics are related to crucial differences in demand, production, market, and distribution conditions, creating a very different management environment than is found in many industries.

Most important, media products have extremely high social externality value because of the central role information and media content plays in economic, political, and social processes. Because media are one of the critical infrastructure industries in society, media management practices have implications far beyond the purely economic concerns of corporate investors. Thus, although media management research shares with organizational studies a concern with financial outcomes, the field extends its focus to include the study of the effects of organizational management on media content and society. This very feature distinguishes the field of media management from the field of organizational studies. Indeed, Ferguson (1997) argued that until media management scholars develop distinctive theories that go beyond economics and applied management, it will be difficult to argue that media management is a domain of inquiry separate from either mass communication or organizational studies.

This extension of organizational theories to the study of content and social outcomes is not, however, without problems. Fu (2003) cautioned that when media management and economics researchers apply traditional organizational theories to research in which performance has been redefined as media content or social outcomes rather than financial performance, the theories may no longer be valid. Careful research is needed on this question. However, it is difficult to justify the need for specialized scholarly study of the media industry if the unique economic characteristics of media products and their larger role in society are not taken into account. Indeed, it could be argued that understanding the effects of management decisions on media content and, by extension, on society is explicitly or implicitly the raison d’etre of the field.

### THEORETICAL APPROACHES IN PUBLISHED MEDIA MANAGEMENT RESEARCH

An examination of 309 articles in the *Journal of Media Economics* (JME) and *The International Journal on Media Management* (JMM) was conducted to assess the last 15 years of research and the theoretical approaches used by media management scholars (Table 3.1). The time period was chosen because the *Journal of Media Economics*, the first refereed, academic journal focusing on issues relevant to media business, debuted in 1988. Studies relying on economic theory or management theory represented 77% of all the research published in those journals.

Among the articles based in management theories, strategic management was the conceptual approach most commonly used in both journals (Table 3.2). It must be noted, however, that the research analyzed here does not represent the full body of media
management research. A great deal of very influential research in media management has been published in other journals within the business, policy, journalism, and communication domains.

**TABLE 3.2**

distribution of media management theory published in the *Journal of Media Economics* and *The International Journal on Media Management*

<table>
<thead>
<tr>
<th>Media Management Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic management theories</td>
<td>54</td>
</tr>
<tr>
<td>Technology, innovation, creativity theories</td>
<td>21</td>
</tr>
<tr>
<td>Contingency/efficiency theories</td>
<td>9</td>
</tr>
<tr>
<td>Audience/media consumer/behavior theories</td>
<td>12</td>
</tr>
<tr>
<td>Political economy/normative approaches</td>
<td>5</td>
</tr>
<tr>
<td>Organizational/professional culture theories</td>
<td>3</td>
</tr>
</tbody>
</table>

\[ n = 137. \]

**STRATEGIC MANAGEMENT THEORIES**

Strategic management has been the most widely used theoretical or conceptual framework in media management studies to date. Numerous case studies and analyses have been conducted in an effort to understand why some media firms outperform others, which is the primary focus of strategic management research. Those studies have
addressed such issues as explaining the strategy of media market concentration (Albarran, 2002; Compaine & Gomery, 2000), adapting to changing market conditions (Albarran & Gormly, 2004; Greco, 1999; Picard, 2004), and exploring strategic options for companies operating in various markets and regulatory settings (Gershon, 2000; Hoskins, Finn, & McFayden, 1994; Liu & Chan-Olmsted, 2003).

Two conceptual frameworks for studying strategic management are recognized as dominant (Chan-Olmsted, 2003). The first builds on industrial-organization concepts and what has come to be known as the structure-conduct-performance (SCP) framework. The SCP approach focuses on the structure of industries and the linkages among an industry’s structure and organizational performance and conduct. Early work using the SCP approach was proposed by Bain (1968) and developed further by Porter (1991). According to the SCP framework, the structure of an industry (e.g., number, size, and location of firms) affects how firms behave (or their individual or collective “conduct”). In turn, the industry’s performance is related to the conduct of firms.

For media management scholars, performance stands for both economic performance—the traditional measure in organizational studies—and social responsibilities that media need to fulfill for the betterment of society (Fu, 2003). Studies that have applied the SCP paradigm to the media industry are numerous (Busterna 1988; Gomery, 1989; Ramstad, 1997; Wirth & Bloch, 1995; Young, 2000).

The second strain of strategic management research, known as the resource-based-view (RBV), builds on the assumption that each firm is a collection of unique resources that enable it to conceive and implement strategies. RBV strategies suggest that firms should discover those assets and skills that are unique to their organizations and cannot be imitated, thus protecting the organization with knowledge barriers (Barney & Hesterly, 1996). This approach is especially important and meaningful in the media industry because of the unique economic characteristics of information products (Chan-Olmsted, & Kang, 2003; Priest, 1994). In a content analysis of media strategy research, Chan-Olmsted identified an even split between the SCP and RBV approaches in strategic management research on media companies (Chan-Olmsted, 2003).

A third important approach to studying strategic management that has emerged in the media management field is based on ecological niche theory from the biological sciences (Dimmick, 2003; Dimmick & Rothenbuhler, 1984). Niche theory posits that industries occupy market niches just as biological species occupy ecological niches. The theory has proved valuable in examining competition among media corporations for scarce resources such as advertisers and audiences. It also helps explain how sectors of the media industry adapt to new competition such as from the Internet or other new media and technologies.

Although the SCP and RBV approaches and niche theory represent the most frequently used theoretical approaches to studying strategic management, the study of strategy covers a wide range of other topics. Market-entry strategy, branding, joint venture management, and new-product development are only a few of the more specific topics that can be conceptualized and studied as elements of strategic management. As research on the strategic management of media companies continues, the field may succeed in developing strategic theories specific to the media industry that take into account the special economic, social, and regulatory environments in which media industries
and organizations operate. Chan-Olmsted’s (2003) proposed analytical framework for strategy formulation and implementation is one step in that direction, as is Dimmick’s (2003) niche theory.

**STRUCTURAL THEORIES**

The primary approach in organizational studies to the study of issues of organizational structure has been structural contingency theory. It describes the relationships between organizational structures and performance outcomes. Grounded in assumptions of economic rationality, structural contingency theory argues that organizations will adopt structures that maximize efficiency and optimize financial performance according to the specific contingencies that exist within the organization’s market environment (Donaldson, 1996). Consequently, there is no single organizational structure that will be equally effective for all companies.

Structural contingency theory first emerged in organizational studies during the 1950s and subsequently generated a great deal of attention. Under the theory, organizational structures are deemed to include authority, reporting, decision and communication relationships, and organizational rules, among other elements. The primary contingency factors that influence organizational structures include organizational scale and task uncertainty. Small organizations and those facing low levels of uncertainty in their environments are theorized to operate most efficiently with simple, centralized structures, whereas larger organizations and those dependent on creativity and innovation are expected to perform better with more decentralized structures. The theory also predicts that if an organization adopts a structure that is not optimal given its specific contingencies, it will either evolve toward a more efficient structure or fail.

Structural contingency theory falls firmly on the structural end of the structural-agency continuum of organizational theory because it holds that, if human decisions lead to nonoptimal organizational structures, economic rationality eventually will reassert itself.

Within media management research, structural contingency theory in its classic form has been little used. This may change in the future as the structures of media organizations grow increasingly complex through media consolidation, and variances in performance across seemingly similar media corporations become more evident. But if media scholars have invested little effort in exploring the effects of organizational structures on economic performance, they have, instead, developed a related but unique stream of research. That research concerns the effects of media ownership structures on media content.

Research on the effects of media ownership structures on media content and organizational priorities first emerged in the 1970s in response to consolidation in the newspaper industry. By the 1980s the topic had become a major focus of research, and interest continued through the 1990s. Most research in the area has focused on the effects of newspaper chain ownership on media content as compared to independent ownership. The types of effects on content that have been studied have included endorsements of political candidates, editorial positions on current issues, hard news and feature news coverage, and coverage of conflict and controversy in the community (Akhavan-Majid,
Rife, & Gopinath, 1991; Busterna & Hansen, 1990; Donohue, Olien, & Tichenor, 1985; Gaziano, 1989; Glasser, Allen, & Blanks, 1989; Wackman, Gillmor, Gaziano, & Dennis, 1975). Although there have been some contradictory findings, most studies have concluded that ownership structures do affect content, although the mechanisms by which that influence occurs continues to be debated.

More recently, the focus of media management research on ownership structures has shifted from comparing the effects of chain and independent ownership to comparing the effects of public and private ownership (Blankenberg & Ozanich, 1993; Cranberg, Bezanson, & Soloski, 2001; Edge, 2003; Lacy & Blanchard, 2003; Lacy, Shaver, & St. Cyr, 1996). This research suggests that pressure from financial markets to maximize investor returns is reducing the resources publicly owned media corporations invest in newsrooms and content production. That, in turn, is presumed to reduce the quality of the news and entertainment products those companies produce, although the connection between reduced newsroom resources and reduced content quality has not yet been fully established.

Finally, another related area of research concerning the impact of media ownership structures focuses on the effects of such structures on news managers’ professional values and priorities, which are assumed to shape news decisions and the organizational resources invested in news coverage (Demers, 1993, 1996).

Important to note is that the majority of research on the effects of ownership structures on media content has focused on newspaper content. Relatively few structural studies have examined broadcast content (Chambers, 2002). This, no doubt, has much to do with the affordability and accessibility of newspaper content as a subject of analysis compared to television and radio content. However, in the face of the rapid consolidation in the electronic sectors of the media industry since 1996, the increase in television and radio duopolies, and the development and diffusion of centralcasting models among broadcasters, there is a clear need to expand the samples used in media structure-content research to include broadcast organizations.

**TRANSNATIONAL MEDIA MANAGEMENT THEORIES**

In the past 2 decades, the rapid movement of media companies into global markets has spurred a corresponding surge in research on transnational media management and economics. The topic has attracted interest for a number of reasons. There are many unanswered questions about how the kinds of consolidation and diversification involved in global expansion affect corporate financial returns; how globalization influences the content and quality of news, films, and other media products produced for a corporation’s home market; how media management structures and practices shape the products and content produced for audiences in foreign markets and, subsequently, how that content then affects the politics, economics, cultures, and public interest in the countries that receive it.

The importance of research on transnational media management issues is unlikely to diminish as media corporations’ global reach continues to expand. One of the challenges
of transnational media management research is developing theoretical or conceptual frameworks through which the phenomenon can be studied. Because transnational management includes so many different management topics, there is no single theoretical base for approaching research. This problem is characteristic of international business research in general (Parker, 1996). Indeed, perhaps the only unifying conceptual element in transnational organizational research is the assumption that having operations in multiple national markets will affect organizations or organizational outcomes in some way.

From a conceptual standpoint, much of the early research on transnational media operations focused on international trade in media products or the industry-level structures and economics of overseas media markets (Donohue, 1987; Dupagne, 1992; Gershon, 1997; Hoskins & Mirus, 1988; Thompson, 1985). More recently, there has been increased interest in the effects of firm-level behaviors within and across international markets (Chan-Olmsted & Chang, 2003; Hollifield, 1999; Pathania-Jain, 2001; Shrikhande, 2001) and, to a lesser degree, in the effects of foreign market environments on transnational media organizational strategies and decisions (Chan-Olmsted & Chang, 2003; Gershon, 2000).

At best, transnational media management research can be considered to be in its infancy as an area of study. A meta-analysis of transnational media management research (Hollifield, 2001) found that organizational-economic perspectives and critical perspectives were the theoretical and conceptual frameworks most frequently used by scholars. The analysis also showed that a significant proportion of transnational media management research was atheoretical and descriptive, and only one study (Weinstein, 1977) formally tested a model for transnational media management.

Regardless of the specific theories used, the majority of the transnational media management studies examined in the meta-analysis were based in assumptions of economic rationality. Said another way, on the continuum between structure and agency theories in organizational studies, most transnational media management scholars have taken a structural approach. Research has tended to cluster around issues of organizational structure, strategy, and policy (Chan-Olmsted & Chang, 2003; Gershon, 1993, 2000; Shrikhande, 2001). Relatively few studies have addressed specific issues of functional management such as finance, cross-cultural personnel management, leadership, product development, and operational coordination (Hollifield, 1998; Hoskins & McFadyen, 1993; Lent, 1998; Pathania-Jain, 2001; Pendakur, 1998; Wasko, 1998; West, 1993). Few scholars have yet ventured into studies of human agency in transnational media management such as how leadership, social networks, and decisions influence global media expansion, product development, and outcomes.

The use of such a variety of conceptual and theoretical frameworks has created a rich and wide-ranging view of transnational media management issues. However, it also has created a smorgasbord of only marginally related findings that offer little in-depth understanding of any particular issue or phenomenon. Far more systematic, programmatic research in specific areas of organizational structure, strategy, function, and leadership will be necessary before the field can claim to have a true understanding of the management issues and challenges facing transnational media corporations and their host countries.
ORGANIZATIONAL CULTURE THEORIES

Culture is a powerful force within organizations. Organizational culture shapes decisions, determines priorities, influences behaviors, and affects outcomes (Martin & Frost, 1996; Schein, 1992). It can be a source of organizational strength or a factor in organizational weakness. In media management, organizational culture became a topic of widespread research interest in the late 1990s and the early 21st century at least in part because journalists and financial analysts blamed organizational culture clashes for many of the problems that developed in major media corporations during that period (Ahrens, 2004; Klein, 2002; Landler & Kirkpatrick, 2002).

The concept of organizational culture has its roots in anthropology. Although the term culture has been defined many ways, most definitions recognize that culture is historically and socially constructed; includes shared practices, knowledge, and values that experienced members of a group transmit to newcomers through socialization; and is used to shape a group’s processes, material output, and ability to survive (Bantz, McCorkle, & Baade, 1997; Bloor & Dawson, 1994; Linton, 1945; Ott, 1989; Schein, 1992).

Organizational cultures are the product of a number of influences including the national culture within which the organization operates, the long-term influence of the organization’s founder or early dominant leaders as well as its current leadership, and the organization’s operating environment. The company’s primary line of business, the technologies of production it employs, and the market environment in which it competes are components of the operating environment. Thus, in the media industry, companies operating in the same industry sector, such as television stations, would be expected to share some characteristics of organizational culture because of the similarities in their products, markets, and technologies, whereas they would be expected to differ culturally from newspapers and radio stations for the same reasons.

Within most media organizations, there also exist multiple professional and occupational subcultures. Professional cultures unite individuals within the same occupation, even though they work for different organizations (Bloor & Dawson, 1994; Martin & Frost, 1996; Ott, 1989; Toren, 1969). The presence and mix of professional subcultures within an organization influences the culture of the overall organization, whereas the interaction between competing occupational subcultures within the company influences organizational behavior and climate. Research suggests that conflict between organizational and professional cultures is common (Bloor & Dawson, 1994; Ettema, Whitney, & Wackman, 1987). In general, organizational cultures are viewed by professionals as impinging on professional norms, freedom of action, and commitment to service of the public interest. Similar tensions occur between coexisting occupational subcultures within an organization.

National culture, the third element that shapes organizational culture, refers to the dominant cultural values and behaviors of the nation or region in which the organization is located. Also included under national culture are the individual national, religious, ethnic, and gender-based cultural differences that may exist among employees within the organization. Organizational culture theory can be used to address such questions as how the mix of multiple ethnic or regional cultures and their location within a dominant national or professional culture would shape organizational climate, behaviors, and outcomes.
In organizational studies, the surge in interest in studying culture dates back to the Japanese management revolution of the late 1970s (Martin & Frost, 1996). Initially, most organizational culture research focused on integrative strategies in organizations—also known as values engineering—but eventually research expanded to include the study of differences and conflicts between cultures. Cultural differences have been examined both in terms of actual occurrence and from a critical, normative perspective. The topic also has attracted scholars working from a postmodern perspective, who view organizational culture as a sea of endlessly changing, endlessly competing individual cultural narratives, rather than a single, unified organizational metanarrative (Martin & Frost, 1996).

As an approach to understanding organizations, organizational culture theory provides a bridge between the structural and agency camps of organizational studies. The definition of culture includes both structural influences such as the technologies of production, market conditions, and organizational and industry regulations, and human variables such as leadership style, socialization processes, communication norms, and the social construction of values.

Examination of media management research suggests that the application of organizational culture theory as a base for studying media organizations and management practices is relatively new, and the number of media management studies clearly grounded in culture theory remains small. Some examples of these studies include a comparative study of the roles that organizational and professional culture played in the hiring decisions of television news directors and newspaper editors (Hollifield, Kosicki, & Becker, 2001), an examination of the influence of corporate culture on the ability of news organizations to adapt to changing market conditions (Küng, 2000), and a study of the role that the New York Times’ organizational culture played in the Jayson Blair plagiarism scandal of 2003 (Sylvie, 2003).

In fact, however, interest in the effects of organizational and professional culture on newsrooms and media content have been part of media research for decades, even if it has not always been explicitly defined as the study of organizational culture. Breid (1955) and Gieber (1964) wrote the seminal pieces on media organizational culture in studies of the processes by which news organizations maintain social control over semi-autonomous journalism professionals. Both projects reflect scholars’ long-standing interest in the conflict—or cooperation—between the professional culture of journalists and the corporate cultures of the organizations that employ them.

In subsequent years, the underlying constructs of organizational and professional culture theory have infiltrated a wide range of media studies such as news construction, gatekeeping, ownership effects, and organizational innovation. News construction research is the study of how variables such as newsroom structures, news routines, the demographic profile of journalists, and journalists’ relationships with sources affect the selection and framing of news stories. Within the news construction research tradition, research on news routines examines the processes journalists use in their work and the way those routines—or professional cultural norms—influence story and source selection (Ettema et al., 1987; Hirsch, 1977; Shoemaker & Reese, 1991; Tuchman, 1973). Another related area of study has been how the technologies of news production, a factor in organizational culture, influence the professional norms of news routines (Abbott & Brassfield, 1989; Atwater & Fico, 1986; Lasorsa & Reese, 1990; Peer & Chestnut, 1995).
In summary, the concept of organizational culture has been widely used in the popular press to explain media corporate behavior and performance, and the constructs underlying organizational culture theory have been applied in news construction research for decades. But organizational culture theory itself started being applied directly to media management research only in the late 1990s. However, in the future, organizational culture may well become a leading theoretical frame for understanding media performance and content because of its potential power to explain a wide variety of corporate problems and behaviors. Media merger outcomes, the effects of media ownership on media content, the values-based conflict between journalists and their employers, the ability to foster creativity and innovation in media organizations, and the effects of global media content on national and local cultures are just a few of the media management issues that might be usefully studied through the theoretical frame of culture.

**TECHNOLOGY, INNOVATION, AND CREATIVITY**

The management of innovation has been identified as one of the most critical areas of research for the field of media management and economics (Picard, 2003). This assertion was supported by a surge in published research on the management of technology and innovation in media organizations, which began around 2000. Approximately 60% of the articles on media technology and innovation that were published by specialized media management and economics journals appeared after the turn of the century.

This research focus on technology and innovation reflects the fact that the media are one of a handful of industries facing the emergence of potentially “disruptive” technologies. Disruptive technologies are defined as “science-based innovations that have the potential to create a new industry or transform an existing one” (Day & Schoemaker, 2000, p. 2). The Internet, HDTV, and interactive television devices are examples of the types of communication technologies that, when they emerge, have the potential to significantly disrupt the underlying business models of existing sectors of the media industry.

Understanding the development, adoption, and economic and social impacts of new technologies on the media industry and its products is important to a wide range of stakeholders: media managers and professionals, economists, investors, policymakers, and consumers. Consequently, there is a need for programmatic research on technologies and innovations in media that will contribute to the development of innovation management theory.

The first step in developing systematic research that provides a foundation for theory development is to carefully define the nature of the phenomenon being studied. It is this step that may well be one of the most difficult obstacles in the study of technology and innovation in media. The process of building and testing theory requires that research be based around some consistent construct. If the phenomenon being examined is defined differently in different studies, then researchers are studying different things. This problem plagued organizational research on technology and innovation. In a 1996 study, Roberts and Grabowski identified seven different definitions of technology used by researchers up to that time. Those definitions ranged from purely material artifacts such as hardware
and software to sweeping constructs that included all forms of invention, innovation, and
human knowledge.

Even more complex is the notion of innovation. In some definitions, innovation was
a subset of technology. In others, technology was a subset of the broader construct
of innovation (Day & Schoemaker, 2000; Roberts & Grabowski, 1996). Finally, Day
and Schoemaker further conceptualized technology as disruptive and nondisruptive and
argued that organizations approached technology adoption and innovation management
differently depending on the disruptive or nondisruptive potential of the technology or
innovation in question.

Similar definitional problems have arisen during attempts to define the terms emerging
media or new media in mass communication research (Dennis & Ash, 2001; Rawolle &
Hess, 2000). Efforts to develop definitions for these terms have generated complex tax-
onomies ranging from such concepts as interactivity, digitalization, and convergence, to clas-
sification schemes based on usage such as transport media and end devices or online/offline,
and even some approaches based on audience behavior while using the technology such as
user attention high/low.

Such complex taxonomies can be important methodologically. It may be necessary
to carefully define the nature of specific innovations before doing large-scale compar-
ative studies of, for example, market structure-conduct-performance or market-entry
strategies. However, as yet, no consensus has developed among scholars regarding how
media technologies are to be defined or classified, and such consensus is likely to be dif-
ficult, if not impossible, to develop in the future. The absence of consistent classification
schemes almost certainly will hinder the development of theory in the study of media
technologies.

These definitional challenges notwithstanding, most research on technology and in-
novation in organizations is grounded in some underlying assumption about the nature
of the technology and its role in the organization. Some of the more commonly used
conceptual frameworks used to study technology and innovations in media organizations
are discussed in the following sections.

Economic Theory

New technologies present media organizations with a number of pressing economic
questions. One is the issue of whether demand exists for a new product or service. Another
is whether a feasible business model for producing the product can be found. Traditional
economic theory provides a framework for studying such issues as demand, market
competition, marginal costs, economies of scale and scope, the economic characteristics
of information, marginal utilities, price discrimination, and so on. Economic theory has
been widely used to study the market for emerging technologies and innovations (Chon,

An equally critical question facing the media industry is how emerging technologies
may disrupt existing media markets. Predicting with any accuracy the economic impact
an emerging technology will have on existing media markets is extremely difficult. Nev-
evertheless, some scholars have applied economic theory to the question (Rizzuto & Wirth,
2002; Shaver & Shaver, 2003).
Strategic Management Theory

New products, technologies, and innovations are a primary strategic weapon, and strategic management theory has been a central framework through which innovation in the media industry has been examined by media management scholars.

Strategic management research is grounded in a fairly wide range of conceptual frameworks, as noted previously. Among the frameworks used to study the strategic management of innovation in media companies have been Porter’s concept of the value-chain (Rolland, 2003), the industrial/organizational model (Chyi & Sylvie, 1998; Williams, 2002), marketing and branding theory (Ha & Chan-Olmsted, 2001; Johansson, 2002); market-entry strategies (Knyphausen-Aufsess, Krys, & Schweizer, 2002); strategic alliance and joint venture theory (Liu & Chan-Olmsted, 2003) and more mixed frameworks that incorporate several concepts.

New Product Development Theory

Management research has long focused on the issues and processes of new product development, and a rich literature exists on the topic. The importance attached to new product development reflects the fact that an organization’s ability to innovate successfully has been linked to financial performance. Among the issues of new product development that have been examined in the organizational literature have been product design processes (Bonner, 1999; Dougherty, 1996), technology and market forecasting, organizational commitment and goal-setting (Atuahene-Gima & Li, 2000), the effectiveness of the organizational structures and teams used in new product development (Day & Schoemaker, 2000; Wheelwright & Clark, 1992), leadership effects (Karlsson & Ahlstrom, 1997; Ruekert & Walker, 1995), and the effects of organizational, professional, and national cultures on innovation processes (Cheng, 1998).

Within the media management and mass communication literatures, there has been relatively little examination of new product development processes. Franke & Schreier (2002) studied how the Internet could be used as a new-product development tool for producers in all kinds of industries, and Saksena and Hollifield (2002) examined the internal organizational structures that U.S. newspapers had used to develop online editions as a new product. However, in general, organizational approaches to new product development in the media industry have been a neglected area of research.

Diffusion Theory

Another conceptual approach to research on new media products is the use of diffusion theory, which is also known as adoption of innovations research. Diffusion theory is probably most frequently used to understand consumer behavior in response to new media technologies. The theory holds that the successful diffusion of innovations occurs according to a predictable pattern that moves from the change agent, who introduces the innovation, to the laggards, who refuse to accept it (Rogers, 1995). Demographic factors such as age, education, and income have been found to be at least somewhat related to consumers’ willingness to adopt innovations. Diffusion theory helps explain a number of factors in new product development, including success, failure, and pricing.
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Diffusion theory originated early in the 20th century with the study of farmers’ adoption and nonadoption of new agricultural processes and technologies. Since then, the adoption of innovation framework has been widely applied across many fields as social scientists have sought to understand human responses to innovation and change. In media management and economics research, diffusion theory has been used to examine consumer behavior in relationship to a large number of new media products and technologies including broadband delivery of education (Savage, Madden, & Simpson, 1997), DVD technology (Sedman, 1998), digital cable (Kang, 2002), digital broadcast television (Atkin et al., 2003), high definition television (Dupagne, 1999), and the Internet (Hollifield & Donnermeyer, 2003; Kelly & Lewis, 2001), among others.

Diffusion theory also is a valuable theoretical framework for understanding organizations’ decisions to adopt or not to adopt new technologies (Rogers, 1995). Research on organizational adoption of innovations has found that organizational adoption processes are more complex than individual adoption decisions. More people are involved, the decision is influenced by the organization’s authority structure and existing rules and regulations, and decisions are contingent on previous decisions to adopt or to not adopt other innovations. However, relatively few media management scholars have used diffusion theory to look at organizational adoption issues within media companies (Lawson-Borders, 2003).

Effects of Technology Adoption on Organizations and Employees

Although few media management scholars have examined the processes of organizational technology adoption, quite a few have studied the effects of organizational technology adoption on media work processes and media professionals (Daniels & Hollifield, 2002; Russial, 1994; Russial & Wanta, 1998; Stamm, Underwood, & Giffard, 1995). This research, although limited in scope, suggests that the introduction of new media production technologies decreases job satisfaction in the short-term, changes job roles, forces media professionals to learn new skills, increases production time, and decreases the time spent developing content. However, the studies also suggest that the negative effects of new technologies dissipate over time.

Uses and Gratifications

Uses and gratifications is another framework through which consumer behavior in regards to new media products and services has been examined. The uses and gratifications approach looks at the ways consumers use media and the utilities they receive from that use. Uses and gratifications is a conceptual framework rather than a theory, and generally it is used to describe and classify audience behavior rather than to predict it.

Lacy and Simon (1993) identified five basic uses or gratifications that people receive from consuming media products: surveillance of the environment, decision making, entertainment and diversion, social cultural interaction, and self-understanding. Although uses and gratifications has been widely used to understand other aspects of media-use behavior, it has been less frequently applied as a framework for understanding consumers’ use of new media technologies and products (Dans, 2000; Rao, 2001; Rose, Lees, & Meuter, 2001).
Creativity

In the media management literature, creativity is a slightly different construct from innovation. Creativity is conceptualized as being the result of individual or small group effort, and generally is associated with content rather than products and services. Creativity is an issue of central concern to media companies, because the creation of content is the primary business of most media companies, and the development of content involves substantial financial investment and risk.

Even though creativity usually is conceptualized as an unpredictable outcome wholly dependent on human agency, most research on the management of creativity has focused on structural variables (Ettema, 1982; Küng, 2003; Newcomb & Alley, 1982; Turow, 1982). Far less research has been done in which individual or agency factors have been used as independent variables in studying creativity. However, the existing research supports the argument that leadership style affects the creative process (Hughes, Ginnett, & Curphy, 1999). Despite the importance of creativity to media corporate performance, few studies in the media management literature have examined the actual management of the creative process using the artist/producer as the unit of analysis (Newcomb & Alley, 1982).

LEADERSHIP THEORIES

Arguably the single most neglected area of research and theory development in the field of media management is leadership. This is not to say that leadership is considered unimportant. Much of what is written by journalists, authors, investment analysts, and even scholars about the performance of media corporations contains assumptions—one might even say "underlying theories"—about the role that one or more media executives have played in events.

But despite assumptions about the relationship between leadership and media organizations’ behavior and performance, there has been very little systematic research by media management scholars on leadership behavior and effects. Although the subject is generally well covered by media management textbooks (Albarran, 2002; Gershon, 2001; Redmond & Trager, 2004; Wicks et al., 2004), the number of scholarly studies of media leadership that have used primary data and have been published in media management journals has been surprisingly small.

Within organizational studies, leadership incorporates a fairly wide array of topics, all of which are focused on issues of human behavior. These issues include leadership traits and styles, follower traits and styles, leadership contingencies and situations, decision-making styles, communication styles, motivation and job satisfaction, the acquisition and use of power within organizations, and managing change, to name just a few. Most theories of leadership and associated subjects are based in psychological theory. On the continuum between structural theories and agency theories of organizational behavior, leadership and related topics fall firmly into the category of agency theory.

If leadership is a neglected subject among media management researchers, it is not so in the larger field of organizational studies. Leadership research originated among
organizational scholars before World War I with the development of Taylor’s principles of scientific management. The goal of scientific management was to maximize the efficiency of the work process through systematic management, but maximizing efficiency also included the need to motivate employees through both intrinsic and extrinsic rewards (Taylor, 1947). Consequently, embedded in the principles of scientific management were some fundamental approaches to leadership.

The study of leadership later evolved to focus on leaders themselves, rather than simply on the outcomes of leadership. In the 1940s, leadership research was dominated by the study of leadership traits, most of which were assumed to be inborn rather than learned (Bryman, 1996). The scholarly interest in leadership traits was followed in the 1960s by interest in leadership styles. In the late 1960s and early 1970s, the focus of leadership research changed again, moving to what is termed the contingency approach. The contingency approach recognized that successful leadership depends on more than just the leader alone. It is affected by the delicate interplay between an individual’s personal leadership style, the style and traits of the individuals being led, and the variables of the situation that provide the context in which leadership is occurring (Hughes, Ginnett, & Curphy, 1999). For example, the contingency approach argues that an authoritarian, hierarchical approach to leadership probably is the most effective leadership style in situations where there are serious time pressures or where workers may face significant risks and dangers. Given these factors, broadcast newsrooms would be environments where authoritarian leadership might be more successful than consensus-based leadership.

In contrast, hierarchal, authoritarian approaches to leadership are thought to stifle creativity and innovation (Hughes, Ginnett, & Curphy, 1999). Consequently, it might be hypothesized that consensus-based leadership would be common to media companies that depend on innovation or creativity for success.

Another major stream of leadership research known as new leadership or transformational leadership emerged among organizational scholars in the 1980s. It focused on studying leaders who had proved transformational for their organizations. The primary variable of interest in the new leadership school is the vision of the transforming leader, which is posited as the defining leadership trait.

The new leadership approach achieved widespread support in the 1980s and 1990s, spawning many popular bestsellers. However, it has been criticized on grounds that it focuses exclusively on the top leader of an organization, ignoring other forms of leadership. It also ignores the context of the leadership situation, and it uses success as the criterion by which leadership is defined (Bryman, 1996). The leader who fails is, by definition, not a transformational leader and, therefore, is ignored as a subject of study.

In the media management literature, only a handful of studies have directly or indirectly examined leadership issues. These have looked at such topics as the relationship between leadership and change (Gade, 2004; Killebrew, 2003; Perez-Latre & Sanchez-Tabernero, 2003), organizational problems (Sylvie, 2003), and organizational values and priorities (Demers, 1993, 1994, 1996; Edge, 2003).

Related to leadership research is the study of human motivation. There are a number of theories commonly used to understand motivation in the workplace. All are based
in psychological theory. The factors these theories predict are important to motivation and job satisfaction include (a) basic existence elements such as salary and safe working conditions; (b) social relationships in the office and a sense of belonging; and (c) opportunities for personal development and growth (Alderfer, 1972; Herzberg, Mausner, & Synderman, 1959; Maslow, 1954). Other theories of motivation describe the relationship between environmental conditions, the person’s personal interpretation of those conditions, and the person’s behavior (Bandura, 1986). Most motivation theory recognizes a difference between intrinsic motivations—the individual’s drive to meet his or her own standards and goals for growth—and extrinsic motivations—direct rewards for behavior such as raises, bonuses, promotions, or other forms of recognition by others.

Motivation is another area of leadership research that has been largely ignored by media management scholars. The single area of motivation that has been seriously examined in the field is job satisfaction among journalists. The research shows that among journalists, the factors that contribute to job satisfaction vary by age and industry sector (Pollard, 1995). However, journalists are generally more satisfied when they believe they are producing a high-quality news product that keeps the public informed (Weaver & Wilhoit, 1991), they have good relationships with management, job autonomy (Bergen & Weaver, 1988), and higher social status (Demers, 1994). In other words, journalists tend to be intrinsically motivated and focus more on professional values than organizational values.

An area of leadership research that began attracting attention from media scholars early in the 21st century was change management. In a changing economic, regulatory, and technical environment, change has become almost the only constant in the organizational environment of media companies. Indeed, many economists and organizational scholars believe that only organizations that are able to constantly change and adapt will succeed in the 21st century.

Because high levels of uncertainty and instability are demotivating to employees and tend to lead to employee turnover, knowing how to effectively manage people during periods of change and uncertainty has become an essential skill for media managers, particularly because the quality of media products are largely dependent on the personal talents of the individuals who create them. A handful of scholars have studied change management in the media, usually focusing on the effects of change on newsrooms and journalists (Daniels & Hollifield, 2002; Gade, 2002, 2004; Gade & Perry 2003; Killebrew, 2003; Perez-Latre & Sanchez-Tabenero, 2003; Sylvie, 2003). Generally, these studies have found that change is disruptive. However, the research generally also indicates that leadership plays a central role in shaping change-management outcomes.

Given the prevalence of change in the media industry, there clearly is a need for more research on change management, job satisfaction, and motivation issues. Additionally, there is a need to expand these research streams beyond journalists and newsrooms to examine how change and motivation issues are affecting media professionals and media performance in other sectors of the media industry.

Other aspects of leadership such as power, decision making, and communication have, as yet, attracted little attention from media management researchers. Research on these topics would contribute immensely to understanding the factors of human agency that shape media content and organizational performance.
MEDIA LABOR FORCE RESEARCH

The media labor force is a critical area of research in media management. Personnel is the largest single budget item for many, if not most, media corporations. For example, personnel compensation made up 42.4% of total company expenses in U.S. television stations on average in 2000—by far the biggest line item (National Association of Broadcasters, 2001). More important, because media products are information products, their quality and creativity is dependent on the knowledge, skills, and talents of the individuals who produce them. Consequently, knowledgeable, talented employees are the most valuable resource that media corporations control. A particularly talented employee is a resource that has the additional strategic advantage of being unique and hard to imitate.

The media labor force also is of interest from a public policy perspective. In the late 1960s, the Kerner Commission investigating the race riots that had occurred in U.S. cities during that decade argued that diversity in media personnel was important as a means of ensuring that minority populations and the issues important to them were accurately represented in the media. Since then, increasing ethnic diversity in the U.S. media workforce has been both a public policy and industry priority, and some other countries with significant ethnic diversity also have adopted it as a priority.

Finally, labor issues are important to nations for economic reasons because the media industry is a growth industry worldwide. Consequently, the financial health of the industry and the size of its labor force are issues of concern to policymakers in nations around the world.

The U.S. media labor force has been the subject of intense study for a number of decades and similar research is beginning to appear on the media workforce of other countries (Deuze, 2002). An assumption underlying virtually all media labor-market research is that there is a connection between the demographic and psychographic makeup of the media workforce and the content that reaches the public (Napoli, 1999; Shoemaker & Reese, 1991). Far rarer has been research that has examined the media labor force as a resource issue for media corporations.

In the United States, media labor force research has benefited from a number of well-funded, long-term research projects that have generated a wealth of valuable data. As a result, media labor force research is one of the few topics in the field of media management where significant theoretical development is beginning to emerge.

Since the early 1970s, mass communication scholars have been producing a decennial survey of U.S. media workers known as the “American Journalist Survey” (Johnstone, Slawski, & Bowman, 1976; Weaver, Beam, Brownlee, Voakes, & Wilhoit, 2003; Weaver & Wilhoit, 1991, 1996). The studies track the demographic and psychographic makeup of journalists in American newsrooms. Included are such variables as income, political affiliation, professional values, job satisfaction, and newsgathering techniques.

A second series of studies, known as the Annual Surveys of Journalism & Mass Communication Graduates, tracks trends in the labor pipeline going into journalism and other media professions. The studies, which have been conducted regularly since 1964, survey recent graduates of journalism and mass communication programs, reporting on their demographics, motivations for studying journalism, job seeking experiences, the
nature of their entry-level positions in the industry, and their starting salaries and benefits (Becker, et al., 2004).

The existence of these rich longitudinal data sets contributes immensely to understanding the media labor force. The collaboration among scholars doing this research has contributed to some important conceptual breakthroughs. For example, the existence of longitudinal data on both graduates and employees makes it possible to examine the connection—or disconnection—between the profiles of students graduating from journalism programs and those who the industry hires and promotes. This has been particularly valuable in examining issues of diversity in newsrooms and media companies’ ability to attract and retain personnel (Becker, Lauf, & Lowrey, 1999; Becker, Vlad, Huh, & Mace, 2003; Becker, Vlad, Daniels, & Martin, 2003).

In addition to these long-running surveys, other major studies of the labor market have examined such issues as media executives’ hiring practices for entry-level personnel (Becker, Fruit, & Caudill, 1987; Hollifield, Kosicki, & Becker, 2001), the demographics of media personnel and their opportunities for advancement (Brooks, Daniels, & Hollifield, 2003; Papper & Gerhard, 1997, 1999, 2000, 2001; Stone, 1987, 1988, 1989; Warner & Spencer, 1990), and other labor and media personnel issues.

Beyond labor market research, there is an immense body of literature on other issues of diversity in media. These studies range from the experiences of women and minorities as employees of media companies to issues of representation of minorities and women in media content. Very little of this research has been framed in the context of media management and, in much of it, the assumption of the link between personnel characteristics and content diversity is explicit. However, such a link has yet to be conclusively demonstrated through research, at least in part because of the methodological problems involved in establishing causal links between journalists’ individual demographic characteristics and the content they produce.

Far less well studied are the macroeconomic implications of media labor forces. In the 1990s, a few scholars examined the offshore outsourcing of jobs in the animation industry (Lent, 1998; Pendakur, 1998; Wasko, 1998). This phenomenon is likely to attract more attention from media management researchers in the future. Although the United States dominated the media industries in the 20th century and commanded the largest share of the media labor force, by the end of the century there were signs that dominance might change. If greater global parity in the production and trade of media products develops in the 21st century, the shift would have significant economic implications for the nations involved.

Although media labor force research is probably one of the most data-rich areas of the field, it still has a number of weaknesses. First, labor force research has focused disproportionately on journalists, leaving most other types of media employees unexamined. Second, much of the work rests on the assumption of a connection between the diversity of employment and diversity of content. A much greater effort needs to be made to test that hypothesis. Additionally, in contrast with much media management research, most media labor force research has been framed almost entirely in terms of its social implications. Research and theory development needs to expand to include the relationship between labor and the strategic management of the industry.
SUMMARY AND CONCLUSIONS

If the emergence of media management and economics as a subfield of mass communication can be dated by the development of specialized journals and divisions within scholarly associations, then the field is, by any measure, young. Moreover, as a specialized area within a much larger discipline, media management is the focus of only a small group of scholars when compared to mass communication as a whole or to organizational studies. It is hardly surprising, then, that so little organizational theory has been fully applied in the study of media organizations and that some key areas of organizational research hardly have been examined at all.

Nevertheless, media management research has made remarkable progress in the development of theory in several areas. The strategic management of media companies has drawn the most consistent attention from scholars, resulting in the development of a strong body of research on the structures of media markets and the strategic management of the resources that media companies control. Although much of the research has been less systematic than is necessary for theory development, Dimmick’s (2003) work on media market niches is just one example of theoretical development in the area of strategic management that has contributed significantly to understanding the behavior of media companies.

Another area in which media management scholars have made a unique contribution to theory development is on the implications and effects of organizational and corporate structures on media content. Finally, the rich, multifaceted longitudinal data gathered by scholars studying media labor force issues has labor-force research poised on the brink of important theoretical breakthroughs in terms of understanding such issues as the role of internal labor markets on industry’s ability to recruit and retain workers and the effects of personnel diversity on media content and creativity.

These are not the only areas, of course, in which media management research has contributed to theory development. However, analysis of media management literature shows that one of the weaknesses of the field is that research tends to be fragmented, unsystematic, and nonprogrammatic. Studies in the same general subject area often apply different conceptual frameworks, focus on different populations, or use different operational definitions. As a result, much of the research is of limited use in systematically developing and testing theory. In only a few areas of study are media management scholars developing programmatic research in which they carefully replicate and extend each other’s or their own work. Theory development requires this type of methodical approach in which each study seeks to verify and refine the insights provided in the last and extends the research to answer new questions that might have been raised.

Another challenge in the development of media management theory is the need to carefully reevaluate the theoretical foundations on which most research in the field has been built. Although many of the management theories drawn from organizational science naturally have proven valuable in the study of media companies, the theories were developed primarily through the study of manufacturing and service industries—industries in which the fundamental economic characteristics and production processes differ from those of the media industry in crucial ways. As a result, many organizational
theories—such as those in the areas of strategic management, structural contingency, and leadership—may not be completely transferable to media firms. Media management researchers should treat at least some organizational theories tentatively until they have been systematically re-examined in the media industry. More research that uses “normal” industries as a control group also might be valuable for purposes of theory development. Identifying differences between information-industries and consumer-product and service industries may help shed light on the management of media companies. This, in turn, should help strengthen both the predictive and prescriptive value of media management theory and research.

Media management almost certainly will continue to grow as a research specialty in coming decades. As media consolidation continues, there will be an increased demand for a better understanding of the relationships between media management, economics, content, and society. Additionally, as the competitive environment within the media industry changes in the face of new technologies, regulations, and market conditions, the industry itself will be seeking insights into effective management practices.

As a consequence, the strategic management of media companies is likely to continue to be a key area of study in the foreseeable future. Among the most pressing research questions facing those working in the area of strategic management will be the effectiveness of media consolidation and diversification as strategies and their effects on media content. Similarly, as scholars studying one of only a handful of industries that were impacted by truly disruptive technologies in the past decade, media management researchers are in a prime position to significantly advance the study of innovation management. The examination of technology from the standpoints of both new product development and organizational adoption almost certainly will be one of the central areas of research in media management and economics in the foreseeable future, as media managers struggle with the risks that emerging innovations pose to their markets and their corporate survival. For the industry, one of the critical needs will be to better understand effective organizational processes for evaluating, adopting, and innovating new technologies. Research suggests that managing innovation is a challenge for which relatively few media managers are adequately prepared.

Examination of the current state of media management shows that the most glaring omission in the field is in research on media organizational leadership and employee motivation. Clearly, this gap must be addressed. This area of study will be particularly important given the rapid changes overtaking the media industry and the industry’s heavy reliance on human capital in the creative processes of production. Among the critical research questions about media leadership that need to be answered are the relationship between leadership and the ability of media companies to thrive in rapidly changing market environments, the effective management of change, creativity, innovation, and professional cultures, and the impact of media executives and their personal values on the content produced by their corporations.

Also in need of more systematic and theoretically grounded work is research on the management of transnational media corporations, including structural, functional, and performance issues. In an era of rapid media globalization, far too little is understood about the behavior of media corporations as they operate in different national markets. There is a need for much more empirical information about the relationship between
corporate strategy and behavior and the impact that global media corporations may be having on the content, cultures, political systems, and economies of the nations in which they invest. The findings of such research have the potential not only to contribute to theory development but also to play a role in international policy processes.

Finally, media management scholars must continue to extend research on the outcomes of management decisions and behaviors beyond financial performance and organizational efficiency measures to include the quality of media content and social externalities. Given the media industry’s role as a central infrastructure in global communication, political, and economic systems, it is simply inadequate for media management scholars to adopt the traditional approach in organizational studies of measuring company and industry performance primarily in terms of financial and competitive outcomes. To develop theory that effectively predicts and explains the likely effects of media management decisions and behaviors on media content and, by extension, society may well prove to be the central conceptual challenge facing the field. But if the decisions of media executives and the behavior of media organizations matter enough to generate specialized study, then certainly understanding the full impact of those decisions both within and beyond the industry must be a central focus of media management research.

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