

# **INCUMBENTS UNDER PRESSURE: FRAME INVERSION AS LEGITIMACY BALANCING ACT DURING ISSUE SALIENCE**

In this qualitative research study, we seek to understand how threatened incumbents manage a dual legitimacy challenge through framing tactics when navigating a desired change from conventional, contested towards novel, sustainability-oriented business areas.

## **Theoretical motivation and research question:**

We depart from the literature on issue framing dynamics and issue salience, suggesting that once consensus over an issue is reached within an organizational field, the debate shifts from the issue itself towards the change of action. Yet, having reached salience of issues that triggers a change in behaviour, a multiplicity of demands and expectations prevails that might be in contrast to each other and threaten different dimensions of legitimacy. Particularly, the transition from old to new business avenues represents a legitimacy challenge for organizations, having to deal with a loss in moral legitimacy over conventional technologies while missing pragmatic legitimacy towards novel, sustainable business directions among existing stakeholders. While framing is a discursive construct that legitimates actions over issues, the literature on the framing dynamics alongside simultaneous change-pathways is still undertheorized (Cornelissen & Werner, 2014; Kim, 2021; Litrico & David, 2017). We address the dynamics between framing and change-pathways by investigating how organizations balance the legitimacy clash when having to divest from established, contested business areas and reorient towards novel, appraised actions. We ask: How do incumbents respond to dual legitimacy challenges during issue salience?

## **Methods:**

We chose a qualitative, longitudinal research design. Our study features an inductive analysis of central incumbents in the Norwegian O&G industry (2007-2022). We adopted an inductive approach building on two related stages of data collection and analysis. We collected rich documentary data, including annual reports, industry reports, and press releases, complemented with semi-structured interviews to explore how the issue becomes salient and how organizational change-responses. In order to investigate legitimacy management of emerging changes around issue salience, we combined process analysis (Langley, 1999) with grounded theorizing (Strauss & Corbin, 1994).

**Findings:**

We find that central field actors acknowledge the issue of climate change by developing a novel, issue-induced low-carbon frame. Our analysis that challenged incumbents navigate a change pathway along both sustainable (i.e., renewable energy) as well as conventional (i.e., oil and gas) business domains, legitimated by frame inversion. We suggest frame inversion as a legitimacy balancing mechanism that co-opts the issue-induced, emerging low-carbon frame and inversely rewires it to re-legitimate conventional, yet contested business investments in oil and gas, while renewable investments become legitimated by invoking the pre-existing profitable growth frame. Based on our findings, we develop a model of frame inversion explicating how threatened incumbents can handle dual legitimacy challenges through dynamic framing efforts. While our model highlights how threatened field incumbents discursively integrate and start to substantially enact the enduring societal issues of climate change, it also emphasizes the substantial effects of frame inversion and how it affords the temporal prolonging of established structures rather than fostering radical change. In our case, frame inversion implies a framing tactic that imports the central field issue rather than denying it, however, the issue becomes rewired and projected in a reversed way, namely to revitalize conventional business.

**Contribution:**

Our study holds contributions to the literature on legitimacy management and framing, as well as organizational responses to growing issues. First, our findings extend research on organizational responses to legitimacy challenges by showing how organizations manage conflicting dimensions of legitimacy during times of transitions, induced by issue contestation (Suchman, 1995; Deephouse et al., 2017). We suggest frame inversion as legitimacy balancing act in which incumbents inversely reshuffle arising as well as pre-existing field frames in the service of two opposing lines of action to direct audiences and catalyse their attention in a certain direction. By providing insights into framing dynamics across discursive and substantial change pathways, we contribute the growing interest in unpacking the dynamic nature of framing (Ansari et al., 2013; Litrico & David, 2017; Reinecke & Ansari, 2021). Second, our discussion of the specific framing tactics of threatened field incumbents also enriches the increasingly literature on incumbents' responses to climate change, showing that pathways of change do still focus mostly on maintaining conventional business areas, while building niches of sustainability-oriented businesses (Ferns & Amaeshi, 2021; Patala et al., 2019; Wright & Nyberg, 2017).