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A Small Exclusive Circle

An Institutional Approach to Business News

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Abstract

This article features a comparative study of the making of business news based upon interviews (2005 to 2010) with senior business journalists in Finland and Sweden as well as communication managers at two global telecom companies, Nokia and Ericsson. The article shows the complex and fluid dynamics of social construction. There are spans when corporate power over editorial practices is strong and other periods when business reporters and their supervisors effectively exert their control over these news processes and the construction of meaning. Communicative outcomes are not determined or predictable; rather, they are influenced by a socially grounded understanding of what is "appropriate". This case study shows that formal rules can be of limited value when assessing social processes.

Keywords: media sociology, journalism studies, business news, Nordic countries, social institution, sources.

Introduction

Over the last 20-30 years media coverage of business has increased in the Nordic region with the expansion of market capitalism (Ainamo, Tienari et al. 2006: 14, Kjær, Slaatta 2007, Grafström 2006, Viscovi 2006) driven by the ideology of maximising shareholder value (Kantola 2006, see also, Lazonick, O'Sullivan 2000). The diffusion of particular forms of management practices and business paradigms has transformed large parts of Nordic society, including journalism, where recent collective shortcomings can be traced to the dispute over the role of business journalists in the expansion of market capitalism (Doyle 2006, Fraser 2009). There is a continuing economisation and marketisation of the public sphere in which social and cultural functions are defined, monitored and evaluated in economic terms more than ever before (Schuster 2006: 4). This change in the social order has been legitimised by journalists as a manifestation of capitalist hegemony (Tumber 1993, Parsons 1989).

Nordic capitalism has been conceptualised as a social system of negotiation between different legitimate groups (Pedersen 2006) with national variations. Here this concept is transferred to the world of journalism and situations where these parties use news to establish and maintain their legitimacy and authority within a system of social control (for similar approaches to negotiated news, see Pallas 2007, Grafström, Pallas 2007, as well as Ericson, Baranek et al. 1989 and Cook 1998).

This article is methodologically inspired by the institutional approach and presents a sociological inquiry into the world of Nordic business journalism reflected in the context

of political economy. Thus, this article features a process-based concern regarding *how* and *to what extent* business journalists have conformed to certain practices of capitalism. The first contribution to the field is the conceptualisation and specification of these processes. The second contribution is the comparative analysis of business news in Finland and Sweden that elucidates variations in these processes, a relativism perspective that Tolbert and Zucker (1999) have called for.

News is determined by social mechanisms and negotiation – involving people, organisations, rules and practices – that make up the institutional environment for news making (Ericson, Baranek et al. 1989: 378). Furthermore, business news is conceptualised as a social institution which interacts with – almost to the point of being "colonised" by – other institutions within the wider social system of capitalism (Hansen, Cottle et al. 1998: 19) and thus exists in a symbiotic arrangement.

Business news is more precisely defined as *the institutional practices of gathering, selecting, packaging and presenting information on various aspects of the economy*. People involved in these processes, including business journalists, their editors and their routinised sources, belong to "a small exclusive circle" (Davis 2000, Davis 2003). Elite communication networks involve heads of industry, their communications staff, large institutional shareholders, analysts and financial journalists (Davis 2003: 676). There is an understanding among many political economy theorists that journalists are mainly serving the needs of elite groups (Golding 1981), which is a recurring theme in this article as well.

However, this understanding is only a starting point. By pursuing the institutional approach, researchers realise that it is not sufficient to only look at normative statements, formal editorial structures or explicit processes which might serve to legitimise and celebrate journalistic culture. In their now classic paper, Meyer and Rowan (1977) note that formal structures and institutional rules also have symbolic properties and might function as myths which "organizations incorporate, gaining legitimacy, resources, stability, and enhanced survival prospects" (p. 340). Thus, institutions are rules that "structure social interaction in ways that allow social actors to gain the benefits of joint activity" (Knight 2001: 33).

Design of the Study

The institutional approach in sociological work has been criticised for a lack of key concepts, measures or methods (Tolbert, Zucker 1999: 175). This study is an attempt to address such concerns. Pursuing the institutional approach involves identifying underlying social mechanisms that are crucial for understanding how individuals and structures interact; in other words, such an approach enables us to analyse how institutions work (Peters 2005). The empirical part of this study was formed by conducting semi-structured in-depth qualitative interviews with key actors involved in the construction of business news. These interviews, together with an examination of regulative agencies, have guided the researcher to a deeper understanding of the structures, media practices and organisational specifics of business journalism. The resulting analysis reveals how tradition, newsroom policies, routines, processes, purposes, formal rules and the action of sources together comprise this type of news work or genre.

While global capitalism has spread in the Nordic region, it has also undergone transformation and adaptation that affects news making. In order to detect national variations in institutionalisation, the researcher decided to focus on news making related to two global telecom companies, Nokia and Ericsson in Finland and Sweden. These companies are viewed as two agents of global capitalism with some specific national features.

Interviewees were chosen from the largest daily newspapers – *Helsingin Sanomat*, (2012 circulation: 337,962), in Finland; *Dagens Nyheter* (2011 circulation: 292,100) in Sweden; and the largest business newspapers in Finland, *Kauppalehti*, (2012 circulation: 63,471) and Sweden, *Dagens Industri* (2011 circulation: 103,100). These four newspapers are the most influential omnibus media and economic publications in their countries.

In total, interviews with ten people were conducted by the author in 2005. In Finland, these people were as follows:[1]

- Hannu Leinonen (editor-in-chief, *Kauppalehti*)
- Pekka Nykänen (reporter, later news editor, *Kauppalehti*)
- Teija Sutinen (news editor, *Helsingin Sanomat*)
- Jyrki Alkio (reporter, *Helsingin Sanomat*)
- Arja Suominen (communications manager, Nokia)

All of these individuals, with the exception of Jyrki Alkio, participated in a follow-up interview conducted by the author between 2007 and 2010.

In Sweden, the following people were interviewed:

- Peter Fellman (news editor, later editor-in-chief, *Dagens Industri*)
- Michael Törnwall (reporter, *Dagens Industri*)
- Torbjörn Spängs (news editor, *Dagens Nyheter*)
- Bengt Carlsson (reporter, *Dagens Nyheter)*
- Pia Gideon (communications manager, Ericsson).

In 2007-2010, Fellman and Carlsson (now a reporter at *Dagens Industri*) participated in follow-up interviews, while Henry Sténson (who became a partner at Brunswick group in 2012) replaced Pia Gideon as the person interviewed at Ericsson.

The timespan covers two different periods. The first half of the decade was a time of turbulence in the industry and for these two companies. The dot-com boom had ended with a crash in 2000-2001 and Ericsson, which was selling infrastructure for that new economy, lost half of its market almost overnight. Nokia, on the other hand, specialised in producing and selling mobile phones for a market that continued to grow fast. The second half of the decade looked more like business as usual. Ericsson had managed a comeback while Nokia had positioned itself for world dominance.

The ambition in this study was to examine what characterises the interaction and dependencies between different actors involved in the production of business news. Furthermore, how are these relationships influenced by a shared agreement regarding what is deemed appropriate behaviour within the boundaries of news making? The choice of action is viewed as limited to the duties and obligations that come with the role and the social context, that is to say, the logic or "rules of appropriateness" (obligatory action) (March, Olsen 1989). Reporters or corporate communicators might have access to a broad repertoire of potential action and reaction, but these rules limit their choice from "what are my alternatives?" to "what are my alternatives within the range of expectations?"

This study poses the following two research questions:

Q1: What are the institutional elements in negotiated business news in the context of the Nordic telecom companies Ericsson and Nokia?

Q2: How does negotiation about what becomes news differ in a Finnish and Swedish context?

Limitations

There are limitations to the study of journalism based on interviews with journalists. The main obstacle is that institutional components are deeply embedded in daily editorial practices within the larger system of social organisation. Routines and rules appear perfectly logical and normal to people immersed within them, which leads to situations where the capacity for self-reflection becomes unnecessary or even burdensome.

Journalists might often be unconscious of their real roles and positions. Damian Tambini (2010: 171), for instance, notes in his work on corporate governance that business journalists lack awareness about the professional and institutional framework within which they operate. This study departs from the understanding that though actors are identified as individuals, their behaviour is limited by social control since the very function of institutions is to structure decisions and to "eliminate random individualistic elements" (Peters 2005: 14).

Formal and Informal Rules

Nordic journalists, including business journalists, enjoy great institutional freedom. Their action falls under self-regulation, ethical guidelines and rules formulated by journalist unions or employers to support the legitimacy of the occupation and the media. There are good reasons for creating common rules regarding what journalists can and cannot do (for a discussion, see Soloski 1989). Integrity and upholding the ability to make independent and informed judgments are integral to the occupation; for instance, conclusions biased by financial interests are not doing the readership a great service.

Large news organisations have thus gradually tightened their policies regarding the disclosure of the financial holdings of their journalists to prevent future scandals involving conflicts of interest. Dow Jones, for instance, states that employees are expected to behave in a manner "that leaves no ground for belief, or even suspicion" that journalists are gaining from "inside" information or are trying to influence market prices (Dow Jones 2013). Similar internal policy documents can be found in other news media (Tambini 2010: 163). In 2003, the EU introduced the Market Abuse Directive that has gradually affected newsroom policies.[2] Business journalists are now obliged to disclose their financial interests.

In reality it seems that, at least in 2005, similar rules regarding business reporters were applied differently in Swedish and Finnish newsrooms. Share ownership, for example, was an area where practices differed. In Finland, reporters did not declare their holdings. Pekka Nykänen at *Kauppalehti* noted as follows: "Not once have I refrained from writing about Nokia because I own Nokia shares" (15 April 2005).

By 2005, *Kauppalehti* was about to introduce internal rules based on the EU directive. The main principle of these new rules was that the editor-in-chief shall be informed about substantial share ownership and that the reporter shall refrain from reporting on that specific company. However, Hannu Leinonen at *Kauppalehti* said that "We don't want to prohibit people from earning shares. We want them to own shares so they can understand the psychology better" (15 April 2005).

At the same time, *Helsingin Sanomat* was also introducing its own rules based on the recommendations from the Finnish association of business journalists. While these rules did not prevent reporters from owning shares (at least one reporter covering Nokia owned company shares), they advised against ownership in companies covered. Teija Sutinen from *Helsingin Sanomat* stated as follows: "I don't see any reason why someone owning Nokia shares shouldn't be able to write, but that person should not be involved in short trades. I don't know if reporters own shares" (15 April 2005).

The rules were strict in Swedish newsrooms. *Dagens Nyheter*, for instance, did not allow reporters reporting market news to own Swedish shares (Dagens Nyheter 2007). The reporters at *Dagens Industri* were not permitted to own shares in companies they covered actively and short trades were prohibited altogether. The newspaper's reporter Mikael Törnwall detected a potential insider problem: "If I possess some knowledge or have decided to bring out a news item where there are details that might not be found in the press release, then that is insider information" (30 March 2005). Neither Törnwall nor Bengt Carlsson at *Dagens Nyheter* owned shares in Ericsson or Nokia in 2005.

Travel and other items of financial value offered by third parties are regulated by ethical rules reflected in the rules of professional conduct for journalists. While these rules are adopted by the journalists unions, they are subject to interpretation. The Swedish rules openly stipulated that journalists should not accept "commissions, invitations, gifts, free trips or other benefits – and do not enter into any agreements or other undertakings – that may cast suspicion upon your position as a free and independent journalist" (Journalistförbundet 2009).

The Finnish rules, in contrast, had little to say about this matter. The only mention of this point was a loosely worded statement that journalists "should not accept benefits that might endanger autonomy or professional ethics" (The Union of Journalists in Finland 2012). *Kauppalehti* was prepared to accept travel paid for by the organiser of the trip. Pekka Nykänen at *Kauppalehti* said he had actually been on several trips sponsored by Nokia. His supervisor, Hannu Leinonen, explained the reason for such sponsored trips as follows: "We also go on trips with competitors; there is nothing special about that" (15 April 2005).

Dagens Nyheter and *Dagens Industri* could also take part in conferences arranged by Ericsson or Nokia, but they paid for their own expenses. Along these lines, Peter Fellman said "We can accept a lunch" (15 April 2005).

The conclusion here is that Finnish journalists and editors seemed to be more flexible than their Swedish counterparts in interpreting the same formal rules. This also implies that business journalism in Sweden had reached a higher level of institutionalisation than Finland since the enforcement of rules regarding financial interests and free trips were seen as necessary for efficient organisational functioning (Tolbert, Zucker 1999: 185).

Business Model and Editorial Policy

There is an ongoing debate about the extent to which different forms of ownership affect newspaper content (Croteau, Hoynes 2001, Schudson 2002). Here we look at business models and editorial policy as reflections of ownership. The two Finnish newspapers, *Helsingin Sanomat* and *Kauppalehti*, are owned by listed companies, while *Dagens Nyheter* and *Dagens Industri* are controlled by the family-owned Bonnier, which is the largest Nordic media house. All four of these newspapers adhere to the classic liberal ideal of mass media. For example, at least according to editorial policy, *Helsingin Sanomat* is "sovereign and independent from political or economic decision makers or other groups of pressure" (2010), while *Dagens Nyheter* shall be "independent, free from political parties, organizations and spheres of economic power" (2002).

Kauppalehti promises to support "the free market economy, freedom of speech, entrepreneurship and autonomy" (Kauppalehti 2012). *Dagens Industri*, according to a statement by the Editor-In-Chief Peter Fellman, "is an important force in the Swedish business world and therefore is doing everything to put forward good examples and successful entrepreneurs" (2011). In the interview he confirmed that the pro-business approach is deeply embedded in *Dagens Industri*'s newsroom culture: "Profitability, growth – that defines everything" (26 November 2007).

Dagens Industri had been criticised for writing too eagerly about companies without any real proven track record (Hamilton 2003). Peter Fellman, as editor-in-chief, said that the newspaper had changed its behaviour. "We try to be restrictive when we cover expectation companies; they have to prove themselves in the markets before we write about them" (26 November 2007).

Pekka Nykänen at *Kauppalehti* was not aware of any instances where editorial policy would have been an issue; in fact, "not once" had management mentioned policy (15 April 2005). Hannu Leinonen said that the newspaper had occasionally published stories that were highly critical of business practices, such as cartels that go against the idea of free competition, but that readers reacted in a negative way: "We received a response as if we are ruining everything; people are expecting that we should be more complacent" (27 April 2010).

At *Helsingin Sanomat*, a system for editorial feedback had been put in place. Jyrki Alkio noted that "In my own newsroom, I have held discussions with my own supervisor, both before and after publication" (22 April 2005).

Thus, this section demonstrates that editorial policy is not necessarily deeply embedded in the minds of reporters or news editors, with the exception of *Dagens Industri*. Thus, it might be that the function of editorial policy is often primarily ceremonial.

The Origin of News

The selection of what becomes news is the most important aspect of social control since news reflects the allocation of power in collective action (Ericson, Baranek et al. 1989). In this study, reporters and news editors were asked to describe how they regard news sourcing, criteria and priorities. The common view in both countries was that news is usually produced as a reaction to a planned communication activity initiated by the companies, including press releases, yearly results, quarterly reports, press conferences, meetings at trade fairs and shareholder meetings. This suggests a low variance in the

implementation of news rules. Hannu Leinonen also observed other instances where reporting was triggered:

> At lot of times it comes from the outside, there is information or ... a competitor gives a statement that the newspaper takes up ... says something that forces Nokia and Ericsson to release financial information (27 April 2010).

At *Dagens Industri*, Peter Fellman noted that a press release will only result in a short paragraph "if we don't take it further" (30 March 2005). *Dagens Industri* had a more proactive approach, which might reflect the fact that it had more power to negotiate control compared to the other newspapers.

Although the news desk at *Dagens Industri* had a strong grip on editorial processes, the news editors were quite dependent on individual reporters to come up with ideas. Mikael Törnwall said the first news criterion is that an article shall have an impact on stock prices. In other words, there must be a shareholder perspective in the article.

Other newspapers tended to react more straightforwardly to corporate initiatives. According to Teija Sutinen, examples of newsworthy events for *Helsingin Sanomat* would include the quarterly reports, management reshuffles at Nokia or a public appearance by the (then) CEO Jorma Ollila. Teija Sutinen observed that "The most prominent news is linked to the notion of Finland as the corporate homeland for Nokia now and in the future" (15 April 2005).

Teija Sutinen believed that *Helsingin Sanomat* provided a public service, saw the audience as citizens and decided on its behalf "what the public needs to know". Teija Sutinen explained that "The goal is to have substance in news where we cover the societal importance of Nokia, not pure business news" (15 April 2005).

During the second period of interviews, it was evident that the interest in comparing Nokia and Ericsson had radically reduced. Teija Sutinen (at *Helsingin Sanomat*) said that Nokia had become so strong that reporters could relax a little:

> It has become kind of obvious that Nokia is quite superior … its business just seems to steamroll ahead – we don't have the feeling that we need to ask how Nokia is doing at every moment (24 August 2008).

By the second half of 2008, however, Nokia was already on its way down, leading to the sales of its mobile division to Microsoft in 2013. It would be too much to suggest that reporters and news editors should have been able to predict the downfall. It also made much less sense for Finnish journalists to follow the performance of Ericsson. Hannu Leinonen at *Kauppalehti* noted that "from a journalistic point of view, Ericsson has disappeared" (27 April 2010).

Around 60 per cent of news making regarding Nokia and Ericsson (Lindén 2012) occurs as a result of corporate or organisational initiatives. No attempts to quantify the impact of corporate communication on news are made here. For newspapers and journalists, there are practical and economic reasons to use news subsidies; however, these must be balanced against the reputational risks involved in giving up editorial integrity.

Special Companies – Special Media

Global companies such as Nokia and Ericsson focus their media efforts on key actors, i.e. media and reporters. Selected reporters have access to management and specialist

briefings, something that could almost be categorised as training. The rise of specialist reporters reflects the growing complexity of today's society (von Krogh 2011). Even though journalists also need to be generalists, they cannot escape the fact that deeper knowledge of, for instance, the parameters of global business is needed. The reporters in this study were assigned by their editors to cover Nokia, Ericsson or both companies.

Some differences in the roles of journalists could be found. Reporters at *Dagens Industri* covering Ericsson were also supposed to make news about Nokia, while *Dagens Nyheter* and the Finnish newspapers trusted their foreign correspondents to cover the other company.

In the first set of interviews, both Torbjörn Spängs at *Dagens Nyheter* and Hannu Leinonen at *Kauppalehti* saw a risk in reporters becoming too independent and narrow-sighted if they covered a company for too long. At *Helsingin Sanomat*, the "Nokia reporter" changed every four years. Jyrki Alkio thought this was a good idea: "In a newspaper like this, one should be able to handle larger groups of readers" (22 April 2005).

The management at *Dagens Industri* felt that reporters with a special relationship with sources and specialist knowledge were valuable and should not be circulated just for the sake of doing so. Peter Fellman explained that it is "stupid" to throw away such relationships and knowledge (30 March 2005). Here it is assumed that reporters exposed to corporate practices over longer periods of time become more embedded in the social organisation of corporations than reporters with less exposure, an assumption strengthened by the notion that business news making at *Dagens Industri* seems to be fully institutionalised within the social system of Swedish capitalism.

For corporations, it makes sense to use media to convey messages to shareholders, employees, customers, policy makers, sub-contractors and competitors. Nokia concentrated its communications efforts on the public service broadcasting company Yleisradio and the commercial television channel MTV3 together with the daily newspaper *Helsingin Sanomat*. Arja Suominen at Nokia explained as follows:

> I would not call it an in-house magazine, but it is true that if Nokia is an exceptionally big company then *Helsingin Sanomat* is an exceptionally big newspaper. It is important that the facts are right in "Hesari" (the nickname of the newspaper, 18 April 2005).

For her part, Teija Sutinen also acknowledged that *Helsingin Sanomat* had a special relationship with Nokia and thus received preferential treatment. It was also part of editorial policy to let Nokia comment on articles. Sutinen explained why: "The image that comes through *Helsingin Sanomat* is important for affecting public opinion" (April 2005).

The reporter who was assigned to cover Nokia received preferential treatment, including individual access to the CEO and other managers. Jyrki Alkio, who had been in that position before, said that "It is a clear policy: the Nokia journalist has access everywhere. The others are secondary" (22 April 2005).

The specialist reporter, for instance, was granted a 15-minute interview with the CEO when financial results were published. At the beginning of the assignment, a Nokia reporter also received a personal introduction to the company and its business context, including a lengthy meeting with the CEO. *Helsingin Sanomat*'s entire business newsroom met the Nokia management once a year.

At Ericsson, the newscast *Dagens Eko* (featured on the national broadcasting company Sveriges Radio) was used for similar purposes; i.e. to spread the word internally

about, for instance, quarterly results. The reporter Michael Törnwall at *Dagens Industri* labelled this newscast "employee radio". Henry Sténson at Ericsson said there is nothing peculiar about this arrangement:

> Our CEO participates in real-time broadcasts with Dagens Eko and TT (the Swedish national news agency). This is entirely internal communication. All our employees, whether in their cars or in the workplace, sit by the radio or the computer and can listen directly to what our CEO has to say (5 February 2010).

This section thus demonstrates that corporate communicators had an interest in becoming deeply involved in news making processes; such interest was not just because of reputational gains to be had from this form of interaction, but also because of instrumental functions. Here the relationship between *Helsingin Sanomat* and Nokia is quite exceptional as they have established both a formal (a specialist reporter gets special treatment) and an informal (discussions on the management level) system for negotiation.

Negotiations between journalists and sources are a well-recognised feature in the research literature on media and journalism (Ericson, Baranek et al. 1989, see also, for instance, Cook 1998, Pallas 2007, Grafström and Pallas 2007). Of the newspapers examined here, *Helsingin Sanomat* seemed to be the most involved in such negotiations since it had had a special relationship with Nokia (at least up until 2008). These negotiations took place out of public view and were not known outside "the small exclusive circle".

Arja Suominen from Nokia said that the negotiations were concerned more with the framework for interviews, i.e. what questions can and cannot be asked. Suominen noted as follows: "The journalist has his agenda and the company its own. If they have enough in common, an interview will be born" (2 February 2010). Teija Sutinen said the goal was to reach a mutual understanding:

> It is a negotiation, a creative one in the sense that we try to get the best possible outcome; sometimes we need to show the company what our principles are and that we don't compromise these principles (24 August 2008).

Teija Sutinen said that publishing news on Nokia (in 2005) was preceded by negotiation with communication managers at the company. News editors at the newspaper had their own channels for discussion with the company. At *Helsingin Sanomat*, according to Teija Sutinen (15 April 2005), negotiation also took place between the highest editorial level and top management at Nokia.

Both Jyrki Alkio and Teija Sutinen said that the burden on the individual reporter who works with Nokia can be heavy, partly because the company is so important in the national context of Finland, and partly because the company is affected by real-time developments on a global scale. *Helsingin Sanomat* had been forced to relieve Nokia reporters of their duties midterm because of problems handling this pressure, which demonstrates that the system was unstable and prone to individual risks and structural failures.

Spokespersons Are Here to Stay

Press inquiries and investor contacts at international corporations are often handled by an official "spokesperson", someone who is authorised to speak on behalf of the company.

This can result in conflicts for the journalist, however, since managers are seen as "the only acceptable spokesperson to the media" and journalists do not want to interview PR people or junior staff (Bartram, Coulson-Thomas 1991: 14).

In Finland, reporters and editors had a hard time accepting this practice of spokespersons. Hannu Leinonen at *Kauppalehti* used the expression "clam-shell strategies" to describe it (15 April 2005). Even though journalists in Finland recognised the need to work with corporate communicators, they criticised the fact that Nokia itself determined what is considered news. Pekka Nykänen at *Kauppalehti* (both in 2005 and in 2008) said he did not even bother to call the PR department since he knows what they will say: "That person has two or three prepared answers that are repeated in spite of what you ask" (24 August 2008). His attempts to get exclusive interviews with people from the Nokia management had all failed despite the fact that *Kauppalehti* was supposed to be the business voice of Finland.

And even Jyrki Alkio, who at the time he was interviewed had recently experienced having special access to Nokia, complained as follows: "Their spokesperson has access to all available information and wants to protect that. The spokesperson collects and presents you with a content that is already filtered" (22 April 2005).

Suominen said she was surprised by the negative attitude among reporters towards Nokia's need to control information: "This is certainly a Finnish phenomenon that always astonishes me since I am a friend of the reporter. It is my job to take care of journalists. I work to get the interview arranged" (2 February 2010).

Critique against corporate spokespersons did not arise in the interviews with Swedes, which might imply that journalists in Sweden are more deeply embedded in the social system. This again reflects a higher degree of institutionalisation since taking something for granted often leads to such a conclusion (Tolbert, Zucker 1999: 185).

There are also incidents when communicators fail to take control. Ericsson was hit by a sales crash in 2001 after the dot-com bubble burst. The former CEO (and later chairman) Lars Ramqvist was already disliked by the media, partly because of his arrogant statements regarding Sweden's minimal importance for Ericsson. When things started to turn sour for the company, the Swedish media decided that it was time for revenge; furthermore, the attempts by Ramqvist's successor Kurt Hellström to save Ericsson did not impress the media.

Pia Gideon, then communications manager at Ericsson, tried in vain to protect the company from media attacks. However, the communications department could not compensate for the lack of a consistent message (Karlsson, Lugn 2009, Åsgård 2000). New business media had been established and, as she saw it, news about Ericsson provided a career boost for individual reporters: "We became a victim of the competition in the media" (5 April 2005).

When Kurt Hellström was replaced by Carl-Henric Svanberg, however, things began to change. Although Ericsson was already on its way to recovery, the new CEO got the credit. The following three headlines crafted by *Dagens Industri* in 2005 serve as good examples of how the media worshiped "the Golden Boy": "Congratulations Svanberg – you are the best", "Two years of success for Carl-Henric Svanberg" and "Svanberg the media king on the stock exchange" (Forsberg 2007).

The appointment of Svanberg was received so overwhelmingly positively in the press that something of a personality cult was created. Henry Sténson at Ericsson said that "If

you open the newspaper there are CEOs everywhere...the only thing we know is that it is going to get even worse" (5 February 2010).

In other words, there was acknowledged tension (at least in Finland) between spokespersons and the reporters who struggled with the corporate ambition to maintain control over the flow of information. The example of the crisis at Ericsson shows what happens when corporate communications fail and journalists are freed from the "rules of appropriateness"; this might be considered an institutional breakdown since a crucial part of institutions is to uphold stability. However, it seems that the power balance was reestablished later.

The Limited Supply of Sources

Journalists tend to deal with routinised sources whose place has already been determined by their organisations and institutions (Ericson, Baranek et al. 1989). This was experienced by reporters and news editors in Finland: they found no alternative channels for information about Nokia other than the company itself. Not even former employees were willing to risk their professional future by challenging the company (this has certainly changed since the interviews were conducted).

Pekka Nykänen at *Kauppalehti* experienced how people working closely with Nokia did not appreciate his phone call as a reporter, observing that "People are panicked when I contact them" (15 April 2005).

Companies, consultants and academic experts that have worked with the companies at some stage were, for instance, tied by nondisclosure agreements (NDA). This effectively narrowed down the supply of sources to company spokespersons and official statements that were in-line with the corporate agenda. Jyrki Alkio at *Helsingin Sanomat* said that "Maybe it is because of the NDA that the telephone never rings" (22 April 2005).

In Sweden, Bengt Carlsson at *Dagens Nyheter* found financial analysts and fund managers useful since they had often analysed the companies over a long period of time and were ready at hand when financial results were reported. Reporters, spokespersons and analysts moved around on the same circuit, which includes trade events and annual meetings. Bengt Carlsson said that "It is a travelling theatre company" (5 April 2005).

Talking to representatives of the financial sector might also minimise the risk of neglecting crucial perspectives in the article. Additional sources were quite easy to find, Carlsson said, even though union representatives, for instance, were "enormously loyal towards the company" (5 April 2005).

Michael Törnwall at *Dagens Industri* also turned to financial analysts for quotes and background information, though he also noted that he tried to avoid the routine use of analysts (30 March 2005). He found competitors useful sources, while he was more careful with suppliers who could be a bit "deceptive". Törnwall turned to union representatives when companies were making people redundant.

At Ericsson, the use of financial analysts as sources was seen as a broadly positive trend. Henry Sténson saw it as a matter of training journalists:

> Many reporters just walk right in without any pre-reading and then it is a good thing that we have capable analysts that help educate them if they don't believe those of us inside the company (5 February 2010).

With the help of Nokia, *Helsingin Sanomat* had also resorted to using foreign analysts that were thought to have a better insight into the mobile phone industry than their local colleagues. Teija Sutinen explained as follows: "They have helped us by telling us who is knowledgeable" (15 April 2005).

This final section can be seen as an example of how the colonisation of business news by communicators can have structural effects on news. Furthermore, the respondents point at the following features of the news institution established in previous research: there is only a small supply of sources deemed legitimate, i.e. financial analysts, and they are usually deeply embedded in the social system of capitalism and infused with the notion of maximising shareholder value.

Conclusions

In this article the institutional elements of business news have been analysed, including formal rules such as editorial policy and limitations on reporters' financial interests as well as informal rules that affect what becomes news. The interaction between reporters, news editors and corporate communicators ("a small exclusive circle") has been explored in detail. One conclusion is that business news in Sweden was institutionalised to a higher degree than in Finland, an observation based on the seemingly stronger enforcement of formal rules and the higher acceptance of institutional arrangements, including, for example, the position of corporate spokespersons. While rules regarding financial interests were strictly enforced in Swedish newsrooms, Finnish editors and reporters had a more flexible approach.

The editorial practices at *Dagens Industri* also showed that the daily business paper had successfully established itself as an institutional entrepreneur in Sweden, while Finnish newspapers were less sure about their roles. *Helsingin Sanomat*, for instance, considered it appropriate to get involved in intense negotiation with Nokia on several editorial levels despite the reputational risks involved.

The article exemplifies how the news institution is embedded in two seemingly similar – though still quite different – national contexts. Formal rules are often used as the object of study in journalism research, but this article shows the limitations of a strictly normative approach and points to other concerns that need to be taken into account.

Notes

1. The interviews were based on thematic questions about areas that were deemed crucial for the institutional approach. They lasted between 30 and 90 minutes and were recorded and transcribed.
2. Regarding financial interests, a directive from the EU on market abuse (European Union 2003) sanctions reporters who "deliberately or negligently pass on false information and then profit financially or otherwise from having done so"; however, the issue of reporters and share ownership is to be solved by self-regulation and editorial policies.

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