Organizational Changes in Pandora

& its Effects

Group Members

Cleo Aiza Daroca (69474)

Georgios Raptis (68797)

Laura Johanne Benggaard (68365)

Mari Nishimura (69475)

Melina Amanda Nyberg (68819)

Simon Hutar (68778)

Supervisor

Stefan Thorbjørnsen

Wordcount:

24.244 words | 154.515 characters

PANDORA
UNFORGETTABLE MOMENTS

Abstract

This report seeks to answer the question: *How has the turnaround strategy of Programme NOW within Pandora affected the company's organizational structure and its efficiency?* Our report is based around a case study of the Danish company called Pandora. The report has approached the research question abductively, whereby the application of Henry Mintzberg's Organizational Theory and his Management Theory has been used in order to test out the theory in an expert interview with Mr. Steen Randeris, an employee and manager at Pandora. This interview has given us some inductive feedback that we use as critical reflections on the theory. Therefore also the reasoning behind the abductive approach. A secondary theory has also been applied; namely the Informal Organization Theory by Chester Barnard. Furthermore, this report takes a critical realistic approach to the research, data and the answers that were found underway. Through our analysis, we have concluded that Pandora has a well trained staff, with the tree diagram management line, which coordinated effectively and efficiently during the pandefic of COVID-19. Additionally, we have concluded that Pandora has strictly cut their overall expenses within a year, and that this has been a leeway in achieving their long-term goal with Programme NOW even if different circumstances appeared like COVID-19.

Table of Contents

List of Figures

Chapter 1 - Introduction

1.1 Problem Area

Today, the jewellery industry has a glittering future, with annual global sales to rise 5 to 6 percent each year (Dauriz, 2020). Throughout history jewellery has always been a source of human vanity, and as such will continue to have a place within modern society. No matter the decade or the trend, the unique designs of earrings, necklaces, bracelets, rings, and charms have a vital use today (Nieves, 2021). However, businesses have to constantly reshape themselves in order to serve the demand of the consumers, and stay at a high rate of competitiveness in the market.

Prices of jewellery vary greatly in today's market. Jewellery companies therefore mainly operate within three price categories. The low prices, middle prices and the high prices. Companies such as ZARA and H&M offer the market jewellery at very low prices, with the idea that customers can wear it once, or just for one season. The prices vary from 69,00 DKK in Denmark to 249,00 DKK (Zara, n.d.). The jewellery in the high price range on the other side of the spectrum, are sold by brands such as Cartier, Hermès and Tiffany & Co. These highly priced brands are often focused on craftsmanship as well as the design and material used and utilize their brand's history as an assurance of high quality. The prices vary up to thousands of DKK. Lastly, in the middle range of prices can be found jewellery brands that focus on their brand's name and higher quality of their products, but still offer reasonable price ranges.

The Danish company Pandora, is one of such brands. Pandora considers themselves to be a leading brand within the luxury jewellery industry, but offers its customers affordable priced jewellery (majority of their products are priced at under 500 DKK). According to their most recent yearly statement, the key resources the company possesses are their brand, which they state "is known by more consumers than any other jewellery company" (Pandora, 2020a), their digital capabilities and their strong financial position. Operating within a field of business traditionally highly reliant on retail stores they were hit hard by the Coronavirus pandemic, however they successfully managed to turn around and transform their business utilizing among other their digital capabilities and will continue to

stand strong into the future. Pandora is therefore a very interesting company to dive into, as they seem to stand out from the crowd and differentiate themselves within the jewellery industry.

With our focus on Pandora, we examine how the company transforms their organizational structure to "reignite a passion for Pandora". The company from 2018, brings to surface a two-year transformation program called "Programme NOW", with a new joint interim leadership team and a refocusing of the network strategy (Pandora, 2019). This year proved to be a year for Pandora, where change and transformations were needed in order to stay relevant and lead within the global jewellery market. It was a rough year for the company, with a revenue growth of only 3% in 2018 (Pandora Annual Report 2018: 5). It is worth pointing out that Pandora offers the most popular bracelets on the market today, which at the same time are always in style (Afashionblog.com, n.d.). Nevertheless, it would be vastly out of proportion not to mention and research upon the fact that the ratings of their characteristic personalized bracelet on Trustpilot are significantly low, all noting that the charms have an unsuitable fit and get easily lost (Trustpilot, n.d. a).

However, 2020 was a period of contagion, self-isolation, and economic uncertainty which impacts the business world. Because of the pandemic of COVID-19, businesses shifted economically and were forced to change their business model, their structure and their market focus. Many companies successfully developed incident management plans specific to this crisis, some forced into bankruptcy, and others used the pandemic to their advantage and as an occasion to get developed. In this case, 2020 showed the world that COVID-19 made Pandora's Programme NOW even more relevant than before. The global pandemic forced the vast majority of the physical stores to close down, and online stores became the primary way for people to shop. According to Pandora's annual report, they closed 10% of their brick-and-mortar stores by the end of 2020 (Bates, 2021). This meant that much of the focus was now on prioritising online retail and e-commerce in order to survive. Pandora managed to make the most out of Q4, a busy holiday shopping season, where Pandora usually generates 30% of their profit by stretching the period of time when Christmas shopping tends to be done through timed promotions, media campaigns, and directing customer traffic online through digital offerings and other incentives to buy from their digital store - which maximized the number of customers served and sales made

(Pandora 2020a: 8). Nevertheless, with the view of gaining a wider understanding of the company and the Programme NOW, it is vital that we start by getting to know the history and the background of Pandora.

1.2 Background Information on Pandora & Key Figures

This subsection will introduce Pandora and the history behind the company. Furthermore, it will explore the past 10 years of growth and profitability of the business.

Pandora was founded by Danish goldsmith Per Enevoldsen and his wife Winnie Enevoldsen in 1982. Pandora's story began when the couple started to sell jewellery in a small store in Copenhagen. They had common interest in jewelleries, and they travelled occasionally to Thailand to search for materials and jewelleries for importing. When the demand for jewellery increased, they chose to focus on wholesale in Denmark and quit retail activities. In the year 1989 the company hired its first in-house designers and started to produce its own, unique jewellery in Thailand (Pandora, n.d. a). Low production costs and efficient supply chain enabled handmade finishing to the jewelleries targeted to mass markets. Pandora's key products during the time have been bracelets, rings, and necklaces (ibid.).

In the year 2000, after previous successful years, Pandora took a turn towards the international markets and expanded rapidly to new, big markets – such as the United States in the year 2003, Germany and Australia in 2004, and Hamburg in 2006 (Pandora, n.d. a, Pandora, n.d. b). In the same year, Pandora launched the signature charms bracelet concept, in which women have the opportunity to create their own jewelry style (Pandora, n.d. b). Due to the growth and move from the Scandinavian market to the international market, they expanded to an international marketing and sales platform, which was handled mostly by third party distributions and effective production surfaces in Thailand (Pandora, n.d. a).

In 2005, Pandora started to expand even further. With the great success and experience they gathered from Thailand, they invested in and started a big crafting factory in Gemopolis, a location outside Bangkok (Pandora, n.d. a). It would be vastly out of proportion not to mention that Thailand is the largest exporter of silver jewelry in the world (Unninayar, n.d.).

Some years later, in 2010, Pandora listed on the NASDAQ OMX stock exchange in Copenhagen (Pandora, n.d. b). NASDAQ OMX is the world's first electronic stock market which is a leading global provider of trading, clearing, exchange technology and public company services (Nasdaq, n.d.).

In 2011, Pandora's shares fell almost 80%, because of a change of focus in customers. Pandora presented and focused to sell higher-end designs alienated core customers. Shortly after they returned to the more affordable mass market, as they saw that it was a mistake move (Clear and Paton, 2015).

Throughout the years, Pandora has expanded locations, for example to open a crafting facility in Lamphun, Northern Thailand in 2017 (Pandora, n.d. a). The next year, in 2018, because of a drop to Pandora's organic growth (Danziger, 2020), the company decided that it was time for a strategy turnaround, which it happened by activating a two-year roadmap designed to respond to the challenges the company facing, and to support sustainable long-term growth, called Programme NOW (GlobeNewswire, 2019).

The year of 2020 was a difficult year for the company industry because of the global pandemic COVID-19, but even if Pandora closed 80% of its stores around the world, employees and staff kept getting payment in full (Josephs, 2020).

1.3 The Implementation of Programme NOW

In this subsection, we wish to outline the implementation and the goals of Pandora's Programme NOW. This will later be used in our analysis in order to understand and answer the formulated research question. This will give insight into the idea behind Pandora's implementation of the programme, and also how this two year plan panned out.

For Pandora, 2017 was a great and successful year. The following year however, can not be said to have that same story. The company's organic growth slowed down by 2%, only to be followed by a further 8% drop in 2019 (Danziger, 2020). The 2% drop in 2018, sparked concern within the company, and it needed immediate attention. This is why after the third quarter in 2018, Pandora decided that in order to remain growing sustainably, the company needed a turnaround strategy in many of their organizational areas which included its value chain (Annual Report, 2018: 21). They did so by implementing a program named Programme NOW, that was designed to target and transform their brand relevance,

their brand access, reset some of their costs, and convey their commercial reset over the next two years (Pandora, 2020a, p. 17).

After extensive internal and external analysis of the health of the company and due to the fact that brand is one of Pandora's key assets, they reached the conclusion that one of the areas in great need of attention was the relevance of their brand in the eyes of their customers. The idea was that they wanted to rebrand, specifically in order to *"Reignite a Passion for Pandora"* (Annual Report, 2018, p. 22). Pandora was now aware that the physical stores were receiving negative like-for-like growth and that this was one of the first areas that needed action. This meant effectively less purchases of Pandora stores and more focus on their eCommerce, which had on the other hand seen growth (Pandora Group 2018). This was essentially also part of their plan of cost reductions. Not only did this mean less purchases of stores, but it also meant cost savings in various other areas within the company. With this turnaround strategy, Pandora was also in need of internal restructuring. In their company announcement to their investors of the introduction of Programme NOW, it is stated that on a global scale, *"Pandora needs to revisit how and where decisions are made, how the company operates and lift capabilities in a number of important areas (ibid)."* This internal restructuring needed to start with their decision making chain.

In Pandora's company announcement in early 2020, Pandora further elaborates on their specifics for their turnaround plan, Programme NOW. They believed that with a stronger leadership, both their ambitions in growth and their customer oriented focus will be enhanced (Pandora, 2020b, p. 1). This meant for Pandora, that they needed to restructure their operating model, and become a more flat organization. They began organizing their operating markets into clusters; 10 to be exact. Each cluster would have a general manager, and these 10 general managers would report directly to the CCO (ibid.).
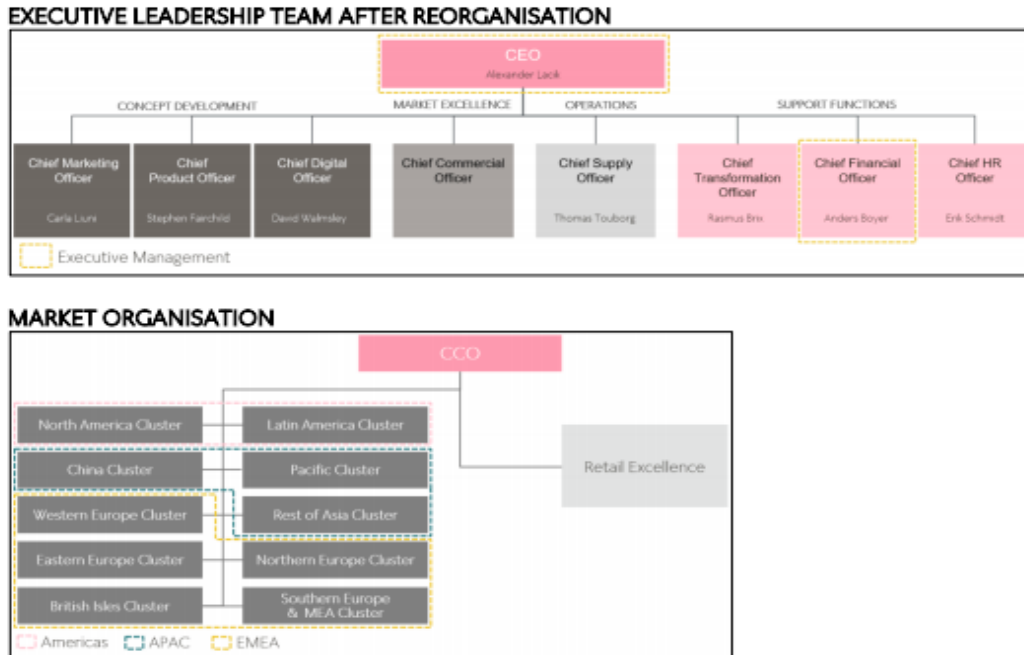
Figure 1: *Pandora's Strategic Reorganization Diagram from Company Announcement 4th March 2020*

Together with a list of areas they wished to tackle with this turnaround strategy, here under their customer oriented goals, was a cost savings plan. Pandora aimed at saving costs, approximately 1.2billion DKK. In other words, their aimed restructuring costs.

The turnaround strategy was planned to end after two years, thereby ending at the end of 2020 / early 2021. Their main goal was to ensure that Pandora continues to have sustainable growth. For the project, it is therefore relevant for us to analyze and examine if the Programme NOW and its organizational restructuring has been efficient and how organizational as well as management theories can help us interpret and explain.

1.4 Research Question

Considering Pandora's uniqueness in the jewellery market, the issue of Programme NOW and the background of the company, this concentrates a huge research interest, bringing us forward to the research question:

How has the turnaround strategy of Programme NOW within Pandora affected the company's organizational structure and its efficiency?

We wish to understand the research question through the use of three subquestions. This is to ensure that we are able to thoroughly analyse the research question. The sub questions are therefore the following.

Sub-questions:

1. *What kind of management methods does the digital marketing team at Pandora CPH have, and which kind of organizational structure does his team indicate that Pandora has?*

2. *How has the digital marketing team at Pandora experienced organizational changes brought by the external factor of COVID-19?*

3. *How has the turnaround strategy of Programme NOW affected Pandora's efficiency and growth?*

Chapter 2 - Literature Review

The purpose of this chapter is to give a critical overview of the literature that has already been researched around the topic of interest of this project. It is essential to know what is already known, and where the gaps are. In this way, we are hoping to be able to produce something original and contribute to global academic knowledge. Our interest in Pandora grew as we started to learn more about the company through searching for relevant literature. However, while much literature has been made on organizational structures in larger companies, few have combined this and analyzed specifically the effect of Pandora's Programme NOW due to its reorganization. Most of the information we have drawn from the already existing academic literature is described in the Theoretical framework. In this chapter, we will provide a broader overview of the academic and other related literature we have used as a source for our knowledge.

The things we knew before researching relevant literature for this project were few news articles that mentioned Pandora was closing some physical stores around Denmark and even worldwide. This was primarily what sparked our motivation as a group to dig deeper into relevant reasons behind such a move. However, behind that news relies on an enormous discussion and reasons about their organizational structure and management configurations brought by the current situations with various internal and external considerations. Pandora has been in the industry for quite a several years now. They even top the world's best performing national market in the year 2020 considering the lockdowns and falling consumer spending (The Straitstimes, 2020). As one of the leading jewelry brands around the world, studies that go around the company are readily available although it discusses various interests and educational purposes. Pandora's business model operates in a vertically integrated way and it controls the entire value chain (Almirao, 2015). Pandora controls everything from design, production, and distribution of sales that clearly declares a complete overview of their overall operations, product development activities, and changes on the market (ibid). Pandora aims on providing the highest quality regarding customer experience. They always try to provide these through their materials, craftsmanship, store environment, and worldwide customer audience. Additionally, Boesen (2016), mentioned that Pandora's attention to customers' shopping experience is very

important to the company's success. But Boesen (2016) also argues that Pandora has a threat to new market entrants and high substitutes because of the high profit, increasing market growth, and online sales platform. Overall, because of the vertically integrated value chain they had, they seem to manage their production value and control changes in demand and trend so far.

Additionally, Pandora's response to their Corporate Social Responsibility shows that they are committed to aligning their business with human rights, labor, anti-corruption, and the environment (Marekova and Noikov, 2018). The company is engaging in good health and well-being that promotes quality education, decent work, economic and industry work. Thus, Pandora has a Code of Ethics that covers the ethical aspirations of the company when it comes to employee's behavior (Pandora, 2017). Aside from that, Pandora also puts effort into how they approach contact between the company and the consumers. Training is provided to ensure that proper knowledge for the enormous amount of information is well covered. That is why their training programs span from face-to-face training to coaching and e-learning programs, which are available in 23 languages (ibid).

Furthermore, Pandora's brand and most popular category is their charms, as they make up 52% of the business (Sabanoglu, 2021a), which are of good quality – 92,5% pure silver, or sterling silver (Blush & Bar, n.d.). Although, it would be vastly out of proportion not to mention Pandora's reviewer's opinion about the charms. Pandora.net has a rate of 1.4 stars on TrustPilot (n.d.), with around 2.000 reviews. Many complaints mention some shipping problems, but this is not the brand's fault. The focus is on customer service, which disappointing the consumers (ibid.). The reviews have only been two decades, but today the role of them is so important that it is hard to imagine shopping without them (Pittman, 2020). They are important to the businesses as among others the ratings impact the SEO, improve the brand's trustworthiness, and contain insights about products and services (ibid.). They are also an important and great way to evaluate different management decisions which affects the consumers. To conclude, we mentioned before that Pandora puts effort into how to approach contact between the company and the consumers, and the company provides training to the employees. If we evaluate Pandora's information about the training they provide and Trustpilot's reviews, we will clearly notice that maybe the training has some gaps.

Chapter 3 - Theoretical Framework

This chapter aims at providing an overview of the theories that have been selected in order to analyze our gathered data. The selected theories will be used as a tool, to help with explaining and understanding the research question through the subquestions. We reflect on our chosen organizational theories that will elaborate the choice of organizational structure a company has been practicing in response to their business environment. The primary theory for this project is Henry Mintzberg's Organizational Theory. Furthermore, we have selected to use Chester Barnard's Informal Organizational Theory to supplement certain areas or missing areas within the organizational theory. As a tertiary theory, we have chosen to use the management theory, also by Henry Mintzberg.

3.1 Mintzberg's Organization Theory

With the evolution of businesses and organizations, Henry Mintzberg believes that structure is a product of their time (ACCA, n.d). They are the result of the past that interplay with the changes of its environmental needs. Organizational structure arises from different characteristics and the forces that shape them together (Mindtools, n.d.). Organizations that have figured out the great way to integrate their internal and external elements are often the successful ones (ibid). In fact, in an industrial environment, manufacturers have cultivated structural attributes that are compatible with the environment and they focus on efficiency and lowering operating cost (Nahm, et. al., 2003). This is the way they adapt to the current environment during that time. This kind of structure and adjusting to the needs of the environment might not be applicable to the current and future demand of the business environment nowadays. Henry Mintzberg suggested breaking down management roles and responsibilities and organizing the workplace to make complicated concepts simplified (Caramela, 2018). Additionally, the way Mintzberg's organizational theory argues about varieties of organizational structures and how this should hold together, will help us explain the changes Pandora has made in their organizational structure.

Organizational Theory defends that organizations can be differentiated in three basic dimensions, that includes the key part of the organization which plays the major part in their success or failure, the prime coordinating mechanism which coordinates the

activities and lastly, the type of decentralization used, in which, identifies the extend of decision-making process (Lunenburg, 2012). With this, he argues that strategies and practices within the company should be configured that leads him to introduce organizational structures. According to Mintzberg, there are five popular organizational structures. These are the simple, machine bureaucracy, professional bureaucracy, divisional or diversified form and the adhocracy (ibid.) it is the structural coordinations which have been our main focus in the theory. Clearly each structure differs by how those three basic dimensions are emphasized. Companies adopt their strategies, and the extent of those strategies is what configures their structure. Overall, Mintzberg Framework on organization has a different focus on each dimension which was summarized in the table below.

Structural Configuration	Prime Coordinating Mechanism	Key Part of Organization	Type of Decentralization
Simple structure	Direct supervision	Strategic apex	Vertical and horizontal centralization
Machine bureaucracy	Standardization of work processes	Technostructure	Limited horizontal decentralization
Professional bureaucracy	Standardization of skills	Operating core	Vertical and horizontal decentralization
Divisionalized form	Standardization of outputs	Middle line	Limited vertical decentralization
Adhocracy	Mutual adjustment	Support staff	Selective decentralization

Figure 2: *Mintzberg's Five Organizational Structure.*

With Pandora's change in organization structure, we will then figure out how they have adjusted their internal departments according to the needs of their current situation. We will discuss the changes of their coordination mechanism, if there is a major effect upon the transition, to delegation of duties and responsibilities. Using this theory, we will dig further into the "how's and what's" of their coordination within the organization. Furthermore, Mintzberg's theory of organization serves as a guideline for us to critique Pandora's way of decentralization. This will determine which way they are delegating the power to command and delegate responsibilities. It will clarify how Pandora distributes decision-making and who are the important people involved.

The dimension has its own purpose and use in the organization. If identified accordingly which one should be utilized the most, it will most likely provide good results. The elements include the five basic parts of organization, five basic mechanisms of

coordination, the design parameters, and the contingency factors (Mintzberg 1989). To start off the discussion with the first element, organizations should have identified which parts are the most important and how these parts should connect to each other. In the case of Pandora, the repositioning, adding, and eliminating some organization positions might explain which of them gives more value and fits perfectly with their management style. In most cases, organizations often use diagrams to illustrate the components of the five parts of the organization. This is mainly because it is easier to understand by illustrating its diagram than by putting it into words. Furthermore, identifying these parts of the organization helps each employee's recognized hierarchy, division of labor, and the sense of responsibility that runs within the limits of its designation.

By understanding what kind of structure Pandora portrays according to the Mintzberg organizational structures, important and prioritized elements will be identified. It is necessary to examine if these elements contribute effectively to their success. There is no objectively right or wrong organizational structure hence it is important to know the elements it encompasses as the choice of an organizational structure to adhere to is dependent on the company's circumstances and attributes. Furthermore, Mintzberg's "Five coordinating mechanisms seem to explain the fundamental ways in which organizations coordinate their work: mutual adjustment, direct supervision, standardization of work processes, standardization of work outputs, and standardization of worker skills" (Mintzberg, 1993). "These should be considered the most basic elements of structure, the glue that holds organizations together." (Mintzberg, 2009, p. 4) Coordination varies differently and may practice on the simplest to the challenging form. Mutual adjustment can be processed even in informal communication and can be achieved in a very simple organization. It is a coordination mechanism that rests behind untangling knowledge that needs to be adapted. But when an organization grows, like in the case of Pandora, it requires more coordination to be able to create and sustain the demand of the company. Since bigger organizations involve a greater amount of people, a certain degree of direct supervision is needed. The presence of a person taking care of that responsibility will navigate coordination through giving instructions and monitoring the work. In this sense, the work of the people in the organization can also be standardized. As a part of which, the outline of how to perform tasks, whom to address for concern, and what to expect are set

even before any other work is being started. With that being said, it now leads to the work being standardized also. The work to be done to achieve specific output must be outlawed already. To achieve coordination, there must be specific and programmed processes to follow. Thus, by the end output is also in its standard form and well regulated.

Supplementing the above-mentioned elements is the notion of decentralization within an organization. As Mintzberg (1989) elaborated, decentralization seems to emerge in discussion related to organizational structure. Depending on the nature and type of the business, power is placed accordingly to certain people and departments. Some forms of decentralization might distribute power among multiple entities but others don't. In those types of structures, employees are limited in what they can decide upon and often report to higher-ups and top management for further assessment. *In practice, "as goals and missions change, structural redesign is initiated from the top down; as the technical system of the operating core changes, it proceeds from the bottom up."* (Mintzberg, 2009, p. 46) This eventually happens as the nature of the business changes. Most of the time, upfront employees are the ones who see real-time opportunities and threats that demand attention. This eventually let them be the one to initiate plans to communicate possible ways to eradicate problems as well as the enhancement needed. We undertake the above-mentioned dimension of the Mintzberg because we believe that this dimension all works and interconnects with each for us to understand the phenomena in the case of Pandora. With the proper decentralization of their organization, it will allow Pandora to respond quickly to the problems that appear in local conditions. Since it will only include the most related people associated with the problem, it will take less time to resolve any problematic situations that may arise. Cutting down edges for backlogs will eventually lead to work efficiency and effectively address concerns by using a lot of effort and people in concern. Decentralization also stimulates motivation since it allows people in the different levels of the organization to move around in creativity and intelligence, maximizing their initiatives in resolving problems and decision making. The three basic types of decentralization are the following: Vertical decentralization which entails the distribution of power down along the chain of command, or shares the authority between superordinates and subordinates in an organization. Horizontal decentralization which is the extent to which non administrators (including staff) make decisions, or when the

authority is shared between line and staff. And the third one, selective decentralization, the most simple one, which distributes power among different units or groups along the organization.

The third element Mintzberg considers as crucial in defining an organization's structure are the 5 basic parts of an organization, and more specifically which one of those plays the most important role within it. These 5 roles are: the **Strategic apex, the Middle line, the Technostructure, the Support staff and the Operative core**. "At the base of the organization can be found its operators, those people who perform the basic work"(Mintzberg, 1993, p. 9) this would be considered the operative core. The duty of the operatives can be divided into multiple kinds of tasks which all have a common purpose of producing value for the company (be it through securing the inputs or or outputs of an organization or the transformation of one to another). On the top of an organization sits the strategic apex, the managers who through the means of direct supervision or standardization (in most cases) coordinate the work of multiple operatives and shape the direction the organization as a whole can head in. The strategic apex ensures the organization serves its purpose in the most efficient way. All of the duties of the managers within the strategic apex (and the middle line) are further explained in the Mintzberg's management theory section. As organizations grow further the need for a middle line arises, the responsibility of which is to form a bridge between the strategic apex and the operatives. The middle line managers are usually the ones performing the direct supervision necessary for coordination within the company; they have similar responsibilities as the top managers in the strategic apex, except on a smaller scale. Next the technostructure, where we can find analysts. Analysts are detached from the central hierarchy, as they are not necessary to maintain cohesion within a company or to carry out the organization's operations, rather they design or improve the workflow of others. The way analysts can contribute to coordination within a company is by creating bases to bring upon standardization of work, another of Mintzberg's coordination mechanisms, which can substitute for direct supervision. The last group is the support staff who provide indirect support to the operational core and the efforts of the organization (an example could be janitorial work or other services needed by the operational core).

With these elements and dimensions as bases, we will figure out and interpret Pandora's changes in their organizational structure in line with their "Programme NOW" campaign. This is also in the effect of their decision to shift focus online from the physical stores. We will use selective parts of this theory to interpret how Pandora has been doing with the organization. With the guidelines set and described in this theory, this case study will provide knowledge that will supplement the current understanding of the demands of time and changes within the organization. Additionally, companies face different obstacles and choose to handle the situations differently. We take the Organizational theory of Mintzberg as the basis to evaluate and make a constructive critique on Pandora but we do believe that it will not fully provide the understanding of such phenomena therefore we have supplemented this theory with Informal organizations theory and Supervision as a Project Management Theory.

3.2 Informal Organization Theory

We believe that Mintzberg's organizational theory is not extensive enough in order to cover and answer our research questions. This is why we have chosen to include a secondary theory; namely, the informal organization theory by Chester Barnard. As Mintzberg has stated: "A strategy can be formed by either central planning activities based on formalized processes or can emerge within the organization."(Mintzberg et al., 2003 in Ebner, 2014). What he has meant could be explained as: not all strategic or operational decisions have to come from a formal organizational structure which would fit into the framework described in the previous sub-section, but some can come from turbulent, not specifically definable informal structures and they can be equally important and valid.

Due to their informal nature, it can be a bit challenging to strictly define the scope and importance of an informal structure within an organization, as it is usually not something declared or documented. "An informal organization is the aggregate of personal contacts and interactions," (Isomura, 2020, p. 51) which can only be studied through either direct observation or questioning of the entities within the organization in question. Informal organizations get formed naturally within formal organizational structures and are inseparable from one another. In fact, Barnard would describe the relationship between

formal and informal organizations as interdependent, seeing informal organizations both as a precondition for the formation of the formal ones and as a result of establishing one (Isomura, 2020). Another important point is that without the structured and organized nature of formal organizations, informal interpersonal ties cannot last long, which further supports the notion of a symbiotic relationship between the two.

Informal organizational structures can help improve the cooperation within large and complex organizations, by providing a communication channel and circumventing lengthy formal decision making when needed to act swiftly (ibid.). Due to being formed spontaneously most informal organizations have no clear purpose and therefore rely on the formal structure to a certain degree to provide a direction or a goal for the personnel within the structure. Informal organizations also play an important role in maintaining cohesion and improve morale and work-satisfaction of the personnel within.

Barnard suggests the idea of an 'informal executive organization' as a way to introduce a vertical informal structure, as opposed to the strictly horizontal nature of fully spontaneous informal organizations. *"The general method of maintaining an informal executive organization is to operate and to select and promote executives so that a general condition of compatibility of personnel is maintained"* (Isomura, 2020: 56).

To summarize, informal organizations can be seen everywhere where there are people, who interact within each other, necessarily therefore within every formal structure. We have utilized this theory to try to explain more spontaneous interpersonal dynamics at work within the Pandora company, using the workgroup of our interviewee as a sample representative of a technostructure part of the company.

3.3 Mintzberg's Theory of Management

Due to the fact that our source of primary interview data is a manager of a small team we have chosen Mintzberg's management theory as another of our supplementary theories with an aim to further analyze the dynamic within the workgroup using a different lens. According to Mintzberg: *"The overriding purpose of management is to ensure that the unit serves its basic purpose,"(Mintzberg 2009:49)* he then delves further into the specific concerns and responsibilities of managers. In his book, 'The Nature of Managerial Work', Henry Mintzberg distinguishes 10 different managerial 'roles.' which he then divides into

three groups based on what is their primary concern: interpersonal relationships, transfer of information, and decision-making (Mintzberg, 1973, p. 56). Understanding the roles and responsibilities of a manager is not enough to gain a full understanding of the position, as Mintzberg himself admits in his other book, Managing (Mintzberg, 2009), stating that listing them just takes *"the job apart without putting it back together"* (Mintzberg, 2009, p. 44). We have included Mintzberg's list of managerial types since the specific examples from this source have helped us in realizing the exact scope and implications of the position of our interviewee as a manager and we will be referring to this framework throughout our analysis chapter (Mintzberg, 1973). We have then consulted Mintzberg's later general management model, the description of which will also be included in this section to analyze the managerial actions of the interviewee.

First to the managerial roles. The interpersonal managerial roles stem from the formal authority a manager might have due to being in charge of an organization. The first one of these interpersonal roles is the "figurehead", who represents and manages external contacts of their organization on the basis of the formality of their position in charge. The next one, the "liaison", is responsible for communicating with the outside world to negotiate or gain information which is also a representative funcion. The last interpersonal role would be the "leader" which is fairly self-explanatory, the one leading their subordinates (ibid.). For all these three roles the most important attribute of the manager is the fact that the manager has a formal authority to perform the tasks which define them, it is this formal authority which gives the manager the justification to be the leader or to speak for their organization. One could argue that these representative tasks can be delegated, however that too is possible given the status of the manager who can then give credentials to delegate the representative tasks.

The second kind of managerial roles, the informational roles stem from the manager's unique position in which they communicate both with the inside and the outside of the organization, which turns them into a *"focal point for organizational information* (ibid.)" of sorts. The first role, the "monitor", makes use of this to create a thorough collection of information and an understanding of their organization. The other two, the "disseminator" and the "spokesperson", pass on the collected information to their organization in the case of the former or to the outside world in case of the latter

(Mintzberg, 1973, p. 57). The information roles build upon the responsibilities and prerogatives of the interpersonal managers; it is necessary to be in a position which deals with communication (be it as a representative or the one members of an organization report to) in order to gain information an informational manager could then deal with.

These two categories add up together to place the manager into an organizational, decision-making position. There are four such roles, the "entrepreneur", who is responsible for initiating change; the "disturbance handler" who deals with threats to the organization; the "resource allocator" who is responsible for managing the organization's resources; and the "negotiator" who *"deals with those situations in which he feels compelled to enter negotiations on behalf of his organization"* (ibid.).

As might be evident these three categories do not exist independently, the formal position gives the manager formal interpersonal roles and responsibilities, the interpersonal relationships put the manager into a great spot to handle information for the organization and that availability of information makes them educated enough to make decisions. Similarly the actions of a manager can be divided among multiple different levels which are all interconnected as well and correlate with the three categories of managerial roles. These three levels of 'actions' a manager operates on show the primary focus of the manager as well as the way the manager carries out action or changes in the organization.
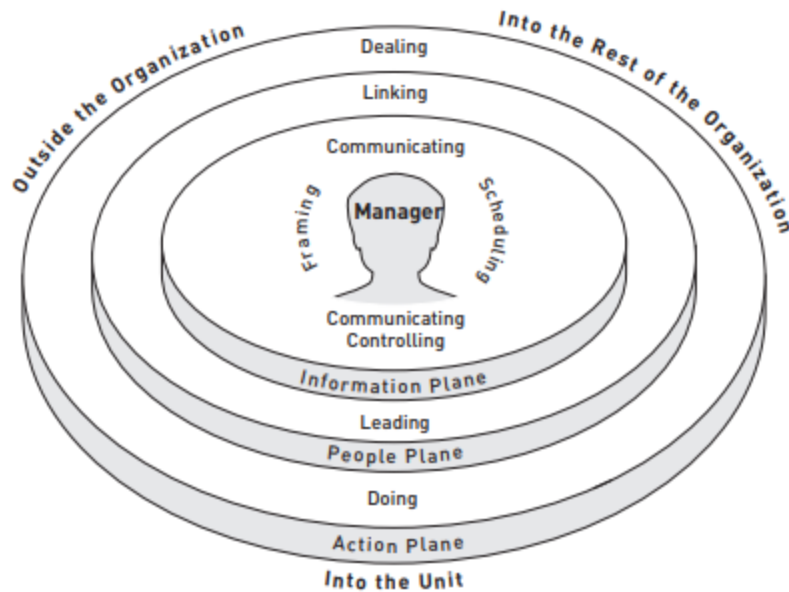
Figure 3: Mintzberg's comprehensive diagram of the model of managing.

The manager as a person or a standalone unit constantly carries out two tasks described by Mintzberg as "framing and scheduling" (Mintzberg, 2009, p. 50). Framing is a term used for the way managers approach their work, this encompasses everything from establishing priorities to developing strategies or tackling issues. The second task of the manager, scheduling, is simply the task of them scheduling their time to perform all other tasks. These two most basic tasks are necessarily performed by each and every manager, as they are integral to everything else the manager might strive or need to do. Managers schedule their time and attention among many different tasks while they then frame them to fit together into one coherent picture.

The first level or plane of managerial tasks is the information plane. A manager whose primary concern is information *"[encourages] other people to take the necessary action"*(Mintzberg, 2009, p. 52) through the information they process. As such they do not take direct action and only influence events indirectly. In order to do that managers have to communicate both with the inside and outside of their unit or organization to pass the information they have collected to other actors. As stated in the description of the information roles, managers are positioned in a nerve centre of an organization keeping an

overview of the functioning of the whole. In order to influence events through the use of information, managers have to *"control - that is to direct the behaviour of their subordinates"*(Mintzberg, 2009, p. 56). Controlling among other means making sure work gets done which might seemingly point towards supervision methods described in Mintzberg's organizational theory, however from the managerial point of view Mintzberg describes the controlling process in a much more detailed manner. Mintzberg describes the process of controlling through decision making in three steps: *"Defining the issue; developing possible courses of action to deal with it; and deciding on the final outcome"*(Mintzberg, 2009, p. 58). Throughout this process a manager has multiple tasks to transform their information into action and to ensure that the unit a manager is in charge of performs said action, therefore managers need to design everything ranging from the strategy to organizational structures, for example the way they divide work, and systems like a budget or guidelines for the unit. As the information focused manager does not directly take action, they need to delegate tasks, usually during the first stage of the process. A manager is also responsible for designating or authorizing choices made by their unit, and as such have strong influence on deciding the outcome of their plan even though they do not personally carry it out.

The next level or plane is the people plane. A major difference in attitude from the information plane is that *"here people are not driven so much as encouraged* (Mintzberg, 2009, p. 63)" to perform the task at hand, as such the manager poses as a leader towards those within their organization. Leadership can be described as being in charge and as leaders managers spend a great amount of time improving the efficiency of their unit, be it on individual, team or organization-wide level. This includes improving the efficiency of the individuals within their unit, through means such as motivation or providing support. Leaders are also responsible for training and developing those within their organizations which can also be seen as improving their efficiency. Just like information focused managers, leaders create workgroups or teams within their units, leaders then also take care of managing synergy within these teams and resolving conflicts. On an organization wide level, leaders take care of shaping the culture of the organization, which serves the same purpose as the efforts on the personal level. Managers operating on the people plane also maintain the unit's external relationships by linking them to people from the outside

world, or from another unit within an organization, which in practice means networking , representing their unit or organization or obtaining support from external sources. *"Managers champion the needs of their unit, lobby for its causes, promote its products, advocate on behalf of its values - and just plain peddle influence for it."*(Mintzberg, 2009, p. 78). As for taking or rather directing action, a similar process as in the information plane is used by the leaders with the added focus on relationships between the entities within and outside of the unit.

The third and most directly involved level is the direct action level. Managers focused on taking direct actions don't just sit in their office and plan strategies or give orders, they handle tasks personally, manage projects proactively and directly get involved for example within a task force. A manager who focuses on handling things personally might also handle disturbances that is. to react to external threats or solve issues the organization might run into. Often any kind of action an organization would want to take requires a great deal of negotiating, which Mintzberg also classifies into the action level.

Having an overview and classification of actions a manager might take and a taxonomy of managerial responsibilities of sorts provides us a framework we can use to analyze our case of a workgroup within Pandora on the lowest level, while our other chosen theories look at the unit as part of a whole. This will help us form a more complete picture of the company.

Chapter 4 - Methodology

This chapter aims to describe which methodological approaches have been used, in order to reach an understanding of our research question. It will give an explanation of our project design, our deductive approach to methodology, the form of interview and who were chosen as candidates, as well as how we approached the project's use of Pandora's Programme NOW. Furthermore, we will address our position as researchers and possible limitations of this research. This paper is mainly built on qualitative data, such as primary source interviews and secondary source literature, but also includes quantitative data adapted from secondary source statistics to illustrate growth and changes at Pandora.

4.1 Philosophy of Social Science

This chapter will clarify how we view reality, and answer the question of *'how do we know?'* and how have we gone about approaching information and interpreting empirical data*.*

This report has its basis in realism and relativism. Critical realism as a scientific approach, takes into account both philosophy of science as well as philosophy of social science, combining the two by distinguishing between an observable world, and a 'real' world. In other words, how we view the world is our ontology and how we go about investigating this world is our epistemology.

Our results and research will incorporate and reflect a critical aspect, making this a critical realist approach. The understanding in this report of how we view reality, is that there exists one regardless of our notion of it (Buch-Hansen et.al., 2012, p. 280). We view it ontologically as realism. The world is therefore bigger than any knowledge about it thus far and that it exists even if we did not have any social relations. Roy Bahsker, the so-called father of critical realism, characterises this as the intransitive dimension (ibid.). Social relations and phenomenons need to be analyzed. For this report, this means that any conclusion and finding that may come about through the analysis, will have to be critically examined. It also means that this report does not wish to predict, but rather to analyse the case of Pandora and a possible generalization if applicable.

Bhaskar calls epistemology the transitive domain. This means that our knowledge of the world is a social product and that it can be fallible (ibid.; Buch-Hansen et.al., 2012, p. 281). Society is constantly changing.. The knowledge that is produced is different from the 'real' world, the ontological realism. Therefore, the knowledge for this project is not objective. It is a product of our particular conditions that has brought about our understanding. This is especially why we have to remain critical, as to respect that we cannot be fully objective, but rather still strive towards not influencing our gathered data as much as possible.

4.2 Project Design

Research Question: *How has the turnaround strategy of Programme NOW within Pandora affected the company's organizational structure and its efficiency?*

↓

Scientific Approach - Critical Realism

↓

Theory & Theoretical Framework

Henry Mintzberg's Organization Theory & Management Theory

Informal Organization Theory

↓

Methodology

↓

Analysis

↙   ↓   ↘

| What kind of management methods does the digital marketing team at Pandora CPH have, and which kind of organizational structure does this team indicate that Pandora has? | How has the digital marketing team at Pandora experienced organisational changes brought by the external factor of COVID-19? | How has the turnaround strategy of Programme NOW affected Pandora's efficiency and growth? |

↘   ↓   ↙
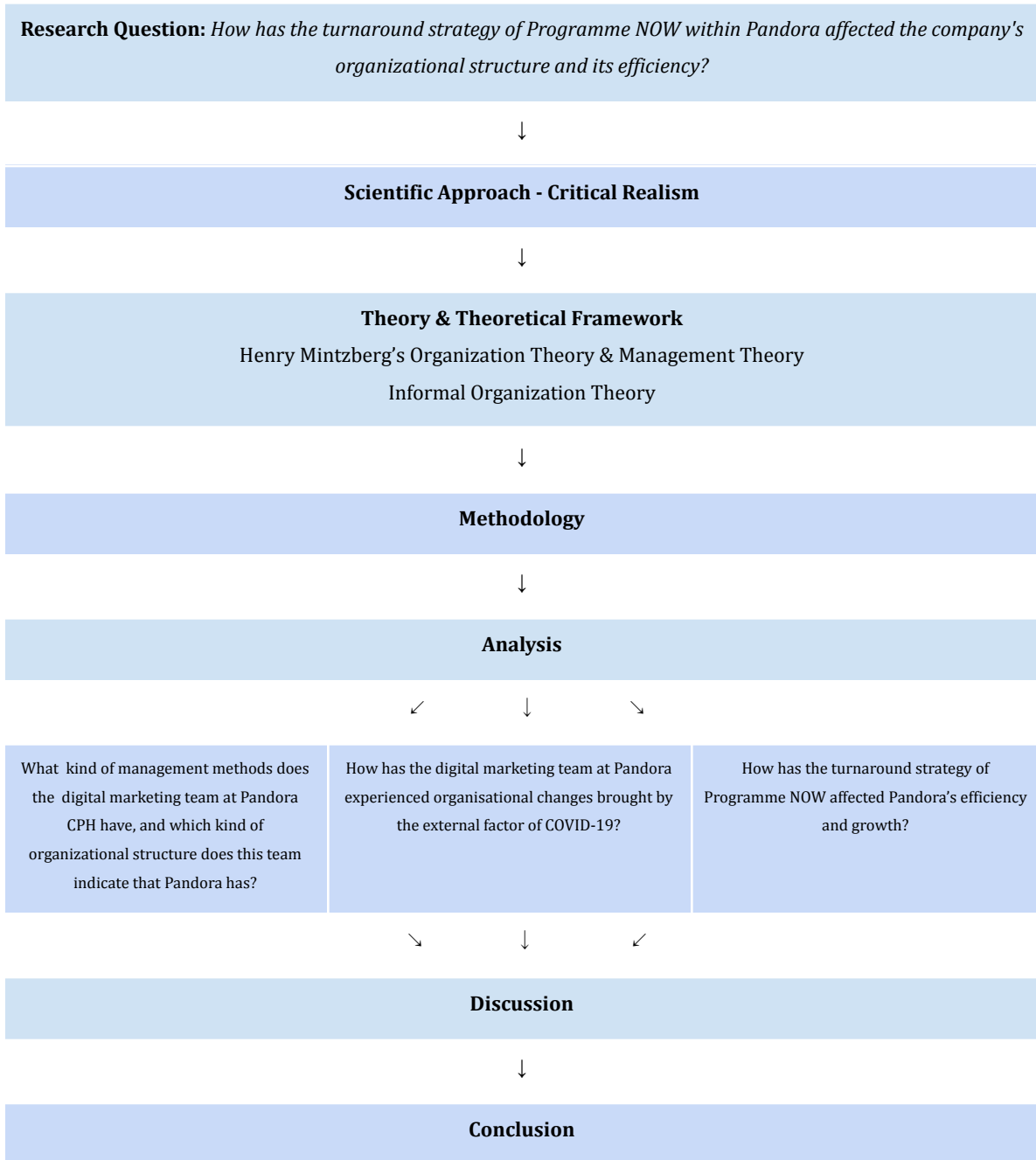
Discussion

↓

Conclusion

Figure 4: Project Design

4.3 An Abductive Approach

The approach for our research in this project is abductively. We gathered information and knowledge through literature review, that led us to our selected theory. Following the deductive approach, this theory was then studied and a plan for testing this theory was then set up. We ideally wanted to test this theory out, specifically through a semi-structured interview with relevant employees working for or with Pandora.

Precisely because in much qualitative research the perspectives of those one is studying are the empirical point of departure, many writers argue that the kind of reasoning involved is better described not as inductive reasoning but as abductive reasoning (e.g. N. Blaikie 2004a; Charmaz 2006 in Bryman, 2012, p.401). With abduction, the researcher has a fundamental theoretical understanding of the contexts and people he or she is studying in the linguistics, meanings, and viewpoints that form their worldview. The important phase in abduction is that, having described and understood the world from his or her participants' perspectives, the researcher must come to a social scientific account of the social world as seen from those perspectives (Bryman, 2012, p.401).

This interpretation of the participants perspective, is called a phenomenological approach. This is to say that we address that participants' own understanding is subjective, and that each have their own constructions of reality.

Additionally, during social scientific events, one must be as 'objective' as possible. In social science that means that the researcher must try not to influence the data, so the data is provided as it is and that it is unbiased. This is a resemblance of an inductive approach, but what distinguishes abduction is that the theoretical account is grounded in the worldview of those one researches. Abduction is broadly inductive in approach but is worth distinguishing by virtue of its reliance on explanation and understanding on participants' worldviews (Bryman, 2012, p.401). Abductive reasoning is a combination of inductive and deductive approaches. In our abductive reasoning, we started with an expert interview with the Senior Search Manager at Pandora as our observations of the participants' worldview and then sought explanations and conclusions from the observations using theory (Bryman, 2012, p.401). It is important for us to try to understand the worldview of the

participants and phenomenons. At the same time, we must be objective at any given time, so the empirical material is unbiased. The conclusion in abductive reasoning is based purely on the data that is collected and shows an indication, hence the conclusion may or may not be absolute (Bryman, 2012, p.401). Our first round of interview was explorative and based on ideas thatweI had from the Pandora annual reports and other articles about Pandora. We conducted a 2nd round of questionnaire to the same senior search manager based on theory. The information that we got from the interview then led us to finding a topic to be focused in our report and research questions that fit, and from there, we have gathered other literature for more information and also asked follow up questions to the interviewee. Some analysis is merely an indication that is only based on the empirical material that we have collected which is about the global marketing team at Pandora, in this way it may not be valid for each and every group at Pandora.

4.4 Literature Search, Literary Considerations & Source Types

Academically searching for relevant literature, is very important for any report of this nature. Therefore, this subchapter will define how and where we have searched for relevant literature, our literary considerations and the source types used.

The literature found was mainly through the online search engine of Google Scholar and The Royal Danish Library, as the current COVID-19 situation limited our access to our physical campus library. Knowing this, we needed to be strategic in the use of keywords. As an example, only searching Pandora was not sufficient in the library search engine as well as Google Scholar. We quickly found out that a music streaming company had the same name, and therefore it was essential for us to incorporate either an extra key word such as 'jewellery' or 'a/s'. It was here that specifying your literature search is important, plus using the advanced search option was a great help.

As social science researchers, it is also of great importance to consider what literature should and should not be used in an academic paper. For theories, we wished to find the 'true' source of the theories by the same theorists, and not another academic paper that cites the same theory, to the best of our ability. This also goes for the annual reports. We preferred to find the primary source, rather than a secondary.

Below is a table of some of the source types this project has used.

Primary		Secondary	
Expert Interview	Manager of team of Global Digital Marketing	Reports from Pandora	Annual Quarterly Company Announcements
		Books	Henry Mintzberg's Structure in Five Henry Mintzberg's Managing Kazuhito Isomura's Organization theory by Chester Barnard. An introduction

Table1 : Data Used

4.5 PRIMARY DATA

This subsection will give a description of the primary data which has been collected. It will dive into the semi-structured interview, the E-mail interview, the choosing of participants for the interview, the limitations of external validity and generalization as well as a small discussion.

4.5.1 Semi-structured Interview

Interviews are one of the ethnographic methods that we have used for gathering empirical data for our research topic. The interview is based on a ready-made interview-guide that focuses on particular issues of interest, and possible questions (Bryman, 2012, p. 473). We have decided to lead our interview in a semi-structured manner. We chose this structure to get as much information from a singular interview (Bryman, 2012, p. 472). Our interview guide consisted of a list of questions, each assigned to a specific topic we were

aiming to explore during the interview while keeping an option of asking further follow-up questions or skipping certain questions based on the direction the interview would go. As the questions are not fixed during the interviews, it was possible to ask questions that are not in our interview - guide, meaning that it goes with the flow of conversation, which might lead to interesting topics that we might not have taken into consideration. The interview situation thus becomes more fluent and follows different themes and subjects that might not seem to have any empirical value, but which can prove to be particularly insightful into the subject matter and world view of the informant (ibid.). The interview is thereby shaped by not only the interviewer but also the informant.

The strength of a semi-structured interview lies in its ability to be an informative conversation with the capability to produce new insights that were otherwise not clear beforehand to the interviewer. The interviewer and informant might get sidetracked by issues and information, but this information can be supportive to the research and lead to deeper insight into a topic of interest to the informant through which we can achieve a greater understanding of the worldview of the informant.

4.5.2 E-mail Interview as a Method

In order to gather more data for our analysis, we conducted another interview. The second interview was conducted as an Email Interview, because it offers an efficient, less time consuming and transcribing free way to conduct an interview (Flick, 2018). Furthermore, as we had created relation and connection to the interviewee before, which indicated that we did not need to be concerned about the validity or identity of the person and thus, reliability of the answers and data gathered from the interview (Flick, 2018). In addition, the interviewee himself expressed to be open for further interviews and discussions, which encouraged us to contact him again and proved his motivation to take a part in our research. This interview was structured with its written questions to be clear and "not too long in order to avoid confusion and neglect on the part of the interviewee"(Flick, 2018, p. 245). However, the interpretation may naturally differ between the interviewer and interviewee and thus reflect the answers. Furthermore the method is limited, as through email interview, *"non-verbal or paralinguistic elements of communication are difficult (or even impossible) to transfer and integrate"*(Flick, 2018, p. 246).

4.5.3 Choosing Participants for Interviews

The process for getting an interview with people who work at Pandora because of the coronavirus pandemic. We used websites such as LinkedIn.com to find managers that work with online marketing and contacted them via email and/or the chat function in LinkedIn. It is because no one from our group has been employed previously or currently at Pandora, so general research was required. We contacted over 10 people and managed to get 1 expert interview out of all the managers that we contacted. We would have preferred in-person interviews but due to the coronavirus pandemic, we had to conduct the interview as an online interview via online platform Zoom. The overall focus during the interview was on the content of the responses and information contained within, no attention was paid to the way the interviewee answered, the details of the wording of their responses, or their nonverbal signs, due to the strictly professional and information driven nature of our interview.

4.5.4 Limitations of External Validity and Generalization

Our group managed to conduct 1 interview and 1 email response both from the same interviewee. The first one verbally via the online platform Zoom and the second one in a purely textual form by email interview (the interviewee was sent a list of questions via an email, he then answered and sent it back). For the first interview, we selected only a few topics from our complete interview guide, due to time constraints, and for the second one, we aimed to fill in the remaining topics and ask more follow-up questions to the topics from the first interview. Based on the data sample that we have collected, it is not sufficient to make a generalization of how all the managers act at Pandora. We have only managed to conduct one expert interview, which means that we can only make a statement about how things are for him and what kind of indication there is at Pandora within his team. It means it is the case study of his team. We are aiming to explore this question through the help of theories of business models, structures and strategy. As for the methods, we are considering options like doing interviews, using secondary resources like articles and student reports. Data visualization & regressions (trends-lines) are also considered to supplement the arguments.

4.5.5 Discussion of Questions

Here are the topics of questions we included in our interview guide:

❖ **Background information on the interviewee**

We aimed to interview an employee of PANDORA in a certain managerial position, as those would be more likely to know about the inner workings of the company, which is what we seeked to find out from these interviews.

❖ **Basic questions about Pandora**

We already had some knowledge about our problem area from other sources, mainly from Pandora's official yearly statements, but we decided to use the interviews to serve as another source to confirm this information and possibly reveal to us inaccuracies in the other sources.

❖ **Questions in relation to the key parts of the organization**

In order to assess Pandora on the basis of organization structure theories such as Mintzberg's we needed to correctly identify which of the company's parts fits where among the organizational structure and which roles do they play. Originally we wanted the interviewee to identify the 5 key parts (top management, middle line, technical staff, support staff, operating core) and give us their opinion on their importance in Pandora's operations, but ended up asking questions aimed towards *where does the interviewee and their department/team fit within the structure*. We have decided to veer away from asking theoretical questions on the assumption that the interviewee might not know the theories and theoretical concepts we utilize well enough to give us relevant answers and therefore rather chose to utilize the interviewee's personal experiences.

❖ **Questions in relation to coordination mechanism and decentralization**

These are other two of the 'building blocks' utilized by Mintzberg to identify organizational structures as part of his organization theory. Questions related to coordination mechanisms, decentralization and key parts of an organization were the most important ones in our interview, as they directly related to our main theory. A thing to note is that we also used the questions related to the primary coordination mechanism to help us understand the dynamics within the

department/team of the interviewee and analyze them on the basis of their managerial approach and actions also utilizing one of our supplementary theories.

❖ **Questions in relation to Technology (online retail); Questions in relation to stakeholders and Questions in relation to society**

We had planned to use more questions in our interviews, some of which of a more technical nature, but due to time constraints didn't end up presenting them to the interviewee. These questions can be considered supplementary, included just to help us gain better understanding of our case, but they were not integral to answering any of the research questions.

❖ **The second (follow up) interview**

The questions for the second interview were partly chosen from the first interview guide, from areas which were not explored deeply enough and partly follow up questions further probing into the topics already answered by the interviewee.

4.6 Quantitative DATA - Metrics and Measurements

To gather a broader understanding of Pandora and the effects of its reorganization, a collection of quantitative data has been gathered for the purpose of analysis. This subsection will dive into which data has been used, how it has been gathered and how some of the data has been calculated.

One of the sources that this data has been gathered from is Pandora's financial statements. Pandora's Annual Reports from various years have been very useful at looking into the key numbers from the respective years. Furthermore, data has also been collected from the statistical bank Statista, where data has been gathered from the past decade. This made data collection easier, as it takes numbers from the annual reports from the past ten years.

Some of the data points that we wish to examine throughout the analysis are the following:

● Pandora's Profits and Revenue over the last 10 years
● Sales of the different channels; online and physical shops
● Number of shops over the timespan of 10 years

- Number of employees of the timespan of 10 years
- Online Reviews

It is important to note how we define expenses throughout the analysis in this project. We have defined it by accepting that $Profit = Total\ Revenue\ - Total\ Expenses$ and that expenses are therefore $= Total\ Revenue\ - Profit.$

The analysis also uses the calculation of profit per employee. This has been done by using the sum of Operating Profits from each year and dividing this by the sum of average number of Employees. The calculation is the following:

$$Profit\ per\ Employee\ = \frac{\Sigma Operating\ Profits}{\Sigma Average\ No.\ Employees}$$

Because of the critical realism approach throughout this project, we do also accept that the quantitative data collected does not reflect the 'real' world. The knowledge gained from this data collection and analysis is merely an interpretation that is produced from our social world and relationships. We cannot therefore be fully objective, and this is why we believe that it is important to be critical about the knowledge that is produced.

4.7 Positionality and Delimitations of this Study

We write this subchapter to express the possible limitations this study has as these factors can have an influence on the results and thus reliability of this research. As researchers it is important to acknowledge these factors to be able to overcome them. Some of these limitations we knew already from the beginning, and some of them raised during the process of writing this paper.

As social science researchers, we do admit and knowledge that our values and opinions may have an effect on our interpretation and thus directly to our research. To avoid this as much as possible, we have used valid social science methods to conduct this research. However, these methods also have some challenges and limitations. and therefore, we want to use the opportunity to express them.

As stated earlier, because we have interviewed one manager at Pandora, we can not generalize his answers to all the employees working at Pandora. However, we believe that

the teams have common principles and this team can be somewhat comparable to other team units working at Pandora.

It is also important to acknowledge the present situation with the COVID-19 pandemic, which is affecting around the world, as it may have affected the way we have conducted this research. The research group received online supervision during the semester and met only online via the platform Zoom instead of group meetings and physical supervision at Roskilde University. The possibility to meet personally could have delighted this approach. Furthermore, this lack of physical contact has affected the research method to gain primary data, as we believe without this pandemic around, the research group could have had the possibility to conduct the interview personally instead of via platform Zoom and email. In addition, physical contact with Pandora's office could have opened doors easier for other interviews, as often as it would have been without the current situation we are facing in connection with the Pandemic. We would have more opportunities approaching the employees of the physical store to gather additional primary data that will strengthen the argument we had in this case study. Although the restrictions made by the pandemic was a little loosen that lets us able to visit the some stores with proper compliance to protocols, we not able to secure interview as the employee declined the communication from our behalf. In conclusion, we have struggles in gathering that data but we were able to maximize the primary data that we have and supported this with the secondary data from current academic literature.

4.8 Generalization

In this subchapter, we will present the validity of this research and express the factors that makes this case study research valuable for the social science field that often seeks generalization. As Bent Flyvberg (2006) argues, case studies are widely misunderstood and undervalued. Case studies are claimed to be too subjective, impossible to generalize, and difficult to summarize and develop general proportions or theories (Flyvbjerg, 2006). Furthermore, the method is claimed to be only valid for generating hypotheses. Despite all these claims we, as a research group, decided to conduct a case study as we saw the benefits of it and wanted to pursue in-depth and complex study of this specific team at Pandora.

One of the arguments, for example, from British sociologist Anthony Giddens (1984) stated that *"Research which is geared primarily to hermeneutic problems may be of generalized importance in so far as it serves to elucidate the nature of agents' knowledgeability, and thereby their reasons for action, across a wide range of action-contexts. Pieces of ethnographic research like . . . say, the traditional small-scale community research of fieldwork anthropology—are not in themselves generalizing studies"*(Giddens, 1984, in Flyvbjerg, 2006, p. 224-225). It is true indeed, that one can generalize the way Giddens suggested, however it is incorrect to say that there is no other way to do it and that it would be not possible to generalize from a single case without "wide range action context''. For example, when looking back to history, it has been shown that when Galileo rejected Aristotle's law of gravity, it was not based on observations ``across a wide range" - rather based on conceptual experiment and following on practical one (Flyvbjerg, 2006). Therefore, descriptive, phenomenological case study without any aims to generalize can be surprisingly valuable and helpful towards scientific innovations (ibid.). The purpose of addressing this is not to criticize attempts at formal generalization as those are "effective means of scientific development"(Ibid. p.225). Rather to explore and correct the misunderstandings related to generalizing and bring up the limitations that relate to the fact, if formal generalization becomes the only accepted and legitimate method of scientific inquiry (Flyvbjerg, 2006). Therefore, as Flyvbjerg states: *"One can often generalize on the basis of a single case, and the case study may be central to scientific development via generalization as supplement or alternative to other methods. But formal generalization is overvalued as a source of scientific development, whereas "the force of example" is underestimated."*

Chapter 5 - Analysis Design

How we go about the project's analysis, is the purpose of this chapter. It will define and outline how we will use our selected theories combined with our selected methodology in our analysis. Throughout most of this project, we have been approaching it deductively. By selecting theories and testing these theories through an interview. As mentioned before in 4.3, we are however ending the overall project abductively. Therefore, having our foundation in the deductive approach, we wish to lay out the specific structure that we have followed from coding our transcription to our deep dive into the analysis stage.

Most of the project's empirical data is primary and is in the form of an interview. Therefore, the way that we have interpreted the interview with Mr. Steen Randeris needs to be clarified. As the interview has been transcribed, both the spoken interview and the email interview, this is now ready to be interpreted and coded.

Codes throughout the interview transcription were made where key words, phrases or relevant sentences were made bold or underlined. This process involved either specifically searching for these key words, or by reading the context and deducing its relevance. In the next stage, colour codes were brought in. The idea was to split the qualitative data into sections, more specifically by topics that are of importance for this project. As an example, yellow highlights to the transcription were organizational structure related, and blue highlights were efficiency and effects related. In this way, we could quickly pinpoint which sections were relevant to which topics, and thereby we were able to organize the transcriptions for a smoother analysis.

Moreover, throughout the coding process, categories were created at the same time. This is exemplified in the yellow and blue highlighting. The categories were made in relation to the sub questions for this project. Keywords and topics were highlighted throughout the coding process, and thereby categorizing these codings makes for an easier analysis process. Now that categories have been created in relation to each subquestion, thereby each subsection in the analysis chapter, a deep dive analysis can take place.

The most relevant and crucial quotations from the interview will be highlighted throughout the analysis. Even though the transcription has been coded, it is important to note that this process has been thought critically about. No sections were removed if it did

not corroborate with our deductive approach. This is the critical realism approach, that everything will be taking into account, even if it does not match with our selected theories.

Together with the interview, a number of data figures will also be used in the final section of the analysis. The data here has in many ways followed the same pattern of coding relevant key figures in order for a smoother analysis. The quantitative data is a mixture between secondary data findings from e.g. annual reports from Pandora and own calculations done from these key figures to produce new data. Much of the data has been made into graphs using excel.

Now an analysis of this combined, categorized and coded quantitative and qualitative data is ready to be written down and analyzed, keeping in mind the critical approach.

Chapter 6 - Analytical Framework

In this chapter, we will analyse the primary data gathered from the interview, as well as secondary data, with help of the selected theories presented in chapter 3, Theoretical Framework. The first two sections of this analysis deal with the internal structure of Pandora, and how the selected theories can help explain and interpret their new restructuring. We are also interested to know what form and style of management that is used, specifically by the digital marketing team manager, our interviewee. It also dives into how the COVID-19 pandemic has affected the company. Furthermore we will explore the quantitative data and investigate how these organizational changes have affected the company's growth and efficiency. The aim for this analysis is to answer the research question guided by the sub questions. Each sub question will be answered in this chapter in their own subsection, and through this, an overall conclusion should be made based on the answers found in this chapter.

6.1 What kind of management methods does the digital marketing team at Pandora CPH have, and which kind of organizational structure does this team indicate that Pandora has?

In this analysis, Mintzberg's organizational theory and Mintzberg's management theory will be used to analyze the expert interview with Mr. Steen Randeris. We reflect on theoretical perspectives of Mintzberg' organizational and management theory. Therefore, we firstly attempt to understand which kind of manager Randeris is by reflecting on three basic management roles in Mintzberg's management theory. Moreover, we categorize the interview by three basic dimensions of organizations that Mintzberg organizational theory suggests, namely "The key parts of an organization", "the prime coordinating mechanism", and "the type of decentralization used".. In other words, we look at his and his digital marketing team's position, responsibility, management style, coordination style, and decision making process to analyze which kind of organizational structure Pandora has.

Organizational structure as a terminology, is essentially the 'formal' foundation by which activities such as various tasks, responsibilities, and authority are allocated between groups and individuals (Galbraith, 1987; Greenberg, 2011 cited in Lunenburg, 2012).

With the characteristics of these organizational structures, we figure out what kind of structures fits perfectly in association to the management styles Pandora is practicing. Taking into consideration the first hand data gathered from the specific department of Pandora, this analysis is made in the case of Randeris's global digital marketing team in Copenhagen.

To begin this analysis, we introduce the overview of his position and responsibility at Pandora. Mr. Steen Randeris has been working at Pandora for around two and half years, and he is located in the global marketing team where his main responsibility is setting the strategy for everything related to the different search engines such as Google. He is responsible for a team of three people in the global department and is also the main contact for Pandora's global agency as well as their different markets. Pandora has a global agency which executes the strategy that his team is pushing. There are execution hubs across the globe, with Pandora's main markets being USA, UK Italy Germany, Australia, and China where Pandora interacts, besides Google, with both local search engines, JD, and T-Mobile. This means Pandora does both, paid and organic search in all marketing. Pandora, in at least some of the bigger markets, has a search consultant or search specialist located within the market, so it is sufficient for Mr. Randeris to only have a small team in Copenhagen under his direct management. He also indirectly manages the different marketing teams located in the different markets (Appendix 3, p. 6; 00:00:25).

According to Mintzberg management theory, there are three categories that the person might take a position in. Those three categories are interpersonal category, decisional category, information category (Mintzberg, 1973). Let's see how theoretical lenses could explain his management style
. In the interpersonal category, Randeris is considered to be a leader for a digital marketing team of three people that he has direct management of. This formal leadership position also puts him into the role of a 'figurehead' or a representative of sorts, where he handles external communication and links his workgroup with upper management or with the other groups they collaborate with. We could say that his main managerial role is to organize his team to complete projects by communicating and controlling through decision making (Mintzberg, 2009). The digital work management tools like Trello, eases the delegation of responsibilities and eases direct supervision for Mr. Randeri and mutual

adjustment for the members of his team. Due to the emphasis placed on personalities of the individual team members we could infer that the interviewee attempts to improve the potential synergy of the workgroup through team building from a position of a leader. Not only does he manage his digital marketing team directly, he is also in contact with global agencies in different markets (Appendix 3, pp. 6; 00:00:25). In the decisional category, it can be said that Randeris is a disturbance handler for his team because he does not monitor his subordinates but rather helps his team to solve problems if problems occur. (Appendix 3, p. 9; 00:16:26). In the information category, he seems to be a disseminator because he communicates potentially useful information to his colleagues. His team used a project management tool such as Asana, Workfront and Trello to share the situation of their different projects or tasks rather than monitoring their employees. They also had regular meetings to share their situations or progress (Appendix 3, pp. 9; 00:20:39).

> *"We also have Sprint meetings as well so that framework is built to not monitor our employees but just for us to ensure that we don't have any roadblocks or and if we do have roadblocks, how can we help to minimize or remove those roadblocks."* said Randeris, digital marketing manager at Pandora (Appendix 3, p. 9; 00:20:39).

This would suggest that Randeris focuses on the people plane, building relationships and coordinating the efforts inside his group and connects it to the efforts of outside groups, while also managing various useful information to the cause. During the interviews he hasn't explicitly stated he tends to get directly involved, though it can be assumed based on the extremely small size of his team, which would make it easy to stay in the centre of action

We move to analysis on the interview with the focus on the organizational structure around Randeris's global marketing team. Firstly, we analyse in which key parts of organization Randeris's global marketing team is considered to be located. The digital marketing team, at first glance best fits into the Technostructure categorization. Since the task of this team is to perform analysis and provide advice to the rest of the company.

Besides, he collaborates with other departments such as E-commerce and IT, which is considered to be in Technostructure, so his team should be located closely to the Technostructure part. Mr. Randeris mentioned this by pointing out important analysts they are collaborating with. Mintzberg's (1993) organizational theory that in Technostructure, analysts serve the organization by supporting the work of others. They promote the operating workflow by planning, designing, changing and training people to do better in work (ibid). The collaboration within digital marketing shows analytical techniques that make work more effective.

> *"We do a lot of cross functional collaboration, that could be between departments within Marketing, or between marketing and E-comm and IT. (Appendix 4, p.11)".*

A case can be made for the team fitting within other places along the organizational structure as well. Since the team provides advice for the different markets to form a business strategy, they could be seen as a part of the strategic apex. On the other hand, the area within which they operate is narrowly focused on marketing decisions and such only influence the sales part of Pandora, Randeris's team has no say in matters such as acquisitions or supply chains. For this reason, not being high enough up the chain to make decisions for the entire company, we could consider the team to be in the middle line of Pandora, establishing communications among the top and the bottom and transforming the strategic decisions coming from the apex into specific plans for the operative core; this might be due to the fact that the technostructure is situated in the middle of the hierarchy and can serve similar roles as the middle line. The main difference between the two would be the creation of work standardization processes in the case of technostructure while the middle management staff would be focused on managing the operatives and providing direct supervision. It can be interpreted that as a Manager, Randeris is in contact with both the strategic apex and the operative core where he implements his marketing team's strategy. Therefore, his team is also considered to be in the middle line.

> *"Yeah, so we have a global agency that basically executes the strategy that me and my team is pushing* (Appendix 3, p. 9; 00:14:52)".

As for considering them as a part of the operational core, we again take a look at their focus on one specific task - providing strategic advice - which places the workgroup above the operational core in the organizational structure, they merely provide advice not engage directly in sales or marketing. The act of providing strategic advice could be seen as support activity, though the technostructure fits better for this kind of 'support'. Activities such as managing the online store or taking care of the digital infrastructure of Pandora would be an example of a task of the support staff.
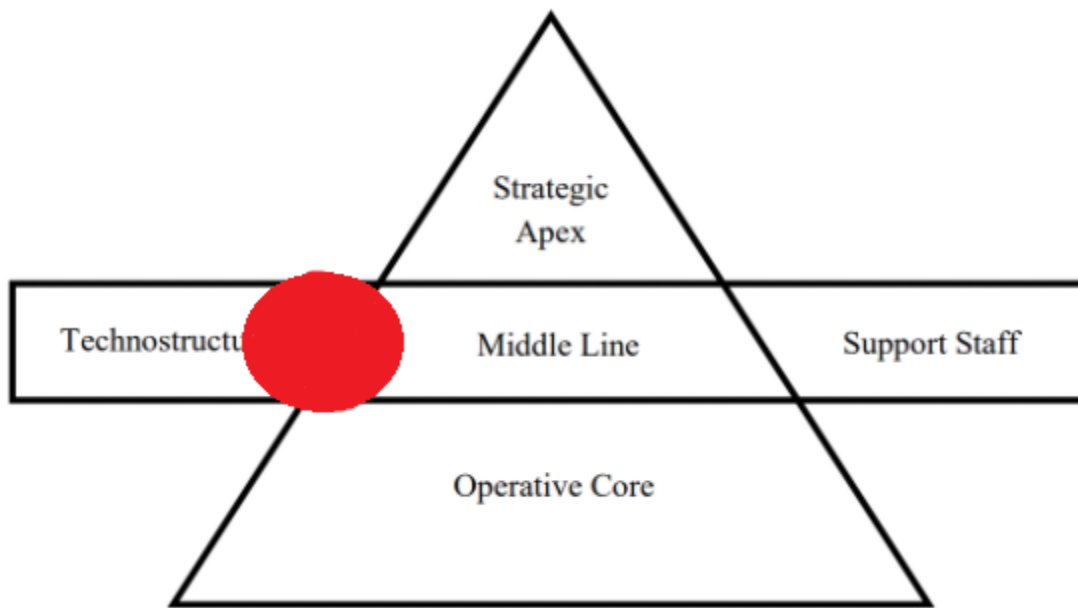

Figure 5: *Placement of Randeris team along the 5 parts of organizations*

Secondly, we analyze the interview regarding the second basic dimension of an organization which is its prime coordinating mechanism. It consists of five elements which are outlined and explained in our theoretical framework (see 3.1). However, through coding the interview, we were made aware that we have too little information to go on regarding the 4th element, 'Standardization of output', as it refers to living up to Pandora's internal standards, this could be in reference to if the team have a predetermined margin

that they need to reach on an annual basis or quarterly, but as we do not have this information, we have decided we cannot analyse this element. On the contrary, the guidelines made as a response to the crisis made by the COVID-19 pandemic signify a standardization of the work process. Since this is their first encounter with such an unprecedented situation, this is a big step for them to outline and put a standard operating system that everyone should be able to stick in the standardization of process and therefore the output as well.

In relation to the Standardization of work process, Mintzberg wrote this as needed to be met; "*Work processes are standardized when the contents of the work are specified, or programmed* (Mintzberg, 1993, p. 5)." However, Randeris does not mention any specifics when it came to *how* he and his team worked. We could assume on the other hand that since he does mention that his team and including himself, are quite agile when it comes to fitting into the market's wants and needs. This could indicate that they do not need in depth specifics, and that therefore this element does fit into the digital marketing team's structure.

Being a part of the technostructure of Pandora, the group of our interviewee provides guidelines and recommendations, they then send to the other departments and under normal circumstances *"[focus] on optimizing and drive efficiency in said departments"* (Appendix 3, pp. X; 00:10:47). As Mintzberg has stated, *"analysts [...] serve to effect certain forms of standardization in the organization"*(1993, p.15). We believe that out of the three types of standardization, strategic advice and guidelines fits the best with the standardization of the work process and as such Mr. Randeri's workgroup provides a vital piece of coordination mechanism to the Pandora company.

As for the standardization of skills, including the knowledge, it can be achieved if the kind of training required to perform the work is specified (Mintzberg, 1993, p. 6). Randeris said technical competence is important to be a part of his team but the main focus is on personality competence. He mentioned that technical skills are relatively easy to assess and improve with follow up workshops and sessions if it is necessary (Appendix 4, p. 11). Considering this, it can be said that certain certificates/skills are required but as they can be taught whether the employee's characteristics are well suited for his team is more

important to work there. As such we do not deem standardization of skills as too important an aspect of Pandora's organization structure.

Regarding direct supervision, Randeris has one direct manager that he reports to and his team members have him as a boss, so there is a unity of command where there should only be one boss for each subordinate from examining the interview (Appendix 4, p. 11). Scalar principle states that there should be a clear and unbroken line of authority from the highest and lowest but Randeris has a direct management of 3 people, so it means the management line looks like a tree diagram. Regarding the supervision method within the workgroup, the group is small enough to be able to coordinate through mutual adjustment, something which is also further encouraged through the use of project coordination software such as Trello. Furthermore, the essence of having supervision helps the digital team to work together effectively. The team is also relatively small in numbers, Mr. Randelis can easily have an overview of the upfront need of guidance needed and help from his subordinates.

Finally, as response to the mutual adjustment of organizational theory, it can be interpreted that Mr. Randeri's management style is relatively informal and based on projects which his team is responsible for. It seems that they are open for discussion to work well together towards fixing a problem. Since he practices open dialogue with his employees at the workplace, it suggests that he emphasizes listening and understanding in order for him and his employees to feel good about the task and understand its purpose to do the job well. Mintzberg states that all departments exist to achieve a fundamental goal of companies which is their business success, and that depends on coworkers at all levels (Lunenburg, 2012). Given the information, it can be said that open dialogue in the workplace does not just work as a means for solving a business problem, but it is also about involving all employees in the workplaces by letting them have honest conversations. Eventually, that improves the strategy and the business with the help of innovative opinions of employees.

> *"In terms of management style I have an open dialogue with my employees and… So, I think the management style is quite an open management style where I put a lot of trust into my employees of course, combined with my*

expectation to them that they will really be responsible in terms of getting that freedom basically." (Appendix 3, p. 9; 00:16:26)*.*

His management style of open dialogue is also working well in remote work where he is not able to actually see what his subordinates are working on. Since they use project management tools to plan, execute and control aspects of the project management process besides meeting, allocation of tasks is easy to see because they are organized and typed down on those online tools. It also ensures that each task is completed on time and to balance staff workload for optimal time management.

> *"And that hasn't changed during covid basically it has increased because I don't meet up with them. We of course, had daily touchpoints, but the contrary to when we are in the office, and they, I had a better opportunity to know what they were working on, but that of course changed with covid." said Randris, digital marketing manager at Pandora* (Appendix 3, p. 9; 00:16:26)*.*

In regard to the team of our interviewee, we can also see some of the efforts to create an informal executive structure in place. Firstly, the fact that when constructing a team there is a focus *"on personality, and if [an employee's] profile will fit into the team* (Appendix 4, p. 11)". Secondly, given the choice of an open management style from the team leader. The informality of this workgroup could be explained by the small size of the team; 3 people being direct subordinates of the interviewee. Mintzberg's states that, *"Generally people working side by side in small groups adapt to each other informally,"* (Mintzberg, 2003, p. 7) with mutual adjustment being the most common means of coordination as it is the simplest one to maintain. The primary goal of this team is to *"set direction and ensure efficient optimization"* to the different markets, something which has, due to COVID-19, shifted to providing advice and quick fixes to problems at hand. The unprecedented nature of the pandemic required Pandora to act quickly and stay flexible in their solutions, something which generally favors the use of informal communication structures and mutual adjustment as opposed to relying on headquarters to pass on directions in a top-down or another formal manner.

Our interviewee, being the leader of a small, specialized team, has confirmed that his team does not follow a rigorous formal structure coordinated by the means of direct supervision and that he instead gives his subordinates a large degree of freedom and makes them responsible for their own actions and for fulfilling expectations placed upon them. As the manager of his team the interviewee focuses on coordinating the work of his team members towards a common project as well as *"ensuring that [they] don't have any roadblocks or if [they] do […] to minimize or remove those roadblocks,* (Appendix 3, p. 9; 00:20:39)*"*. However a great deal of even the coordination of work on a project is handled informally through usage of communication platforms and various project management tools such as Trello or Workfront. The usage of these tools ensures that despite not being able to meet up face-to-face, which according to Mintzberg is essential for maintaining mutual adjustment, the team members and of course others collaborating with them have a chance to conveniently interact informally with one another which then eases mutual adjustment. This management approach nicely illustrates the relationship between formal and informal organizations; the formal structure, the workgroup in our case, is built upon the individual informal interactions and relationships within the team, the team is created with that in mind as will be discussed later on, which in turn uses the formal part (the team leader) to provide direction and a common purpose which then keeps the informal organization from falling apart.

The communication and collaboration among various departments also form the informal structure within a company. This informal communication usually consists of communication necessary for the completion of various interdependent tasks while communication tied to the decision making process is more often handled formally, along the formal hierarchy. The team of our interviewee needs to communicate with other departments related to the digital channel, e-Commerce and marketing which they accomplish *"by aligning expectations in a meeting and then [following] up with a workshop and additional follow sessions if needed,"* suggesting the use of mutual adjustment as a primary means of coordination (Appendix 4, p.11). The communication along different departments working on a shared project therefore displays similar characteristics as the workflow within the team of our interviewee.

Considering his statements, he is considered to be a negotiator when it comes to decision making. He negotiates with his subordinates as well as other subsections of the marketing department to avoid office conflict and promotes productivity. As he is considered to be both negotiator and disturbance handler who uses open dialogue with your teams, it can make him a more humble leader. This way, there is less formal authority nor top-down management from him to his subordinates. Based on Mintzberg management theory, it suggests that this organizational structure and style suits Pandora and the teams because they are located in a relatively changing and unpredictable environment as negotiation with open dialogue generates a diversity of thought, and thus brings improvement.

According to the interview, vertical decentralization is the main decentralization type that Pandora has, but there is also a bottom up approach to decision making besides top down management. Horizontal decentralization can be also spotted since Randeris said he has a cross functional collaboration both within the marketing department and among other departments such as IT and e-Commerce. Moreover, he also aligns expectations with multiple stakeholders in a meeting, and it suggests that the decision making can be flexible because negotiation takes place (Appendix 4, p. 11).

According to Mintzberg, it is possible to identify which organizational structure Pandora can be, using the three basic dimensions we have analyzed above (Lunenburg, 2012). We compare the three basic dimensions discussed above with three basic dimensions associated with each of the five structural configurations.

The simple structure does not have technostructure, so this is not considered to be the structure of Pandora since there is an administrative department at Pandora. In machine bureaucracy, the number of subordinates are small, and there is a high hierarchical structure with many levels (Lunenburg, 2012). It shares similar characteristics of Weber's (1947) bureaucratic principles, and the command comes from top management to the bottom of the organization (Lunenburg, 2012). However, Pandora has removed the layers of hierarchy, and the decision making process is quite flexible and there is a horizontal collaboration, so Pandora is not a machine bureaucracy. Professional bureaucracy, on the other hand, employs both vertical and horizontal decentralization, and the technically qualified personnel and operating core are the key parts (Lunenburg, 2012). In other

words, it is formal in a way it requires certain skill sets but it is decentralized to provide employees a freedom to govern themselves. This has many characteristics of Randeris's marketing team. In the divisionalized form, it uses the standardization of output as its primary coordinating mechanism, but since we could not gather enough data from the interview, it remains unknown. However, there is limited collaborational work across different departments in divisionalized form, it can be said that this is not the case for Pandora according to Randeris as active cross functional collaboration is employed. In adhocracy, mutual adjustment is used as a main coordination method to maintain decentralization of authority (Lunenburg, 2012). This characteristic can be seen in the interview with Mr. Randeris that he employs open dialogue, sprint meetings, and cross functional collaboration and workshops to align with each other's expectations as we addressed above. It means that there is both vertical and horizontal coordination, and there is little formality in the way they encourage idea sharing.Those informal coordination mechanisms allow the organization to adapt quickly to changing environments. His team is relatively unstructured and informal, and the lack of standardized systems allows his team to be flexible. Given the information, Pandora can be considered to have combined characteristics of Professional bureaucracy and adhocracy as its organisational structure. Randeris has mentioned that their task is project-based and they respond quickly and flexibly to changing demands of the changing external environment, which will be analyzed in the following analysis section (Appendix 3, p.9; 00:20:39).

6.2 How has the digital marketing team at Pandora experienced organisational changes brought by the external factor of COVID-19?

To answer the second subquestion, we have utilized Mintzberg's organizational theory as well as the informal organization theory by Chester Barnard.

We argue that Pandora, by looking at the case of the Digital Marketing team, can neither be identified as a fully formal or fully informal organization. But looking through the lens of Mintzberg Organizational theory, we can highlight some aspects that reflect which activities they have that are mostly used and dominant. As much as possible, we

wanted to exclude the case of pandemic in this study but it has brought an effect, somehow, to the data gathering of this project. This became an external issue for the company of Pandora that affected the coordination mechanism they have been usually practicing. The digital lead by Mr. Randeris, mentioned about the couple of people he has direct supervision, was hired during the period of lockdown. There was the situation that all people and workloads should be transferred online. By then, this starts posing a challenge for the entire team to coordinate effectively and efficiently. Furthermore, Mintzberg's theory of organization suggests that to be successful in the business, the coordinating mechanisms should work together at a certain level. The mutual adjustment is the very first key that the organizational theory argued to be present. But this works perfectly in a simple and small organization. In Mr. Randeris' team, it may work just fine but it works better, if there is direct supervision. As he mentioned;

> *"We of course, had daily touchpoints, but the contrary to when we are in the office, and they, I had a better opportunity to know what they were working on, but that of course changed with covid* (Appendix 3, pp. 9; 00:16:26)"

It became a challenge for him to deal with his own team as they cannot see physically and get to see what his subordinates are actually working on. Thus, Mr. Randeris, cannot help them at hand for the things they immediate clarification and supervision with. As we know, coordination in this sense can be achieved if there is one person taking charge for the responsibility. Mr. Randeris is having that responsibility over his small team in Copenhagen as well as with the other contacts he has globally. Additionally. Mr. Randeris mentioned how they deal with the market.

> *"Normally when we interact with markets we do that also in person, and at least in the bigger markets, so previously we basically flew out to the markets and introduced new projects (*Appendix 3, p. 8; 00:10:47).*"*

The monitoring of the works of his team and contacts became tough because of restrictions to travel and series of lockdowns around the world. Thus, it affects the way they do their

usual work and also affects the output in terms of metrics of guidelines and goals they have as a team.

Moreover, because of these changes it also affects the standardization of their work process. Work standardization according to Mintzberg (1993), can actually be done even without mutual coordination nor supervision. By creating the guideline of processes of the work, it will create smooth and coordination in every step of the work process. Everyone in the organization will know what skills should be directly inserted at the very beginning. Doing so, in the process of making it the output is also standardized. Contrary to this, Pandora faces various external challenges that might influence the work standardization of the company. Evident in the Digital Marketing team, Mr. Randeris have not been able to present physically the new project in the potential market. He might not have mentioned the specific guideline in doing that but we somehow assumed that is part of the guideline as he mentioned that it is what they have been doing just before the pandemic hits. As a matter of fact, they have created different guidelines to different markets in response to the closing and opening up the stores due to the lockdowns. Mr. Randeris quoted*:*

> *"We created different guidelines to the markets around how should they operate if a store or some of the stores was were closed and when they were basically back to normal.* (Appendix 3, p. 9; 00:10:47)*".*

Obviously, Mr. Randeris does not only take charge of the small team. He is also in contact with the global markets that need advice and supervision from him. This immediate action prompts the immediate need to alter and even create new guidelines to when the store should close down. New guidelines that might stipulate things about re-opening, temporary or permanent close down and maybe the compensation benefits of the employees affected.

The organizational changes that Pandora is facing because of this external factor is seen visible in the digital marketing team alone, in many ways. By optimizing the theories of management and organizational theory of Mintzberg. This has clarified and elaborated why such things in Pandora are happening or even absent in some situations. Overall, this section focuses on the organizational changes Pandora has to face in response to the

inconvenience brought by external factors such as the COVID-19. The discussion limits only to the case of Digital Marketing Team because of the primary data gathered directly from them.

6.3 How has the reorganization affected Pandora's efficiency and growth?

Thus far, we have brought forward and analysed how Mintzberg's organizational structures and his theory on management can be seen within the company of Pandora as well as the informal organizational theory. It is clear that Programme NOW has been a large part of Pandora for the last two years, affecting many areas within the company with changes. The question then remains, has Programme NOW been efficient with its turnaround strategy and in its reorganization of Pandora?

To start off with, one of the main reasons behind implementing Programme NOW was to increase their operating profits. From 2013 to 2017, Pandora's profits rose quickly. They became aware however in 2018 that the same trend for that year was not going to happen. Rather, their profit fell. This trend is seen in Figure 6 below.

Figure 6: *Operating Profits in DKK.*

Based on one of the plans of Programme NOW at increasing this profit long-term, there was a need to cut costs in various departments and areas within Pandora. More

specifically, they aimed at reducing costs by the end of 2020 by 1.2 billion Danish Krones (Pandora Annual Report 2018: 22). These cost savings were both oriented internally as well as externally. As Mr. Randeris explains:

> *"We did also do a lot around cost savings as well internally so finding different ways to everything from minimizing business travel to being more efficient in how we buy things and get a longer credit* (Appendix 3, p. 7; 00:04:31)*"*

As evident, there were various steps taken by Pandora that helped aid with this reduction of costs. In Pandora's annual report of 2020, they stated that out of the 1.2 billion Danish Krones, 0.3 billion DKK were designated as organizational restructuring costs. It should be mentioned that these cost savings are made from cutting expenses from chosen areas within the company, such as business travel as mentioned, so that these cuttings can be allocated to the restructuring of Pandora. He further mentions that some of the cost savings were then put to use to reach the goal of furthering the eCommerce of Pandora:

> *"Uh, things like that and so we invested a lot of that saving into media actually to improve our reputation and consideration as a global brand.* (Appendix 3, pp. 7; 00:04:31)*"*

It is noteworthy to point out that he mentions the need to improve their reputation as a global brand. As previously mentioned in the introduction to this project, Pandora has experienced a pile up of negative reviews, especially on the website Trustpilot. Pandora has managed to receive a 1.4 score out of 5 with 2,129 reviews in various languages, at the time of writing this project (Trustpilot, n.d. a). 85% of these reviews were 1 star reviews. Many of the negative reviews are closely linked with their experiences with bad customer service from Pandora or with the quality of purchase, from not only Denmark, but worldwide. Furthermore, many of these reviews were made within a year, indicating that there still seems to be an issue with customers experiencing bad customer service, still creating an overall bad reputation for Pandora.

However, it is also important to note here that these negative reviews could be the few very negative cases that there have been in total, and this cannot and should not represent the overall presentation of Pandora. The customers who may have had a pleasant or even great experience may not be as inclined to write a review on a website such as Trustpilot, as much as a customer with a negative experience may be inclined to write a negative review. As an example, the jewellery brand Cartier is placed almost the same with a score of 2.2 however with fewer reviews. 62% of the reviews lie with a 1 star review, and indicate similar experiences with bad customer experiences with customer service (Trustpilot n.d. b). Tiffany & Co. falls into the same experience with an overall review of 2.1 with 69% of their reviews being 1 stars (Trustpilot n.d. c). These are just to name a few of the luxury jewellery brands that Pandora are also in competition with. This indicates that the customers who have had a negative experience with one of these brands, are more inclined to let others know than those who may have had a great or even just a good experience.

One of the other areas in which Pandora seeked to cut costs, was to limit their expenditure on new property meaning physical store locations through leasing (Pandora Annual Report, 2018). The number of physical stores between 2019 and 2020, both Pandora owned and partner owned, only dropped by 80 stores worldwide (Pandora Annual Report, 2018, p. 8). The focus does not seem to be on limiting the number of stores, but rather effectivising the already existing ones. Steen explains:

> *"[W]hat we are aiming at is a two key metrics and that that we put forward against the stock market. The first one is what we call like for like growth so basically looking at the amount of stores we have and the revenue coming out of that, how does that deliver against the last year basically? And of course we want to increase the revenue from those stores* [...] *(Appendix 3, p. 7; 00:08:54)"*

Shown in Figure 7, the total revenue from the previous 10 years indicates a positive growth in revenue from 2010 until its peak in 2018. From then on and the next two years, revenue declines rapidly. The graph does give this overall understanding of the company's

total revenue, but is it possible to draw more information out? Well, we can supplement the data by introducing the number of shops in 2019 and in 2020 worldwide. Dividing the number of shops with total revenue for these years, this gives us the revenue per shop as seen in Figure 8.
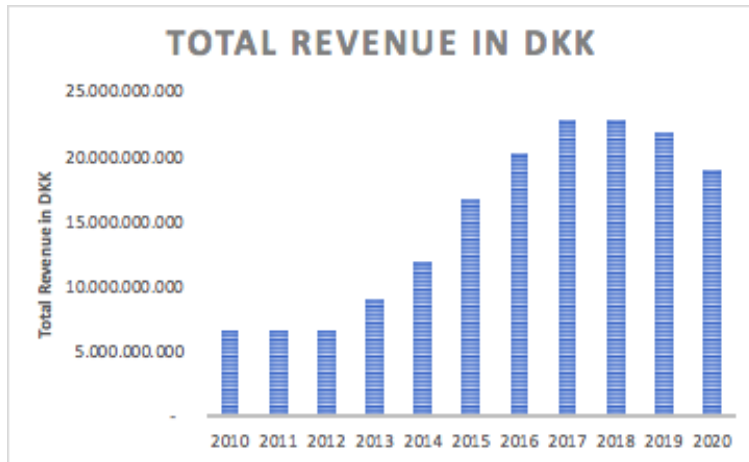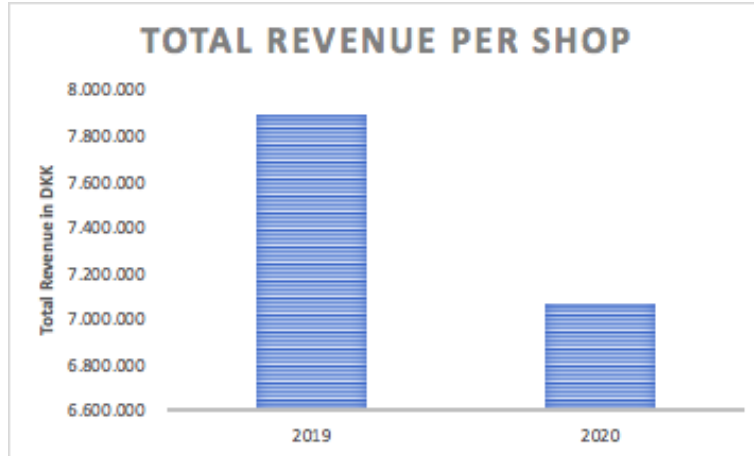

Figure 7: Total Revenue in DKK.

Figure 8: *Total Revenue per Shop (Based on own calculations)*

As Mr. Randeris mentions, it is of course important for Pandora that they want to increase their revenue per store, as this means that each store becomes more efficient at drawing in revenue. Of course this only gives us a very basic understanding of the overall picture, but nonetheless important to analyse and take into consideration.

Furthermore, from data that has been collected on the average number of employees from the past ten years at Pandora, one notices that Figure 9 shows that approximately 1,400 full time employees were let go within the year between 2019 to 2020. The past ten years show however, that there has only been an increase in employees from 2010 to its peak during 2018. It is only in 2019 that the first dive occurred in the average number of employees during the past decade. This may be interpreted as one of the areas in which Pandora decided to cut some of its costs, or a side effect of COVID-19. From the methodology chapter, costs are defined as being 'total expenses' (see 4.6). We thought that this might be interesting to take a look at and decided to see how the trend in total expenses would look like over the past 10 years. The total expenses over the past decade have therefore been calculated and is shown in the graph below in Figure 10, as well as a graph showing the average number of employees Figure 9:
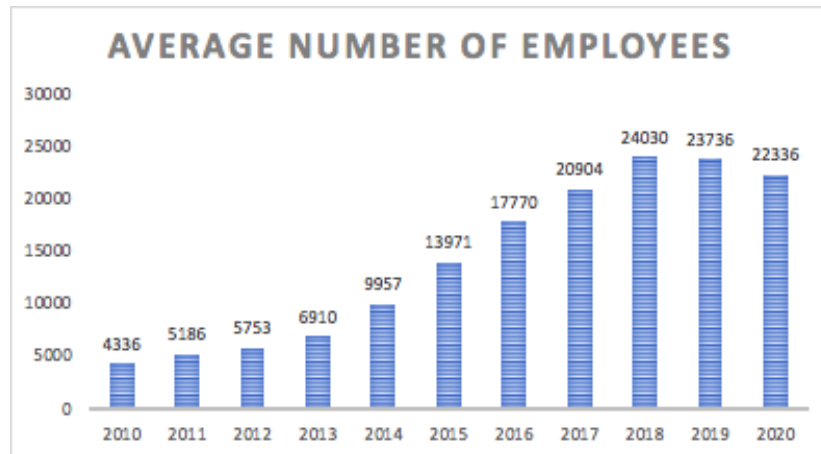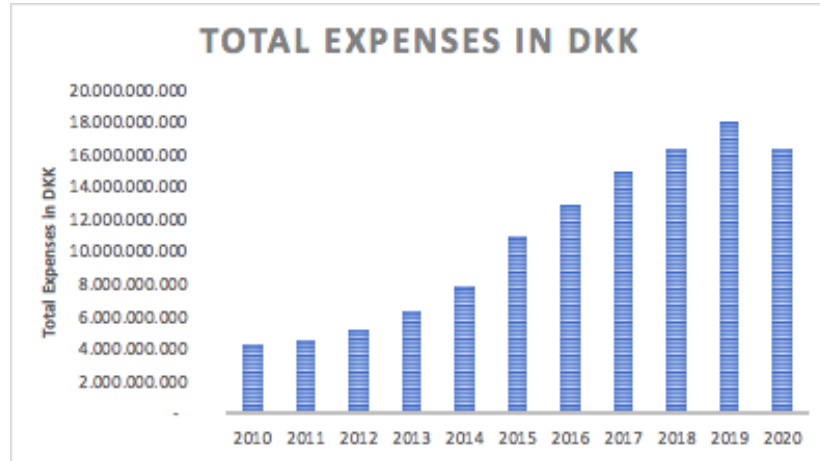

Figure 9: *Pandora's Average No. of Employees.*

Figure 10: *Pandora's Total Expenses in DKK (Based on own calculations)*

A very overall analysis will now be made in order to draw an overall picture of what causes Pandora's profits to decrease, if it is revenue sided or expenses sided. Firstly, profits are affected by how revenue either falls or increases, and the same goes for its expenses. What can be gathered from the previously presented graphs, is that Pandora's profit seems to be driven more by its revenue. Both expenses have gone up while revenue has continued to decline, which combined together can explain much of why Pandora's operating profits have fallen quite a bit. Figure 10 shows that in 2020, total expenses fell for the first time in ten years. As we do not know all key elements that lie under total expenses, we can say for sure that expenses have fallen during last year. A few reasons could be mentioned that could explain this fall. One of them being the 80 permanently closed stores. Another could be the letting go of 1,400 full time employees, and as Steen mentions in the interview, the other multiple cost saving plans made with Pandora's reorganizational plans for example cutting down on business travel. Calculating the total expenses per employee, could give a better indication if it has been more efficient for Pandora after letting 1400 employees go. This is shown in Figure 11 below.
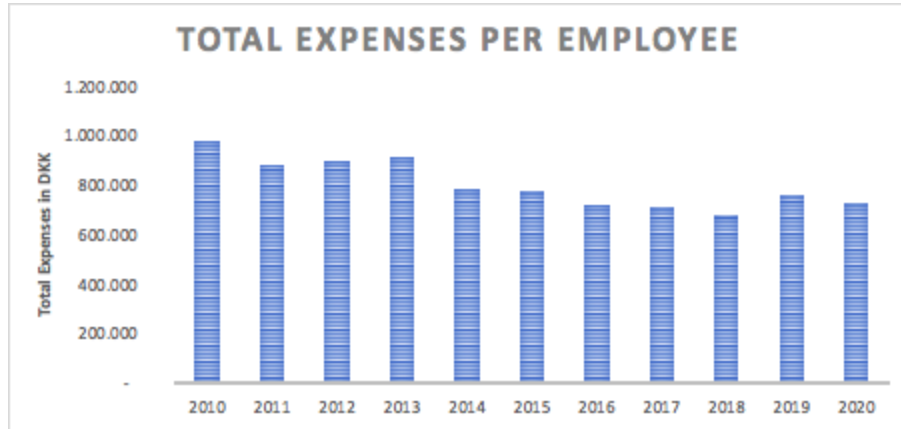
Figure 11: *Total Expenses per Employee (Based on own calculations)*

It seems to remain quite stable within the last ten years of total expenses per employee, even though total expenses and total number of employees have fluctuated. Specifically if we look at 2019 to 2020. This could indicate that the total expenses and sum of employees are strongly correlated, and that this correlation can be explained by several things. One of which could be that the total expenses are very sensitive to changes in the number of employees, and that this could explain the somewhat stability in trendline in Figure 11. A second explanation could be that total expenses per employee strongly correlate with other areas of expenses. Without drawing much conclusion out of these findings, this could possibly be a very important and key indicator for Pandora as a company. Of course, this is very basic and overall information that we need to remain critical towards, as well as it only showing the possible short-term effects rather than any long-term ones. All in all, it seems as though the cost saving plans were at least somewhat effective as the total expenses have decreased, at least short-term, as it is already evident from the data.

Programme NOW and its reorganization was mainly focused on its effects long-term on the company. In the continued interview via email, Mr. Randeris supplements this subject with the omnichannel approach. He writes:

> *"Even with the very high spike in e-comm revenue, we still see most of our revenue coming from bricks and mortar. If we can utilize both channels to*

compliment each other, we're in a good place. It will also help remove the siloed approach that can happen between departments. (Appendix 4, p. 12)"

Based on the 2020 Annual Report from Pandora, the revenue received through physical stores declined by approximately 30% between 2019 and 2020. Comparatively, the revenue received through their online stores grew by 97% (Pandora Annual Report 2020: 8). Even though a larger percentage of Pandora's revenue comes from their brick and mortar, they are certainly also witnessing a rapid increase in revenue from eCommerce. The omnichannel approach seems to certainly be a smart choice thought out by Pandora, as they utilize and take advantage of both channels to increase overall revenue. It is also important to mention here, that the decrease in revenue from physical stores during the year 2020 will most likely also have been the effect of COVID-19 and the temporary closing of many stores around the world. This will certainly have had an effect on the revenue stream.

He also mentions the second key metrics that Pandora were aiming for:

"[...] *the other part is also having EBIT margin as a as a metric, so ensuring that we both have organic growth combined with a healthy EBIT, as well* [as] *expenses before interest and tax.* (Appendix 3, p. 7; 00:08:54)"

The earnings before interest and tax (EBIT) is a key indicator of a company's profitability. For any company, including Pandora, tracking its EBIT is crucial. For 2020, Pandora's EBIT margin was 20.4%. Due to COVID-19, the expected EBIT margin for 2021 had to be reevaluated, and Pandora now aims to have a guided EBIT margin above 21% (Pandora Annual Report, 2020, p. 13).

As mentioned in the introductory chapter to this project, Programme NOW was put into action in late 2018, early 2019, as a turnaround strategy for Pandora. It aimed to be incorporated globally as the company believed that this would aid in their customer focus, their overall leadership and to halt the decline of their revenue. Although looking at the yearly report for Pandora, it seems as if it is too early to tell exactly to what extent the

turnaround strategy has been efficient. However, the Chief HR Officer Erik Schmidt is quoted say:

> *"Our global restructuring has been a key component in delivering our turnaround and preparing us for long-term growth. The changes have helped reduce organisational complexity, strengthen decision-making* [...]*. It's been a well-placed investment in growth and build- ing a leading organisation for top talent and professional development* (Pandora Annual Report 2020: 19)*"*

Pandora is certain that Programme NOW will show its true colours before long, and that this turnaround strategy will be a long-term change that will aid in their overall growth. Certain quarterly figures indicate that growth can already be seen in certain areas, but it is difficult to say by just how much the year 2021 has not ended.

From the analysis surrounding the question if Programme NOW and its reorganization has been effective, one can draw a possible conclusion and answer to it. Firstly, it needs to be said that the programme only just concluded at the end of 2020, early 2021. This means that only short-term effects are visible as of this moment. Pandora's revenue drivin dive, has not yet seen increase, but this does not mean that it will not within 1-5 years time. It is still an ongoing analysis in the long-term aspect. However, it is evident that Programme NOW's cost saving plans seem to have been quite effective, and were seen within the year 2019-2020. This indicates that there has been strong will from Pandora globally to come together and take action with this turnaround plan.

6.4 Conclusion of Analytical Framework

The aim for this analysis has been to reach an understanding and an answer to the chosen research question: *How has the turnaround strategy of Programme NOW within Pandora affected the company's organizational structure and its efficiency?*

During the first part of the analysis, we have thoroughly discussed and analysed the interview with Mr. Randeris in relation to what kinds of management methods Mr. Randeris's marketing team uses as well as what kinds of organizational structure he

indicates through the interview that Pandora has. This was primarily done by using the selected theories to understand and gain knowledge that could lead us to an answer or an explanation. Mintzberg's management theory is used in order to analyse Mr. Randeris management team position, responsibility, management style, coordination style and decision-making process, and analyze which kind of organizational structure PANDORA has. We figure out that organizational structure as a terminology fits perfectly in association to the management styles Pandora is practicing. First, we introduce the overview of Mr. Randeris's position and responsibility at Pandora, who is responsible for a team and is also the main contact for Pandora's global agency. He also indirectly manages different marketing teams in different markets. His team operates narrowly focused on marketing decisions. As understood from Mr. Randeris's interview, the team is a "middle line" of Pandora, meaning that it establishes communications among higher and lower positions and transforms the strategic decisions coming from the apex into specific plans for the operative core.

To analyse Pandora's organizational structure, Mintzberg's organizational theory was used. The theories thereby became a tool for our understanding of both the interview conducted and the secondary qualitative data. What we found was that they merely provide advice not to engage directly in sales and marketing. By analyzing the interview of Mr. Randeris, we focused on the second basic dimension of an organization, which is its prime coordinating mechanism, that consists of five elements. In this case, our limitation was the 4th element, called standardization of output, in which we were unable to gather more information. By focusing on the other four elements, we conclude that 'standardization of the work process' fits more into the digital marketing team's structure. About 'direct supervision', Randeris has one direct manager and three employees under his 'command', so the management line is a tree diagram. According to Mr. Randeris, in order to join his team it is mandatory to perform a training, so for the "Standardization of skills", certain certificates and skills are required and some additional training is needed to be a part of his team.

The aim for the second part of the analysis was to understand how the digital marketing team at Pandora experienced organizational changes brought by the external factor of COVID-19. We found that during the pandemic of COVID-19, Mr. Randeris' team

had to transfer online and to coordinate effectively and efficiently. Through the use of the informal organizational theory, we evaluated how well the coordination accomplished while physical meetings were not allowed. It is normal to be a challenge for his team and him, but as it is a small team it could be managed. Nonetheless, Pandora faced external challenges which affected the work standardization of the company. Mr. Randeris has not been able to present physically the new projects which were made before the pandemic hit, but they were effective and created different guidelines for different circumstances.

As most of the analysis was focused on understanding the reorganization of Pandora and how its internal organizational structure looks through the use of the selected theories, the final part of the analysis was aimed at trying to understand if this reorganization has been efficient. Has the implementation of Programme NOW benefited Pandora already in the short-term? This answer was reached through the use of secondary data and through the project's own calculations using this data. What we found was that Pandora's fall in operating profits seems to be revenue drivin, and that it seems crucial for Pandora to remain stable in its expenses per employee as the elements are sensitive to any changes. The cost saving plans that Mr. Randeris mentioned during the interview, can already be seen when looking at total expenses for Pandora. Within the year, they managed to cut down on costs, enough to be reflected in the annual report 2020. This indicates that at least this goal has been reached.

Chapter 7 - Discussion

The purpose of this chapter is to discuss certain areas within the report that we as a group either found interesting, constructively criticized or would have liked to explore further. Also, we will scrabble around the importance and relatedness of the research findings into the theoretical concept of the project. The first part of the discussion will talk about the unexpected finding about the gathered data and secondary sources needed to support our case study and the second part will discuss Weber's perspective of organization in contrast to Mintzberg. This will elaborate differences and similarities of how they see things within the organization.

7.1 Findings and Critique

This sub chapter focuses on the data gathered in reflection to the theoretical framework set in this project. We start by reflecting on the dimensions of organizations that the two theories of Mintzberg have combinedly and connectedly ties together. The most evident finding that we have reached so far is that Pandora has a unique way in approaching their organization's management and structure. First and foremost, Pandora has been trying to make their organization flat which means that they structured it the way adhocracy is defined. This means that there is no direct prime coordination mechanism. In contrast, mutual adjustment is practice and there is selective decentralization. Additionally, they give value to the support staff as the key part of the organization. As argued in Mintzberg theory of organization, support staff in the case of Pandora reflects to be in great use especially in their transition of organizational restructuring. As a matter of fact, it plays a big part especially in the times that they need to immediately address the external and internal issues brought by the pandemic. One noticeable thing that brought this discussion interesting is that, we try to avoid incorporating the issues of pandemic in this study at the very beginning to lessen irrelevancy and focus the entire project on the business organization itself. However, the findings accompany us with some thoughts and good discussion regarding the matter. What this matter contributes to is that, sudden and unpredictable circumstances often lead to decisions for changes in the organization to cope up with the demand of the time and the business environment. Furthermore, this incident never happened before for a long run that really affected that business organization of

Pandora. Studies and related literature regarding Pandora often talks about the external aspects like the marketing and sales handling issues. They talked about the negative customer reviews, social corporate responsibility and governance.

Pandora is a global company that operates around the world. With the flat structure and open management style, the company exercises more freedom for employees to execute their jobs and meet the expectation they are set to live with. The flat structure they are pertaining to is removing the organization later that eventually leads them to work more functionally. This also implies that they eliminated confusion in the decision frameworks within the organization. Thus, transparency is increased and they can work well with clarity in every work designation. On a narrower note, it shows that in the Digital Marketing team of Pandora works in collaboration cross functionally. This also applies in collaborating with other departments of the organizations. We can see the coordination aspect between departments are, as well, loosen although they still have framework in dealing collaboration with others.

Moreover, the "Programme NOW" of Pandora has been said to be a turnaround program for them. This was a challenge for them as they encounter challenges after they have initiated the program. But they were able to bounce back with the plan by addressing brand perception, which is a manifestation of the restructuring the management positions. With the new CEO. The initiative was pushed through and coordinated the different channels of communication to promote this. Most likely, the management style with the leadership style of the new CEO perfectly aligned with the purpose of the Programme NOW.

Overall, the analysis is solely made on the interview with Mr. Randeris, thus some parts of analysis required in-depth information from secondary sources to fully analyze the theoretical concepts. The limited amount of primary data and the lack of supporting information from secondary sources are the main critique on our qualitative data.

7.2 Weber's Perspective on Organization

This subchapter will explore German sociologist and political economist Max Weber's framework and theory of bureaucracy. Furthermore, Weber's framework will be compared and discussed in relation to Minzberg's Organizational Theory.

Weber saw many issues in existing approaches, especially around the area of authority and therefore investigated authorities and how they occur in organizations. He recognized three types of authorities: Traditional, Charismatic and Rational-legal authority. Weber saw that most companies and organizations were led with traditional authority, which "rests upon inherited status as defined and maintained by such things as bloodlines and the ownership of property" (Hatch, 2012, p.24). Thus, decisions were often made through relations, kinship and family. He recognized problems in this as traditional authority allows people to be employed or fired for other than organizational reasons, such as race, sex, relationships, or other personal matter rather than technical ability. Therefore, organizations could be led by few people, who often were not the most qualified to do it. He called this "particularism" - where a particular group of people were running the organization and having influence over it. Charismatic authority is based on attractiveness, characteristics of an individual person or/and heroism. When the leader runs the organization or in example business with this type of authority, the company often follows beliefs and values of the individual leader (ibid., p.353).

Weber, mentioned by Daft (2010) argued that organizations should act rationally to achieve the targeted goals. To be able to do that he thought the leadership needed to be more structured in businesses and there needed to be clarified rules for decision making.

Therefore, he concluded that instead of running organizations just with charisma, relations or connections, organizations should be led with Rational- Legal authority. This type of authority is "*based on employees' belief in the legality of rules and the right of those elevated to positions of authority to issue commands*" (Daft, 2010,p.353) and consistent with societal law as organizations should be run by formal rules and policies. Furthermore, this authority is engaged in the position or office instead of an individual, which means that the authority and power to make decisions does not stay after the person leaves the position and transfers to the new person who is occupied with that position.

Weber developed a framework of administrative characteristics that would ensure a rational and more efficient way to run large organizations and thus presented the concept of bureaucracy (Daft, 2010). He identified six beneficial organizational characteristics that would help the bureaucratic organizations. First of them, "Rules and procedures" ensure that the organization is acting in a predictable way and all the employees and their

performance are evaluated equally in their position. "Specialization and division of labor" means that all of the employees have their own position and task in the organization. "Hierarchy of authority" ensures the control and supervision for the employees. "Technically qualified personnel" means that instead of favoritism or hiring friends and family, the hiring process was based more on technical competence needed to fulfill the position. "Separate position from position holder" means that individuals do not personally inherit the right to a job or position. Lastly, "Written communications and records" guaranteed "an organizational memory and continuity over time" (Daft, 2010, p.346). (ibid.)

There are ways and instances that Mintsberg theories work perfectly the same with how the Weber's bureaucracy have been describing its way of characterizing the organization. Weber theory of organization is mainly believed to be the result of continuous social behaviour; the emphasis is that there is a clear distribution of authority where that administrative staff plays a significant role in achieving the bureaucratic authority therein. On the other hand, Minztberg is focused on emphasizing the importance of the basic parts of the organization. The importance of these will be identified depending on the kind of business the organization is playing in and what kind of management styles they are practicing. Nonetheless, Mintzberg incorporated some of the works of Weber on his own theory. The machine and professional bureaucracy, as one of the organizational structures by Mintzberg, is said to be with the same characteristics of Weber. The level of formalization in these structures is high with a relevant high work standardization as well that falls within the characteristics of Weber's bureaucracy. Overall, this study was initially done deductively on the basis of Mintzberg Theory to fill in gaps that lie behind the Literature of the case study of Pandora. Thus, we argue that by using Mintzberg Theories as the main theory than Weber's bureaucracy will still essentially contribute to the knowledge gap we are aiming to supplement.

7.3 Quantitative Findings and Critique

Although the quantitative findings through the last subchapter of the analysis were a good basis for an overview of Pandora's efficiency before and after Programme NOW, it still

lacks in-depth data and understanding. This is specifically an area in which the project could have elaborated further on, if enough time had been allocated to this. Combined this with the relevant resource to complete and in depth dive into Pandora's financials.

Furthermore, the project could have made contact with an external analyst of Pandora that does specific research and gathers their own data on the companies financials from a complete external viewpoint. This person would have been ideal to have either had an interview with or asked if there was a possibility that we could receive a copy of their data gathering from 2020/2019. This data would then have been from a secondary source not directly involved with Pandora. However, during the early stages of the project, we made a decision to focus on the internals of Pandora, and therefore bringing in an external person of interest would have possibly been counterproductive. Nonetheless, the usage of this external data could have been very useful in both eliminating a potential bias or flaws in data directly from Pandora. This in hindsight would have been very useful and interesting for the final part of the analysis.

7.4 Sub Questions Linkage

It occurred to us during the final stages of this project that one of the project's weaknesses is the fact that there is a lack of connection between the sub question within the analysis and how they relate to one another. Especially, the link between the strategy of Pandora Programme NOW and its organizational structure has not been developed in our report. Further research in this area can enhance our understanding on how organizational strategy and structure is related. The project should have made a clearer link and understanding of the chosen sub questions in order for a more cohesive analysis.

Chapter 8 - Conclusion

The final question then remains to be answered, '*How has the turnaround strategy of Programme NOW within Pandora affected the company's organizational structure and its efficiency?'.* The conclusions that will be presented in this final chapter of this project, are derived from the interpretation made in the analysis and with regards to the theoretical standpoint made from the very beginning.

The purpose of using Mintzberg's theories, organization and management, as the main theories, was to fill in potencial missing knowledge about the reality of organizational practice of Pandora. But upon digging further into the company, we found out that supplementary theory of informal organization is of great help to fill in missing parts the main theory cannot supplement.

To conclude, Pandora has a well trained staff, with the tree diagram management line, which coordinated effectively and efficiently during the pandefic of COVID-19. Meanwhile, the external factors like the Pandemic also affected the way Pandora deals strategically. The digital management team we analyzed has like others been affected by the lockdown having to figure out how to manage their work via an online meeting platform. The nature of their work has also changed due to the different challenges faced by PANDORA and the individual markets, within which it operates, which warranted a different kind of advice than before. Closing down physical stores has also allowed (and forced) the company to fully focus on their digital platforms, meaning the area of expertise of mr. Randeris and his team now became more important than ever before

As much of the quantitative data of Pandora's financial key figures, in the end only could give a brief overview of the effect of Programme NOW, it was definitely evident that the plan for cost savings had had a visible effect. The total expenses for 2020 had fallen, and this was quite visible. Even though many factors could play into the definition of expenses for Pandora, it is still an effect, and seemingly a positive one for Pandora in the short-term. Furthermore, we noticed that the expense per employee seems to be somewhat of a key indicator for Pandora. One of the explanations could be that the total expenses per employee strongly correlate with other areas of expenses. However, concluding on any

long-term effects has not been possible from the sole reason that Programme NOW has only just concluded.

Bibliography

A

ACCA. Think Ahead. (n.d.). *Mintzberg's theory on organisations.* [online]. Available at: https://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f1/technical-articles/mintzberg-theory.html#:~:text=The%20evolution%20of%20organisation%20structures,large%2Dscale%20production%20and%20manufacturing [Accessed: 13 May 2021].

Afashionblog.com (n.d.). *Why are Pandora Bracelets so Popular?(4 Reasons Found).* [online]. Available at: https://www.afashionblog.com/Pandora-bracelets-so-popular/ [Accessed: 19 May 2021].

Almirao, F. (2015). *Pandora Winning Model. Technology and Operations Management.* [online]. Available at: https://digital.hbs.edu/platform-rctom/submission/Pandora-winning-model/# [Accessed: 24 May 2021].

Asch, D., Bowman, C. (1989). *Readings in Strategic Management.* London: Machillan Education Ltd.

B

Bades, R. (2021). *Pandora Has Closed 25% of Stores Due to COVID-19.* [online]. (Last updated: 12 January 2021). Available at: https://www.jckonline.com/editorial-article/Pandora-closed-25-stores/. [Accessed: 19 May 2021].

Berrett, C. and Paton, E. (2015). *Pandora's jewellery earnings charm the market.* Financial Times. [online]. (Last updated: 17 February 2015). Available at:

https://www.ft.com/cms/s/0/5bb2d2ce-b686-11e4-95dc-00144feab7de.html [Accessed: 25 May 2021].

Blush and Bar (n.d.). Should You Buy Pandora Jewelry? What the Reviews Say. [online]. Available at: https://www.blushandbar.com/blogs/articles/Pandora-jewelry-reviews [Accessed: 24 May 2021].

Boesen, P. (2016). *Valuation of Pandora A/S.* Copenhagen: Copenhagen Business School. Available at:
https://research-api.cbs.dk/ws/files/60749238/233868_Valuation_of_Pandora.pdf [Accessed: 24 May 2021].

Bryman, A., (2012). *Social Research Methods.* 5th edition ed. s.l.:OXFORD.

Buch-Hansen, H. & Nielsen, P. (2012) *Chapter 8. Kritisk Realisme* in Juul, S. & Pedersen, K. B, (red.) Samfundsvidenskabernes *Videnskabsteori. En indføring,* 1. udgave, Hans Reitzels Forlag, København, pp. 277-318.

C

Caramela, S. (2018). *The Management Theory of Henry Mintzberg.* [online]. (Last updated: 27 February 2018) Available at:
https://www.business.com/articles/management-theory-of-henry-mintzberg-basics/ [Accessed: 19 May 2021].

D

Daft, R. L. (2010). Organization Theory and Design, VANDERBILT UNIVERSITY. Available at: http://www.mim.ac.mw/books/Organization%20Theory%20and%20Design.pdf.
Danziger, P. N. (2020). *How To Turn Around A Once Booming Global Jewelry Brand? Pandora Was On Track, Then Came Coronavirus.* [online]. (Last updated: 06 June 2020). Available at: https://www.forbes.com/sites/pamdanziger/2020/06/06/how-to-turn-around-a-once-bo

oming-global-jewelry-brand-Pandora-was-on-track-then-came-coronavirus/?sh=5ade0dfb
b946 [Accessed: 01 May 2021].

Dauriz, L., Remy, N., Tochtermann, T. (2014). *A multifaceted future: The jewelry industry in 2020.* [online]. (Last updated: 01 February 2014). Available at:
https://www.mckinsey.com/industries/retail/our-insights/a-multifaceted-future-the-jewe
lry-industry-in-2020 [Accessed: 22 May 2021].

Dowding, M., et. al. (n.d.). *Mintzberg's Organizational Configurations.* [online]. Available at:
https://www.mindtools.com/pages/article/newSTR_54.htm [Accessed: 13 May 2021].

F

Fedow, L. (2020). *Pandora's Q1 Revenue Falls, but Online Sales Strong.* [online]. (Last updated: 05 May 2020). Available at:
https://www.nationaljeweler.com/majors/financial-reporting/8768-Pandora-s-q1-revenu
e-falls-but-online-sales-strong [Accessed: 19 May 2021].

Fedow (2021). *Pandora's 2020 Sales Sink Despite Strong Online Performance.* [online]. (Last updated: 04 February 2021). Available at:
https://www.nationaljeweler.com/majors/financial-reporting/9681-Pandora-s-2020-sales
-sink-despite-strong-online-performanc [Accessed: 19 May 2021].

Flick, U. (2018). *An introduction to qualitative research.* 6th edition, SAGE Publications Ltd

Flyvbjerg, B. (2006). *Five Misunderstandings About Case-Study Research.* Qualitative Inquiry, 12(2), pp. 219-245. [online] Available at: https://doi.org/10.1177/1077800405284363 [Accessed: 20 May 2021].

G

GlobeNewswire (2019). *Pandora DELIVERS ON GUIDANCE AND ENTERS TWO-YEAR TRANSFORMATION TO REIGNITE A PASSION FOR Pandora – COSTS TO BE REDUCED BY DKK 1.2 BILLION.* [online]. (Last updated: 05 February 2019). Available at: https://www.globenewswire.com/news-release/2019/02/05/1710295/0/en/Pandora-D ELIVERS-ON-GUIDANCE-AND-ENTERS-TWO-YEAR-TRANSFORMATION-TO-REIGNITE-A-PA SSION-FOR-Pandora-COSTS-TO-BE-REDUCED-BY-DKK-1-2-BILLION.html. [Accessed: 19 May 2021].

GlobeNewswire (2020). *Pandora ANNOUNCES STRATEGIC REORGANISATION.* [online]. (Last updated: 04 March 2020). Available at: https://www.globenewswire.com/news-release/2020/03/04/1994830/0/en/Pandora-A NNOUNCES-STRATEGIC-REORGANISATION.html#:~:text=As%20a%20consequence%20of %20the,from%20the%20Executive%20Leadership%20Team.&text=The%20new%20orga nisation%20will%20take%20effect%20from%202%20April%202020. [Accessed: 19 May 2021].

H

Hatch, M. (2012). Organization theory: modern, symbolic and postmodern perspectives. Chapt. 2. Oxford: Oxford University Press.

I

Isomura, K. (2020). *Organization theory by Chester Barnard. An introduction*. Chapt. 5. Tokyo: Springer.

J

Jones, L., Palumbo, D. and Brown, D. (2021). *Coronavirus: How the pandemic has changed the world economy*. BBC. Available at: https://www.bbc.com/news/business-51706225 [Accessed: 10 May 2021].

Josephs, J. (2020). *Pandora paying all staff in full through pandemic*. [online]. (Last updated: 08 November 2020). Available at: https://www.bbc.com/news/business-54862615 [Accessed: 25 May 2021].

L

Lunenburg, F. (2012). *Organizational structure: Mintzberg's framework*. International journal of scholarly, academic, intellectual diversity. Vol.14. N.1. pp.1-8. Available at: http://www.nationalforum.com/Electronic%20Journal%20Volumes/Lunenburg,%20Fred%20C.%20Organizational%20Structure%20%20Mintzberg%20Framework%20IJSAID%20V14%20N1%202012.pdf [Accessed: 13 May 2021].

M

Marekova, V. and Noikov, S. (2018) *Integrating Consumer Values in the CSR Communication of Jewellery Companies: The Case Study of Pandora*. Copenhagen: Copenhagen Business School.

Mintzberg, H. (1973). *The nature of managerial work*. New York: Harper & Row. Chapter 4.

Mintzberg, H. (1993) Structure in Fives: Designing Effective Organizations. Prentice Hall.

Mintzberg, H. (2009). *Managing*. San Franciso: Berrett-Koehler Publishers, Inc. Chapter 3.

N

Nahm, A., Vonderembse, M. and Koufteros, X. (2003). *The impact of organizational structure on time-based manufacturing and performance. Journal of Operations Management.* 21. 281-306. 10.1016/S0272-6963(02)00107-9. [online]. Available at: https://www.researchgate.net/publication/222524499_The_impact_of_organizational_structure_on_time-based_manufacturing_and_performance [Accessed: 13 May 2021].

Nasdaq. (n.d.). About us. [online]. Available at:

http://www.nasdaqomxnordic.com/about_us [Accessed: 25 May 2021].

Nieves, B. (2021). Commit These Top Designer Jewellery Brands to Memory. [online]. (Last updated: 05 March 2021). Available at:

https://www.whowhatwear.co.uk/designer-jewelry-brands [Accessed: 24 May 2021].

P

Pandora. (2017). Pandora Ethics Report. Pandora A/S: Copenhagen V. Available at:

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjk_
LePz-TwAhUruqQKHQGsBFcQFjAAegQIAxAD&url=https%3A%2F%2FPandoragroup.com%
2F-%2Fmedia%2Ffiles%2Fpdf%2Fsustainability-reports%2F11366_ethics_report_2017_fi
nal.pdf&usg=AOvVaw0y4ncbyZgxRyv92xM85waD [Accessed: 25 May 2021].

Pandora. (2018a). *Annual Report 2018. Pandora A/S.* [online]. Available at:

https://investor.Pandoragroup.com/static-files/806f8a35-915f-4452-a147-94be22ddd4a8
[Accessed: 07 April 2021].

Pandora. (2018b). *Pandora Reduces Full Year Expectations and Launches Programme 'NOW'.*
Pandora Group. [online]. Available at:

https://Pandoragroup.com/investor/news-and-reports/company-announcements/newsde
tail?id=22446. [Accessed: 24 April 2021].

Pandora. (2020a). *Annual Report 2020. Pandora A/S.* [online]. Available at:

http://www.Pandoragroup.com/staticcontent?url=http://Pandoragroup.gcs-web.com/stat
ic-files/fcc4e1f1-52ac-4c3f-8256-03ccd06ebc7c&format=pdf&title=Annual%20Report%20
2020 [Accessed: 07 April 2021].

Pandora. (2020b) *Pandora Announces Strategic Reorganization*. No. 584. Copenhagen C:
Pandora. Available at:

https://ml-eu.globenewswire.com/Resource/Download/d803db9d-70ea-410a-8fe5-32bb00a1f730 [Accessed: 19 May 2021].

Pandora. (2020b) *Encouraging sales recovery since April - The future retail environment continues to be subject to significant uncertainty*. [online]. (Last updated: 17 August 2020). Available at:

https://Pandoragroup.com/investor/news-and-reports/company-announcements/newsdetail?id=23826 [Accessed: 19 May 2021].

Pandora. (2020c) *Interim Financial Report Q2 2020*. Company Announcement No. 603. Copenhagen V: Pandora. Available at:

https://ml-eu.globenewswire.com/Resource/Download/928eea60-824d-40a6-9bf7-9420d895c708 [Accessed: 19 May 2021].

Pandora (2020d). *Pandora Announces Strategic Reorganization*. No. 584. Copenhagen C: Pandora. Available at:

https://ml-eu.globenewswire.com/Resource/Download/d803db9d-70ea-410a-8fe5-32bb00a1f730 [Accessed: 19 May 2021].

Pandora. (n.d. a) *The Pandora story.* [online]. Available at:

https://Pandoragroup.com/about/Pandora-in-brief/the-Pandora-story [Accessed: 02 March 2021].

Pandora. (n.d. b). *Our history*. [online]. Available at:

https://Pandoragroup.com/about/Pandora-in-brief/the-Pandora-story [Accessed: 25 May 2021].

Pittman, T. (2020). *Why ratings and reviews are important for your business.* [online]. (Last updated: 02 June 2020). Available at:

https://www.bazaarvoice.com/blog/why-ratings-and-reviews-are-important-for-your-business/ [Accessed: 24 May 2021].

S

Sabanoglu, T. (2021a). *Revenue share of Pandora A/S worldwide in 2020, by product category*. Statista. [Data]. (Last updated: 19 March 2021). Available at: https://www.statista.com/statistics/970540/global-revenue-share-Pandora-a-s-by-product-category/ [Accessed: 24 May 2021].

Sabanoglu, T. (2021b). *Operating profit of Pandora A/S worldwide from 2010 to 2020. (in million Danish kroner).* Statista. [Data]. (Last updated: n,d.). Available at: https://www.statista.com/statistics/457155/global-operating-profit-of-Pandora-a-s/ [Accessed: 04 May 2021].

Sabanoglu, T. (2021c). *Total revenue of Pandora A/S worldwide from 2010 to 2020 (in million Danish kroner)* Statista. [Data]. (Last updated: n,d.). Available at: https://www.statista.com/statistics/457142/global-revenue-of-Pandora-a-s/ [Accessed: 04 May 2021].

Sabanoglu, T. (2021d). *Average number of employees of Pandora A/S worldwide from 2010 to 2020.* Statista. [Data]. (Last updated: n,d.). Available at: https://www.statista.com/statistics/457216/number-of-employees-of-Pandora-a-s-worldwide/ [Accessed: 04 May 2021].

T

Trustpilot (n.d. a) *Pandora A/S.* Available at: https://www.trustpilot.com/review/www.Pandora.net [Accessed: 19 May 2021].

Trustpilot (n.d. b) *Cartier.* Available at: https://dk.trustpilot.com/review/cartier.com [Accessed: 19 May 2021].

Trustpilot (n.d. c) *Tiffany & Co.* Available at:

https://dk.trustpilot.com/review/www.tiffany.com [Accessed: 19 May 2021].

The Straitstimes (2020) *Danish jewellery maker Pandora tops world's best-performing market.* [online]. Available at:

https://www.straitstimes.com/business/danish-jewellery-maker-Pandora-tops-worlds-best-performing-market [Accessed: 24 May 2021].

U

Unninayar, C. (n.d.). *Thailand's Gems and Jewelry Industry.* [online]. Available at:

https://www.gemscene.com/bangkok-sep-2015.html [Accessed: 25 May 2021].

Z

Zara (n.d.). Smykker. (Last updated: 24 May 2021). Available at:

https://www.zara.com/dk/da/kvinde-tilbehoer-smykker-l1015.html [Accessed: 24 May 2021].

Tables, Figures and Statistics

Figure 1: Pandora. (2020b) *Pandora Announces Strategic Reorganization.* No. 584.
Copenhagen C: Pandora. pp. 2. Available at:
https://ml-eu.globenewswire.com/Resource/Download/d803db9d-70ea-410a-8fe5-32bb00a1f730 [Accessed: 19 May 2021].

Figure 2: Lunenburg, F. (2012). *Organizational Structure and Design.* Journal of Educational
Leadership and Policy Studies. Pp. 29 Available at:
https://files.eric.ed.gov/fulltext/EJ1226963.pdf [Accessed: 19 May 2021].

Figure 3: Mintzberg, H. (2009). *Managing.* Pp. 48. San Franciso: Berrett-Koehler Publishers,
Inc.

Figure 5: Study.com (n.d.). *What are Henry Mintzburg's five parts of an organization?* [Data]. (Edited). (Last updated: n.d.). Available at: https://study.com/academy/answer/what-are-henry-mintzburg-s-five-parts-of-an-organization-explain-with-an-example.html [Accessed: 25 May 2021].

Figure 6: Sabanoglu, T. (2021b). *Operating profit of Pandora A/S worldwide from 2010 to 2020. (in million Danish kroner).* Statista. [Data]. (Last updated: n.d.). Available at: https://www.statista.com/statistics/457155/global-operating-profit-of-Pandora-a-s/ [Accessed: 04 May 2021].

Figure 7: Sabanoglu, T. (2021c). *Total revenue of Pandora A/S worldwide from 2010 to 2020 (in million Danish kroner)* Statista. [Data]. (Last updated: n,d.). Available at: https://www.statista.com/statistics/457142/global-revenue-of-Pandora-a-s/ [Accessed: 04 May 2021].

Figure 9: Sabanoglu, T. (2021d). *Average number of employees of Pandora A/S worldwide from 2010 to 2020.* Statista. [Data]. (Last updated: n,d.). Available at: https://www.statista.com/statistics/457216/number-of-employees-of-Pandora-a-s-worldwide/ [Accessed: 04 May 2021].