

BPP Business School
Coursework Cover Sheet

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Module Name	Management Essentials
Programme Name	
Student Reference Number (SRN)	
Assessment Title	Management Essentials of Spotify

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List of Abbreviations

Emotional Intelligence- EQ

Freedom and Responsibility- FNR

Search inside Yourself- SIY

Introduction

Effective management essentials comprise successful strategies, behaviours, and competencies to empower organisations to achieve their goals while fostering innovation, collaboration and adaptability. This report delves into Spotify's management practices with a critical analysis of its impact on organisational success. It confers the strategies of Spotify in addressing critical business challenges and analysing managerial behaviours on organisational performance. Furthermore, the assessment identifies key managerial competencies that are crucial for Spotify's current and future growth in the competitive "Internet Content & Information sector". Besides, emotional intelligence and its impact on managerial success have also been conferred in the report, with proper recommendations to improve managerial competencies.

Task 1 – Management Practices

1.1 Management Style of Spotify

The methods that managers use to approach the accomplishment of the organisation's objectives are referred to as their management styles. Their ability to make decisions, their ability to organise their work, and their capacity to exercise authority are all taken into account. Different management styles may be found in a variety of contexts, including different firms, different levels of management, and even different people. Through the lens of Mintzberg's Management Roles, this section delves into the management philosophy and organisational practices of Spotify.

Mintzberg Management Roles

According to Henry Mintzberg, there are three main management responsibilities: interpersonal, informational, and decisional. The agile structure that Spotify uses, which is referred to as the "Spotify Model", fits along with the above three functions. In spite of the fact that it encourages creativity, independence, and productivity, the paradigm also poses a number of important obstacles. The purpose of this discussion is to provide an in-depth analysis of how Spotify's management strategy matches Mintzberg's roles, illustrating both the company's strengths and faults.



Figure 1: Mintzberg Management Roles

(Source: Bilić *et al.* 2023)

Interpersonal role

Mintzberg's interpersonal role includes being a figurehead, leader, and liaison—roles that involve managing relationships, motivating employees, and ensuring collaboration (Bilić *et al.* 2023).

Spotify's leadership strongly encourages autonomy and collaboration within teams. The Squads, Tribes, Chapters, and Guilds structure ensures that employees feel empowered to take ownership of their work (Cruth, 2021). CEO Daniel Ek has emphasised fostering an open and creative work environment, which contributes to high levels of engagement (Cirisano, 2020). Spotify's commitment to culture is also reflected in its "Band Manifesto," which encourages principles such as teamwork, respect, and continual learning (Bolin Tingvall, 2025). Employees may collaborate on passion projects via initiatives like Hack Weeks, which enhance team bonds and drive creativity (Spotify Newsroom, 2021). These characteristics demonstrate excellent leadership and a dedication to interpersonal involvement, both of which contribute to a healthy and inclusive working environment.

Even with this emphasis on autonomy, striking a balance between independence and alignment may be difficult. Delays in implementing new features and competing objectives have sometimes resulted from the decentralisation of decision-making (Cruth, 2021). In addition to that, workers

may experience stress and burnout as a result of pressure from excessive levels of autonomy (Berg, 2020). Although the agile approach encourages creativity, not all workers do well in a setting with little top-down guidance, which may indicate a leadership void.

Informational role

Mintzberg's informational role involves monitoring, disseminating, and acting as a spokesperson—ensuring that managers effectively communicate insights, updates, and strategic decisions (Dai *et al.* 2024).

Spotify makes data-driven decisions well as it uses complex analytics to tailor playlists like “Discover Weekly” and “Spotify Wrapped”, showing its informative role in innovation and user engagement (Open Spotify, 2025). Spotify's CEO and executives also spoke about their ambitions. Spotify's transparency about content acquisition, playlist algorithms, and innovation plans shows leadership (Cirisano, 2020). This openness aligns workers and external stakeholders, bolstering Spotify's digital music leadership.

However, decentralised decision-making might hinder communication. Squads are independent, but tribes are not coordinated, resulting in inefficiencies and misalignment (Cruth, 2021). Spotify's quick innovation cycle has sometimes overloaded personnel, along with internal reports showing problems in balancing creative freedom with performance demands (Cirisano, 2020). Spotify's emphasis on original programming and podcasts has also strained artist relations, which highlighted a lack of informational leadership in income sharing.

Decisional role

Mintzberg's decisional role includes entrepreneurial, disturbance handler, resource allocator, and negotiator responsibilities—shaping the company's strategic direction (Bilić *et al.* 2023).

Spotify's entrepreneurial mindset is evident in its constant push for innovation. The company's freemium model has been highly successful, balancing ad-supported free streaming with premium subscriptions, allowing it to scale globally (Al Farabi, 2023). Moreover, Spotify has effectively handled industry disruptions by diversifying into podcasts and exclusive content, which has differentiated it from competitors (Bolin Tingvall, 2025). As per Al Farabi (2023), the direct listing on the stock exchange in 2018 showcased Spotify's willingness to challenge traditional models, setting a precedent for other tech firms.

However, scaling the Spotify Model globally has not been without issues. The agile framework, originally designed for a smaller company, has faced scalability challenges in a global

organisation (Cruth, 2021). As Spotify continues to expand, maintaining agility while ensuring strategic alignment has become increasingly difficult. Additionally, employee burnout remains a concern. The high level of autonomy in decision-making, while fostering innovation, has also increased pressure on employees to deliver, leading to reports of stress and work-life imbalance (Berg, 2020). These shows a lack of refinement in the management approach of Spotify, which came at the cost of employee well-being. .

1.2 Mission, Vision and Values of Spotify

The mission of Spotify is to “unlock the potential of human creativity—by giving a million creative artists the opportunity to live off their art and billions of fans the opportunity to enjoy and be inspired by it” (Spotify Newsroom, 2025). The vision of Spotify is to “have it be the primary driver of all of our business decisions as it allows those decisions to be automated, personalised, and scalable—something that was not possible before” (Spotify Newsroom, 2022). The value of Spotify lies in allowing to forecast the profitability of experiments, promoting a thoughtful approach towards investment in terms of innovation as well as content and predicting which content will yield more engagement and happiness (Spotify Newsroom, 2022).

1.3 Relation among Mission, Vision, and Values of Spotify

Spotify’s mission, vision, and values are deeply interconnected and drive its strategic decisions, innovation, and user engagement. The mission of unlocking human creativity by empowering artists and inspiring fans aligns with the Spotify Model of agile management, which fosters autonomy, collaboration, and innovation (Cruth, 2021; Spotify Newsroom, 2025). Through personalised playlists like “Discover Weekly” and “Spotify Wrapped”, the company enhances the user experience while supporting artists with data-driven insights (Open Spotify, 2025). Spotify’s vision, emphasising automation, personalisation, and scalability, reflects its reliance on advanced data analytics and machine learning algorithms (Spotify Newsroom, 2022). The ability to predict engagement and forecast profitability enables strategic investments in innovation and exclusive content, such as podcasts and artist collaborations (Spotify Newsroom, 2022).

The company’s values—which prioritise thoughtful investments in content and innovation—align with its freemium model and global expansion strategy, ensuring sustainable growth while maximising user satisfaction (Spotify Newsroom, 2022; Al Farabi, 2023). However, challenges such as scalability issues, employee burnout, and misalignment in decision-making highlight that there is a lack of balance between autonomy and organisational structure (Cruth, 2021; Berg,

2020). Ultimately, Spotify's mission, vision, and values guide its agile approach, fostering continuous innovation while addressing the complexities of a rapidly evolving digital music industry.

Task 2 – Analysis of Business Challenges

2.1 Discussion of Two Key Challenges of Spotify

PESTLE Analysis

Factors	Discussion	Impact
Political	<p>The political stability of the UK is around 0.51, showing a comparatively stable governmental environment (The Global Economy, 2024).</p> <p>The House of Commons, House of Lords, and Monarchy comprise Parliament, and The two Houses perform Parliament's legislative duties (UK Parliament, 2025).</p>	Positive
Economic	<p>The GDP Growth Rate of the UK is currently around 0.1% in 2024 (Trading Economics, 2025).</p> <p>The GDP annual Growth Rate of the UK is currently varied from around 1 to 1.4% in 2024 (Trading Economics, 2025).</p> <p>Consumer confidence in the UK varied from around -19 to -20 points in 2025, which is poor (Trading Economics, 2025).</p> <p>The inflation rate of the UK is around 2.5 to 3% in 2025 (Trading Economics, 2025).</p>	Negative
Social	<p>The population of the UK was around 67.6 to 68.27 million in 2023 (Trading Economics, 2025).</p> <p>The employment rate of the UK is 75% in 2025 (Trading Economics, 2025).</p> <p>The labour cost of the UK varies from 112 to 113 points in 2024 (Trading Economics, 2025).</p>	Neutral
Technological	<p>The music streaming platforms use content delivery platform providers such as Cloudflare for building fast, reliable applications for the enhancement of user experiences (Cloudflare, 2025).</p>	Positive
Legal	<p>Copyright, Designs and Patents Act 1988 governs the licensing and copyright of music streamed on platforms (Legislation.gov.uk, 2025).</p> <p>Data Protection Act 2018 ensures the protection of user data and privacy in line with the UK GDPR (GOV.UK, 2024).</p>	Neutral

Environmental	The emissions from music streaming platforms' use of multiple data centres are 662% higher than those reported by major big tech and IT corporations (O'Brien, 2024).	Negative
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Table 1: PESTLE Analysis

(Source: Author)

Challenge 1: Economic Pressures and Subscription Retention

Spotify faces economic challenges due to fluctuations in consumer spending, inflation, and high royalty costs. The UK's GDP growth rate is currently at 0.1%, with annual growth ranging from 1% to 1.4%, which is relatively low (Trading Economics, 2025). Additionally, consumer confidence remains low at -19 to -20 points, indicating reduced discretionary spending, which can affect Spotify's ability to retain premium subscribers (Trading Economics, 2025). Inflation, currently between 2.5% and 3%, further impacts pricing strategies and consumer willingness to pay for premium plans (Trading Economics, 2025). Moreover, high royalty payments to artists and record labels continue to strain profitability, making it difficult for Spotify to balance competitive pricing and sustainability.

Challenge 2: Regulatory and Legal Compliance

Spotify also faces complex UK-specific regulations, including copyright and data protection laws. The Copyright, Designs and Patents Act 1988 mandates strict licensing requirements, which can be costly and time-consuming (Legislation.gov.uk, 2025). Additionally, compliance with the Data Protection Act 2018 and UK GDPR requires significant investment in data security and privacy protections (GOV.UK, 2024). Post-Brexit changes in trade agreements and licensing rules have also added uncertainty to Spotify's operations in the UK. While Spotify has adapted by forming global partnerships, compliance costs and potential legal risks remain ongoing challenges.

Both challenges highlight the need for strategic pricing adjustments, cost management, and continued investment in regulatory compliance to ensure long-term stability.

2.2 Current Management Competency of Spotify in terms of creativity and innovation to navigate through the business challenges of Spotify

4 Box Problem-Solving Model

Spotify's ability to innovate and creatively solve problems is key to its success in the competitive streaming industry. Using the 4-Box Problem-Solving Model, it can be assessed how Spotify's management leverages creativity and innovation can address the current challenges.

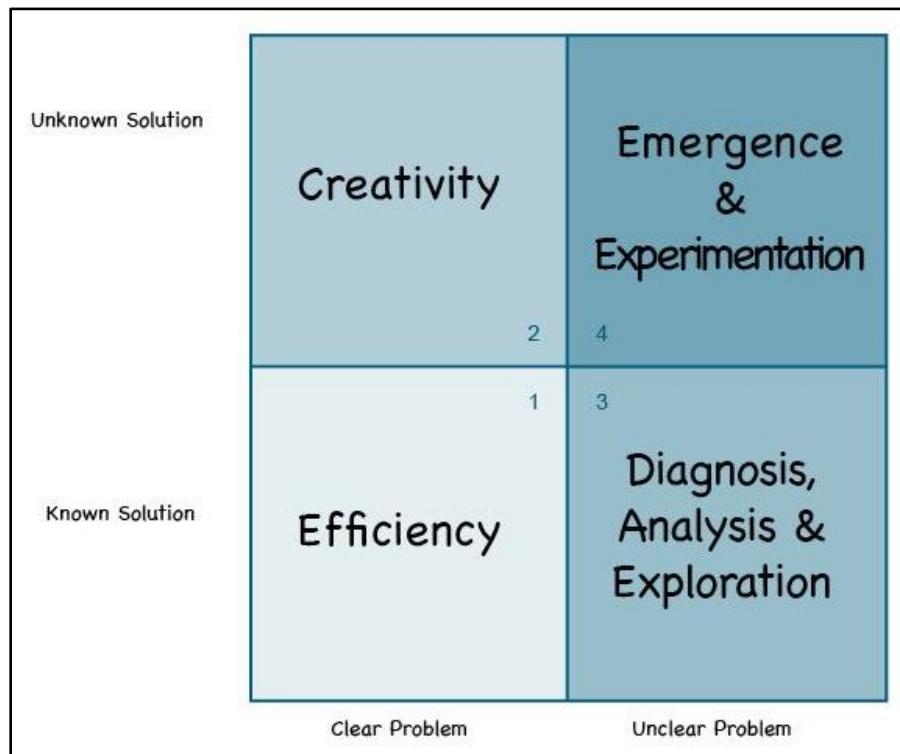


Figure 2: 4 Box Problem-Solving Model
(Source: Rowell *et al.* 2021)

Efficiency

Spotify optimises efficiency by acquiring companies like Podights and Chartable to strengthen its podcasting business (Mukherjee and Chmielewski, 2022). Additionally, personalised playlists like "Discover Weekly" and "Daily Mix" use machine-learning algorithms to streamline content discovery (Open Spotify, 2025). However, high royalty payments and inflation-driven subscription pricing add up to a significant level of challenge to Spotify's cost efficiency, requiring further optimisation.

Creativity

Spotify fosters a culture of creativity through Hack Week, where employees develop new features and sustainability initiatives (Spotify Newsroom, 2023). The CO2 calculator for artists and social sharing features showcase innovation in user engagement and environmental

responsibility. However, balancing creativity with profitability remains a challenge, particularly with rising operational costs and regulatory compliance pressures.

Emergence and Experimentation

Spotify experiments with new business strategies, including expanding its podcasting ecosystem and integrating sustainability features (Spotify Newsroom, 2023). This can be offset by utilising carbon offset programs such as Terrapass, using renewable energy along with native energy for the data centres (Vallenás *et al.* 2021). Spotify is still concerned about how to successfully scale these advances while dealing with competition from Apple Music and Amazon Music.

Diagnosis, Analysis and Exploration

Spotify continuously analyses user data to enhance engagement and forecast profitability (Spotify Newsroom, 2022). However, the high dependency on algorithms raises concerns about content discovery biases, along with over-reliance on automation and overuse of the personal data of music listeners.

2.3 Current Management Competency of Spotify in terms of decision-making to navigate through the business challenges of Spotify

VUCA Framework

The ability of Spotify to make decisions is an essential component in the company's ability to navigate issues in the business, such as constraints on subscription price and high licensing costs, while simultaneously retaining innovation. Spotify's management choices may be evaluated using the VUCA Model, which stands for volatility, uncertainty, complexity, and ambiguity. This model offers a structured perspective that can be used to assess how well these difficulties are being addressed.

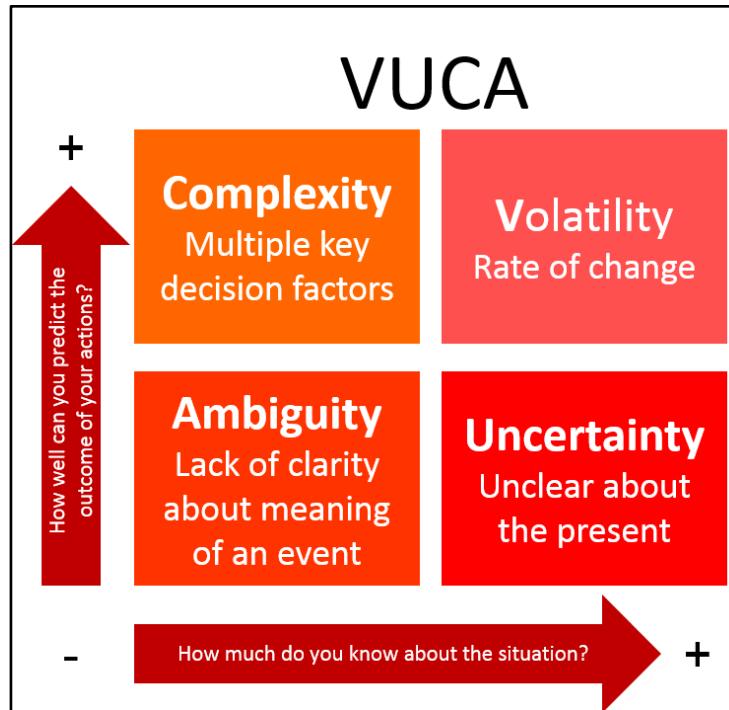


Figure 3: VUCA Model

(Source: Khalatur *et al.* 2021)

Ambiguity

The economic landscape, including inflation and fluctuating consumer spending, affects Spotify's subscription pricing strategies. Spotify counters volatility by using guardrail metrics to ensure new product changes enhance user engagement without negatively impacting other areas (Schultzberg, 2024). However, competition from Apple Music and Amazon Music continues to pressure revenue streams, requiring more dynamic pricing and bundled offerings.

Uncertainty

Spotify mitigates uncertainty by investing in data-driven decision-making, particularly in software development and product design (Field, 2020). By leveraging data analytics to optimise build times for Android apps, Spotify enhances developer productivity and user experience. However, uncertainty in copyright regulations and evolving royalty structures may require additional strategic foresight.

Complexity

Spotify's in-car listening experience demonstrates effective complexity management. With varying car systems like Bluetooth, Apple CarPlay, and Android Auto, Spotify ensures interoperability (Spotify Engineering, 2024). However, the complexity of balancing artist

royalties while sustaining profitability remains a challenge, requiring innovative monetisation strategies beyond subscriptions.

Volatility

A systematic experimentation approach is used by Spotify in order to overcome uncertainty. This approach includes testing new user engagement features and improving the company's automobile footprint (Spotify Engineering, 2024). Despite this, it is still uncertain if its pricing model can be maintained over the long term in the face of economic developments, which calls for a revenue plan that is more flexible.

Task 3 – Impact of Management Behaviours on Organisational Performance

3.1 Critical Evaluation of the Emotional Intelligence of Spotify's managers' influences on a high level of organisational performance and employee engagement

Emotional Intelligence or EQ, is the ability to identify and interpret one's own emotions, while using that knowledge to guide thoughts and behaviours, which is embraced in a range of environments (Topic 3 Workbook). Moreover, EQ is considered a powerful predictor of “on-the-job performance” and organisational success, where mentoring, coaching, career planning and 360-degree feedback is paramount (Topic 3 Workbook). Thus, enhancing EQ is able to reduce stress at the workplace, while creating a productive work environment.

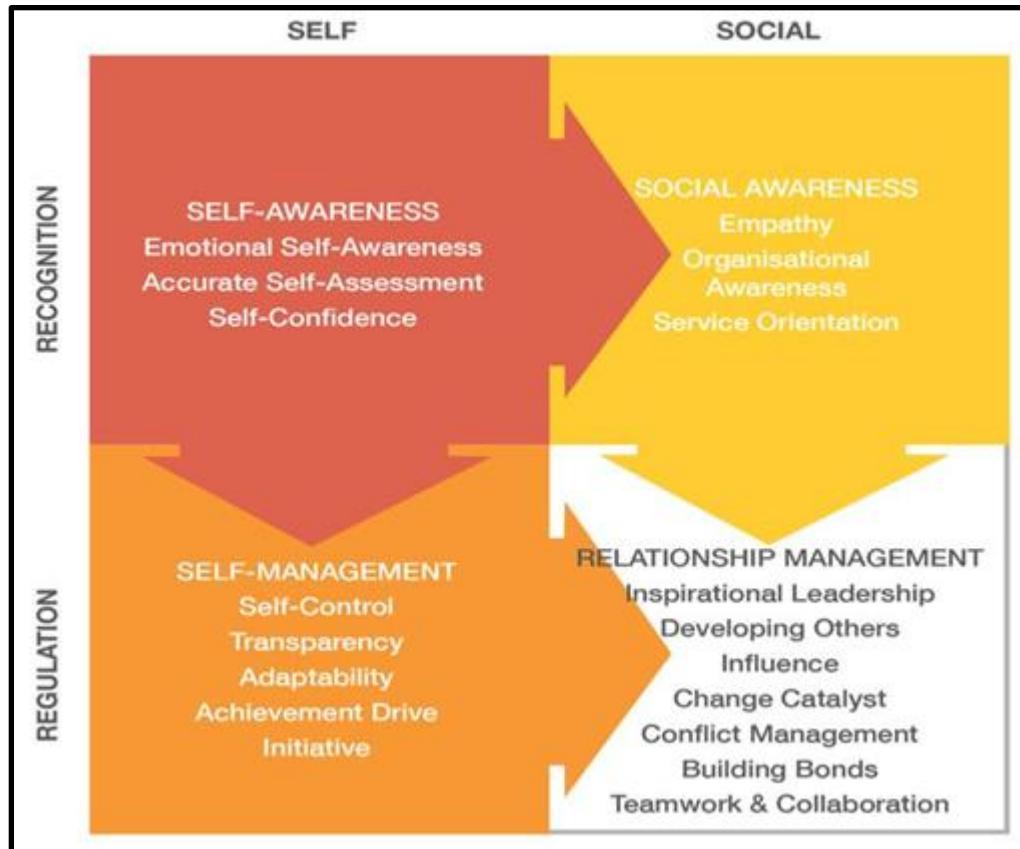


Figure 4: Emotional Intelligence Model of Goleman (2002)

(Source: Topic 3 Lecture Slide, Emotional Intelligence)

EQ in leadership is essential and influences organisational performance and employee engagement, which is the ability to understand and manage emotions (Channell, 2021). Goleman's EQ model comprises 4 key factors such as self-awareness, social awareness, self-management and relationship management.

Goleman's four Pillars model

Self-Awareness

Self-awareness refers to the ability of managers to recognise and understand their emotions, strengths, weaknesses, and their impact on others. In this context, self-awareness is demonstrated by Spotify managers as CEO Daniel Ek has publicly acknowledged the importance of listening, where he was quoted saying, "*One of the most underrated skills we have in our society is listening*" (Bariso, 2023). This openness contributed to the success of "Discover Weekly", which has become a top feature of Spotify. However, self-awareness can negatively impact an

organisation when a hyper-focus on emotional state may lead to hesitation and overanalysis, hindering decision-making.

Self-Management

Self-management is the ability to control and regulate one's emotions, particularly in stressful situations. In this context, Apple was accused by Daniel Ek of violating the "Digital Markets Act" or **DMA** and urged regulators to take prompt action (CPI, 2025). Apple's efforts in adhering to the DMA were described as a "farce", as the tech giant was dependent on a "well-established pattern of delaying and stalling", instead of abiding by regulatory frameworks (CPI, 2025). In contrast, an excessive focus on self-discipline can create a rigid work culture. For example, the "freedom and responsibility" or **FNR** culture led to high-pressure work environment at **Netflix** (Sperling, 2024).

Social Awareness

Social awareness is the ability to understand others' emotions to navigate the social environment. Spotify's management, particularly Ek, demonstrated a higher level of social awareness by maintaining a connection to the potential customers in the evolving industry. For instance, over 2.3 billion hours and 97.3 million days were spent by customers on Spotify till 2020 (Spotify, 2020). However, his higher level of awareness was criticised as his layoff affected around 9000 employees as per his smart cost-cutting measure (Hogg, 2023). Hence, although the company's focus on user-centric innovations gave rise to organisational success, there was public criticism due to layoffs. In addition, the company's focus on user-centric innovations, such as personalised playlists, reflects a deep understanding of customer needs.

Relationship Management

Relationship management involves the ability to inspire, influence, and develop others while managing conflict. Spotify's collaborative culture, driven by its managers, has been crucial in fostering teamwork and innovation. For instance, hackathons with the topic "Get to know each other" were used to carry out a "cross-functional collaboration" (Chua, 2023). "Unify" was the name of the hackathon, which prioritised collaborative learning rather than competition [**Refer to Appendix 1**]. In contrast, over-emphasis on relationship management may lead to bias in decision-making or favouring certain labels or artists. Moreover, collaboration sometimes slows down the decision-making process with reduced priorities, which may deteriorate organisational success.

3.2 Analysis of positive and negative effects

Spotify's managers' EQ played a vital role in organisational success, where self-awareness helped in staying competent and agile in a competitive market. For example, the data-driven design of Discover Weekly, comprising individual listening histories, is favoured by users, leading to organisational success (Joe, 2023). On the other hand, the "***HR people analytics solution***", developed by Spotify CHRO Katarina Berg, has been effective in fostering a long-term vision of the company as it gets 640 million monthly users (Braizer, 2025). Thus, Spotify's social awareness and empathy towards both users and content creators regarding the development of Discover Weekly led to heightened organisational success, user satisfaction and retention. On the other hand, overconfidence in leadership decisions might hinder creativity and discourage employees from expressing their opinions.

3.3 Recommendation to Spotify based on each EQ Pillar

EQ Pillar	Recommendations
Self-Awareness	The leadership of Spotify need to focus on continuous reflection and learning from their success and failures. This can be done with the conduct of a 360-degree feedback session with its employees to introduce a certain level of awareness. Moreover, coaching, journaling and mindfulness-based activities are effective in helping managers assess their behaviours and influence decision-making (Crawford <i>et al.</i> 2021). For example, the " <i>Keeper Test</i> " of <i>Netflix</i> fosters self-awareness and judgment to maintain a high-performance culture (Netflix, 2024).
Self-Management	Spotify should focus on incorporating stress management programs, such as mindfulness workshops or time-management training. Furthermore, managers are supposed to set performance benchmarks to align the target with the well-being of employees. Effective self-management skills are significant in fostering healthy relationships among employees (Thapa <i>et al.</i> 2023). For example, <i>Google's "Search Inside Yourself</i> program incorporates mindfulness and emotional intelligence training for employees, including managers (SIYLI, 2025).
Social Awareness	Spotify managers need to invest in delving into the team's diverse needs through focus groups and employee surveys. Besides, encouraging emotional regulation and adaptability in the dynamic work environment is essential while promoting resilience and meta-awareness (Johnstone and Wilson-Prangley, 2021). For example, <i>Alexa+</i> was launched by Amazon with its virtual assistant, beneficial for users (Gerken, 2025).
Relationship	Interdepartmental collaboration is a form of team-building exercise

Management	where strong communication practices are fundamental (Tsolaki, 2025). Thus, it is recommended that the managers of Spotify need to cultivate robust interdepartmental collaboration with team-building activities and mentorship programs. For example, in terms of relationship management, YouTube adhered to strong relationships with both content creators and advertisers to grow their channels and reach their audiences (YouTube, 2025).
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Table 2: Recommendation Table

(Source: Author)

Self-awareness and self-management programs in the form of coaching, journaling or setting performance benchmarks are essential to enhance EQ. In this context, the aim of Search Inside Yourself or SIY, is to build mindfulness, empathy and collaboration between employees, catering to collective thriving (SIYLI, 2025). Similarly, a mindfulness-based emotional intelligence tool can be adopted in Spotify to promote employee well-being. Additionally, interdepartmental collaboration needs to be improved, where transparent communication with the employees is effective in building a strong team. For example, a culture of cross-functional collaboration has been adopted at *Apple*, where cohesion among diverse groups is observed and spearheaded by managers (Podolny and Hansen, 2020). In a similar way, hackathon was introduced in Spotify, but it did not expand to a large extent. Henceforth, cultivating cross-functional collaboration can enhance the success rate of Spotify in a well-directed manner.

Task 4 – Management Competencies Development

4.1 Identification of two management competencies

Managing team

Tuchman's team management theory

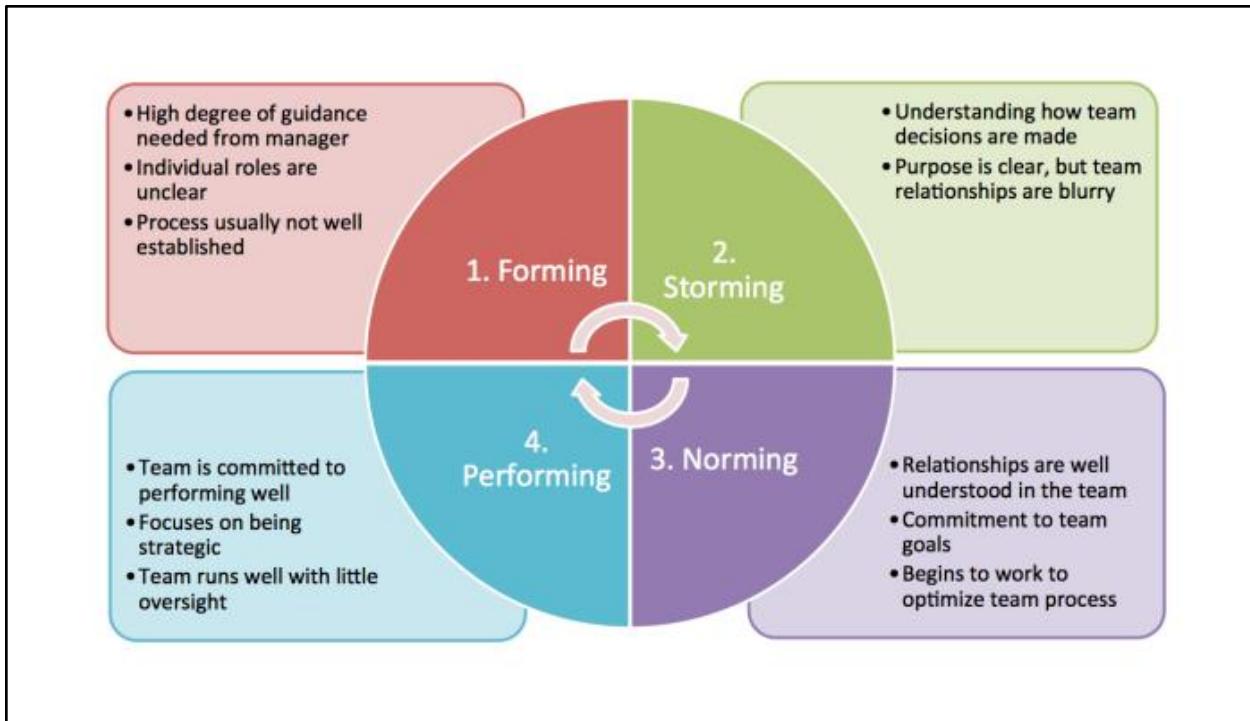


Figure 5: Tuchman's Team Management Theory
(Source: Patterson, 2022)

Forming

At the initial stage of Spotify's implementation of the "Spotify Model," teams or "Squads" were established to operate independently while aligning with broader company objectives through "Tribes" and "Guilds" (Open Spotify, 2022). This phase corresponds with Tuckman's Forming stage, where team members get acquainted with structures, expectations, and goals (Wan Yadri *et al.* 2024). Spotify leaders sought to create an innovative and collaborative environment, fostering excitement around agile principles. However, the high level of autonomy granted to Squads meant that early-stage cohesion was limited, creating potential future misalignment as the company expanded.

Storming

As squads began operating independently, the challenges of autonomy and communication emerged. Tuckman's storming phase, which is marked by conflicts, power struggles, and differing interpretations of objectives, was evident in Spotify's experience (Patterson, 2022). Although the model was designed for flexibility, rapid growth led to inconsistencies in execution. The intention was to maintain decentralisation while ensuring alignment through Tribes and Guilds. However, as Lee (2020) highlighted, the model struggled to function as

planned, creating organisational chaos. Leaders had to intervene, transitioning to more traditional management structures, which contradicted the intended autonomy of Squads. This failure illustrates the difficulty in maintaining agility while scaling, as different teams developed varying levels of efficiency and cohesion.

Norming

Despite the setbacks in execution, Spotify's incorporation of ITIL4 and DevOps helped stabilise operations (Open Spotify, 2022). This aligns with the Norming phase, where teams begin to resolve conflicts, clarify roles, and work towards efficiency (Wan Yadri *et al.* 2024). By integrating Lean ITIL principles, Spotify refined its service management, streamlined workflows, and improved overall adaptability. The alignment of ITIL and DevOps provided a framework to balance autonomy with structured governance, allowing teams to establish operational consistency. While some elements of the original Squad model were compromised, Spotify found alternative strategies to maintain resilience in a rapidly changing technological landscape.

Adjourning

In Tuckman's final stage, adjourning, teams either disband or transition to new structures (Patterson, 2022). Spotify's shift away from the full implementation of its Squad model can be seen as a form of adjourning (Lee, 2020). While the model inspired many organisations, Spotify itself moved toward a more centralised management approach, adapting to its evolving business needs. This demonstrates that while innovative team structures can drive growth and agility, they may not always sustain long-term scalability. The lessons from Spotify's journey underline the importance of balancing autonomy with structured leadership, particularly as organisations expand.

Spotify's experience with agile methodologies and ITIL implementation highlights both the strengths and limitations of self-organising teams. Tuckman's model provides a lens to understand how Spotify navigated the complexities of team dynamics, ultimately leading to a re-evaluation of its management approach to sustain growth and innovation.

Managing Conflict and Negotiation

Five Modes of the Thomas Killmann Conflict Management Model

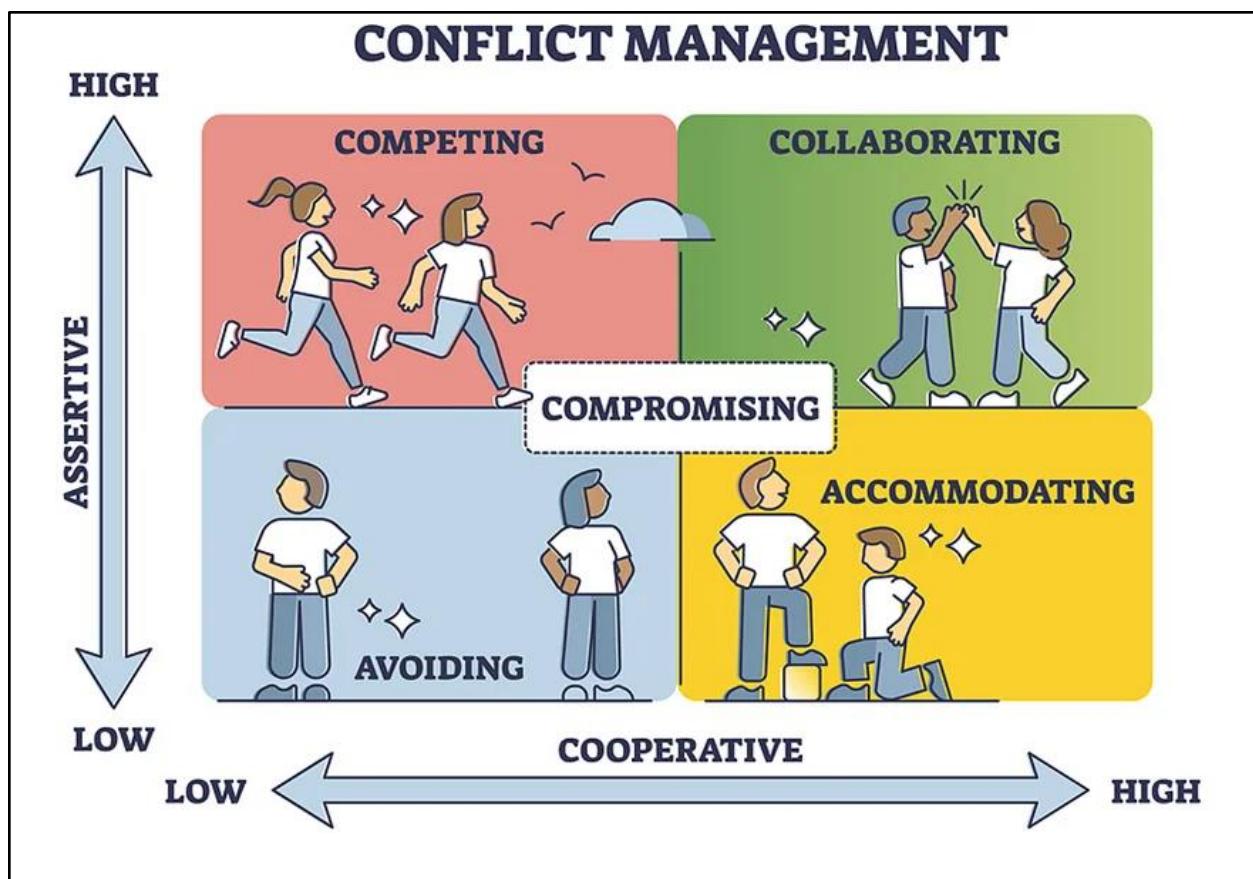


Figure 6: Five Modes of the Thomas Killmann Conflict Management Model
 (Source: Benke, 2023)

Competing

Spotify's refusal to grant Taylor Swift's request to keep her music exclusive to its paid tier exemplifies the competing conflict mode. This approach involves standing firm on one's position at the expense of the other party. Spotify prioritised its business model, which relied on offering a mix of free and premium content, over Swift's demands (Shonk, 2025). The result was high-profile fallout, damaging Spotify's reputation among artists and reinforcing concerns about unfair royalty structures. As per Benke (2023), this example illustrates how a rigid stance in negotiations can lead to significant conflict, particularly when dealing with influential stakeholders.

Collaborating

Spotify's eventual renegotiation with Taylor Swift demonstrated a shift toward collaboration. The collaborating mode seeks a win-win solution by addressing the concerns of both parties (Rao and Lakshmi, 2021). By raising royalty rates and improving its revenue-sharing model, Spotify

acknowledged artists' concerns while still protecting its business interests (Shonk, 2025). This approach not only secured Swift's return but also set a precedent for fairer deals with other musicians. The successful resolution highlights the benefits of an adaptive negotiation strategy that fosters long-term relationships rather than short-term victories.

Avoiding

Spotify's response to the lawsuit filed by songwriters and publishers over unpaid royalties aligns with the avoiding conflict mode. Rather than proactively engaging with the concerns of songwriters, Spotify took a legal route, appealing the court's decision and defeating a \$40 million lawsuit (World Lawyers Forum, 2025). While this approach ultimately resulted in a legal victory for Spotify, it also reinforced the perception that the company prioritises financial interests over artist welfare. Avoiding conflict may work in legal disputes, but it can create long-term reputational risks, especially in an industry reliant on creative talent.

Accommodating

Spotify's exclusive licensing agreements with high-profile podcast creators, such as "The Joe Rogan Experience," illustrate an accommodating approach to conflict resolution. In this mode, one party concedes more to preserve the relationship. By offering substantial financial incentives and exclusivity, Spotify ensured the satisfaction of podcast creators while expanding its user base (Spotify Newsroom, 2024). Benke (2023) stated while this strategy strengthened Spotify's position in the podcasting industry, it also raised concerns about platform favouritism and content moderation, showing that accommodating deals may sometimes have unintended consequences.

Compromising

Spotify's willingness to renegotiate revenue-sharing models with artists, including Taylor Swift, reflects a compromising approach. In this mode, both parties make concessions to reach a mutually acceptable resolution. Spotify increased royalty rates without fully restructuring its business model (Shonk, 2025). While this compromise helped mend relationships with artists, it also highlighted the ongoing tension between streaming platforms and content creators.

4.2 Recommendation for the development of current and future managers

Skill	Recommendation
Team Leadership and	To enhance team management, Spotify should implement structured leadership training focused on Tuckman's Team Management Theory.

Agile Management	Managers should receive coaching on guiding teams through the Forming, Storming, Norming, and Adjourning phases effectively (Wan Yadri <i>et al.</i> 2024). Since autonomy in Squads led to misalignment during scaling, leadership development programs should integrate Lean ITIL and DevOps frameworks to provide structured governance while maintaining flexibility (Open Spotify, 2022). Implementing peer mentorship programs within Squads would also enable knowledge sharing and smoother team transitions.
Conflict Resolution and Negotiation	Given the challenges with artist agreements, Spotify should incorporate Thomas-Kilmann's Conflict Management Model into managerial training. Managers should learn to adapt conflict resolution strategies based on situational demands (Benke, 2023). For instance, training should emphasise when to use collaboration, such as in renegotiations with artists like Taylor Swift, and when to use compromising, as seen in revenue-sharing agreements (Shonk, 2025). Further, Spotify should establish formal mediation channels for artist and content creator concerns to prevent long-term conflicts that impact brand reputation (World Lawyers Forum, 2025).
Strategic Decision-Making in Digital Media	Spotify's leadership should cultivate strategic thinking skills by encouraging data-driven decision-making, particularly in negotiations and content acquisition. Since Spotify's rigid competing stance in the Taylor Swift dispute led to negative publicity (Shonk, 2025), managers should be trained to evaluate the long-term impacts of business decisions before finalising agreements. Case-based learning modules on industry-specific challenges, such as balancing royalty structures and exclusivity deals, will equip managers with adaptive negotiation strategies to align business objectives with stakeholder expectations (Spotify Newsroom, 2024).
Cross-Functional Collaboration and Stakeholder Engagement	To improve coordination between Squads, Tribes, and Guilds, Spotify should introduce collaborative leadership training that focuses on fostering alignment across teams (Patterson, 2022). Managers should be encouraged to leverage hybrid communication models that ensure information flows smoothly between autonomous teams while maintaining strategic cohesion. Spotify can also strengthen stakeholder management frameworks to enhance relationships with artists, legal teams, and investors. By embedding these practices, Spotify can create a resilient leadership culture that supports long-term growth in the Internet Content & Information Industry.

Table 3: Recommendation for the development of skills and competencies

(Source: Author)

Conclusion

Spotify's leadership and organisational structure signify innovation and global expansion. However, challenges such as scalability issues, employee burnout, and misalignment in decision-making highlight the requirement for a balance between structure and autonomy. Spotify faces

significant challenges in the form of economic pressures and regulatory compliance, impacting its pricing strategies, subscription retention and profitability. Furthermore, Spotify's decision-making indicates the company's strategic use of data and experimentation to manage volatility and uncertainty. Thus, to maintain long-term stability, Spotify must continue to optimise pricing strategies, streamline costs, and ensure compliance with evolving regulations. Goleman's Emotional Intelligence Model demonstrates that Spotify has been able to maintain its self-awareness, self-management and above all, relationship management, where the hackathon was pivotal. Besides, the implementation of frameworks like ITIL and DevOps improved team cohesion and stabilised operations. Lastly, the use of the Thomas-Kilmann Conflict Management Model demonstrated both the benefits and drawbacks of various conflict resolution approaches while managing stakeholder relationships.

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Appendices

Appendix 1: Participants of the hackathon of Spotify



Figure 7: Participants of the hackathon of Spotify
 (Source: Chua, 2023)

Appendix 2: Self-Evaluation Table

Task 1	I critically discussed the management style of Spotify through the Mintzberg management roles.
Task 2	I critically analyse the business challenges of Spotify through PESTLE Analysis of the UK for Spotify.
Task 3	I critically discussed the leadership of Spotify with Goleman's leadership framework.
Task 4	I critically analysed the management competencies through Tuchman's management theory and 5 models of Thomas Killman's conflict management model.

Table 4: Self Evaluation Table
 (Source: Author)