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Content

ACKNOWLEDGEMENT ..... **i**

Content ..... **ii**

Abstract ..... **v**

PART I: INTRODUCTION **1**

1.1 Introduction *1*

PART II: THEORETICAL BACKGROUND **3**

2.1 Introduction *3*

2.2 Corporate Entrepreneurship *3*

2.2.1 Models of Corporate Entrepreneurship 4

2.2.2 Organizational Ambidexterity 5

2.2.3 Corporate Venturing 5

Figure 1: Hierarchy of Terminology in Corporate Entrepreneurship 6

2.3 The new venture team and its members *6*

2.3.1 The New Venture Team 7

2.3.2 The Impact of Previous Experiences on New Venture Performance 7

2.4 The dynamic between the new venture and the corporate parent *8*

2.4.1 Personal Involvement and Commitment from Corporate Parent 8

2.4.2 Corporate Control and Autonomy Delegation 9

2.5 Creating an environment for innovation *10*

2.5.1 The Importance of Human Capital 10

2.5.2 Motivation and Psychological Ownership 11

2.6 Research question *12*

PART III: METHODOLOGY **13**

3.1 Introduction *13*

3.2 The Case Organizations *13*

3.2.1 Newspaper Daily and Newspaper Daily TV 13

3.2.2 The New York Times and New York Times Video Unit 14

3.3 Research Design *15*

3.4 Data Collection *15*

3.4.1 The Sample 15

3.4.2 The Procedure 16

Table 1: Structure of interview guide 18

3.5 Data Analysis *19*

Table 2: Data Collection 20
3.6 Ethical considerations *21*
PART IV: FINDINGS **22**
4.1 Introduction to findings *22*
Figure 2: The dynamics between the three aspects 22
Table 3: Aspect definitions and identified practices in ND/NDTV and the N 23
4.2 Aspect 1: Spinning along and bringing in – modes of practicing ambidexterity *24*
4.2.1 Responding to a shift in consumer behavior: the business model used for exploration and innovation 24
4.2.2 Shielding the new venture from conservatism within the parent company: decision autonomy and corporate management support 28
4.2.3 Outcomes of the identified practices on new venture development 29
Figure 3: Timeline for ND and NDTV 30
Figure 4: Timeline for the NYT 30
4.3 Aspect 2: Building team and identity – practices for development of the distinct exploration unit and the unifying organizational identity *34*
4.3.1 Building the exploration team: Seeking flexible people with complementary competence 34
4.3.2 Uniting the exploration team: Establishing organized forums for communication, and finding the path forward together 36
4.3.3 Strengthening the overarching organizational identity: Using meetings to unite the organization as a team 38
4.3.4 Outcomes of the identified practices on team- and identity building 39
4.4 Aspect 3: Creating an environment for innovation – practices that support experimentation in the new venture *44*
4.4.1 Fostering a "trying and failing" culture: establishing a low threshold for trying new things 44
4.4.2 Providing incentives that support innovation: autonomy and constructive feedback that includes value to failure 47
4.4.3 Outcomes of the identified practices on innovation and experimentation 48
PART V: GENERAL DISCUSSION **52**
5.1 Theoretical Contributions to Ambidexterity Research *54*
5.2 Theoretical Contributions to Identity Research *55*
5.3 Limitations and Directions for Future Research *55*
5.4 Practical Implications *56*
5.5 Conclusion *57*
REFERENCES **59**

APPENDICES **1**

Appendix 1: Interview guide – management ND/NDTV *1*

Appendix 2: Interview guide – new employee *3*

Appendix 3: Interview guide – old employee *5*

Appendix 4: 1st-order categories and 2nd-order themes *7*

Abstract

In response to the need for research examining the effects of individuals on all forms of corporate entrepreneurship, we investigate the role of individuals, teams and managers in the process of establishing- and developing new corporate ventures. This thesis aims to identify strategic practices for organizational ambidexterity, and further look at how internal processes in the organization affects the development of the new venture. Based on interviews with informants from a leading, Norwegian media actor, and analysis of secondary data on a leading, international media actor, we have developed a threefold framework for organizational ambidexterity that consists of three aspects; (1) *spinning along and bringing in*, (2) *building team and* identity, and (3) *creating an environment for innovation.* The authors find that these three practices are interrelated and complementary to each other. Aspect 1 and aspect 2 constitute a foundation for organizational ambidexterity, whereas aspect 3 builds on this foundation. However, we assert that all of these aspects are necessary in order to succeed with ambidextrous efforts.

PART I: INTRODUCTION

1.1 Introduction

Many researchers share the notion that competitive positioning can be improved when firms develop and exploit opportunities for value-creating innovation (e.g. Guth and Ginsberg 1990; Naman and Slevin 1993; Lumpkin and Dess 1996) – as innovation opportunities can have the potential to transform firms, their markets, and also whole industries. Many established and well-managed organizations acknowledge the importance of innovation in order to foster the organization's long-term success – however, the nature of these innovations have a tendency to be incremental (Crockett, McGee and Payne 2013). Incremental innovations are beneficial to companies because they allow them to sustain or extend their existing products and/or service-lines, but some technological developments, especially the development of the Internet, have provoked disruptive innovations within an expanding number of industries (Gilbert 2003; Crockett, McGee and Payne 2013). Disruptive innovations will often involve reshaping of already existing markets, but they can also lead to the creation of totally new markets (Callaway and Hamilton 2008).

Disruptive innovations may not initially appeal to the mainstream customer (Crockett, McGee and Payne 2013), but tend to be attractive only to niches (Bower and Christensen 1995). The current leaders of the industry will therefore face a risk of being supplanted by entrepreneurial start-ups and emerging companies that are able to offer products or services that are radically different. However, established companies can manage to reduce this risk by exhibiting ambidextrous behaviors – fostering operational excellence in one field of their business, while simultaneously behaving entrepreneurially in other fields (Tushman and O'Reilly 1996). To facilitate this behavior that appears seemingly contradictory, experts on the area have suggested that large, established firms have to create new separated business units – *corporate ventures* – that are independent from the normal decision making criteria of the established firm (Christensen and Overdorf 2000). A new venture is "a firm that is in its early stages of development and growth" (Klotz et al. 2014, 227). They are generally in the processes of bringing initial products or services to the market, forming a customer base, and putting organizational processes and procedures into place

(Klotz et al. 2014). Over the past few decades, researchers in the field of corporate entrepreneurship have shifted the focus. They have moved from describing the phenomenon to investigating the development of corporate entrepreneurship initiatives and the circumstances of which they become successful (Zahra and Covin 1995; Dess, Lumpkin and McGee 1999; Hornsby, Kuratko, and Zahra 2002).

For our master thesis, we present a case on new media development and new venture creation within one of the largest media actors in Norway, where we consistently compare our findings with secondary data on an internationally leading media actor. We have investigated (internal) processes undergone by the two media actors, and based on our findings we have developed a threefold framework for organizational ambidexterity. Internet, digitalization and social media have created a revolution in many markets, including the newspaper industry. Online distribution has resulted in a need to constantly be up-to-date on current events in order to be able to keep market shares (Siles and Boczkowski 2012; Starr 2009). It has additionally lead to a decline in revenues from advertisement and sales, and has negatively affected the circulation of printed issues (Siles and Boczkowski 2012; Starr 2009). This has forced a shift in the way the news industry produce- and publish material, or as Giles (2010, 27) put is "[a]t the moment, journalism is trying to figure out its worth in a new delivery system that may or may not allow that worth to be tangibly recognized." This evolvement in the media industry has forced many newspaper companies to rethink how they operate their business, again leading to development of entrepreneurship within existing newspaper corporations.

This shift, while it threatens the existing newspapers' business models, also creates various opportunities to establish new models. Managing this requires creativity and a willingness to change within the organization, and while the newspaper industry seems to embrace this concept, Rothmann and Koch (2014) found that the industry's main problem has seemed to be a continues dependency on old strategies. There is in other words a need for a fundamental shift in the way the newspaper industry operates and generates profit – a shift that requires special attention, because one has to find a way to break old patterns and ways-of-doing things. In this process, the reputation of the various news-distributors will have some effect with regards to winning market shares. Brand name is an important asset in the media industry, especially when we are looking for credible

information (Clemons, Gu and Lang 2002). This speaks in favor of well-established news-corporations and their future as long as they are able to keep up with the changing environment.

PART II: THEORETICAL BACKGROUND

2.1 Introduction

Our presentation of background theory consists of four different sections. Initially, we review theory from the field of corporate entrepreneurship in order to present basic concepts we consider to be relevant for organizational ambidexterity and corporate venturing. Next, we define and explain the role of the new venture team and elaborate on how the team-members' past experiences influence decision making. Third, we explore theory on the dynamics between the new venture and the corporate parent with regards to exertion of commitment, control and autonomy. Finally, we review theory related to the creation of an innovative environment and the implications of psychological ownership.

2.2 Corporate Entrepreneurship

Several researchers have presented their definitions and frameworks in order to explain the practical implications of *corporate entrepreneurship*, and the single commonality that underlies all these forms of corporate entrepreneurship is innovation, broadly defined (Covin and Miles 1999). However, the presence of innovation is not sufficient to label a firm as "entrepreneurial". This label should be reserved for firms using innovation as "a mechanism to redefine or rejuvenate themselves, their positions within markets and industries, or the competitive arenas in which they compete" (Covin and Miles 1999, 47). Corporate entrepreneurship is defined as "the presence of innovation plus the presence of the objective of rejuvenating or purposefully redefining organizations, markets, or industries in order to create or sustain competitive superiority" (Covin and Miles 1999, 50). Covin and Miles (1999) argue that corporate entrepreneurship long has been recognized and considered as a potentially viable means to promote and sustain firms' competitiveness. Corporate entrepreneurship can be understood as "the process by which teams within an established company conceive, foster, launch and manage a new business that is distinct from the parent company, but

leverages the parent's assets, market position, capabilities or other resources. (Wolcott and Lippitz 2007, 75)."

2.2.1 Models of Corporate Entrepreneurship

The term corporate entrepreneurship is in other words used to describe companies that, through innovation, pursue a sustained or increased market position in a competitive environment, and Covin and Miles (1999) envision four forms of corporate entrepreneurship: (1) *sustained regeneration* – the firms that engage in sustained regeneration are regularly and continuously introducing new products and services or they enter new markets; (2) *organizational rejuvenation* – label referring to the corporate entrepreneurship phenomenon where the organization is seeking to sustain or improve its competitiveness by altering its internal processes, its structures, and/or its capabilities; (3) *strategic renewal* – label referring to the corporate entrepreneurship phenomenon where the organization is seeking to redefine the relationship with its markets or competitors in the industry by fundamentally altering how it is competing; and (4) *domain redefinition* – label referring to the corporate entrepreneurship phenomenon where the organization proactively creates a new product-market arena that others have not yet recognized or actively sought to exploit. Covin and Miles (1999) argue that three of the most commonly used examples of corporate entrepreneurship include situations where (1) an established organization enters a new business, (2) new product ideas are championed by an individual or a group of individuals within a corporate context, and (3) an entire organization's outlook and operations is permeated by an "entrepreneurial philosophy". These phenomena are not necessarily mutually exclusive, but may co-exist within a single organization, as separate dimensions of entrepreneurial activity (Covin and Miles 1999).

In their investigation of how organizations succeed at corporate entrepreneurship, Wolcott and Lippitz (2007) studied several global companies and designed a framework including four models trough which companies can build businesses from within their organizations. The four models vary in the composition of organizational ownership distinctiveness (diffused or focused) and resource authority (dedicated or ad hoc). The four models are *the opportunist* (diffused ownership and ad hoc resource allocation), *the enabler* (diffused ownership and dedicated resources), *the advocate* (focused ownership and ad hoc

resource allocation), and *the producer* (focused ownership and dedicated resources).

2.2.2 Organizational Ambidexterity

In order for the organization to be successful in a competitive environment over time, Tushman and O'Reilly (1996) assert that organizational ambidexterity is a requirement. Ambidextrous companies aim to manage both gradual (incremental) and radical change by exploiting the present *and* exploring the future (Tushman and O'Reilly 1996). Tushman and O'Reilly (1996) identified three distinct modes of ambidexterity. *Structural ambidexterity* is when the organization creates structural separation between exploration and exploitation activities and units, and there is a clear distinction between the team that is responsible for exploring the new market, and the team that is exploiting the old market (Tushman and O'Reilly 1996; Birkinshaw and Gibson 2004). *Contextual ambidexterity* is a more flexible alternative, in the sense that it allows employees to make their own choices with regard to how they choose to spend their time – dividing their efforts between exploration and exploitation activities (Tushman and O'Reilly 1996; Birkinshaw and Gibson 2004). The third approach, *punctuated ambidexterity,* implies that the organization exert structural ambidexterity, however only for a limited period of time (Tushman and O'Reilly 1996). Rather than being a planned strategy, this approach is often used as a response to upcoming changes in the market. Although organizational ambidexterity may present some challenges to the management, history has taught us that when companies only focus on their current products, they can often get bypassed by other more innovative companies – which is seen in the cases of e.g. Kodak and Boeing (O'Reilly and Tushman 2004).

2.2.3 Corporate Venturing

As we have seen, organizational ambidexterity may enable organizations to stay competitive – whether the organization creates- or responds to radical innovation in the market. Exploration activities often involve the creation of new business units within the corporate organization, and such entrepreneurial efforts are called *corporate venturing* (Sharma and Chrisma 1999). Corporate venturing can be classified as either external or internal (Sharma and Chrisman 1999). *Internal corporate venturing* refers activities that result in the creation of organizational units that reside within an existing organizational domain (Sharma and Chrisman 1999, 20). These ventures are intended from the start-up to be new businesses for

the corporation (Kuratko, Covin, and Garrett 2009). *External corporate venturing* refers to activities of corporate venturing that result in creation of semi-autonomous or autonomous organizational entities residing outside the existing organizational domain (Sharma and Chrisman 1999).

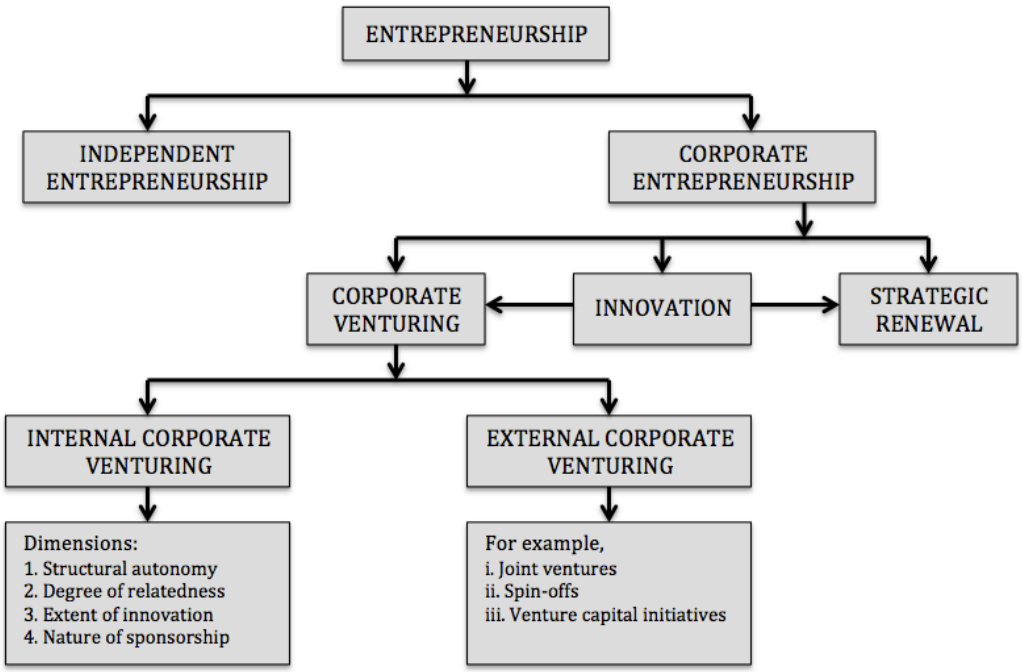

Figure 1: Hierarchy of Terminology in Corporate Entrepreneurship (Sharma and Chrisman 1999, 20)

An additional option for corporate venturing is the *spin-along approach*, which is a combination of elements from both internal- and external corporate venturing used with the goal to support corporations' innovative performance (Michl, Gold and Picot (2012). Michl, Gold and Picot (2012, 39) argue that managing spin-alongs requires "a coordinating and moderating management layer between the parent firm and the spin-alongs." In order to manage this layer, Michl, Gold and Picot (2012) argue the management has to have entrepreneurial skills, as well as ambidextrous skills.

2.3 The new venture team and its members

While an invention initially may have been conceived by one single individual, a team of individuals usually work together towards commercialization of the venture (Lim, Busenitz and Chidambaram 2013). However, this approach to entrepreneurship as a social endeavor is relatively new in entrepreneurial research.

Francis and Sandberg (2000) argue that in the quest to explain performances of new ventures, scholars for many years probed the characteristics of the firm's founder – the idea that that one should be focusing on the entrepreneurial team, rather than the solo entrepreneur, came late to research. However, scholars outside the field of entrepreneurship gave impetus to a shift of attention (Francis and Sandberg 2000) – Hambrick and Mason (1984) impacted through their interest in top management teams, and Reich (1987) with his concept of "collective entrepreneurship", where the team is cast as the hero.

2.3.1 The New Venture Team

The criteria used to define new venture teams vary between studies (Hellerstedt 2009), but most entrepreneurial team definitions focus on teams involved in de-novo – from the beginning – startups (Harper 2008). Zhao et al. (2012) consider the new venture team to consist of founders and key employees, and argue that members of this team often owns the majority of the equity of the new venture. On the other hand, Klotz et al. (2014, 227) focus on the initial leadership of new ventures, and assert that the new venture team is "the group of individuals that is chiefly responsible for the strategic decision making and ongoing operations of a new venture." Some researchers have labeled these teams "new venture teams" (e.g. Klotz et al. 2014), and some have labeled them "entrepreneurial teams" (e.g. Vanaelst et al. 2006). Although entrepreneurial teams can act within several contexts – both outside and across firms (Harper 2008) – "entrepreneurial teams" are often equated with "new venture teams in team research (Hellerstedt 2009). We have chosen to follow this approach, and will further review team-related theory released both under the label "entrepreneurial teams" and "new venture teams".

2.3.2 The Impact of Previous Experiences on New Venture Performance

It has been argued that the most important factor leading to a ventures' success, is the venture managers' earlier experience (Sykes 1986), and further that existing experience also can lead teams to believe in their collaborative ability to organize and execute a distinct course of action – known as collective efficacy (Fernández-Ballesteros et al. 2002). Shared vision and high degrees of collective efficacy are two of the new venture team characteristic that have been found to have a direct positive effect on venture performance (Crockett, McGee and Payne 2013). However, previous experiences can also have negative effects on new ventures'

performance. Fern, Cardinal and O´Neill (2012) found that past experience strongly constrain entrepreneurs' choices, and by relying too much on prior knowledge, the entrepreneur can fail to take into account changes in the environment, as well as failing to explore competitors' ways of doing things. On the other hand, if the founder and the founding team had diverse experience, this is likely to break such constraints, as unique knowledge held by founding team members strongly influence the founder' s decision outcomes for all types of decisions (Fern, Cardinal and O´Neill 2012).

2.4 The dynamic between the new venture and the corporate parent

The relationship between internal ventures and their corporate parents is complex (Corbett et al. 2013). Internal corporate ventures are distinct entities from other forms of start-ups, and particularly differ from start-ups created by independent entrepreneurs. Although they are labeled "independent", the internal corporate venture relies on their corporate parents for support and other resources, and for their survival (Garrett and Neubaum 2013). Crockett, McGee and Payne (2013) argue that the literature exposes different corporate orientations to new ventures – some are friendly to new ventures and some are not. Several researchers have supported the notion that a key to the success of corporate ventures is found in the corporate management's commitment to - and support of - the corporate venture (e.g. Crockett, Payne and McGee 2007; Hill and Birkinshaw 2008). Receiving support from the corporate parent can be of great importance to the new venture, since it is unlikely that a corporate venture management team, even a highly competent one, will manage to persist in its efforts toward high performance levels if there is no support of entrepreneurial activities in the corporate environment (Riley, Kalafatis and Manoochehri 2009).

2.4.1 Personal Involvement and Commitment from Corporate Parent

Personal involvement and commitment from corporate management to the new venture has been determined as an important influence on corporate ventures' success. Hitt et al. (1999) argue that this type of support reduces the organizational politics, which can be hinders to venture success. Only a supportive corporate leader can play the role of working to remove the intra-organizational boundaries between the existing business departments and the corporate venture

(Crockett, McGee and Payne 2013). Removing these boundaries is necessary as they inhibit the sharing of resources – which are assumed to represent distinct advantages in corporate pursuit of entrepreneurial opportunities (Crockett, McGee and Payne 2013). When it comes to how the new venture and the existing business departments best can work together to leverage resources across the different markets, products, and technologies, researchers diverge in their views (Dougherty 1995). However, there is a general agreement on the notion that all the resources that are available to the established firm also must be available to the new venture (Roberts 1980; Crockett, McGee and Payne 2013).

2.4.2 Corporate Control and Autonomy Delegation

Resource availability is an important factor in order for the new venture to achieve commercial success, however, managerial support is another decisive factor. Crockett, McGee and Payne (2013) stress that the actions of the corporate parent have great impact on the venture management team's ability to realize venture performance. The process of finding a well-functioning composition of corporate control and delegated autonomy will for instance be of significance. A majority of researchers are in agreement that corporate entrepreneurial efforts should be under some sort of control mechanism, this is necessary to ensure consistent progress for innovations that have long time lags between the initiation and the commercial success (Drucker 1985). On the other hand, there also has to be a balance between corporate control and flexibility for the new venture, as managers of corporate ventures are assumed to need flexibility in order to react to e.g. environmental changes (Ginsberg and Hay 1994). Campbell, Goold and Alexander (1995) also argue that it is unlikely that a corporate venture team – even a highly competent one – will manage to persist in its efforts if the sponsoring organization puts the new venture management team under exceedingly tight control. Examples of such control can be that the corporate parent demands the new venture to meet inappropriate targets, or by starving businesses of resources for worthwhile projects (Campbell, Goold and Alexander 1995). Barringer and Bluedorn (1999) argue that the control systems of entrepreneurial firms should function to stimulate innovation, risk-taking, and proactiveness (Barringer and Bluedorn 1999).

2.5 Creating an environment for innovation

As previously reviewed, the concept of corporate entrepreneurship refers to how organizations try to identify and exploit opportunities in the external environment. Scholars assert that the organizational management should integrate corporate entrepreneurship while using a strategic mindset to generate maximum value in the organization (Ireland, Hitt and Sirmon 2003; Ketchen, Ireland and Snow 2007). *Strategic management* refers to establishment- and maintenance of the competitive advantages that are generated from corporate entrepreneurship (Ketchen, Ireland and Snow 2007). Organizations should focus on management strategy *and* entrepreneurship in order to reduce the possibility of firm ineffectiveness and failure (Ketchen, Ireland and Snow 2007). By intertwining these two areas, the focus of the organization will be on exploiting current competitive advantages, as well as exploring new opportunities that can be developed in order to sustain competitive advantages in the future (Hitt et al. 2001; Hitt et al. 2011). This approach is called *strategic entrepreneurship* – entrepreneurial actions with a strategic perspective (Hitt et al. 2001; Ireland, Hitt and Sirmon 2003; Ketchen, Ireland and Snow 2007), and managing the coexistence of these two activities requires organizational ambidextrous capabilities (Benner and Tushman 2003).

2.5.1 The Importance of Human Capital

Human elements are essential to corporate entrepreneurship, as people are "what ultimately sustain or recapture competitive advantage of the firm" (Corbett et al. 2013, 817). This is in line with the findings of Hitt et al. (2011), who assert individual resources to be one of three decisive factors in their strategic entrepreneurship model. Because the human element is essential to the corporate entrepreneurship process, management should give special attention to the selection process regarding whom to include in the new venture team. Team effectiveness depends on team composition (Barrick et al. 1998; Bell 2007), and focusing merely on individual talent will therefore not necessarily bring the most successful outcomes (Mathieu et al. 2014). Individuals' levels of skills, knowledge and abilities are important determinants for the organizations' ability to explore and exploit development opportunities (Gibson and Birkinshaw 2004),

and Baron and Markman (2003) argue that social skills, like adaptability and persuasiveness, also are related to entrepreneurial success.

2.5.2 Motivation and Psychological Ownership

Motivation is another important factor in order to achieve competitive advantage, and a leader who is able to transfer his/her passion can further develop the new venture by increasing the motivation of employees (Baum and Locke 2004). Through this transfer of motivation, the leader can influence employees' likeliness to come up with new ideas, and their willingness to take more risks (Baum and Locke 2004). Motivation can also be strengthened if employees feel ownership of the organization or some organizational factors, and Pierce, Kostova and Dirks (2001) assert that psychological ownership can be a powerful determinant of human performance. Creating an environment that enhances employees' feelings of psychological ownership is in other words something managers should focus on. Increasing employees' opportunities for control over-, knowledge of- and frequency to the target, may increase the likelihood of employees forming attachments to specific targets (Sonenshein 2014). In a study, Sonenshein (2014) found that when managers delegated tasks and responsibility to retail store employees, the employees started interpreting themselves as owners of the stores, and were encouraged to take charge and solve problems. In other words, Sonenshein (2014) found a link between resources and creativity in organizations, and this link is rooted in managers' and employees' actions over time. Managers influence employee creativity through autonomous resourcing, and Sonenshein (2014) concludes that leaders should use such resourcing if they seek highly novel outcomes in the organization. The previous is in line with the findings of Martins and Terblanche (2003) who investigated which determinants of organizational culture influence creativity and innovation. They found that freedom – e.g. empowerment and autonomy – is an important part of the organizational structure, and should be given to the employees if one hopes to create an innovative and creative climate (Martins and Terblanche 2003).

2.6 Research question

While the newspaper industry continues to adapt to the changing environment they operate in, their responses are still too dependent on old strategies (Rothmann and Koch 2014), signaling a need for research on how successful corporate entrepreneurship endeavors are conducted, adopted and implemented in these industries. Corbett et al. (2013) argues that future research should focus on which types of organizations it is that adopts initiatives of corporate entrepreneurship, how decisions are made, the best ways of structuring such initiatives, and when they are successful. Further, they assert that there is a strong need for research examining the effect of individuals on all forms of corporate entrepreneurship, and they argue that research on such effects can be performed at the level of individuals, teams, and managers (Corbett et al. 2013). In response to this, we have chosen to explore internal processes that are undergone when an established media firm chooses to create a new corporate venture for organizational exploration, and our research question is:

Exploring corporate entrepreneurship: What are strategic practices for organizational ambidexterity, and how are internal processes affecting development of new ventures?

Answering these questions, we believe that our study will contribute to the field of research by providing insight to the processes related to establishment- and management of a corporate venture in the context of new media innovation.

PART III: METHODOLOGY

3.1 Introduction

The qualitative research approach is used to examine processes and investigate why things happen as they do, giving an in-depth understanding of a specific situation (Cooper and Schindler 2011). Our thesis is based on an inductive approach to the relationship between theory and research (Brymann and Bell 2011). We believe that the case study approach is the best way to give a holistic analysis of the processes related to new venture creation, as we see a need to explain the different aspects in relation to each other – not as separate and isolated processes. By highlighting patterns of emergent themes and categories from the raw data we hope to illustrate different practices that can facilitate strategic organizational ambidexterity.

Our objective is, as previously mentioned, to systematically compare (internal) processes that are undergone in a leading Norwegian media actor, with similar processes in one of the world's leading media actors. We will compare the two cases in order to find their similarities and differences, as we hope to get a more in-depth understanding of *how* and *why* these media actors have done what they have done. We will also try to elucidate the outcomes of these processes, in order to be able to give a recommendation to other actors in the industry.

3.2 The Case Organizations

3.2.1 Newspaper Daily and Newspaper Daily TV

In this study we have investigated one of Norway's leading tabloid newspapers, which we have chosen to call *Newspaper Daily* (ND). In 2007, ND launched an online television channel which was later given the name *Newspaper Daily TV* (NDTV). In 2014, ND chose to demerge NDTV as a subsidiary of the company, and at this point, NDTV launched a linear television channel through a leading Nordic pay TV and internet service provider. During this transformation, NDTV doubled their number of employees, and today there are about 60 people employed in the company. NDTV delivers news, actualities and documentaries on a daily basis, distributed through both their web based- and linear television platform. A large Norwegian financial newspaper report that NDTV has a daily

average of 700 000 started video streams, resulting in a monthly achievement of approximately 22,5 million started streams in 2015. New York Times had in comparison approximately 15,5 million streams in September 2014 (DIGIDAY 2014).

3.2.2 The New York Times and New York Times Video Unit

The New York Times (NYT) is one of the world's leading newspapers (4International Media & Newspapers 2016). It has an impressive history, and the first issue was published in 1851 (The New York Times Company 2016a). Over its lifespan, the NYT has won 119 Pulitzer Prizes (The New York Times Company 2016b), which is more than any other newspaper in the world. In 1996, NYT went online, giving readers all over the world access to their stories, and the newspaper had its first live stream in 2008 (The New York Times Company 2016a). In 2014, The NYT Innovation Report was leaked. This is an intensive in-house investigation of the digital status quo (2014) in the NYT, and the report identifies frustration amongst employees and managers, due to a lack of digital focus in the newspaper. After the report was issued in 2014, the NYT took measures to transform their strategy, and encompassed a more digital focus. The NYT has further revamped the *New York Times Video Unit* (NYT video unit) in order to succeed with its digital transition.

We wanted to compare the (internal) processes in ND and NDTV – related to the establishment of a new venture team – with an international leading actor in the media industry. Our impression is that ND has come a long way in their digital efforts, and comparing them to a well-established organization, such as the NYT, enables a comparison that allows us to reflect upon their actions in a more global context. The leakage of the NYT Innovation Report, which reviews both the status quo (2014) and suggests strategies for NYT's transition to digital, is also an essential reason for why we choose to use NYT in our comparison. We have also collected additional secondary data regarding how the NYT have proceeded since 2014, which has enabled a more thorough comparison of the measures taken in order to strengthen digital capabilities and ambidextrous behavior. The secondary data on NYT has mainly been news articles from different papers, as well as published (leaked) reports.

3.3 Research Design

The case study approach was used in this study, which is a detailed examination and intensive analysis of a single case, e.g. an organization, a person or a single event (Bryman and Bell 2011; Yin 2009). By choosing to do a multiple-case study, we enable a constant comparison which we hope will be beneficial in exploration of strategic practices for organizational ambidexterity and processes used in the development of the new venture. Because process data can appear rather messy, we have focused on identifying main events, activities and choices that have taken place over time (Langley 1999). Based on these markers we have developed timelines of key events for ND/NDTV and NYT (figure 3 and 4) that enable visual comparison between the processes, and make it clear to the reader who did what, and when (Langley 1999).

We compare two cases in our study, and we therefore believe that our findings may be stronger with regards to theoretical generalization, than if we only had one case – especially for the aspects where we find strong commonalities. However, it is important to note that our cases differ due to availability of data. While we were able to gather information directly from ND and NDTV through interviews, our data collection from the NYT consists of secondary data. This implies that we have been unable to fully compare all relevant aspects in ND and NDTV with NYT, e.g. specific details on how internal processes have taken place to develop the new venture, and we have therefore compared some of the findings in ND and NDTV with NYT's own recommendations for the future.

3.4 Data Collection

3.4.1 The Sample

Our study consists of interviews with people on different levels within ND and NDTV, as we wanted to include several perspectives in the study. We have chosen to give all respondents the same gender in our thesis, to reinforce the anonymization. More specifically, those we talked to were:

- Tim, CEO of ND
- Paul, current CEO of NDTV

- Albert, former CEO of NDTV
- Ryan, Head of Operations in NDTV
- John, NDTV employee
- Lucas, NDTV employee

Our sample has been achieved through snowball- and convenience sampling. Snowball sampling is used to describe a sampling procedure where the researcher makes initial contact with a few people, and then uses them to get in contact with other relevant subjects (Bryman and Bell 2011). Our initial contact with ND was by email, where we asked the CEO of ND, Tim, to put us in contact with someone who were familiar with NDTV. He put us in contact with the CEO of NDTV, Albert, who was the one that granted us access to NDTV. After Albert quit, we got in contact with Tim and the new CEO of NDTV, Paul, by email. We asked Paul for contact information on people he considered to be "key-employees" – one employee who had been working for NDTV prior to the demerger, and one employee who was during this process. Paul gave us contact information on two employees, John and Lucas.

We got in touch with Ryan during a tour around the office space, a typical example of convenience sampling – a sample that is gathered through accessibility (Bryman and Bell 2011). The employee giving us the tour had mentioned Ryan as a person of interest during the interview with had with him, and we perceived that Ryan's technical knowledge could be relevant to our study.

3.4.2 The Procedure

Our first interview with Albert followed a semi-structured form. The first part consisted of both guided and broad questions, where the CEO was given the opportunity to freely express his point of view in relation to NDTV's history, development and ongoing projects. At that point, we wanted him to tell us what *he* found most interesting about NDTV and its development over the years, as well as get stories on how they had progressed to get to the point they are. In line with Greene (1998), we did not want to lead Albert in any direction, so we let him talk freely, but we had also made some open-ended questions to guide the conversation towards the directions of our research. After Albert had elaborated on NDTV's development, we discussed certain aspects that we found most interesting in relation to our research with regards to what he had told us.

Kvale (1996) states that a good interview question should contribute both thematically and dynamically – generating knowledge as well as promoting a good interaction between the interviewee and the interviewer – and we chose to conduct our remaining interviews by following a semi-structured interview guide, consisting of both open-ended and directed questions (appendix 1, 2, and 3). This combination gave us some flexibility in the interview setting as it allowed us to respond to what the interviewees were saying in a natural way, while at the same time following an interview guide to ensure consistency. Following Spradley (1979) we chose to use a combination of descriptive questions to elicit rich information about NDTV's development and processes, and table 1 is a description of questions asked and their themes. After the initiation where we explained the purpose of our story and asked the interviewees about their background, we set of by asking them to tell us about the establishment process of NTDV. Spradley (1979, 50) states that this type of "Grand Tour Question" is a useful way to start an interview, as it encourages the interviewees to "ramble on", giving them the opportunity to take the researcher on a grand tour through a specific period of time, space or event, without being interrupted. To reduce apprehension and establish rapport as early on as possible, we made sure that we expressed interest while the interviewees were talking – encouraging them to continue. Spradley (1976) states that this is important to reach a state where the informants feel comfortable to explore and cooperate with the researcher, facilitating free flow of information.

Our goal was for the interview to resemble a normal conversation, as is recommended by Kvale (1996), and while this required us to make some alterations along the way in each particular interview, we also tried to keep the different interviews as similar as possible to generate comparable results (Bryman and Bell 2011). We tape-recorded all of the interviews and also took notes to remind ourselves what was being said, so that we would be able to follow up on certain aspects at the end. We transcribed the interviews continuously.

When using an inductive research strategy, one must expect to go back and forth between theory and data as new emerging categories develop (Bryman and Bell 2011). A semi structured interview allows the respondent to go into areas that are not necessarily covered by the interview guide, hence one might learn about new and important aspects along the way. During the course of our study, our interviews guided us towards certain aspects that turned out to be more prominent

than others. Though we only made small adjustments to our interview guides along the way, these revelations gave us a clearer understanding of which topics we should examine thoroughly in the remaining interviews.

Table 1: Structure of interview guide

	In more detail
Q1: Background of interviewees	The interviewees were asked to tell a bit about themselves and their careers, as well as elaborate on their roles and responsibilities in ND/NDTV. E.g. "[h]ow long have you worked in ND/NDTV?" and "[w]hat is your position and responsibility in the company today?"
Q2: The establishment- and development process(es)	Questions directed to accumulate insight on the establishment process of NDTV. Both with regards to the strategic choices taken before and along the way, as well as to aspects that have emerged as a result of this. E.g. "[w]hat happened right before and after?" and "[w]hat has been most successful?"
Q3: Individual selection and construction processes	Questions designed to explore the concepts of ownership and autonomy in NDTV, as well as explore the power of individuals. E.g. "[w]as responsibility delegated to employees, how?" and "[h]ave there been any key employees in the process, and if so – what were their roles?"
Q4: Working culture and team identity	Questions about how they work in NDTV, identity development, and how this has contributed to successful outcomes. E.g. "[w]hich role does the composition of individuals play?" and "[h]ow has NDTV developed its identity after the demerger?"
Q5: Social identity, resources and knowledge-sharing	Questions directed to explore the dynamic of the relationship between ND and NDTV, as well as questions about resourse allocation. E.g. "[h]ow has NDTV been financed?" and "[h]ave NDTV been delegated autonomy or are you governed by ND – impact from this?"
Q6: Processes that have influenced team performance	Questions that follow up on previous mentioned aspects like dynamics between individuals, autonomy and identity, as well as questions about what the interviewees believe are important factors for success. E.g. [h]ow was the selection process of individuals for the new venture team?" and "[w]hat do you perceive are good processes for entrepreneurship, and what is crucial to succeed?"

Secondary data on NYT has been gathered through the internet, with the initial starting-point being the NYT Innovation Report. When comparing the processes in NYT to those in ND and NDTV, we have at times been unable to find fully comparable information, but by using the NYT Innovation Report and its revelations, we have been able to compare NYT with ND and NDTV through the recommendations made in the report.

3.5 Data Analysis

We used a grounded theory approach (Charmaz 2006; Glaser and Strauss 1967), which requires data and theory to be constantly compared and contrasted throughout both the data collection and analysis process. Charmaz (2006, 187) define the constant comparative method as "a method of analysis that generates successively more abstract concepts and theories through inductive processes of comparing data with data, data with category, category with category, and category with concept."

Our data collection process was divided into three distinct phases (table 2). Phase 1 comprised the interview with Albert, former CEO of NDTV, and according to the *constant comparison concept* of grounded theorizing (Glaser and Strauss 1967), we transcribed and analyzed the data shortly after the interview was conducted. We further compared the interview data with secondary data on NYT, and assessed the outcomes in light of existing theory. This comparison process resulted in construction of new theory constructs, and in accordance with the *theoretical sampling concept* of grounded theorizing (Glaser and Strauss 1967), the emerging theory of phase 1 determined the decision about which data we should collect in phase 2.

The same concepts of grounded theorizing were applied in phase 2. Additionally, we compared the previously constructed theory (of phase 1) to the data collected in phase 2, as a key component of the comparative method is to critically evaluate emerging theory constructs against the ongoing observations (Suddaby 2006). We found consistency, and the constructed theory from both phase 1 and 2 thus determined the decision about which data we should collect in phase 3. Additionally, we made the decision to interview employees in phase 3 (as opposed to leaders in phase 1 and 2), because we wanted to examine the views of the management in contrast to the views of employees.

The same procedure was also applied as we collected primary and

secondary data in phase 3. We compared the previously constructed theory of phase 1 and 2 to the data collected in phase 3, and found that there was consistency. The latter implies that there is consistency between the collected data and the emerged theory constructs across of all the three phases, indicating validity to our findings.

Table 2: Data Collection

	SUBJECT	COLLECTION METHOD
PHASE 1	Former CEO of NDTV (Current at that time) NYT	Semi-Structured interview Secondary data – Archive material • 200 pages
PHASE 2	Interview with current CEO of NDTV and the CEO of ND NYT	Semi-structured interviews Secondary data – Archive material • 180 pages
PHASE 3	Interview with key employees and Head of Operations NYT	Semi-structured interviews Secondary data – Archive material • 130 pages

We analyzed the data from the interviews by using guidelines for coding data described in grounded theory (Charmaz 2006; Glaser and Strauss 1967). The coding process consisted of three primary steps. First, we used “open coding” (Strauss and Corbin 1998; Gioia, Corley and Hamilton 2013) to get hold of experiences and perceptions that had been conveyed in the informants’ stories. Strauss and Corbin (1990, 61) defines this step as "[t]he process of breaking down, examining, comparing, conceptualizing, and categorizing data", and in this initial analysis, researchers try to adhere as close as they can to the terms of the informants – without attempting to extract the essential meaning or most important aspects of categories (Gioia, Corley and Hamilton 2013). As a result, this procedure generated a large number (57) of 1st-order categories, represented in words or short sentences, for instance “a sink or swim order, almost”, “future =

digital" or "room to ask".

Second, we began to search for similarities and differences among the initial categories, in order to extract the most important aspects, and get the number of 1st-order categories down to a more manageable number (Gioia, Corley and Hamilton 2013). We began to look for themes based on our initial interests, for instance in human resources and culture, while we also allowed new themes to emerge from the data. As a results of this process the number of 1st-order categories was reduced from 57 to the 9 that are presented in appendix 4. Some of these categories were totally new to us, which implied that we had to return to existing theory in order to make sense of our findings – thus resulting in intensive reading of ambidexterity research. This dialogue between data and theory was required in order for us to ground constructs (aspects) that were true to our data, but abstracted from the particular context that we studied (Gioia, Corley and Hamilton 2013).

Third, we began looking for a deeper structure in the 1st-order categories, and considered the level of informant categories in relation to a more abstract 2nd-order theoretical level (Gioia, Corley and Hamilton 2013). We wanted to discover the larger narrative in our data, in order to answer the essential question "What is really going on here?" in theoretical terms (Gioia, Corley and Hamilton 2013). This resulted in three 2nd-order themes, or as we call them, aspects; *spinning along and bringing in*, *building team and identity*, and *creating an environment for innovation*.

3.6 Ethical considerations

All employees participated on a volunteer basis, and in the beginning of each interview we asked if they wanted their answers to be treated with confidentiality. Even though none of the interview subjects requested confidentiality, we have chosen to anonymize both the organization and its employees.

Regarding our preliminary thesis report – attached at the very end of this master thesis – there has been a modification to the original version. When first handing in our preliminary thesis report, we had not anonymized the Norwegian media actor. Therefore, in order to match our anonymization in the final thesis, we have edited the name of the company, and removed material that made identification possible – everything else is as it was in the original preliminary thesis report.

PART IV: FINDINGS

4.1 Introduction to findings

The empirical analysis of the two cases identify a threefold framework for navigation in the ambidextrous landscape. The identified aspects of (1) *spinning along and bringing in*, (2) *building team and identity*, and (3) *creating an environment for innovation,* are all interrelated, and should be considered as complementary aspects when aiming to achieve sustainable organizational ambidexterity (figure 2). The first two aspects lay the foundation for ambidexterity, whereas the third aspect is building on the foundation provided by the previous two.

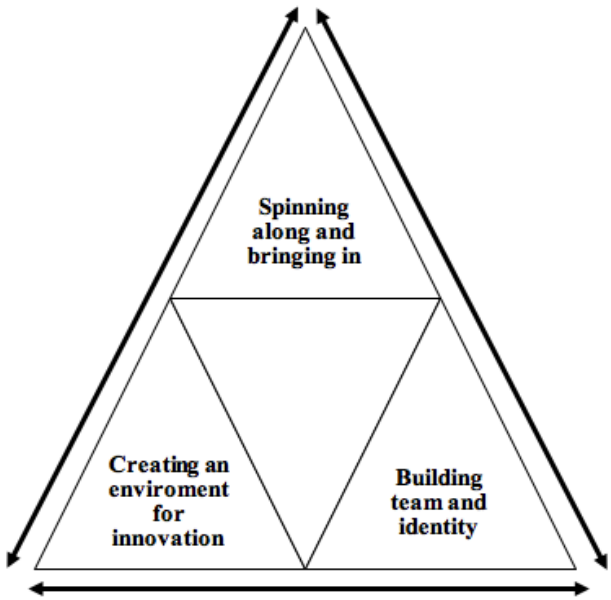

Figure 2: The dynamics between the three aspects

The three aspects are constituted by multiple practices that we have identified through the study- and comparison of the two cases. In table 3, we present our definitions of these three aspects, and provide an overview of the practices that we have identified in ND/NDTV and the NYT.

	Definition	ND/NDTV	NYT
Spinning along and bringing in	*The practice of "spinning along and bringing in" consists of two different steps. "Spinning along" means that an organization establishes a distinct corporate venture with the purpose of strengthening the company's (market) position in the future. Initially, the new venture experiments independently to acquire new positions in the market, and cultivates its field of expertise. After a while, the process of "bringing in" is initiated, which means that the boundaries between the venture and the overall organization gradually are blurred out, and further that the two sides eventually are merged together.*	• Established a structurally separate unit in order to conduct organizational exploration • Delegated full autonomy to the new venture and demonstrated managerial support of exploratory behavior • Gradually integrated the new venture (exploration function) and the core operation (exploitation function)	• Established a "newsroom strategy team" to make a strategy to ease the newspaper's transition to digital • Integrated the video unit into the newsroom
Building team and identity	*The practice of "building team and identity" deals with choices concerning selection of members for the exploration team, implementation of processes and routines to unite the team, and choices concerning how to strengthen the overall organizational identity.*	• Conducted an extensive recruitment process to get the "right" members for the exploration team • United the exploration team through establishment of routines and shared learning processes • Strengthened overarching organizational identity trough daily joint meetings	• Included digital focus in the morning meetings • Sought new leadership for the video unit • Offered buyouts and conducted targeted hiring to the video unit
Creating an environment for innovation	*The practice of creating an environment for innovation deals with choices concerning employee empowerment, thresholds for launching of experiments, types of incentives, and handling of failed attempts.*	• Established a low threshold for trying new things (from/at the outset) • Chose incentives to stimulate experimentation: autonomy and communicated "failure value"	• Recommended employee empowerment in relation to experimentation • Recommended lower threshold for experimental launching and greater use of prototyping • Recommended incentives to attract digital talent

Table 3: Aspect definitions and identified practices in ND/NDTV and the N

4.2 Aspect 1: Spinning along and bringing in – modes of practicing ambidexterity

The practice of "spinning along and bringing in" consists of two different steps. "Spinning along" means that an organization establishes a distinct corporate venture with the purpose of strengthening the company's (market) position in the future. Initially, the new venture experiments independently to acquire new positions in the market, and cultivates its field of expertise. After a while, the process of "bringing in" is initiated, which means that the boundaries between the venture and the overall organization gradually are blurred out, and further that the two sides eventually are merged together.

4.2.1 Responding to a shift in consumer behavior: the business model used for exploration and innovation

> (...) the world becomes more and more digital, there is a fundamental shift in how news and content are consumed, and if ND shall keep and strengthen its "number one" position digitally, then live image – digital video – is a must. Previously it was nice to have, but now it's a must.
> [Paul – Current CEO, NDTV].

This shift to digital video as a requirement in news consumption, combined with arisen opportunity to create a linear TV-channel on a large cable TV-network, led ND to realize that it was time for the company to make a substantial investment in the digital media landscape. In 2014, ND decided to take a grip to acquire a TV-position in the market, and used a business model that previously had been used on several occasions. This business model implies that the corporate parent company initially conducts a demerger, establishing an existing department as a distinct new venture. The demerger is conducted in order to facilitate the new venture's development of an own distinct culture and identity, along with exploring and developing its product concepts. After a period of operating independently, the new venture and the organization's core business function is gradually being integrated into each others operations. Finally, when the venture is able to deliver acceptable results, it is merged back into the corporate parent.

Albert, the former CEO of NDTV and Paul, the current CEO of NDTV, told us about previous experiences underlying the choice of this business model:

> (...) separating parts of the organization to a subsidiary is something we have done on some occasions, quite a few times actually. (…) as long as you were a little department in big, big ND which had (…) a surplus depending on what we bothered with somehow, 200-250 million a year, then there was no incentive to earn some money – why should we bother with that? (…) we came to a sort of point where we had to either bet or quit, in a way. And then we decided that now, now we take the leap, and then we demerged our network operations as a separate company and gave it (...) almost a "sink or swim" order. And that proves to be extremely disciplining, because then we just had to! (…) This gave us enormous creativity, both with regards to how to commercialize, but also to what we had to stop doing. We did too many things, and realized quickly that if this was going to work, we had to become good at just a few things. [Albert].
>
> The most important (reason) is that it gives a clearer focus for us who work here. The most important thing is the focus; we are an independent unit. [Paul].

ND had experienced that establishing a new venture in the form of a subsidiary was associated with great benefits. Going from being a small department in the large ND to standing on their own feet, created an eagerness to ensure the ventures' viability amongst its members. Large amounts of creativity had previously been generated through this process, resulting both in ideas on how products could be commercialized, but also in disciplinary terms, as the new venture team became very selective regarding which projects to continue and which to terminate. Experience had also shown that the demerger served to provide a clearer focus for those working in the new venture, as the venture became a distinct and independent unit from the corporate parent company. However, although NDTV was demerged as a separate company, this did not imply that its collaboration with the rest of the ND organization was permanently terminated. After some time of independent operation, the process of integrating the new venture and the core business function had been initiated, and the two units were gradually being involved (integrated) in each others' operations. Paul, the CEO of NDTV, and Ryan, head of operations in NDTV, tell us about how the

relationship between NDTV and ND unfolds today – a year and a half after the demerger:

> I really have the impression that it has become like everyone does everything. Everyone delivers to all platforms. (…) I really have the impression that it is a nice flow. Everyone has the impression that delivering a report to web and video is equally important to delivering a report to the paper (edition of the newspaper). I think it is, among all the reporters on the floor, an established thing – which people are positive towards, and do not work against. [Ryan].

> We work extremely tight with the rest of the ND organization, we sit back-to-back with ND's news desk, and we depend on ND pulling the load together with us. (…) When major news happens in Norway and in the world, then we collaborate with the rest of the ND organization. NDTV is very much a part of the ND machinery. When there is a terror attack in Paris, we do send our own people and reportage leader – the people that come from NDTV – but it is done in collaboration with ND. And I mean that this also is part of our success, that we work so well with the ND organization. When there is a fire in Trondheim, Peter [alias] who is at a local ND office there, then he is in the streets of Trondheim a quarter to six, and he takes the NDTV microphone. He is an old paper journalist, and he reports for NDTV. (…) We have also been especially concerned with that – pulling the rest of ND with us in this transformation. Because if we had been a totally isolated unit in ND, I do not think that we would have been given the help that we need. But we also transfer important knowledge to the ND organization. We make the whole ND organization more aware of the transformation that is going on in live images. (…) People that work in ND contribute heavily into NDTV, and vice versa. [Paul].

From these quotes we see that ND and NDTV not only share the same office landscape, but also that they now are involved (integrated) in each others operations. ND is supporting NDTV in pulling the load, for instance when major news happens, whereas NDTV is described as being very much part of the ND machinery – contributing with crucial knowledge that allows the whole ND organization to keep up with the transformation in live images. In Paul's example with the ND paper journalist who occasionally takes the microphone and reports for NDTV, we are also able to see that ND individuals practically participates in the explorations of NDTV – a collaboration that is described as partly being the

explanation for NDTV's success. Additionally, we understand that the CEO of NDTV is very concerned with getting the rest of the ND organization onboard, in order to be able to succeed in this transformation. And from Ryan's quote we see that he perceives that this process is supported – and not worked against – by the organization as a whole.

Similar to ND, NYT also experienced the shift in consumptions of news and content, and the NYT Innovation Report argued that if the newspaper should succeed forwards in getting their journalism to readers, it would have to map a strategy to make its newsroom a "truly digital-first organization" (Ellick et al. 2014, 7). As a responding measure to the shift, it was recommended that a *newsroom strategy team* should be established to facilitate NYT's transition to digital (Ellick et al. 2014). The NYT Innovation Report asserted that the preferred team "would not have an operational role. It would be a neutral internal adviser dedicated to improving everyone's game" (Ellick et al. 2014, 71). Further, it was recommended that the team should consist of people with strong backgrounds in journalism, technology, user experience, product and analytics – created to serve as an advisor to the masthead, and to "ensure that newsroom leaders are apprised of changing technology and shifting reader behavior" (Ellick et al. 2014, 79).

The NYT Innovation Report was published in March 2014, and in August 2014 the news came out that the NYT were hiring people for their newly formed *newsroom strategy team* (Jim Romenesko 2014). In October 2014, the NYT announced further that they would cut 100 newsroom jobs in order to control their costs, and be allowed to continue investing in NYT's digital future (NYT 2014). In November 2014, it became publicly known that there had been some substantial changes in NYT's digital priorities, as the NYT video unit had been fully integrated into the newsroom (Stream Daily 2014). Bruce Headlam, NYT's managing editor of video, said the following about the changes that recently had occurred in the newspaper: "It's not just that video is more prominent. I think it's thought of as a full partner in the news in a way that hasn't really happened before (…) We were kind of seen as the helper medium for a long time, but now, a lot of content starts out as video" (Stream Daily 2014). In 2015, the NYT stated further that it would revamp the video unit by hiring new digital competence, searching for "new leadership with deep experience in video, who can help us design a broad editorial and business strategy for a video operation that can be even bigger and richer" (The New York Times 2015).

4.2.2 Shielding the new venture from conservatism within the parent company: decision autonomy and corporate management support

> (…) our experience is that when you make a new venture in the company (…) you do not become so burdened by what I call "legacy culture", as you would have if it was part of a large whole (…) then the conservative becomes too dominant. (…) [Tim – CEO, ND].

By creating a structurally independent unit, ND believed that it could shield the new venture from being overly influenced by conservative forces within the established company. Because NDTV was a corporate venture determined for exploration of the digital media landscape, it was going to face decisive choices in its future exploration processes – for instance which markets to pursue, which types of news and contents to produce, and what types of storytelling techniques to use. Through the establishment of NDTV as independently operating business unit it appears that the owners safeguarded the venture's decision autonomy, as this procedure shielded the new venture's decision making from being overly affected by ND's culture and way of doing things.

The NYT Innovation Report argues, in similarity with the CEO of ND, that habits and traditions built over many years constitute a powerful, conservative force as the newspaper is transitioning to digital – a force can become an obstacle in the production of the best possible digital report (Ellick et al. 2014). The NYT Innovation Report further highlights the content from a (provocative) e-mail that was sent by Nathan Ashby-Kuhlman, the senior editor for digital operations in NYT, to the leaders of NYT's digital newsroom (Ellick et al. 2014). In the e-mail, Ashby-Kuhlman strongly warns that the newspaper is not doing enough to prepare for their digital future, as the newsroom "is still governed by the traditions and limitations of print" (Ellick et al. 2014, 83). If the NYT was going to succeed in becoming a "digital-first organization", it would be crucial that digital report productions were free from the constraints and legacy platform of the newspaper (Ellick et al. 2014, 7).

This freedom from constraints and legacy platform is found in NDTV, as a high degree of autonomy has been delegated to the new venture. NDTV can however not break entirely with the editorial profile of ND, but apart from this

framework requirement, the new venture operates in its own auspices on daily basis. Tim, the CEO of ND, told us about how NDTV's freedom has unfolded in relation to the rest of the organization:

> Sometimes, large portions of ND in general probably mean that part of the video material that is exposed is too light in relation to ND's news profile, other times, this objection is not that prominent. Other times the organization in general thinks that NDTV makes excellent current affairs programs and documentaries, short documentaries and so on. It is like it should be, something one is dissatisfied with, and something one is happy with, it has to be that way in an organization. [Tim].

Tim's quote illustrates how tensions occasionally occur between the new venture and large portions of the corporate parent. Although they are produced within the given framework, some of NDTV's productions generate objections from the organization in general. The CEO has however chosen to regard these protests as a platitude in the organization, and it therefore appears as if the objections are unable to limit the explorations of the new venture.

4.2.3 Outcomes of the identified practices on new venture development

Having described and compared the practices for organizational exploration and innovation in ND and the NYT, we will further discuss our findings in relation to research on organizational ambidexterity.

In our study we identify the practicing of three distinct modes of ambidexterity. We first identity *structural ambidexterity* (Tushman and O'Reilly 1996) and *contextual (integrated) ambidexterity* (Tushman and O'Reilly 1996), and further, if we chose to approach the (entire) ambidexterity process in ND as a temporal activity, we can also identify the mode of *punctuated ambidexterity* (Tushman and O'Reilly 1996; Gibson and Birkinshaw 2004). Additionally, we identify the practicing of a mode combination – a combination of the structural- and contextual ambidexterity. In order to make the ambidexterity processes of ND and the NYT more comprehensible to the reader, we present two timelines before we initiate our discussion. The identified ambidexterity modes are highlighted in these timelines.

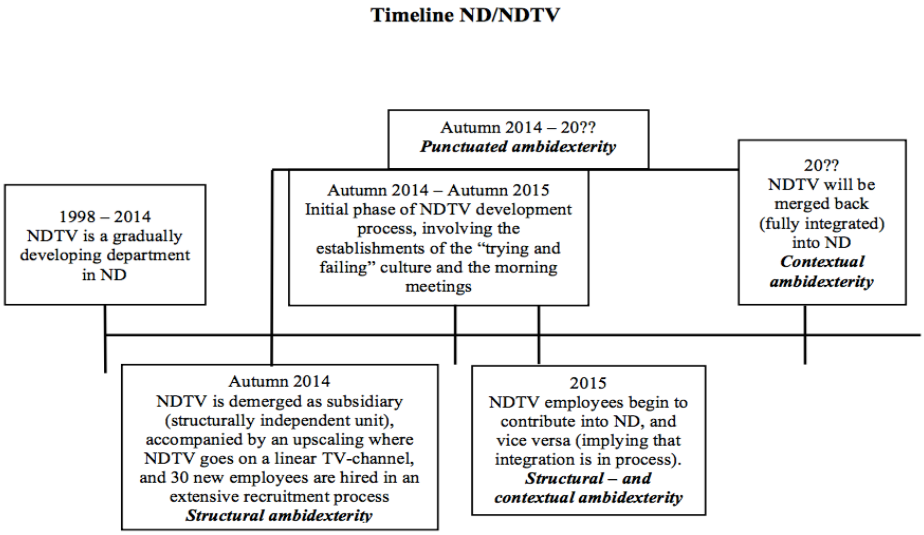

Figure 3: Timeline for ND and NDTV

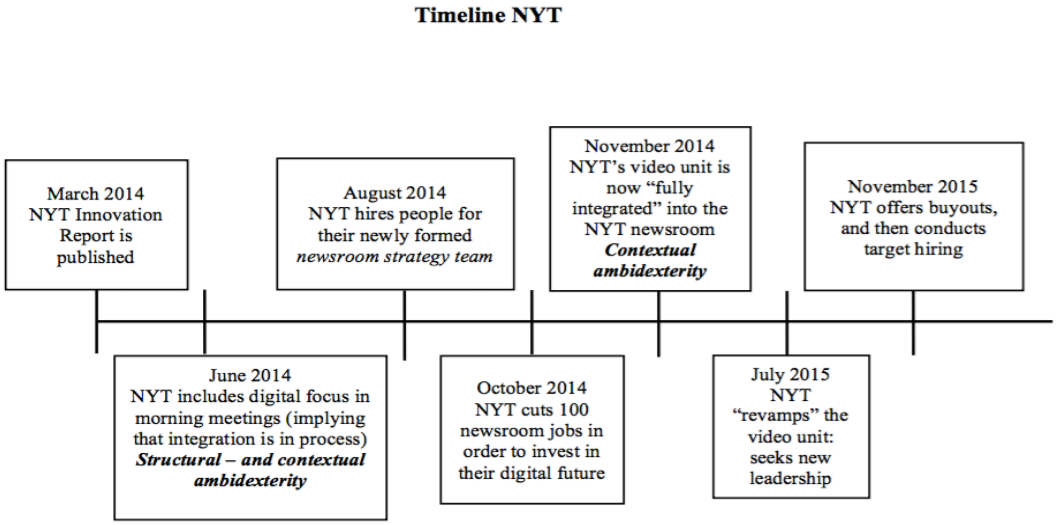

Figure 4: Timeline for the NYT

First, we identity that ND decided to perform ambidexterity through the establishment of NDTV – the organization's exploration function – as a structurally independent subsidiary with its own processes, structures and cultures, integrated into the existing senior management hierarchy (O'Reilly and Tushman 2004). The relationship between the exploiter- (ND) and the explorer (NDTV) units initially appears to have unfolded in a mode of *structural ambidexterity* (Tushman and O'Reilly 1996). We find that both the former and the current CEO of NDTV argue that establishments of new corporate ventures as subsidiaries – structurally independent from the rest of the organization – generates creativity and focus in the ventures. Further, we see that the ND

management perceive that this practice prevents several organizational conditions that are prone to constitute obstacles in the new venture's creative process flow. All of these outcomes can be seen in relation to research that consider structural separation to be a necessity in the ambidextrous organization (e.g. Gilbert 2006; Kauppila 2010). Structural separation isolates exploration from exploitation, and thus ensures that individuals with operational responsibilities do not deal with contradictory frames that create operational inconsistencies and conflicts in implementation (Gilbert 2006) – conditions which are prone to slow down the internal processes in the new venture.

Further, we identify that a concern for conservative forces becoming too dominant in exploratory behavior is present both in ND and the NYT. In the study of ND, we discover that the creation of a structurally independent venture with (virtually) full decision autonomy is perceived to limit this type of influence on exploratory behavior. This is a perception that is in alignment with the notion of Tushman and O'Reilly (1996), as they assert that structural independence ensures that the organizational exploitation culture do not overwhelm the distinctive processes, structures and cultures in explorative units. As NDTV was a unit specifically determined to exert high levels of exploratory behavior, it was all the more important that the new venture was allowed to operate with autonomy in order to make it's organizational learning more effective (McGrath 2001). When there is discretion from corporate management, this prevents venture managers from being too constrained, and thus they will also be more likely to engage in innovative problem-solving activities or pursue innovative strategies (McGrath 2001).

We also find that the CEO of ND is approaching objections that are raised towards NDTV's productions as a platitude in the organization, and by this also demonstrates his support of the new venture's exploratory behavior. In accordance with the notion of Crockett, Payne and McGee (2007), it is our perception that this type of support from the corporate management has been of great importance to the new venture's development and success, as it has enabled the exploration unit to persist its entrepreneurial activities in the organization (Hitt, Ireland, Hoskisson and Kochhar, 1999; Riley, Kalafatis and Manoochehri 2009). As the CEO speaks of his approach to the objections from the rest of the organization, he also further confirms that the concern for burdening from exploitative culture legacy is strongly justified – thus reemphasizing the importance of a structural

independence to prevent overwhelming influence of exploitation culture (Tushman and O'Reilly 1996).

Second, in Paul's description of the collaboration between ND and NDTV, we also identify an additional mode in which ambidexterity is being practiced in the ND organization. Paul uses the example of the ND paper journalist who takes the microphone to report for NDTV to illustrate how ND is contributing into NDTV, and he further explains that NDTV also is contributing into ND, by bringing crucial knowledge that allows the ND organization (as a whole) to keep up with the transformation in live images. We identify this way of involving individuals from the exploitation unit into the exploration unit and vice versa, as the mode of contextual (integrated) ambidexterity (Tushman and O'Reilly 1996; Gibson and Birkinshaw 2004).

Regarding the NYT, there are limited data informing of internal decisions and practices related to organizational ambidexterity. However, there are some indications suggesting that the NYT, after the release of the Innovation Report in 2014, have decided to explore and exploit in a different mode than previously. The statement from Bruce Headlam – NYT's managing editor of video – shows that the video unit (explorative function) went from being a "helper medium" to being fully integrated into the NYT newsroom (exploiting function), shortly after the NYT Innovation Report was released (Stream Daily 2014). Headlam further illustrates the change by explaining that "now, a lot of content starts out as videos" (Stream Daily 2014). These statements indicate, in similarity with what happened in ND, that NYT has moved from practicing structural ambidexterity (Tushman and O'Reilly 1996) to the mode of contextual (integrated) ambidexterity (Tushman and O'Reilly 1996; Gibson and Birkinshaw 2004). This change holds, as previously discussed, the potential to remove isolation between exploration- and exploitation units (Gibson and Birkinshaw 2004), and thus it might have resulted in digital innovation and exploration becoming a "common property" in the NYT.

Third, we have now seen that Paul emphasizes the importance of NDTV being able to pull ND with them in the digital transformation, and that he perceives NDTV's success to be a result of the well functioning collaboration between NDTV and ND. Paul's perception is, as previously mentioned, in alignment with the notion of several researches (e.g. Gibson and Birkinshaw 2004; Kauppila 2010), who argue that contextual ambidexterity – where the

exploitation function and the exploration function are integrated into each other – is the most effective mode of organizational ambidexterity. However, as previously discussed, we also identify that structural independence has been necessary in order to develop NDTV as a distinct unit and to conduct radical exploration (Kauppila 2010). Therefore, based on the two findings above, we argue that structural and contextual ambidexterity are practiced as complementary modes in the ND organization – a practice that is identified and discussed by several scholars (e.g. Gibson and Birkinshaw 2004; Raisch et al. 2009; Kauppila 2010; Benner and Tushman 2015; Papachroni et al. 2016). In accordance with what we have found in ND, Papachroni et al. (2016) found that structural- and contextual (integrated) ambidexterity can co-exist within one single setting, where they are being employed simultaneously or sequentially. By choosing this practice, Gibson and Birkinshaw (2004) argue that the organization avoids pure structural- or punctuated ambidexterity modes, which are prone to create harmful isolation between exploration and exploitation units – for instance resulting in innovation becoming "someone else's mission" or something that was done in the organization only for a limited period of time. Raisch et al. (2009) further assert that the balance between differentiation and integration most likely will vary with the specific task or activity at hand, and therefore will require ongoing managerial attention. The latter implies that the management most likely will be making adjustments in the ambidexterity practice along the way, and this is congruent with what we have found to be the case in ND/NDTV and in the NYT.

4.3 Aspect 2: Building team and identity – practices for development of the distinct exploration unit *and* the unifying organizational identity

The practice of building team and identity implies that the venture management makes choices that facilitate the exploration unit's development, while at the same time also making choices to maintain the organizational cohesiveness. The practice of building team and identity deals with choices concerning selection of members for the exploration team, implementation of processes and routines to unite the team, and choices concerning how to strengthen the overall organizational identity.

4.3.1 Building the exploration team: Seeking flexible people with complementary competence

ND's decision to establish NDTV as a separate company – a structurally independent unit – was as previously mentioned accompanied by a large upscaling of the new venture. The management underwent an extensive recruitment process in order to acquire new members to the exploration team. Paul, the CEO of NDTV, and Ryan, head of operations in NDTV, talked about the importance of this process and what they looked for as they evaluated candidates:

> I decided that this is perhaps the most important thing I do for NDTV: to find the right people and the right mix. So it had to be thorough. (…) And we got a lot of good people, I would say that we did not make one mistake when hiring, so we are proud of that. And it was a good mix of people; women, men, age, competence, digital background, television background, journalistic background. (…) It's about finding the right mix of competence. (…) We can't have people that say "you said *that* half a year ago." We were looking for flexible people, and people who are able to live with that, and don't get stressed – that you like things to be in a constant change. (…) It is a key (factor) that many people are able to do many different things. We had more specialized roles a year ago then we have today. The VJs (Video Journalists) can also be producers, and they can anchor broadcasts. So, when recruiting, we looked for good journalists, but also people that were technically competent. (…) We need people that can do several things. [Paul].

> I looked for people that could contribute with competence that we ourselves lack. (…) It was very much related to skills. One evaluate personalities too, certainly, that had a lot to say, that they are people who want to be part of developing something. (…) We try to build a group that can learn from each other, develop each other. [Ryan].

We see that the process of hiring new individuals to the exploration unit was given high priority by the NDTV management. Ryan and Paul sought people with competence complementary to the one that existed inside NDTV, along with the "right" mindset – both in terms of being flexible and ready to embrace change, and wanting to be part of developing something. We see that Paul especially emphasizes the importance of flexible employees, and considers it essential that many (team members) are able to manage different types of tasks. From his quote we see that there has been a decrease in specialized (employee) roles over the past year. Further, we see that Ryan also evaluated personalities in the process, and hired people with the objective to build a team that could learn from each other, and thereby also develop each other. Consideration of team dynamics appears to have been important in the recruitment process, and in relation to this aspect, Paul expressed his appreciation of differences:

> I believe in *differences*, that you need different people on all levels. If you have the same type of people in a management team or in a group that is working on a project, then you will not get creative and innovative power. When we talk about dynamic, we talk about cultivating differences. I think that the most successful projects in NDTV take place when we are able to combine people from different backgrounds. And not just editorially, but also from the market. And from different parts of the ND-house. That is when we release creative forces. [Paul].

The launch of the linear TV-channel was a part of ND's intensified investment in live images, and it required that NDTV expanded their digital capabilities. Expanding digital capabilities is something that the NYT also has identified as an important investment in the years to come. When talking about how to rethink their digital initiative, The NYT Innovation Report (2014, 82) states that NYT should focus on strengthening their competitiveness by hiring "people from other innovative organizations and non-traditional competitors." In November 2015 – a year following the report – the executive editor in NYT, Dean Baquet, announced

that the NYT was going to take two steps toward staff restructuring and expansion of the video unit (New York Post 2015). They would offer a buyout to video unit employees to decrease the existing staff, and then conduct target hiring to gain "the deep experience, new judgment, and creativity we believe essential to take our video unit to a higher level" (New York Post 2015). In other words, the intensified investment in the NYT video unit implied that the NYT had to look for a new and different set of expertise.

4.3.2 Uniting the exploration team: Establishing organized forums for communication, and finding the path forward together

The NDTV management especially sought people with experience from linear TV during the recruitment process, as the decision to demerge NDTV partly was a result of ND's arisen opportunity to start operating a linear TV-channel. However, the launch of the linear TV-channel constituted some challenges to the NDTV employees. On one hand, there was the "old" employees – those who had worked in NDTV prior to the demerger – who had experience with running web-TV, but did not know how to run a linear TV channel. On the other hand, there was the "new" employees – those who were hired during the upscaling process – who knew how to run linear TV, but did not necessarily have any experience with running web-TV. In addition, the new employees had in many cases worked for competitors with editorial profiles very different from the one in ND/NDTV, and they therefore needed time to become familiar with ND/NDTV's journalism. Lucas, employee in NDTV, shared his reflection on these challenges:

> I think that those who had worked at other places were a bit desperate – or a bit confused in the beginning. What are we supposed to do, or how does this work? But this happens every time new people are hired, they need an adaption period. But this was probably harder to do because there were so many new people who had to adjust, and it (the adaption period) probably took some more time, as there was not enough time to focus on each particular person. [Lucas].

Albert, the former CEO of NDTV, confirmed that it had been challenging to welcome all the new employees in a good way:

> (…) to handle this kind of growth with regards to the large number of people, to welcome everybody in a good way and to get them "on-boarded", has in itself been a HR-challenge. We are not used to this kind of large upscaling of people that we have had on this field. [Albert].

From the quotes of Lucas and Albert, we see that there was a strong need to unite NDTV as a team after the upscaling. The new employees had to be included and find their place in the team, "get on-boarded", as Albert expressed it. In addition, due to the doubling in number of team members, a need for organized communication forums had also emerged. The members needed to be able to meet on a regular basis, in order to sit together and discuss matters that concerned the new venture. As a response to these needs, *morning meetings* were initiated, and this is highlighted as something highly positive by the employees. The morning meetings contributed to bring the team together, and helped the NDTV team to become more organized. John, employee in NDTV, explains:

> To not have morning meetings, to not talk about things and not be involved in decisions, was very… new, and strange. (…) It was so much, so many things we were supposed to make in the beginning. There were so many broadcasts about so many strange things, and everybody felt that… Why are we really doing this? And so it came to the point where we talked about… We need to start having morning meetings, why don't we have morning meetings? So instead of being thrown into things, we talked about it together. Instead of just one person deciding, we now use our heads together. We have become much more creative after we began having morning meetings. We have gotten more freedom than in the beginning, and that again gives room for the creativity to grow. [John].

From John's quote, we see that the morning meetings has allowed the team to gather and use their heads collectively. The meetings have also enabled the employees to participate in decision making processes, instead of "being thrown" into doing or producing something. The team now discusses the broadcasts and makes decisions in plenum, as opposed to just following commands. We also see that John's experiences that the morning meetings have resulted in greater freedom, and as a result, stimulated the team to be more creative.

Additionally, due to the high degree of uncertainty that existed around the linear TV-channel's product concept, NDTV was given "free reins" in the initial phase (section 4.4.1), which facilitated large scale testing of the team members' ideas. This phase influenced however, not only the development of the product concept, but we also find that it has been essential in relation to the development of the exploration team. Lucas, employee in NDTV, explains:

> I think it was necessary for those who came (new employees) as well, that they got to learn through failing a little as well because they had many ideas, and we had many ideas. When they then got to see that "now we try this, rely on that" – "okay, that worked well, lets do more of that", or "that did not work", they somehow learned a little about what NDTV was, and what NDTV could become through that process. Instead of someone just sitting there, saying: "no, we will not do that, that will not work". For there was really no one who knew that 100% for certain, so then it was okay to give people some room to play, I think. [Lucas].

The initial "testing phase" appears to have ensured that all the members got to have their say early on in the team development process. Because no one knew anything for certain, ideas from both the new and the old employees were welcomed and given a chance. As a result, it appears that the new employees and the old employees, *together*, discovered the path forward during this phase. The exploration team gradually gained experience and became able to make informed choices related to productions, and it also appears that the employees got an understanding of NDTV's potential during this process.

4.3.3 Strengthening the overarching organizational identity: Using meetings to unite the organization as a team

We previously identified that ND established NDTV as a structurally independent unit, in order to shield the new venture from being too influenced by conservative forces within the exploitation culture (section 4.2.2). But although it has been important for the ND senior management to ensure the exploration unit's ability to develop its own distinct culture, it has also been important to unite the two teams – the exploitation team and the exploration team – under *one* organizational team identity. Paul, the CEO of NDTV, explains:

> We pull the load together, and that is one thing that characterizes ND, that we are a team culture, and we work better and better together. (…) Because it is the experience you get when you enter onto "nd.no" that it is the essential for reader and seer. [Paul].

ND delivers a product that requires contributions from both of the teams, and the organization has to pull the load together to ensure that the ND product meets the expectations of the reader and seer. Therefore, in order to unite the exploration team and the exploitation team, the ND senior management conducts regular meetings where the entire organization participates. Once a day around noon, the

ND- and the NDTV staff gathers by a staircase in the middle of the office landscape for the "10:45", as they call it. The "10:45" is usually held by Tim, the CEO of ND, and the purpose of this meeting is to give all employees the latest updates on current events – thus uniting the two units by showing their combined contributions and efforts. There is also a focus on cutting edge practices in these meetings. When asked if ND and NDTV, together, talk about being innovative, John, employee in NDTV, answers:

> This is something that we often talk about in the 10:45 meetings. If someone has made a story that is designed a bit different, that you have tried to create something new… I feel that those things get noticed. That you try new things. And rather try too much, and perhaps fail, than not to try at all. [John]

The "10:45" meeting is also an opportunity for Tim, the CEO of ND, to continue to push the two units forward by commenting on organizational efforts. Lucas, employee in NDTV, explains:

> [T]here can be lot of criticism, absolutely, that happens all the time. But also a lot of praise on good stories. [Lucas]

In the NYT, the morning meetings have also been under evaluation the past few years. Previously, these meeting were held to discuss page one of the printed newspaper, but now there is also a focus on digital contributions and accomplishments (The New York Times 2014). This change shows that the NYT has increased their focus on integrating their digital side (exploration function) with their more traditional one (exploitation function). Margaret Sullivan, the NYT public editor, express it in the following manner: "there's an effort to make this, more than ever, an "all platforms" newsroom" (The New York Times 2014). The NYT is in other words working on integrating the two functions, as strengthening their digital capacities has become a necessity.

4.3.4 Outcomes of the identified practices on team- and identity building

Having described and compared the practices that we have identified in ND and NDTV, and the NYT, and practices that are advocated for in the NYT Innovation Report, we will further discuss our findings in relation to ambidexterity- and identity research. Regarding the NYT, there is limited data on the internal processes related to some of the discussed practices, and we will therefore base

our discussion on the findings from ND and NDTV in these cases.

First, we identify that both the NDTV management and the NYT Innovation Report emphasize the importance of hiring the right individuals and competencies into their exploration teams (NDTV and NYT's video unit, respectively). We find that the NDTV management put a lot of effort into the recruitment process, seeking individuals who had the competence that NDTV was missing, and who also would be able to thrive in an environment of constant change. We also found that Paul, the CEO of NDTV, portrayed individuals' flexibility as especially important, because employee roles were becoming less specialized than previously. This shift in employee roles is something we relate to our findings in the previous aspect (section 4.2.3), where we identified that ND has gone from (initially) practicing purely structural ambidexterity, to practicing a combination of structural- and contextual (integrated) ambidexterity. Birkinshaw and Gibson (2004) argue that the nature of roles varies between structural- and contextual ambidexterity, and that the two modes therefore require different employee skills. In the mode of structural ambidexterity, the roles are relatively clearly defined, and therefore require more specialist skills (Birkinshaw and Gibson 2004). On the other hand, in the mode of contextual (integrated) ambidexterity, the roles are relatively flexible, and they therefore require that employees are more generalists – competent in several different fields (Birkinshaw and Gibson 2004). Thus, as ND now is practicing a combination of structural- and contextual (integrated) ambidexterity, we find that the need for specialists is decreasing in the exploration team, and that the need for generalists – flexible employees – has increased.

Further, we see that the desire to hire and work with different kinds of people is emphasized by both leaders and employees. The NDTV managers talk about how they believe differences within a team can be highly beneficial, and the employees mention how they enjoy learning from each other. Looking at this in the light of research, we see coherence with how Tushman describes a great ambidextrous team (Euchner 2015). He explains that to enable exploration, the team has to be heterogeneous (Euchner 2015). Such teams may be in danger of becoming inefficient, as the different team members' approaches are likely to vary (Euchner 2015). However, by having a leader and a process that neutralizes the largest differences, one can ensure that the team stays effective by helping people to understand that "it's okay to live in a world of paradox." (Euchner 2015, 19).

Drawing on this, we believe that a heterogeneous team has a greater capacity of working in a dynamic environment, as such a team is likely to consist of individuals who respond to the need for flexibility in different ways. Thus, we assert that by combining individuals who do not fear a rapid changing environment and the uncertainty aspects that this might bring, with individuals who are more prone to feel resistance, one might cause the latter group to find comfort in the other co-workers' confidence.

Second, we identify that there was a need to unite NDTV as a team after the upscaling, and we find that the initiation of morning meetings has been an important contributor to reach this state. In a study that focused on uncertainty during organizational change, Bordia et al. (2004) found that participation in decision making (e.g. through team meetings) gave employees a feeling of control over their circumstances, and this reduced negative effects that uncertainty was prone to have with regards to job-related issues. Involvement in decision making processes is in other words an important factor that needs to be considered during phases of uncertainty, and we identity this in our study. We find that the morning meetings presented an organized forum where the team members could meet to share ideas and talk constructively together, and that this internally organized collaboration and communication strengthened NDTV's unique identity. We also find that the morning meetings allowed employee participation in decision making – as opposed to strictly be following given orders – which in turn has resulted in more creativity amongst the members of the exploration team. We see the latter outcome in relation to Sonenshein's (2014) assertion that leaders can use autonomous resourcing, for instance decision autonomy, to foster creative activities in the organization. Through autonomous resourcing, managers facilitate creative resourcing in the organization, and shapes the identities of the employees as creative owners of their organization (Sonenshein 2004).

Additionally, we identify that the initial "testing phase" appears to have been a decisive factor in the exploration team's development process. We discover that all employees got the opportunity to have their say in the initial phase of the venture development process, as suggestions genuinely were taken into account and tried out in practice. During the "testing phase", it appears as if the new- and old employees were allowed to discover the path forward *together*, and we therefore assert that this phase also contributed to development of a common NDTV identity amongst the employees. The development of this

superordinate exploration identity – blurring out the distinction between new- and old employees – is also likely to improve processes of knowledge transfer (Kane, Argote end Levine 2005). Because the exploration culture is a culture of learning (Euchner 2015), we assert this type of improvement to be essential for the exploration team's further development.

Third, we find that the senior management in the ND organization acknowledges both the importance of facilitating the development of distinct cultures, and the importance of unifying the two units under one overarching organizational identity – where the *identity* is constituted by aspects that are central, enduring and distinctive for the particular organization (Albert and Whetten 1985). We saw that Paul, the CEO of NDTV, appraises the organizational team culture in ND, and emphasizes that it is the total experience – the combined efforts of the exploration- and the exploitation unit – that is essential to the consumer. This understanding can be seen in relation to Tushman's view of ambidextrous leadership, as he asserts that the ambidextrous organization is marked by "inconsistent subcultures that are held together by a team that gets it, by an overarching set of core values, and by an identity that makes sense of it all" (Euchner 2015, 17).

We find the "10:45" meetings to be an important component in the quest to unite the two distinct teams under one overarching, organizational team identity. During the "10:45" meetings, the CEO of ND approaches the organization as a whole, and integrates their operations by displaying efforts both from the distinct units, and from collaborations. This integration is an important facilitator of ambidextrous behavior, and to ensure a real impact on individuals' capacity for ambidexterity, it is crucial that the top management is able to clearly state their visions and initiatives in a way that is comprehensible for all employees (Birkinshaw and Gibson 2004). As the CEO gives the latest updates on organizational initiatives, and thus involves the exploitation- and exploration functions into each others efforts, we assert that he also continues to direct the two units forward in a common direction. We also see that innovation often is discussed and encouraged in the "10:45" meetings, indicating that ND is an ambidextrous organization with both "social networks, and a leader cognition and behaviors that can attend to paradox" (Benner and Tushman 2015, 12).

Additionally, according to *social identity theory* (Tajfel and Turner 1979; Hewstone, Rubin and Willis 2002), we know that individuals tend to categorize

other individuals either as members of their own in-group(s), or as members of out-group(s). Individuals' further use this differentiation to strengthen their own social identity, potentially by over-evaluating traits of their in-group, and/or derogating traits of the out-group (Tajfel and Turner 1979; Hewstone, Rubin and Willis 2002). As the "10:45" meetings contributes to unite the exploitation- and exploration function under one common organizational identity, we assert that this may prevent intergroup discrimination caused by grouping in the ND organization (Tajfel and Turner 1979). The latter outcome may increase trusts, cooperation, empathy and positive regard between groups (Hewstone, Rubin and Willis 2002), and individuals are also more likely to share their knowledge with others that are (considered) members of a group with whom they share a social identity (Kane, Argot and Levine 2005).

Comparing with the NYT, we find in similar manner that their focus on uniting the overall organization has become more prominent in the way the newspaper operates, as they have integrated aspects of digital achievements in their morning meetings.

4.4 Aspect 3: Creating an environment for innovation – practices that support experimentation in the new venture

The practice of creating an environment for innovation implies that the venture management makes choices that facilitate development of an experimentation culture in the new venture. The practice of creating an environment for innovation deals with choices concerning employee empowerment, thresholds for launching of experiments, types of incentives, and handling of failed attempts.

4.4.1 Fostering a "trying and failing" culture: establishing a low threshold for trying new things

> (…) good processes (for entrepreneurship) is to create… to manage to create a culture with room for innovation, and trying and failing. I think the term "dare to succeed" is a good expression, better than "trying and failing", because it makes it more apparent that there is success ahead, but you have to dare. And if you are able to create that culture, then you have greater prospects of success. But it is demanding. [Paul – CEO NDTV].

The demerger and upscaling of NDTV was as previously mentioned part of ND's strategy to take a future "number one" position digitally. To be able to take this position, it was expected that the new venture would have to explore and take new chances. And in order to increase its prospects of success, the management considered it important that NDTV developed a culture that encouraged and embraced innovation. Along with the rearmament of NDTV, a cultural development process was facilitated in the new venture, and the initial step in this process was to give the NDTV employees virtually free reins with the product concept right from the outset. John, NDTV employee, explains:

> In the start it was a bit like "now we are making a TV-channel", but we did not know what it should be like… We had a couple of lines on what we should do (…) In the start of the TV-channel, we were like… We threw ourselves around and made TV on anything possible, although it maybe wasn't very good TV.

> Very much of that type of testing. (…) We kicked ourselves around at everything, tested everything. [John].

From John's quote we see that the initial phase was characterized by large amounts of testing in the new venture. The employees had been given some guidelines on what they should do, but no one knew exactly what the TV-channel should be like. As a result of the uncertainty, the employees were allowed to try out their ideas on a large scale during this initial phase (section 4.3.2). However, the practice of allowing employees to implement their ideas was not limited to NDTV's start-up phase, the "try and fail" orientation is something that now permeates the venture culture. Lucas, employee in NDTV, tells us about the role of experimentation in the workday:

> The threshold is very low in NDTV to be allowed to try new things. (…) If you have an idea of how you want to make a reportage in an entirely new way, things like that, then the threshold is very low under the assumption that it does not cost way too much. I feel that we are in a sense challenged at being creative every day, how one can make pieces in a slightly different way, new perspectives on things, and stuff like that. [Lucas].

From Lucas quote we see that experimentation now appears to be integrated into the NDTV workday. Lucas perceives that he is challenged at being creative on a daily basis, and he emphasizes that there is a very low threshold for trying out new things in the new venture. This low threshold is facilitating large amounts of experimentation amongst the employees in NDTV, and some of them have been exploring new content and expression forms. Ryan, head of operations in NDTV, explains:

> George [alias] and the others, they dare to play (…) They dare to make content on the things that young people are concerned with. They experiment with expression forms, using snap chat symbolism in their video reportages, throwing on emojis on the reportages that they make. It is typically them to do things like that. I think that is a good thing, as we would like to reach out to the young users, because we believe that we might not have succeeded as well with them. [Ryan].

We see that Ryan highlights the efforts of employees who "dare to play", as he expresses it. Their experimentation has generated content that applies to the young users, which is a desirable audience for NDTV. Indeed, experimenting like this has proven to be crucial if NDTV shall be able to succeed in reaching this segment. Ryan elaborates:

> NDTV was cool and modern, then something new comes along. They (the young users) just jump ahead. (…) They are already beyond; they have jumped onto the next cool thing. We have to work harder to get those with us. (…) We work with these things, creating reports in a different way, which causes the young to swallow that bait. (We are) very focused on innovation in terms of the production part, what (type of content) we turn into productions. You might want to downgrade a press conference in the Department of Agriculture, and rather create a cooler story about something with iPhone, that's a classic example. [Ryan].

From Ryan's quote we get the impression that it is especially challenging for ND to keep up with the young users, as he expresses that this segment continuously is *beyond* status quo in NDTV. These consumers move quickly on to "the next cool thing", and in order to succeed in reaching this segment, we see that Ryan emphasizes the importance of creating reports in new ways, and thinking in innovative terms when choosing what to produce.

In the case of the NYT, there is limited data describing internal, cultural development processes in NYT's video unit, however, the NYT Innovation Report expresses the following for the future: "[f]ind ways to empower our current digital staff. We want a culture of experimentation in the newsroom. For example, we could give producers responsibility for more testing, and then ask them to share their findings with the organization" (Ellick et al. 2014, 96). Additionally, in compliance with what we have seen happen in NDTV, the NYT Innovation Report states that NYT henceforth must be willing to experiment more in terms of how content is presented: "[w]e must push back against our perfectionist impulses. Though our journalism always needs to be polished, our other efforts can have some rough edges as we look for new ways to reach our readers" (Ellick et al. 2014, 31). The report further discusses a lower threshold for experimental publications: "[l]aunch efforts quickly, then iterate. We often hold back stories for publication, as we should, because they're "not quite there yet." Outside our journalism, though, we can adopt the "minimal viable product"

model, which calls for launching something in a more basic form so that we can start getting feedback from users and improve it over time" (Ellick et al. 2014, 32).

4.4.2 Providing incentives that support innovation: autonomy and constructive feedback that includes value to failure

In order to succeed in creating and maintaining an innovative environment in the new venture, the NDTV management has provided incentives to stimulate creativity in the exploration team. Paul, the CEO of NDTV, told us about the incentives that are given to the employees in NDTV:

> It is about recognition, and opportunity to work with what you want. If you have good ideas and you are clever and self-driven, then you are allowed to do so. I do try to give nuanced feedback to the employees, but we do not have any reward systems involving money. [Paul].

We see that incentives in NDTV are related to recognition and freedom to work with what you want, also including realization of your ideas. In addition, we see that personal, economic incentives are absent in NDTV. The management appears to have succeeded in their choice of incentives, because when he is asked what motivates him at the work place, John, employee in NDTV, answers:

> It is to experiment, to get to try out new things, new ways of storytelling. Yes, I think that is really fun, explore and be part of the development of how you convey journalism in a new way. (…) The funniest part about working in NDTV is that we can experiment with new story telling techniques, that is probably our greatest strength. I think that's very, very fun. So perhaps it is one of our core strengths, that we have room to experiment. [John].

We see that John elaborates on the autonomy incentive and expresses that the opportunity he gets to try out new things is the most delightful aspect of the job in NDTV. Additionally, we see that he perceives the room to experiment to be one of NDTV's core strengths.

Similar to what we identify in NDTV, the NYT Innovation Report argues that in order for the NYT to succeed in both capturing *and* retaining digital talents, it has to provide incentives considering that "they (digital talent) are drawn to opportunities to create something, experiment and solve problems, and rethink

how news is made – without the guardrails and bureaucracy of a legacy organization" (Ellick et al. 2014, 82). The NYT Innovation Report further emphasizes that: "[y]oung digital talent is rarely motivated by money. Typically, they are motivated by the potential to make impact at an organization that speaks to their values" (Ellick et al. 2014, 88)

We previously identified that the NDTV management acknowledges the importance of giving nuanced feedback in relation to experimental efforts. As experimentation can result in failing, it is likely that managers occasionally will have to relate to employees' failed attempts. When he is asked if the management also conveys (to employees) a value to trying something, even when it does not achieve commercial success, Paul, CEO in NDTV, answers:

> Yes, we have to talk about that, that "trying and failing" or "dear to succeed" means that we do not succeed in everything we do. Like Albert Einstein said: "A person who never made a mistake never tried anything new", so you have to live with making mistakes. [Paul].

We see that Paul perceives that a value to failed attempts is being conveyed to employees in NDTV, and his perception was also supported by several interviewees. For instance, when we asked Ryan, head of operations in NDTV, if there also is room to fail in NDTV, he answered:

> Yes, I really have that feeling. I have felt that myself. It has been a lot of room all the way, ever since I started, to try and fail. I have certainly made mistakes that have cost a lot of money. That is how it is. [Ryan].

Similar to the findings in ND and NDTV, the NYT Innovation Report recommends: "[r]eward experimentation. Currently, the risk of failing greatly outweighs the reward of succeeding at The Times. We must reward people who show initiative, even when their experiments fail. Share lessons from both successes and failures" (Ellick et al. 2014, 32).

4.4.3 Outcomes of the identified practices on innovation and experimentation

Having described and compared the practices that were found in ND and NDTV, and advocated for in the NYT Innovation Report, we will further discuss our findings in relation to innovation research. Regarding the NYT, there is limited

data on the internal processes related to some of the discussed practices, and we will therefore base our discussion on the findings from ND and NDTV in these cases.

First, we find that both the CEO of NDTV and the NYT Innovation Report emphasize the importance of developing a culture of experimentation in order to succeed with organizational exploration and innovation. This understanding is in accordance with Tushman's notion of the explore culture as being a culture of risky experimentation, where people are willing to make a "bunch of mistakes", learn quickly from them and then to make changes (Euchner 2015, 18). Likewise, we also see the experimental culture's argued importance in relation to the concept of emergent change, where change is considered as a result of iterative processes (Liebhart and Garcia-Lorenzo 2010), and a "redirection of what is already under way" (Weick and Quinn 1999, 366).

We identify that both the practice in NDTV, and the suggestions of the NYT Innovation Report, advocate low thresholds in relation to launching of experimental efforts. In NDTV, we find that the employees were given "free reins" to experiment with the product concept from the outset, which we perceive has contributed to the establishment of permanently low threshold for experimentation. We further see that this low threshold is facilitating large amounts of experimentation amongst the employees, for instance with new content and new expression forms, which Ryan, head of operations, assessed to be particularly important in NDTV's quest to reach the young audience. Ryan explained that this segment continuously jumps on to "the next cool thing" – "they are already beyond", as he expressed it. Therefore, in order to keep up with this group of consumers, NDTV needs to be continuously experimenting with new solutions. Similar to what we find in NDTV, we see that the NYT Innovation Report calls for increased launching of experimental efforts, in order for the NYT to start getting feedback from users, and then improve products over time (Ellick et al. 2014). The Innovation Report suggests that the NYT should suppress perfectionist impulses as it looks for new ways to reach readers, and adopt the "minimal viable product" model, which implies launching of something in a more basic form – while it still has the "rough edges" (Ellick et al. 2014, 31-32).

From the findings above, we see that launching prototypes – early (incomplete) experimental efforts – is important to both newspapers, in order to rapidly launch ideas, get feedback from users, and then begin the process of

improving the concept. We relate these findings to Michael Tushman's idea of the explore culture as a culture of learning, where employees are permitted to very rapidly prototype in order to learn from mistakes, as the goal for the exploration team is to "figure out the future before your competitors do" (Euchner 2015, 16). We also recognize the practice of prototyping from the emergent change theory mentioned previously, where prototyping is considered to be an important process practice (e.g. Kelley 2005; Brown 2008; Sims 2011; Carlsen, Clegg and Gjersvik 2012). In accordance with what we have seen is suggested in the NYT Innovation Report, Carlsen, Clegg and Gjersvik (2012, 160) assert that experimenters can take use of *double rapid prototyping*, a work form that aims to force "speedy production, testing and improvement of half-worked ideas" in order to share these ideas and get them bolstered early on in the development process. Likewise, in accordance with the suggestions of the NYT Innovation Report, Kelley (2005, 56) argues that experimenters should "offer as many prototypes as possible within the limits of your budget and schedule", in order to learn from each of the prototypes and achieve a final result that is "smarter, better, and more successful than the prototypes that got you there".

Second, we find that neither NDTV or the NYT advocated the use monetary rewards, and the NYT Innovation Report states that money rarely is a motivating factor for (young) digital talent (Ellick et al. 2014). We see this assertion in relation to Herzberg's (1968) conception of money as being no more than a hygienic factor. Herzberg (1968) argues that increase in payment not necessarily will be a motivational factor to employees, if the employees already perceive their salary to be adequate. Instead, we find that a key incentive in NDTV is the delegation of autonomy – implying that employees are given opportunity to work with what they want – and additionally, that employees are allowed to realize their ideas. We see that employees appreciate this freedom, and further that some experience the opportunity to experiment as the most delightful aspect of their job. If we look at these findings in light of research, we see coherence with the notion of Martins and Terblanche (2003), who assert that freedom – for instance in the form of personal empowerment and autonomy – should be given to employees if the management aims to create a climate for innovation and creativity. Experiences of empowerment are also prone to generate feelings of psychological ownership (Pierce, Kostova and Dirks 2001), and encourage employees to take charge and more actively seek solutions to problems

(Sonenshein 2014).

Additionally, we find that constructive feedback from the management, also including finding value in failed attempts, appears to motivate the employees to experiment, and thereby contributes to create an environment for innovation in NDTV. In the previous aspect, we also saw that the CEO in ND used the "10:45" meetings to highlight experimental efforts, and additionally to convey that employees rather should "try too much, and perhaps fail, than to not try at all" (section 4.3.3). Similarly, we identify that the NYT Innovation Report expresses that it is essential to communicate a value in experimenting and trying something new, even if the efforts do not succeed commercially (Ellick et al. 2014), and the importance of such feedback is also supported by scholars. Amabile (1998, 83), argues that if employees do not perceive that there is any "failure value" for projects that ultimately do not achieve success, they will become less and less likely to explore and experiment, and less likely to connect with their work on a personal level. Amabile (1998) further asserts that the lack of failure value will evaporate employees' intrinsic motivation, which again is one of the most important and powerful influences on employee creativity (Amabile 1983). Janssen (2004) found in similarity with the previous, that employees who do not experience that their innovative efforts are rewarded, and thus perceive that their efforts are unfairly evaluated by the organization, are prone to experience negative feelings e.g. stress. Based on the previous discussion we therefore assert that the presence of failure value is essential in order to create an innovative environment.

PART V: GENERAL DISCUSSION

We have presented our findings from a case study where we have investigated ambidextrous practices in the media industry, and how internal processes in the organization affects the development of a new venture. The present study was conducted through six interviews with people on different levels within ND and NDTV, as well as through analysis of secondary data on comparable processes in the NYT. Our study presents a threefold framework for organizational ambidexterity, and consists of three aspects.

Aspect 1, *spinning along and bringing in*, portrays how an organization evolves through different phases over time, in terms of how the exploitation- and exploration units relate to each other. Structural ambidexterity is important in the start-up phase, in order to generate creativity in the exploration unit, and shield the unit's distinct development process from being overly influenced by the conservative forces within the parent company. After a while, it is however important to complement the structural separation with a more integrated alternative, involving exploitive- and explorative functions into each other's operations through contextual (integrated) ambidexterity. There is a complimentary relationship between structural and contextual ambidexterity while the structural ambidexterity is important for the exploration unit's development process, we also find that it presupposes that contextual ambidexterity gradually is introduced as a supplement. The structural separation of the two functions should become less distinct over time, or else we assert that the organizational segregation could present an obstacle to the organization's development in the long run. When the exploration unit has proven to be viable and well-functioning, it should be brought back into the organization, implying that the structural mode is replaced by the contextual mode, in order to integrate efforts and establish a common focus in the organization.

The dual nature of the ambidexterity practice that we identified in aspect 1, is also found in aspect 2, *building team and identity.* First, when managers are hiring people for the new venture (the exploration team), it is important that they have clear objectives with regards to whom they want to bring into the team. Having such objectives in advance of the recruitment process, may serve to ensure

that hired competence (of the workforce) responds to the objective with the team establishment, as well as to the requirements of the implemented ambidexterity mode(s). Further, in the initial phase, we find that it is important for the newly developed unit to create an own, distinct identity – separate from the one that it shares with the parent company. Our findings suggest that forums for organized collaboration and communication enables employees to be a part of this identity development. Going through common learning processes, where employees are allowed to use their creativity and competence as means in the process, is also found to unite employees under a common identity. After having established a distinct identity in the exploration unit, we once again see that it is important to integrate the exploitation- and exploration units with each other, and create a common identity across the two functions. We find managerial support to be essential in this manner, and our study suggests that leaders actively should promote the benefits that this integration constitutes for the organization as a whole – neutralizing any reservations employees may have, and enabling collaboration across the units.

Aspect 3, *creating an environment for innovation,* highlights the importance of establishing an environment that allows employees to experiment and use rapid prototyping. Establishing this environment is likely to increase the exploration team's chances to succeed with their exploratory efforts, and by this, increase the probability of acquiring the organization a future market position. We believe that this point is essential for all ambidextrous organizations, as the exploration unit usually is created to ensure that the organization will be competitive in the future. Our study suggests that it is important for managers to fully commit themselves to this vision, and give employees the freedom they need to embark on experimental endeavors, without feeling creatively constrained. Further, our findings suggest that the presence of "failure value" is important in order to succeed in creating an innovative environment; employees and managers should not only focus on finding value in experimentation that turns out to be successful, but also through those efforts that fails.

Throughout our study we see a pattern across the three aspects. We find that the choice of ambidexterity mode(s) impacts both the dynamic between the organizational exploitation- and exploration functions (aspect 1), and the process of building team- and identity (aspect 2). We have seen that the structural mode and the contextual (integrated) mode present different requirements to employee

skills, and thus differently impacts the process of recruiting members to the teams. Additionally, we have seen that the structural and the contextual ambidexterity modes present different challenges in relation to identity development, and we assert that structural ambidexterity requires special attention to development of a superordinate identity – strengthening and uniting the organization as a team, despite of the structural distinction between the units.

Additionally, we assess that the development of an experimental culture partly is facilitated through the practices that are identified in aspect 3. However, we also suggest that the choice of ambidexterity mode impacts the development of such a culture. As we identified in aspect 1, structural separation serves to protect the new venture (exploration unit) from becoming overly influenced by conservative forces in the exploitation culture, and we therefore argue that the choice of ambidexterity mode(s) may be essential in order to establish a context where the conditions allow development of an experimental culture. We also find aspect 3 to be closely related to the potential of achieving commercial success in exploratory efforts. As previously discussed, the establishment of an experimental culture in the exploration unit allows extended use of prototyping in order to get early feedback, and is thus giving the organization a competitive advantage in the market.

5.1 Theoretical Contributions to Ambidexterity Research

This master thesis aims to explore how organizations strategically can practice ambidexterity, and additionally how internal processes in the organization affect the development of the new venture (exploration unit). The three identified aspects build on- and extend the existing research on organizational ambidexterity, and our thesis contributes by adding insight to the complementary nature of the structural- and the contextual ambidexterity modes. Several researchers have argued that structural- and contextual ambidexterity can co-exist inside the organization, and serve as complementary modes – both in terms of being simultaneous and sequential (e.g. Gibson and Birkinshaw 2004; Raisch et al. 2009; Kauppila 2010; Benner and Tushman 2015; Papachroni et al. 2016). Our findings affirm that there is a complementary relationship between the two modes, but additionally suggests that the structural mode presupposes the contextual (integrated) mode. Thus, our study suggests that the organization should apply both modes, if initially deciding to apply the structural mode and/or use a

temporal separation between exploitation- and exploration functions. As previously discussed, we find that the choice of ambidexterity mode(s) affects the cultural development in the new venture, the requirements in relation to employee's skills, and likewise requirements in relation to identity development.

5.2 Theoretical Contributions to Identity Research

This thesis also contributes by building on and strengthening theoretical concepts in the identity literature. The term *identity work* (Sveningsson and Alvesson (2003, 1165) is used to describe engagement in "forming, repairing, maintaining, strengthening or revising the constructs that are productive of a sense of coherence and distinctiveness", and our study have investigated the role of such processes during ambidextrous activities. Our findings suggest that the organization should facilitate parallel identity work – both *building* the identity of the new team (exploration team), and *strengthening* the identity of the overall organization team. We further suggest that strengthening superordinate identity in order to unite the overall organization is important during ambidextrous activities, especially when these activities involve structural separation between organizational units.

This study also builds on- and extends *social identity theory* (Tajfel and Turner 1979; Hewstone, Rubin and Willis 2002). Our findings suggest that the organization should build a distinct exploration team (out-group) with a separate culture and identity, while at the same time maintaining this group's identification with the rest of the organization (the in-group) – which implies that the exploration teams are to be both different and integrated at the same time.

5.3 Limitations and Directions for Future Research

The aim of this study was to explore practices of organizational ambidexterity and processes related to new venture development, and a limitation of this study is that these aspects are investigated mainly from the perspective of the exploration unit. While we interviewed the leader of ND, we believe that interviews with employees of the exploitation unit would have given us a more holistic understanding of the presented practices and processes, and thus a suggestion for future research is to further explore how these aspects affects the organization as a whole – across units.

A second limitations is that we only conducted six interviews. While our respondents were people on different levels within the ND organization, and there is consistency in our data, we believe that our findings could have been strengthened by additional interviews. We especially see that we could have benefitted from interviewing more employees to get additional insight on how they have experienced the identified aspects in practice. Our findings must therefore be interpreted in relation to its original context, and future research is needed to determine whether or not they can be generalized to other organizations.

Additionally, we see that the lack of data on certain aspects in the NYT is a limitation to the study, especially data describing how internal processes have been conducted in the organization after the NYT Innovation Report was published in 2014. Our study is exclusively based on secondary data regarding the NYT, and thus we see our findings could have been strengthened by more relevant data on internal process in the NYT.

Finally, after completing phase 3, we saw that we could have benefitted from conducting follow-up interviews with our informants in ND and NDTV, in order to further validate our findings. Unfortunately, we were unable to schedule these interviews.

5.4 Practical Implications

The shift in consumption of news and content is affecting the media industry as a whole, and newspaper organizations thus become forced to embark on a transition journey to the digital age, where digital video is "a must". Ability to manage strategic dualities – organizational exploitation *and* exploration efforts – has been argued as an explanatory factor in cases of firm success and failure (Boumgarden, Nickerson, & Zenger, 2012; Voss & Voss, 2013), and our study provides managers with a threefold framework of practical implications that can be used as the organization enters into the ambidextrous landscape. First, managers should be aware of the characteristics and benefits of the identified ambidexterity modes (*spinning along and bringing in*). Structural separation serves to give the new venture opportunity to develop a distinct culture, gradual integration then brings the exploitation- and exploration functions closer to each other, whereas the final step is to fully integrate these functions to ensure that exploration becomes "common property" in the organization. Second, managers should aim to build

identity in the distinct exploration unit, parallel to strengthening the overall organizational identity, and we suggest that meetings and facilitation of common learning processes can be used as means to succeed in this quest (*building team and identity*). Additionally, managers should have clear objectives with regards to who they want to bring in to the exploration team, so that the competence of the workforce as a whole fits the actual objective and requirements of the venture, along with the requirements posed by the chosen ambidexterity mode(s). Third, managers should facilitate development of a culture where the threshold for experimentation is low and prototyping is rapidly used (*creating an environment for innovation*). In order to achieve this type of environment in the exploration unit, managers should provide autonomy and opportunity to realize ideas, along with constructive feedback that includes "failure value". Finally, we want to emphasize that these three practices are interrelated and complementary to each other, however, managers implementing this framework should keep in mind that the first two practices lay the foundation for the ambidextrous activity, whereas the third practice builds on this foundation.

5.5 Conclusion

> Only from his actions, his fixed utterances, his effects upon others, can man learn about himself; thus he learns to know himself only by the round-about way of understanding. What we once were, how we developed and became what we are, we learn from the way in which we acted, the plans which we once adopted, the way in which we made ourselves felt in our vocation, from old dead letters, from judgments on which were spoken long ago… We understand ourselves and others only when we transfer our own lived experience into every kind of expression of our own and other people's lives. (Dilthey 1910, cited Madaus, Scriven and Stufflebeam 2012, 280).

Giving meaning to *how* and *why* things happen, and extracting knowledge from what has been done, enables us to learn and develop through our experience.

Another way to extract knowledge is through our own expectations for the future – develop ourselves based on possibilities that lie ahead. During the past decades, it has become more and more prominent that organizations should develop ambidextrous abilities – balancing the act of exploiting the presence, while at the same time exploring the future for new opportunities – in order to ensure their long-term survival (Hill and Birkinshaw 2014). Committing to such efforts enables the organization to stay competitive in an environment characterized by innovation and change, where the organization acknowledges that "change must not be thought of as a property of organization. Rather, organization must be understood as an emergent property of change" (Tsoukas and Chia 2002, 568). This thesis has investigated how actors in the media industry have approached organizational ambidexterity, and based on our findings we have proposed a framework for how such efforts can be practiced. Our findings suggest that strategic- and contextual ambidexterity should be approached as complementary modes – together creating conditions under which exploratory efforts can flourish. To conclude this master thesis, we close by the suitable words of the American poet and philosopher Ralph Waldo Emerson:

> Do not go where the path may lead, go instead where there is no path and leave a trail.
>
> - Ralph Waldo Emerson

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APPENDICES

Appendix 1: Interview guide – management ND/NDTV

Phase 1: **Greeting and warm up**	**Greeting and warm up (5min)** o Small talk o Introduction of us o The intention with our study (focus after demerger in 2014, our definition of the new venture team, etc.) o Consent/confidentiality o Permission to record o Can you please tell us a little bit about yourself and your career? o How long have you worked in ND/NDTV? o What is your position and responsibility in the company today? o How many are working in ND/NDTV today?	**Purpose**
Phase 2: **Open-ended guided tools**	**Eliciting storytelling (35 min)** o Can you tell us about the establishment process regarding NDTV? - What happened right before and after? - Have you used this "model" before? - Were there any challenges in this process? - What has been most successful? - What have been important milestones? - Can you tell us about how ND approached the establishment of the new venture team in this case? - Relationship between old/new employees assigned to venture team, criteria for evaluation?	Get stories about the establishment- and development process(es) of NDTV
	o What are your thoughts on ownership and autonomy ("own" identity for those involved)? - Was autonomy to the middle managers, how? - Was responsibility delegated to employees, how? - Have there been any "key employees" in the process, and if what were their roles? - Where they specifically selected or did they "emerge" in the process?	Map the process of individual selection and get stories about processes and challenges related to construction of the NDTV-team
	o What are NDTV's specific ways of working, and how do you believe these have contributed to the successful outcomes? - Which role do individuals play? (Individual autonomy?) - Which role does the composition of individuals play? - Which role do management play? - How is the employees' participation in goal-setting? - How are reward systems constructed? - Can you describe the culture in NDTV?	Get stories of episodes related to the working-culture and team-identity in NDTV

	(try and fail-opportunity, trust, failure-value, cohesiveness, effect from "sink or swim"-mission) - How has NDTV developed its identity after demerger? o How do you experience the dynamic between NDTV and the rest of ND? - How has NDTV been financed? - Have NDTV been delegated autonomy or are you governed by ND - impact from this? - How is the office landscape in ND arranged? - How do you perceive the relationship between employees in NDTV and other employees? - Are there any common events – impact from this? - How is the collaboration/sharing of resources across departments?	Map social identity categorization processes, flow of resources and knowledge-sharing processes
Phase 3: **Directed questions**	**Directed questions (10 min)** o How was the selection process of individuals for the new venture team? (consideration for dynamics?) o What do you perceive are good processes for entrepreneurship and what is crucial to succeed? o How has ownership (and autonomy delegation) delegation functioned - both in the contract form and in practice? o What do you do to release creative abilities? o How do you (as a leader) perceive that the demerger has affected the development of the NDTV identity?	Acquire more accurate information related to the different processes that have influenced team performance
Phase 4: **Closure and summary**	**Closure and summary (5 min)** o Recap of central findings o Was this what you intended to convey? o Do you want to add anything?	

Appendix 2: Interview guide – new employee

Phase 1: **Greeting and warm up**	**Greeting and warm up (5min)** o Small talk o Introduction of us o The intention with our study (focus after demerger in 2014, our definition of the new venture team, etc.) o Consent/confidentiality o Permission to record o Can you please tell us a little bit about yourself and your career? o How long have you worked in ND/NDTV? o What is your position and responsibility in the company today? o How many are working in ND/NDTV today?	**Purpose**
Phase 2: **Open-ended guided tools**	**Eliciting storytelling (35 min)** o Can you tell us about the establishment process regarding NDTV? - How would you describe NDTV when you first came into the unit? - How has NDTV developed since then? - Were there any challenges in this process? - What has been most successful? - What have been important milestones? - How did you experience the relationship between the old and the new employees when you started? o What are your thoughts on ownership and autonomy ("own" identity for those involved)? - Was responsibility delegated to employees, how? - Have there been any "key employees" in the process, and if what were their roles? - Where they specifically selected or did they "emerge" in the process? o What are NDTV's specific ways of working, and how do you believe these have contributed to the successful outcomes? - Which role do individuals play? (Individual autonomy?) - Which role does management play? - How is the employees' participation in goal-setting? - How are reward systems constructed? - Can you describe the culture in NDTV? (try and fail-opportunity, trust, failure-value, cohesiveness, effect from "sink or swim"-mission) - How has NDTV developed its identity after demerger? o How do you experience the dynamic between NDTV and the rest of ND? - Has NDTV been delegated autonomy or are you	Get stories about the establishment- and development process(es) of NDTV Map the process of individual selection and get stories about processes and challenges related to construction of the NDTV-team Get stories of episodes related to the working-culture and team-identity in NDTV

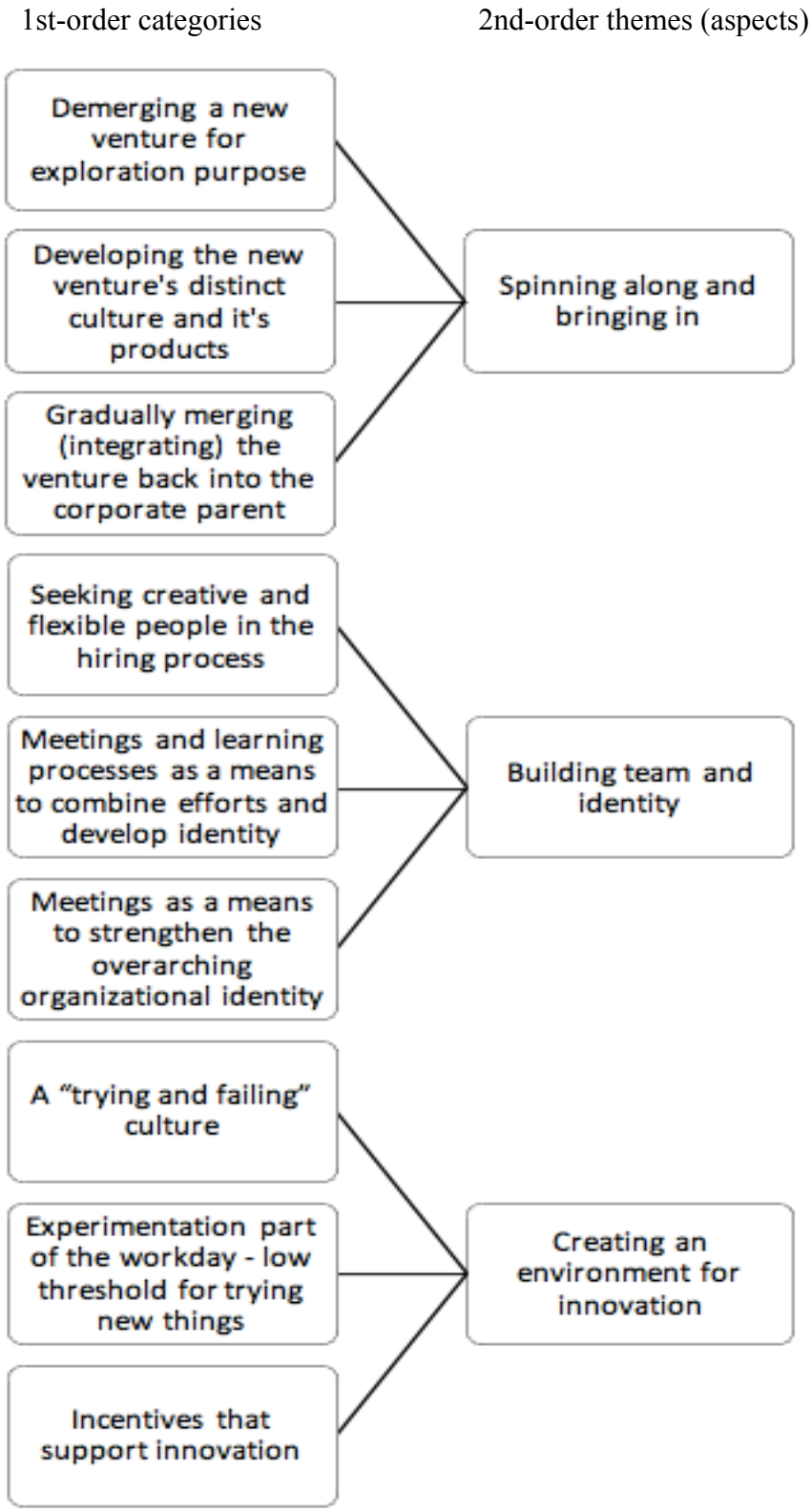
	governed by ND - impact from this? - How do you perceive the relationship between employees in NDTV and other employees? - Are there any common events – impact from this? - How is the collaboration/sharing of resources across departments?	Map social identity categorization processes, flow of resources and knowledge-sharing processes
Phase 3: **Directed questions**	**Directed questions (10 min)** o What do you perceive are good processes for entrepreneurship and what is crucial to succeed? o How has ownership (and autonomy delegation) delegation functioned - both in the contract form and in practice? o What has been done to release creative abilities in NDTV? o How do you perceive that the demerger has affected the development of the NDTV identity?	Acquire more accurate information related to the different processes that have influenced team performance
Phase 4: **Closure and summary**	**Closure and summary (5 min)** o Recap of central findings o Was this what you intended to convey? o Do you want to add anything?	

Appendix 3: Interview guide – old employee

Phase 1: **Greeting and warm up**	**Greeting and warm up (5min)** o Small talk o Introduction of us o The intention with our study (focus after demerger in 2014, our definition of the new venture team, etc.) o Consent/confidentiality o Permission to record o Can you please tell us a little bit about yourself and your career? o How long have you worked in ND/NDTV? o What is your position and responsibility in the company today? o How many are working in ND/NDTV today?	**Purpose**
Phase 2: **Open-ended guided tools**	**Eliciting storytelling (35 min)** o Can you tell us about the establishment process regarding NDTV? - What happened right before and after? - Have you used this "model" before? - Were there any challenges in this process? - Can you tell us about how ND approached the establishment of the new venture team in this case? - Relationship between old/new employees assigned to venture team, criteria for evaluation? - What has been most successful? - What have been important milestones? o What are your thoughts on ownership and autonomy ("own" identity for those involved)? - Was autonomy to the middle managers, how? - Was responsibility delegated to employees, how? - Have there been any "key employees" in the process, and if what were their roles? - Where they specifically selected or did they "emerge" in the process? o What are NDTV's specific ways of working, and how do you believe these have contributed to the successful outcomes? - Which role do individuals play? (Individual autonomy?) - Which role does management play? - How is the employees' participation in goal-setting? - How are reward systems constructed? - Can you describe the culture in NDTV? (try and fail-opportunity, trust, failure-value, cohesiveness, effect from "sink or swim"-mission) - How has NDTV developed its identity after demerger? o How do you experience the dynamic between NDTV and	Get stories about the establishment- and development process(es) of NDTV Map the process of individual selection and get stories about processes and challenges related to construction of the NDTV-team Get stories of episodes related to the working-culture and team-identity in NDTV

	the rest of ND? - How has NDTV been financed? - Has NDTV been delegated autonomy or are you governed by ND - impact from this? - How is the office landscape at ND arranged? - How do you perceive the relationship between employees in NDTV and other employees? - Are there any common events – impact from this? - How is the collaboration/sharing of resources across departments?	Map social identity categorization processes, flow of resources and knowledge-sharing processes
Phase 3: **Directed questions**	**Directed questions (10 min)** o What do you perceive are good processes for entrepreneurship and what is crucial to succeed? o How has ownership (and autonomy delegation) delegation functioned - both in the contract form and in practice? o What do you do to release creative abilities? o How do you perceive that the demerger has affected the development of the NDTV identity?	Acquire more accurate information related to the different processes that have influenced team performance
Phase 4: **Closure and summary**	**Closure and summary (5 min)** o Recap of central findings o Was this what you intended to convey? o Do you want to add anything?	

Appendix 4: 1st-order categories and 2nd-order themes



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Content

Content i

PART I: INTRODUCTION 1

1.1 Introduction 1

1.2 Research Question 3

PART II: THEORETICAL BACKGROUND 3

2.1 Introduction 3

2.2 Corporate Entrepreneurship 4

2.2.1 Models of Corporate Entrepreneurship 4

2.2.2 Corporate Venturing 5

Figure 1: Hierarchy of Terminology in Corporate Entrepreneurship (Sharma and Chrisman 1999) 6

2.3 The New Venture Team and its Members 6

2.3.1 The New Venture Team 6

2.3.2 The Impact of Previous Experiences on New Venture Performance 7

2.4 The Dynamic Between the New Venture and the Corporate Parent 8

2.4.1 Personal Involvement and Commitment from Corporate Parent 8

2.4.2 Corporate Control and Autonomy Delegation 9

2.4.3 Strategic Controls and Financial Controls 9

2.5 Creating an Environment for Innovation 10

2.5.1 Team Effectiveness 11

2.5.2 Psychological Ownership 11

PART III: DESCRIPTION OF THE CASE 12

PART IV: METHODOLOGY 13

4.1 Research Design 13

4.2 Data Collection 15

Table 1: Research Design 16

4.3 Ethical Considerations 16

PART V: PRELIMINARY FINDINGS 17

5.1 Anonymization of Interviewees 17

5.2 Emerging Categories from Conducted Interviews 17

5.1.1 Category 1: "The Model" 17

5.1.2 Category 2: Working Culture and Team Identity 17

5.1.3 Category 3: The Recruitment Processes 18

5.1.4 Category 4: Product Development Processes 19

5.2 Plan for Thesis Progression 20

5.2.1 Schedule for Thesis Progression 20

REFERENCES 1

APPENDICES 1

Appendix 1: Interview guide – CEO 1

Appendix 2: Raw data and first order categories 2

PART I: INTRODUCTION

1.1 Introduction

Many researchers share the notion that competitive positioning can be improved when firms develop and exploit opportunities for value-creating innovation (e.g. Guth and Ginsberg 1990; Naman and Slevin 1993; Lumpkin and Dess 1996). Innovation opportunities can have the potential to transform firms, their markets, and also whole industries. Many established and well-managed organizations acknowledge the importance of innovation in order to foster the organization's long-term success - however, the nature of these innovations have a tendency to be incremental (Crockett, McGee and Payne 2013). Incremental innovations are beneficial to companies because they allow them to sustain or extend their existing products and/or service-lines, but some technological developments, especially the development of the Internet, have provoked *disruptive innovations* within an expanding number of industries (Gilbert 2003; Crockett, McGee and Payne 2013). Disruptive innovations will often involve reshaping of already existing markets, but they can also lead to the creation of totally new markets (Callaway and Hamilton 2008).

Disruptive innovations may not initially appeal to the mainstream customer (Crockett, McGee and Payne 2013), but tend to be attractive only to niches (Bower and Christensen 1995). The current leaders of the industry will therefore face a risk of being supplanted by entrepreneurial start-ups and emerging companies that are able to offer products or services that are radically different. However, established companies can manage to reduce this risk by exhibiting ambidextrous behaviors, meaning that they are fostering operational excellence in one field of their business, while they at the same time behave entrepreneurially in other fields (Tushman and O'Reilly, 1996). To facilitate this behavior that appears seemingly contradictory, experts on the area have suggested that large, established firms have to create new separated business units - also known as *corporate ventures* that are independent from the normal decision making criteria of the established firm (Christensen and Overdorf 2000). A new venture is "a firm that is in its early stages of development and growth" (Klotz et al. 2014, 227). They are generally in the processes of bringing initial products or services to the market, forming a customer base, and putting organizational processes and procedures into

place (Klotz et al. 2014). Over the past few decades, researchers in the field of corporate entrepreneurship have shifted the focus. They have moved from describing the phenomenon to investigating the development of corporate entrepreneurship initiatives and the circumstances of which they become successful (Zahra and Covin 1995; Dess, Lumpkin and McGee 1999; Hornsby, Kuratko, and Zahra 2002). Corbett et al. (2013) argues that future research should focus on which types of organizations it is that adopts initiatives of corporate entrepreneurship, how decisions are made, the best ways of structuring them and when they are successful.

For our master thesis, we present a case on new media development and new venture creation within one of the largest tablet newspapers in Norway. Internet, digitalization and social media have created a revolution in many markets, including the newspaper industry. Online distribution has resulted in a need to constantly be up-to-date on current events, to be able to keep markets-shares, as well as leading to a decline in revenues from advertisement and sales, and circulation of printed issues (Siles and Boczkowski 2012; Starr 2009). This has forced a shift in the way the news industry produce and publish material, or as Robert H. Giles (2010, 27) put is "[a]t the moment, journalism is trying to figure out its worth in a new delivery system that may or may not allow that worth to be tangibly recognized." This evolvement in the media industry has forced many newspaper companies to rethink how they operate their business, again leading to development of entrepreneurship within existing newspaper corporations.

This shift, while it threatens the existing newspapers' business models, also creates various opportunities to establish new ones. This requires creativity and a willingness to change within the organization, and while the newspaper industry seems to embrace this concept, Rothman and Koch (2014) found that their main problem has seemed to be a continues dependency on old strategies. There is in other words a need for a fundamental shift in the way the newspaper industry operates and generates profit, a shift that requires special attention, as it needs to break old patterns and ways-of-doing things. In this process, the reputation of the various news-distributors will have some effect with regards to winning market shares. Brand name is an important asset in the media industry, especially when we are looking for credible information (Clemons, Gu and Lang 2002). This speaks in favor of well-established news-corporations and their future as long as they are able to keep up with the changing environment.

1.2 Research question

While the newspaper industry continues to adapt to the changing environment they operate in, their responses are still too dependent on old strategies (Rothman and Koch 2014), signaling a the need for research on how successful corporate entrepreneurship endeavors are conducted, adopted and implemented in these industries. Corbett et al. (2013) also assert that there exists a strong need for research that examines the effect of individuals on all forms of corporate entrepreneurship, arguing that research on such effects can be performed at the level of individuals, teams, managers or more broadly as human capital. In response to this, we have chosen to explore the internal processes of corporate entrepreneurship that takes place when an established media firm chooses to create a new corporate venture. Inspired by Corbett et al. (2013), we have chosen to use the new venture team as the angle of approach - defined as a composition of stakeholders, CEO's and key employees - and our research question is:

Exploring new venture teams after demerger from the corporate parent: What are crucial choices related to construction of well-functioning teams, and what are the processes which facilitate further development of team performance?

Answering these questions, we believe that our study will contribute to the field of research by providing relevant information and insight on how to manage new media innovation and development, in a corporate venture context.

PART II: THEORETICAL BACKGROUND

2.1 Introduction

Our presentation of background theory consists of four different sections. Initially, we review theory from the field of corporate entrepreneurship in order to present basic concepts. Next, we define and explain the role of the new venture team and elaborate on how the team-members' past experiences influence decision-making. Thirdly, we explore theory on the dynamics between the new venture and the

corporate parent, and finally we review theory related to the creation of an innovative environment.

2.2 Corporate Entrepreneurship

Several researchers have presented their definitions and frameworks in order to explain the practical implication of *corporate entrepreneurship*, and the single commonality that underlies all these forms of corporate entrepreneurship is innovation, broadly defined (Covin and Miles 1999). However, the presence of innovation is not sufficient to label a firm as "entrepreneurial", this label should be reserved for firms that are using innovation as "a mechanism to redefine or rejuvenate themselves, their positions within markets and industries, or the competitive arenas in which they compete" (Covin and Miles 1999, 47). Corporate entrepreneurship is defined as "the presence of innovation plus the presence of the objective of rejuvenating or purposefully redefining organizations, markets, or industries in order to create or sustain competitive superiority" (Covin and Miles 1999, 50). Covin and Miles (1999) argue that corporate entrepreneurship long has been recognized and considered as a potentially viable means to promote and sustain firms' competitiveness. Wolcott and Lippitz (2007, 75) approach corporate entrepreneurship quite similar, understanding it as "the process by which teams within an established company conceive, foster, launch and manage a new business that is distinct from the parent company, but leverages the parent's assets, market position, capabilities or other resources".

2.2.1 Models of Corporate Entrepreneurship

Covin and Miles (1999) envisioned four forms of corporate entrepreneurship: (1) *sustained regeneration* – the firms that engage in sustained regeneration are regularly and continuously introducing new products and services or they enter new markets; (2) *organizational rejuvenation* – label referring to the corporate entrepreneurship phenomenon where the organization is seeking to sustain or improve its competitiveness by altering its internal processes, its structures, and/or its capabilities; (3) *strategic renewal* – label referring to the corporate entrepreneurship phenomenon where the organization is seeking to redefine the relationship with its markets or competitors in the industry, by fundamentally

altering how it is competing; and (4) *domain redefinition* – label referring to the corporate entrepreneurship phenomenon where the organization proactively creates a new product-market arena that others have not yet recognized or actively sought to exploit. Covin and Miles (1999) argue that three of the most commonly used examples of corporate entrepreneurship include situations where (1) an established organization enters a new business, (2) new product ideas are championed by an individual or individuals within a corporate context, and (3) an entire organization's outlook and operations is permeated by an "entrepreneurial philosophy". These phenomena are not necessarily mutually exclusive, but may co-exist within a single organization, as separate dimensions of entrepreneurial activity (Covin and Miles 1999).

In their investigation of how organizations succeed at corporate entrepreneurship, Wolcott and Lippitz (2007) studied several global companies and designed four models trough which companies can build businesses from within their organizations. The four models vary in the composition of organizational ownership distinctiveness (diffused or focused) and resource authority (dedicated or ad hoc). The four models are *the opportunist* (diffused ownership and ad hoc resource allocation), *the enabler* (diffused ownership and dedicated resources), *the advocate* (focused ownership and ad hoc resource allocation), and *the producer* (focused ownership and dedicated resources).

2.2.2 Corporate Venturing

Corporate venturing can be classified as either external or internal (Sharma and Chrisman 1999). *Internal corporate venturing* refers to the activities of corporate venturing that result in creation of organizational units residing within an existing organizational domain (Sharma and Chrisman 1999, 20). Internal corporate ventures are intended from the start-up to be new businesses for the corporation (Kuratko, Covin, and Garrett 2009). *External corporate venturing* refers to activities of corporate venturing that result in creation of semi-autonomous or autonomous organizational entities residing outside the existing organizationa domain (Sharma and Chrisman 1999).

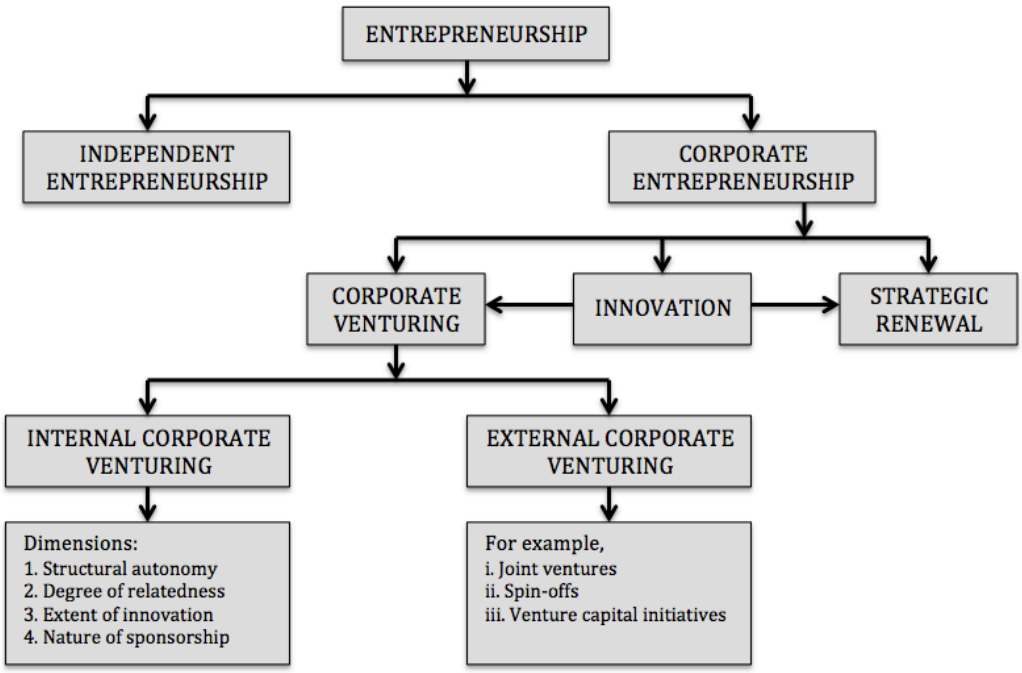

Figure 1: Hierarchy of Terminology in Corporate Entrepreneurship (Sharma and Chrisman 1999)

2.3 The new venture team and its members

While an invention initially may have been conceived by one single individual, a team of individuals usually works together towards commercialization of the venture (Lim, Busenitz and Chidambaram 2013). However, this approach to entrepreneurship as a social endeavor is relatively new in entrepreneurial research. Francis and Sandberg (2000) argue that in quest to explain performances of new ventures, scholars for many years probed the characteristics of the firm's founder. The idea that that one should be focusing on the *entrepreneurial team* rather than the *solo entrepreneur* was late in coming to researchers, but through their interest in top management teams (Hambrick and Mason 1984) and "collective entrepreneurship" with the team cast as the hero (Reich 1987), researchers outside the field of entrepreneurship gave impetus to a shift of attention (Francis and Sandberg 2000).

2.3.1 The New Venture Team

The criteria used to define teams like this vary between studies (Hellerstedt 2009), but most entrepreneurial team definitions focus on teams involved in de-novo - from the beginning- startups (Harper 2008). Zhao et al. (2012) consider the new

venture founding team to consist of founders and key employees, and argue that members of this team often owns the majority of the equity of the new venture. Klotz et al. (2014, 227) on the other hand focused on the initial leadership of new ventures and asserted that the new venture team is "the group of individuals that is chiefly responsible for the strategic decision making and ongoing operations of a new venture." Some researchers have labeled these teams "new venture teams" (e.g. Klotz et al. 2014), and some have labeled them "entrepreneurial teams" (e.g. Vanaelst et al. 2006). Although entrepreneurial teams can act within several contexts, both outside and across firms (Harper 2008), entrepreneurial teams are often equated with new venture teams regarding team research (Hellerstedt 2009). We have chosen to follow this approach, and will further review team related-theory released both under the label "entrepreneurial teams" and "new venture teams".

2.3.2 The Impact of Previous Experiences on New Venture Performance

It has been argued that the most important factor leading to a ventures' success is the venture managers' earlier experience (Sykes 1986), and that existing experience also can lead teams to believe in their collaborative ability to organize and execute a distinct course of action - known as collective efficacy (Fernández-Ballesteros et al. 2002). Shared vision and high degrees of collective efficacy are two of the new venture (management) team characteristic that have been found to have a direct positive effect on venture performance (Crockett, McGee and Payne 2013). However, previous experiences can also have negative effects on new ventures' performance. Fern, Cardinal and O´Neill (2012) found that past experience strongly constrain entrepreneurs' choices, and by relying too much on prior knowledge the entrepreneur can fail to take into account changes in the environment, as well as failing to explore competitors' ways of doing things. On the other hand, if the founder and the founding team had diverse experience, this would be likely to break such constraints, as unique knowledge held by founding team members strongly influenced the founder' s decision outcomes for all types of decisions (Fern, Cardinal and O´Neill 2012).

2.4 The dynamic between the new venture and the corporate parent

The relationship between internal new ventures and their corporate parents is complex (Corbett et al. 2013). Internal corporate ventures are distinct entities from other forms of start-ups, they particularly differ from those created by independent entrepreneurs. Although they are labeled "independent", the internal corporate venture rely on their corporate parents for support and other resources, and for their survival (Garrett and Neubaum 2013).

Crockett, McGee and Payne (2013) argue that the literature exposes different corporate orientations to new ventures, some are friendly to new ventures and some are not. Several researchers have supported the notion that a key to the success of corporate ventures is found in the corporate management's commitment to - and support of the corporate venture (e.g. Crockett, Payne and McGee 2007; Hill and Birkinshaw 2008). Receiving support from the corporate parent can be of great importance to the new venture, since it is unlikely that a corporate venture management team, even a highly competent one, will manage to persist in its efforts toward high performance levels if there is no support of entrepreneurial activities in the corporate environment (Riley, Kalafatis and Manoochehri 2009).

2.4.1 Personal Involvement and Commitment from Corporate Parent

Personal involvement and commitment from corporate management to the venture has been determined as an important influence on the success of corporate ventures' activities because it reduces the organizational politics, which can be hinders to venture success (Hitt et al. 1999). Crockett, McGee and Payne (2013) argue that only a supportive corporate leader can play the role to work to remove the intra-organizational boundaries between the existing business departments and the corporate venture. Removing these boundaries is necessary as they inhibit the sharing of resources, which are assumed to represent distinct advantages in corporate pursuit of entrepreneurial opportunities, and this is important to the success of corporate venturing (Crockett, McGee and Payne 2013). When it comes to how the new venture and the existing business departments best can work together to leverage resources, such as core competencies, across the different markets, products, and technologies, researchers diverge in their views

(Dougherty 1995). However, there is a general agreement on the notion that all the resources that are available to the established firm also must be available to the new venture (Roberts 1980). Superior material resources, both financial and human, already established manufacturing and distribution channels, and other marketing advantages, should be made available (Crockett, McGee and Payne 2013).

2.4.2 Corporate Control and Autonomy Delegation

Although resources are made available, Crockett, McGee and Payne (2013) stress that the actions of the corporate parent will have great impact on the venture management team's ability to realize venture performance. The process of finding a well-functioning composition of corporate control and delegated autonomy will for instance be of significance. A majority of researchers are in agreement that corporate entrepreneurial efforts should be under some sort of control mechanism, because this is necessary to ensure consistent progress for innovations that have long time lags between the initiation and the commercial success (Barringer and Bluedorn 1999). On the other hand, there has also has to be a balance between corporate control and flexibility for the new venture. Managers of corporate ventures are assumed to need flexibility in order to react to e.g. environmental changes (Ginsberg and Hay 1994). Campbell, Goold and Alexander (1995) also argue that it is unlikely that a corporate venture management team, even a highly competent one, will manage to persist in its efforts toward high performance levels, if the sponsoring organization puts the new venture management team under exceedingly tight control - for instance by pressing for inappropriate targets or by starving businesses of resources for worthwhile projects. The control systems of entrepreneurial firms should function to stimulate innovation, risk-taking, and proactiveness (Barringer and Bluedorn 1999).

2.4.3 Strategic Controls and Financial Controls

Hitt, Hoskisson and Ireland (1990) state that there are two forms of control that become particularly relevant in relation to corporate entrepreneurship; *strategic controls* and *financial controls*. Strategic controls refer to the top-level managers'

ability to use strategically relevant criteria when they are evaluating plans and competitive intentions that are being proposed by business unit managers (Hitt, Hoskisson and Ireland 1990). Examples of strategic control measures will include customer satisfaction criteria, registrations of new patent, ability of meeting target dates for new product/process introductions - and also achievement of quality control standards (Barringer and Bluedorn 1999). Financial controls are on the other hand based on performance on objective financial criteria, such as net income, return on the equity, and return on sales (Barringer and Bluedorn 1999). Barringer and Bluedorn (1999) state that financial controls are clear and unambiguous and thereby introduce a high degree of discipline into the control process. The use of financial controls also provides the involved parties an opportunity to agree on performance objective standards, in advance of any performance evaluation. However, they are also prone to lead the business unit managers to have a short-term focus, and thereby reducing their commitment to innovation (Hitt, Hoskisson and Ireland 1990).

2.5 Creating an environment for innovation

To reduce the possibility of firm ineffectiveness or failure, organizations must focus on both management strategy and entrepreneurship (Ketchen, Ireland and Snow 2007). By intertwining these two areas, the focus of the organization will be on exploiting current competitive advantages, as well as exploring for new opportunities that can be developed to sustain the competitive advantage in the future (Hitt et al. 2001; Hitt et al. 2011). This approach is called strategic entrepreneurship, and scholars argue that the organization needs to be ambidextrous to balance the coexistence of these two activities (Benner and Tushman 2003). Corbett et al. (2013, 817) states that human elements are essential to corporate entrepreneurship, as people are “what ultimately sustain or recapture competitive advantage of the firm.” This is in line with the findings of Hitt et al. (2011), who lists individual resources as one of three inputs in their strategic entrepreneurship model – which is an extension of the strategic entrepreneurship model created by Ireland, Hitt and Sirmon (2003). The selection process on whom to include in a new venture requires special attention, as different choices will impact differently of outcomes.

2.5.1 Team Effectiveness

Team effectiveness is dependent on team composition, and selecting a team based on individual talent only, will not necessarily bring the most successful outcome (Mathieu et al. 2014). If collaborative activities are an important part of the work environment, one should also consider people's abilities to cooperate with others in a recruitment process. In other words, individuals' level of skills, knowledge and abilities are important for organizations' ability to explore and exploit development opportunities. Social skills, like adaptability and persuasiveness, are also related to entrepreneurial success (Baron and Markman 2000; Baron and Markman 2003). Motivation is another crucial factor in aiming to achieve competitive advantage. A leader who is able to transfer his passion to the employees can further develop the new venture by increasing the motivation of employees - and through this their willingness to create new ideas and take more risks (Baum and Locke 2004).

2.5.2 Psychological Ownership

Psychological ownership is used to describe how organizational members may develop feelings of ownership of the organization or some organizational factors (Pierce, Kostova and Dirks 2001), and it can be a powerful determinant of human performance. Individuals may experience processes of association within the organization, which will make them feel connected to different parts of it or particular "targets" within (Pierce, Kostova and Dirks 2001). Avey et al. (2009) argues that there are four factors that may influence whether or not people feel like owners of a target; how a person identifies with it; feels a sense of belongingness towards it; considers it a right to hold oneself and others accountable for their influence over it; and the extent to which the target satisfy their need for efficacy. They also found that transformational leaders are able to create an environment that enhances the sense of psychological ownership for the employees. Psychological ownership differs from other feelings of belonging that employees may experience, like commitment, identification and internalization, as none of these processes will develop as strong feeling of ownership and responsibility as psychological ownership does (Pierce, Kostova and Dirks 2001).

Pierce, Kostova and Dirks (2001) suggests that managers may be able to influence the foundation of psychological ownership. By increasing employees' opportunities for control, knowledge and frequency to the target, they may increase the likelihood that employees forms attachments to these specific targets, which was proven by Sonenshein (2014). In his study, managers delegated tasks and responsibility to retail stores employees, which made them interpret themselves as owners of the stores and encouraged them to take charge and solve problems. In other words, Sonenshein (2014) found a link between resources and creativity in organizations, and this link is rooted in managers' and employees' actions over time. Managers influence employee creativity through autonomous resourcing, and Sonenshine (2014) concludes that leaders should use this if they seek highly novel outcomes in the organization. This is in line with the findings of Martins and Terblanche (2003) who investigated determinants of organizational culture, which influence creativity and innovation. They found that freedom, e.g. empowerment and autonomy, was an important part of the organizational structure, meaning that this should be given to the employees if one hope to create an innovative and creative climate.

PART III: DESCRIPTION OF THE CASE

Newspaper Daily TV (NDTV) is an advertisement-financed, Norwegian media platform. The company is a subsidiary of *Newspaper Daily* (ND) - a Norwegian news corporation established in 1945. ND first launched NDTV online in 2007, and the demerger was conducted in 2014. During the process of separation from ND, NDTV nearly tripled the number of employees, and today there are 60 people employed in the company. NDTV daily delivers news, actualities and documentaries, distributed through the website ndtv.no and the linear NDTV-channel on River Media's [alias] cable network. NDTV has a daily average of 700 000 started video streams, resulting in a monthly achievement of approximately 22,5 millions started streams in 2015. New York Times, a leading daily newspaper, had in comparison approximately 15,5 million streams in September 2014 (DIGIDAY 2014).

PART IV: METHODOLOGY

4.1 Research Design

> Only from his actions, his fixed utterances, his effects upon others, can man learn about himself; thus he learns to know himself only by the round-about way of understanding. What we once were, how we developed and became what we are, we learn from the way in which we acted, the plans which we once adopted, the way in which we made ourselves felt in our vocation, from old dead letters, from judgments on which were spoken long ago… We understand ourselves and others only when we transfer our own lived experience into every kind of expression of our own and other people's lives. (Dilthey 1910, cited Madaus, Scriven and Stufflebeam 2012, 280).

Our analysis is grounded in qualitative research methodology. The qualitative research approach is used to examine processes and investigate why things happen as they do, giving an in-depth understanding of a specific situation (Cooper and Schindler 2011). In a contrast to quantitative research, the qualitative approach concerns itself with the emphasis of words rather than numbers, the "how" and "why" opposed to "when", "who" "how much" and "how often" (Cooper and Schindler 2011). By having an inductive approach to the relationship between theory and research, qualitative research generate theory based on findings, and we believe that this is an appropriate choice of method for our case. We wish to give a holistic analysis of the processes related to new venture creation in NDTV, and have therefore chosen to take a case study approach.

A case study is a detailed examination and intensive analysis of a single case, e.g. an organization, a person or a single event. Yin (2009, 18) defines it as "an empirical inquiry that investigates a contemporary phenomenon in depth within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident." In other words, a case study allows the researcher to investigate the phenomena in its original context, which enables the researcher to generate insight about the phenomena in its natural setting. Farquhar (2012) argues that it is a suitable method for answering questions that starts with

how, *who* and *why*, as well as when investigating events that takes place in a contemporary context. When conducting a case study, it is important to be very clear about the focus and the extent of the study, as the case investigated is limited to a bounded situation or system (Creswell 2007; Bryman and Bell 2011; Stake 1995).

What separates case studies from other research designs is the idiographic approach, where the researchers try to understand the unique features of a particular case (Bryman and Bell 2011). The selection of cases is therefore an important part of the process, and Stake (1995) suggests that they should be selected based on potential learning opportunities. In his book, "The Art of Case Study Research", he distinguishes between three different types of case studies. The first is intrinsic cases, where the researchers' objective is to learn about one particular situation. Instrumental cases are used to gain understanding of a broader issue, and the last, collective cases, is when the researcher uses a number of different cases to explore a general phenomenon. In our situation, we are dealing with an instrumental case, because we wish to be able to say something general about successful processes related to construction of new venture teams.

A common critique of case studies is that one cannot generalize findings from one single case to gain useful insight that can be extended to other situations - but is this correct? Farquhar (2012) argues that the deep understanding that follows from a case study can be used to gain knowledge in business, and Flyvbjerg (2006) states that the ability to generalize is dependent on each particular case and how it was chosen. Flyvbjerg (2006) also claims that one does not necessarily have to make a formal, or theoretical, generalization based on the findings. Derivation of insight from case studies is just one of many ways to gain and accumulate knowledge in a given field or society, which again can be used to direct research on to a path toward scientific innovation. The focus of a case study should therefore be on the uniqueness of each particular case, and through this get a rich understanding of its complexity (Bryman and Bell 2011). Since we are conducting a case study, we have chosen to use semi-structured interviews with both open-ended and directed questions for our data collection, where we hope to elicit stories, as well as get concrete information from the respondents. This approach is common in qualitative research, because while one follows an interview guide, one also has some flexibility in the interview setting (Farquhar 2012; Bryman and Bell 2011). The interview is in general based on several

questions that cover certain topics, but the interviewee has a great deal of freedom on how he/she chooses to answer (Bryman 2004). The interviewer also has some options on the sequence the questions are asked based on the respondents answers, but it should be noted that the different interviews should be kept as similar as possible to generate comparable results (Bryman and Bell 2011). Each open-ended question also has additional sub-questions, which may be asked if the interviewees do not touch upon subjects we find interesting for our analysis. Also, in the last phase of the interview we summarize findings to ensure that we have understood the respondent correctly. These are both important elements to ensure interview quality (Kvale and Brinkmann 2009).

In addition, we also intend to incorporate comparisons in the study. Our objective is to systematically compare undergone processes concerning NDTV with similar processes of leading newspaper corporations, such as The New York Times and The Guardian. By doing this we hope to contribute to a learning experience, both for NDTV and other actors in the industry.

4.2 Data collection

Our initial contact with NDTV was an interview with, at that time, current CEO of NDTV. This was to ensure access, as well as to get information about NDTV and relevant angles of approach. This interview followed an unstructured form, where the CEO was given the opportunity to freely express his point of view on NDTV's history, development and ongoing projects. Based on our literature review and the information generated from this interview we developed the attached interview guide (appendix 1), which was used in our second interview with the current CEO of NDTV. When using an inductive research strategy, one must expect to go back and forth between theory and data after new emerging categories develop (Bryman and Bell 2011). A semi-structured interview allows the respondent to go into areas that are not necessarily mentioned in the interview guide, meaning that while our initial focus stays more or less the same, we might learn about new and important aspects that needs to be included in our interview guide and analysis.
Also, because we are interviewing people at different levels in the organization, we will have to make minor adjustments to the attached interview guide to make it

suitable dependent on the interviewees. The structure of the interviews will be kept the same. Because of this, we have chosen to divide our research design in three phases:

Table 1: Research Design

	Interview Subjects	Interview Form
Phase 1	Interview with former CEO (current at that time)	Unstructured
Phase 2	Interview with current CEO of NDTV and the CEO of ND	Semi-Structured
Phase 3	Interview with key employees	Semi-Structured

We plan to complete the interviews with the CEO of ND and the key employees in February 2016. The key employees that are selected was recommended by the current and former CEO of NDTV, based on their involvement in the process and credentials. If necessary, we will also try to get follow-up interviews with all of the respondents due to our inductive approach, but this is however dependent on the possibility of multiple interview contact.

The analysis of processes concerning The New York Times and The Guardian will primarily be based on secondary data, which is collected through the Internet.

4.3 Ethical Considerations

All employees participate on a volunteer basis. In the beginning of each interview we ask if they want their answers to be treated with confidentiality. We tape all interviews with a recording device, and these recordings are deleted after we have transcribed the interview.

PART V: PRELIMINARY FINDINGS

5.1 Anonymization of interviewees

Albert – Former CEO

Elizabeth – Current CEO

5.1 Emerging categories from conducted interviews

5.1.1 Category 1: "The Model"

Both respondents describe the model of demerger as something ND has done on several occasions. In the following quote, Albert explains why this is done, as well as potential benefits:

> (...) a "sink or swim" order, almost. And it has proven to be very disciplining, because then we just have to! We knew that we would run out of money after a while, so we had to do something. This gave us a large amount of creativity, both with regards to how to commercialize, but also to what we had to stop doing. We did too many things, and realized quickly that if this was going to work, we had to become good at just a few things. (...) this worked for us (NDMobil), and we figured that we should do this with NDTV also, after reaching a certain point. [Albert].

Elisabeth further explains:

> The most important (reason) is that it gives a more clear focus for us who works here – the most important thing is the focus. We are an independent unit. [Elisabeth].

5.1.2 Category 2: Working culture and team identity

The second category became very evident during our interview with Elisabeth. She explains the importance of being flexible and willing to learn as a part of organization growth – both as a separate unit but also in collaboration with ND:

> It (the culture) is innovative. It is relative young and informal. Characterized by trying and failing. (...) There are many opportunities to experiment. We are dependent on trying and failing, because we have to create our own path and find out what works for NDTV. (...) when we now establish this organization, we will have to make adjustments along the way. Because things change, and what works today is not necessarily what works in three to six months, so there has to be a learning and supplementary culture. You have to create that - a change-willing culture. And the leaders of NDTV have also had to do a lot of change management. They have acquired good competence in change management. [Elisabeth].

She continues by explaining more on how they evolve in collaboration with ND:

> There is an own NDTV sense-of-belonging, but (...) the sense of belonging would have been just as strong if we had not been our own company. Because the employees, and me as well, would not have worked any differently if we had been a part of ND. (...) We have been focused on including ND in this transformation. Because if this had been an isolated unit in ND, then we would not have gotten the help that we need. But we have also transferred important knowledge to the ND-organization. [Elisabeth].

Albert also explains how the process of establishing NDTV has differed from similar processes in the past:

> There were no lines of conflicts like before this time (NDTV), because I think that this was perceived to be much more complementary to what we do than the other things we have done. NDNett was perceived as extremely cannibalizing for the paper issue (...) and this was actually also true. We built our own competitor. We built a baby that were supposed to eat its own mother, so in that way, the experiences of pain were real as well. But as said, now (NDTV) there was much more a feeling that it was complementary, so we have been able to integrate these two departments better into each other, it is more clear who does what, why and how. (...) the climate is completely different. [Albert].

5.1.3 Category 3: The recruitment process

Both Albert and Elisabeth mentioned aspects from the recruitment processes that followed the demerger, but the process was elaborated on to a greater extent in the

latter interview. Elisabeth argued that a lot of resources had been put into the recruitment process and she was proud of the results:

> (...) we went from 30 to 60, so that is a fantastic investment in the media landscape, also being able to staff so many people - I sat in 250 job interviews, first-time interviews. So we performed a very thorough process around it, because that is maybe some of the most important jobs leaders do – hiring the right people. And we got a lot of clever people, I will say that vi did not make one single employment error – so we are very proud of that. And it was a good mix of people; women and men, age, competences -digital backgrounds, TV-backgrounds and journalistic backgrounds. [Elisabeth].

She further explained:

> (It was) tight cooperation with the editorial team and the other leaders – the team of leaders around me. I drew very heavily on them, we did not use any external companies, but we did have several rounds. We conducted interviews, we had work-tasks and assignment – and of course, we checked references. But what have very good experience with is giving work tasks and auditions (primarily for program hosts). (...) And then (at the audition) we have rigged up with people from ND that plays journalists, plays police –we create a genuine scene, and people are calling in, and then you (the candidates) have to deal with it "live". (...) and for the journalists, the technical producers and the content producers; they received tasks that they should solve, create videos (...). [Elisabeth].

5.1.4 Category 4: Product development processes

Both Albert and Elisabeth talked about the development of the NDTV-product, and how this development has been characterized both by incidental events and conscious, strategic objectives:

> (...) autumn 2008, or early in the winter in 2009, this guy, David [alias] showed up –the comedian that is known from NRK, at least for us. And he told us that he had an idea for a series (…) that somehow comes out of the blue and is a coincidence really, and we really do not have any ideas on how we shall commercialize this or anything. But, we think it is a funny idea, sowe do buy it and get it produced. And that becomes.. this is really what becomes the

"breakthrough", this is what gives us confidence –because totally unexpected, it's a million views per episode of this stuff. [Albert].

We were always concerned that we should be a differentiated alternative to NRK and TV2, we will not be a bad copy of NRK. It is NRK that makes NRK best. Nor will we be a bad copy of TV2, we have to find our way. (...) and appeal to the young in greater extend. So when Justin Bieber comes to Norway, we cover it heavily –it is important to young people. We said that we want to make news also for the 16 and 18 year olds, that it is not only us over 40 who shall define "news". [Elisabeth].

5.2 Plan for thesis progression

5.2.1 Schedule for thesis progression

	January	February	March	April	May	June	July
Data Collection	X	X					
Transcription of interview	X	X					
Analyze data	X	X	X				
Read more literature	X	X	X	X	X		
Possibly follow-up interviews			X				
Write thesis				X	X	X	
Hand-in thesis							X

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APPENDICES

Appendix 1: Interview guide – CEO

Phase 1: Greeting and warm up	**Greeting and warm up (5min)** Small talk Introduction of us The intention with our study (focus after demerger in 2014, our definition of the new venture team, etc.) Consent/confidentiality Permission to record Can you please tell us a little bit about yourself and your career? How long have you worked in ND/NDTV? What is your position and responsibility in the company today? How many are working in ND/NDTV today?	**Purpose**
Phase 2: Open-ended guided tools	**Eliciting storytelling (35 min)** Can you tell us about the establishment process regarding NDTV? What happened right before and after? Have you used this "model" before? Were there any challenges in this process? What has been most successful? What have been important milestones? Can you tell us about how ND approached the establishment of the new venture team in this case? Relationship between old/new employees assigned to venture team, criteria for evaluation? What are your thoughts on ownership and autonomy ("own" identity for those involved)? Was autonomy to the middle managers, how? Was responsibility delegated to employees, how? Have there been any "key employees" in the process, and if what were their roles? Where they specifically selected or did they "emerge" in the process?	Get stories about the establishment- and development process(es) of NDTV Map the process of individual selection and get stories about processes and challenges related to construction of the NDTV-team

	What are NDTV's specific ways of working, and how do you believe these have contributed to the successful outcomes? Which role do individuals play? (Individual autonomy?) Which role does the composition of individuals play? Which role do management play? How is the employees' participation in goal-setting? How are reward systems constructed? Can you describe the culture in NDTV? (try and fail-opportunity, trust, failure-value, cohesiveness, effect from "sink or swim"-mission) How has NDTV developed its identity after demerger?	Get stories of episodes related to the working-culture and team-identity in NDTV
	How do you experience the dynamic between NDTV and the rest of Mediehuset ND? How has NDTV been financed? Have NDTV been delegated autonomy or are you governed by ND - impact from this? How is the office landscape in ND arranged? How do you perceive the relationship between employees in NDTV and other employees? Are there any common events – impact from this? How is the collaboration/sharing of resources across departments?	Map social identity categorization processes, flow of resources and knowledge-sharing processes
Phase 3: Directed questions	**Directed questions (10 min)** How was the selection process of individuals for the new venture team? (consideration for dynamics?) What do you perceive are good processes for entrepreneurship and what is crucial to succeed? How has ownership (and autonomy delegation) delegation functioned - both in the contract form and in practice?	Acquire more accurate information related to the different processes that have influenced team

	What do you do to release creative abilities? How do you (as a leader) perceive that the demerger has affected the development of the NDTV identity?	performance
Phase 4: **Closure and summary**	**Closure and summary (5 min)** Recap of central findings Was this what you intended to convey? Do you want to add anything?	

Appendix 2: Raw data and first order categories

Category 1: "The Model"
(...) a "sink or swim" order, almost. And it has proven to be very disciplining, because then we just have to! We knew that we would run out of money after a while, so we had to do something. This gave us a large amount of creativity, both with regards to how to commercialize, but also to what we had to stop doing. We did too many things, and realized quickly that if this was going to work, we had to become good at just a few things. (...) this worked for us (ND Mobile), and we figured that we should do this with NDTV also, after reaching a certain point. [Albert]. One could choose to have this as a case on how to make a startup within an established company, something many struggles with. So, how to do it? This is our attempt, our model, the same model we have used many times to achieve it. (...) demerger parts of the organization to a subsidiary is something we have done on some occasions, quite a few times actually. (...) on some occasions we reverse, and merger back after a while. [Albert]. You could says that the hardest thing with this model, i.e. that this is much more of a gamble than what we have demerges in similar ways before. (...) when we demerged NDNett back in the days, we had already established a product (...). The same goes for when we demerged ND Mobil, we knew that it remained small organizational changes and economical conditions to light the rocket. But nothing is given from a product point of view in this case, this is much more of a gable. [Albert].

The most important (reason) is that it gives a more clear focus for us who work here – the most important thing is the focus. We are an independent unit. [Elisabeth].

(...) it was used when ND.no was established, it became an own unit in 1995, and when NDMobil was established. And then is was merged back to the ND-organization. So, ND.no was merged back to ND and NDMobil is today integrated in ND. Everything indicates that this also will happen to NDTV, that we one day will be merged to ND again. [Elisabeth].

NDTV is a major investment for both River Media and ND, and it is an investment for the future. This has been in the cards the entire time, it will take some time before we become profitable and sustainable. This is about taking a position, a TV-position that will be sustainable after a while, but it will take some time. Both River Media and ND realizes this. [Elisabeth].

Category 2: Working culture and team identity

Once you demerge something like that, you are more or less subconsciously creating a subculture between those that are demerged (NDNett). So, it had some negative consequences because it arouses a type of "us and them" culture from both sides. It occurred some lines of conflicts between "Web" and "paper" after a while, but on the other side – sometimes subculture can be a good thing to build on when you are conducting entrepreneurship inside the context of something so big – then you can exploit the subculture features to something positive. [Albert].

There were no lines of conflicts like before this time (NTTV), because I think that this was perceived to be much more complementary to what we do than the other things we have done. NDNett was perceived as extremely cannibalizing for the paper issue (...) and this was actually also true. We built our own competitor. We built a baby that were supposed to eat its own mother, so in that way, the experiences of pain were real as well. But as said, now (NDTV) there was much more a feeling that it was complementary, so we have been able to integrate these two departments better into each other, it is more clear who does what, why and how. (...) the climate is completely different. [Albert].

What makes people scared is such processes? Yes, you are afraid for your conditions, you are afraid of "are we now going into an insecure future"? That sort of thing. But people know that they are being taken care of by the large, strong mother. The result cant be that

bad, and I think people realizes that. [Albert].

(lead to more drive) Yes, definitely! This is what we call the positive effect of the subculture, and that arrived at once. That you feel more like a team that is supposed to – one way or another – create a future again. [Albert].

It (the culture) is innovative. It is relative young and informal. Characterized by trying and failing. (...) There are many opportunities to experiment. We are dependent on trying and failing, because we have to create our own path and find out what works for NDTV. (...) when we now establish this organization, we will have to make adjustments along the way. Because things change, and what works today is not necessarily what works in three to six months, so there has to be a learning and supplementary culture. You have to create that - a change-willing culture. And the leaders of NDTV have also had to do a lot of change management. They have acquired good competence in change management. [Elisabeth].

There is an own NDTV sense-of-belonging, but (...) the sense of belonging would have been just as strong if we had not been our own company. Because the employees, and me as well, would not have worked any differently if we had been a part of ND. (...) We have been focus on including ND in this transformation. Because if this had been an isolated unit in ND, then we would not have gotten the help that we need, but we have also transferred important knowledge to the ND-organization. [Elisabeth].

We work extremely close with the rest of the ND organization, we are seated right next to ND's news desk, and we are completely dependent on ND to pull the load with us. When large news occurs in Norway and in the rest of the world, we cooperate with the rest of the ND-organization. [Elisabeth].

There will become a very special culture when you start something so new with such a large success, but also a lot of trying and failing, and this unites people. So there is a strong community spirit also in NDTV, but at the same time, we are in a strong alliance with ND. We cooperate closely with the rest of the ND-organization every day. [Elisabeth].

In ND, if you have a good idea, then you get to realize it. We got the resources for it and we do it. (...) if you want to create a innovative culture, than it is important that people have a large amount of independence. [Elisabeth].

Category 3: The recruitment process
(...) we went from 30 to 60, so that is a fantastic investment in the media landscape, also being able to staff so many people - I sat in 250 job interviews, first-time interviews. So we performed a very thorough process around it, because that is maybe some of the most important jobs leaders do – hiring the right people. And we got a lot of clever people, I will say that vi did not make one single employment error – so we are very proud of that. And it was a good mix of people; women and men, age, competences -digital backgrounds, TV-backgrounds and journalistic backgrounds. [Elisabeth]. (It was) tight cooperation with the editorial team and the other leaders – the team of leaders around me. I drew very heavily on them, we did not use any external companies, but we did have several rounds. We conducted interviews, we had work-tasks and assignment – and of course, we checked references. But what have very good experience with is giving work tasks and auditions (primarily for program hosts). (...) And then (at the audition) we have rigged up with people from ND that plays journalists, plays police –we create a genuine scene, and people are calling in, and then you (the candidates) have to deal with it "live". (...) and for the journalists, the technical producers and the content producers; they received tasks that they should solve, create videos (...). [Elisabeth]. It was a totally different group (the people recruited internally to NDTV during demerger) than those who otherwise work in ND. The average age is insanely young, right. (...) I wonder whether the average maybe was 24 or something... in the journalistic staff that went over (from ND to NDTV). So it was not a bunch of people with heavy experience that joined across –we bought that experience little by little as we expanded. [Albert].
Category 4: Product development processes
(...) autumn 2008, or early in the winter in 2009, this guy, David [alias], showed up –the comedian that is known from NRK, at least for us. And he told us that he had an idea for a series (…) that somehow comes out of the blue and is a coincidence really, and we really do not have any ideas on how we shall commercialize this or anything. But, we think it is a funny idea, so we do buy it and get it produced. And that becomes.. this is really what becomes the

"breakthrough", this is what gives us confidence –because totally unexpected, it's a million views per episode of this stuff. [Albert].

"You have a lot more powerful medium than you think.", and his hypothesis, which I think was quite good, was that we hit a nerve somehow. (...) People are so engaged, and last but not least the available response channel... So what you feel right there and then, rage and disgust, you can release it right away. (...) It is sort of like learning that you are no longer operating in a small private organization, which you fondle with on your own. It actually does have a huge impact. There is a large audience, and that means that we have to be more aware in a whole new way. [Albert]

A few years ago we experimented with humor and entertainment, but discovered that it becomes too costly for us to take a position in that field. I think that TV2, TVNorge and NRK use over 300 million on humor only, and even more on entertainment -but documentaries are quickly being tucked away on niche channels. We have stated that we want to take a "number 1"-position in that field, so we have invested in that -both on Norwegian documentaries, also developing some on our own... And procurement of some good, award winning documentaries. So now, on NDTV, we have over 200 accessible to people -free of charge. [Elisabeth].

We were always concerned that we should be a differentiated alternative to NRK and TV2, we will not be a bad copy of NRK. It is NRK that makes NRK best. Nor will we be a bad copy of TV2, we have to find our way. (...) and appeal to the young in greater extend. So when Justin Bieber comes to Norway, we cover it heavily –it is important to young people. We said that we want to make news also for the 16 and 18 year olds, that it is not only us over 40 who shall define "news". [Elisabeth].