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The corporate challenge of ambidexterity

A case study of a large Swedish media organisation and their work on balancing
exploitative and exploratory innovation

by

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ABSTRACT

Purpose: In the setting of a large Swedish media organisation, the purpose of this study is to create an understanding of how internal factors (strategy, organisational structure and culture) affect the organisation's ability to handle ambidexterity and how the factors interrelate.

Methodology: A qualitative single case study was conducted, from multiple levels within a large Swedish media organisation. The study adopted a hermeneutic view, with an abductive research approach. Twelve semi-structured interviews were conducted to collect empirical data. The data were analysed using thematic analysis, a data analysis method for qualitative studies.

Theoretical perspectives: A common assumption in previous literature is that companies need to balance exploitative and exploratory innovation to achieve ambidexterity. However, due to the paradoxical nature of exploratory and exploitative innovation, there is no consensus on how to achieve ambidexterity. Prior studies suggest that the three internal factors strategy, organisational structure and culture, affect an organisation's ability to achieve ambidexterity. Although, previous literature lacks an understanding of how the factors interrelate and affect large organisations ability to achieve ambidexterity.

Empirical foundation: The results indicated that the case organisation was not ambidextrous. The overall strategy had an exploitative focus, that hindered the centralised innovation program to develop exploratory innovation. The organisational structure made it difficult to implement exploitative innovations and resulted in the “not invented here syndrome”.

Conclusion: Theoretical implications are further understanding of the interrelationship between strategy, organisational structure and culture. A further contribution is the role of strategy alignment, strategy formulation, financial return and resource allocation to the ambidexterity literature. Practical implications are that the overall strategy must balance exploitative and exploratory innovation. A centralised structure for innovation is a hindering factor in achieving ambidexterity. To achieve ambidexterity, large organisations should therefore, integrate exploitative and exploratory innovation at the firm level, and separate on the business unit level.

Key words: *Strategic Innovation, Corporate Innovation, Exploitative, Exploratory, Ambidexterity, Innovation, Strategy, Paradox, Conflict, Organisational Structure, Culture.*

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1. Introduction

1.1 Background

Digitalisation has almost completely removed the boundaries between media and technology, resulting in transformational challenges for the media industry in recent years (Gholampour Rad, 2017). In 2017, 85% of the Swedish population used online news consumption, which includes online news sites, newspapers or news magazines (Statista, 2018). Google and Facebook, are two examples of companies challenging the traditional media industry, forcing large media companies to adapt and improve their existing offerings to obtain a share of the advertising market (Alba, Barber, Matsakis, Dobrygowski, Hoffman, Simonite, Martineau & Barber, 2017). Likewise, technological start-ups entering the media industry are challenging traditional companies (Gholampour Rad, 2017; Fredberg & Pregmark, 2016). These trends forces established players within the media industry to invest in innovation, to survive in the long-term (Gholampour Rad, 2017; Fredberg & Pregmark, 2016).

In previous literature, there is a notion that innovation is a source for both profit and long-term growth (Rivera, 2017; Junni, Sarala, Taras & Tarba, 2015). Commercialisation is a vital step in the innovation process for companies to capitalise on the value created by innovation (Das, Verburg, Verbraeck & Bonebakker, 2018; Bate, 2010; Freeman & Engel, 2007). In addition, Das et al. (2018) note that generating ideas is no guarantee for neither profit nor growth. Moreover, scholars in the field of corporate innovation are discussing different perspective on innovation. March (1991) was one of the first authors to discuss the concept of exploratory and exploitative innovation. Exploitative innovation is incremental and close to core business while exploratory innovation is more radical and discontinuous (Andriopoulos & Lewis, 2009; Birkinshaw & Gibson 2004; Kodama, 2017; March, 1991; Smith & Tushman, 2005; Tushman & O'Reilly, 1996). Prior literature suggests that companies need to work with both exploratory and exploitative innovation to create sustained organisational performance in the long-term (He & Wong, 2004; Judge & Blocker, 2008; Kodama, 2017; Koryak, Lockett, Hayton, Nicolaou & Mole, 2018; March, 1991; O'Reilly & Tushman, 2008). Ambidexterity is when exploratory and exploitative innovation is in balance, and a company that achieves this is considered ambidextrous (March 1991; O'Reilly & Tushman, 1996). Moreover, it is hard to achieve ambidexterity as it is a subjective interpretation

of how a company balance exploitative and exploratory innovation equally, in terms of resources and commitment (March 1991; O'Reilly & Tushman, 2008). Prior research suggests that exploitative and exploratory innovation is paradoxical in nature as they require different capabilities and resources, which is believed to create conflict between the two approaches on innovation (Andriopoulos & Lewis, 2009; Du & Chen; 2018; Koryak et al. 2018, Lubatkin, Simsek, Ling, & Veiga, 2006). March (1991) argue that these conflicts are hindering the company's ability to achieve ambidexterity.

However, prior studies have failed to agree on who in the organisation that is responsible for achieving ambidexterity. Some scholars argue that individuals should achieve ambidexterity within the organisation (Gibson & Birkinshaw, 2004), while others argue that business unit managers or the top management are responsible (March, 1991; O'Reilly & Tushman, 2008; Smith & Tushman, 2005). Prior research identifies that large organisations that fail to achieve ambidexterity also tend to show poor financial performance (Du & Chen, 2018; Vahlne & Jonsson; 2017). Junni et al. (2015) note that it is vital for companies in dynamic industries to be able to balance exploratory and exploitative innovation. In dynamic industries, there are larger, more frequent changes in customer demands and trends (Junni et al. 2015). Moreover, the case organisation in this study operates within the Swedish media industry, which is as a dynamic industry. The Swedish media industry includes the following sectors; books, newspapers, magazines, advertising, broadcasting & cable TV, publishing, movies & entertainment, agencies providing advertising, cable and satellite broadcasters of digital and analogue television and publishers of academics (MarketLine, 2017). In addition, the case organisation is a large organisation in the Swedish media industry. To keep up with the changes within the industry, the case organisation started a central innovation programme in 2016. The innovation programme aims to create growth for the entire organisation through exploitative and exploratory innovation. The innovation programme develops innovations for the case organisations end consumer, with a focus on personalisation, education and health. Lastly, the innovation programme does not utilise open innovation, instead focuses on utilising internal knowledge and capabilities.

1.2 Problematization

The academic community has extensively explored the subject of ambidexterity (Gibson & Birkinshaw, 2004; March, 1991; O'Reilly & Tushman, 2008; Smith & Tushman, 2005). However, prior studies have failed to identify a common view on how large organisations can achieve ambidexterity.

Prior studies have identified the three internal factors; strategy, organisational structure and culture as crucial for a company's ability to achieve ambidexterity (Das et al. 2018; Du & Chen; 2018; Jansen, Van Den Bosch, & Volberda, 2009; O'Reilly & Tushman, 2008; Prange & Schlegelmilch, 2018). Similar, the factors are referred to as dynamic capabilities in previous literature on ambidexterity (Jansen et al. 2009; Teece, 2006; 2016). The academic community has explored how these internal factors affect a company's ability to achieve ambidexterity separately (Bessant, Öberg, & Trifilova, 2014; Kodama, 2017; Koryak et al. 2018; O'Reilly & Tushman, 2008). However, little research has been conducted to show how the three internal factors interrelate, and several authors, therefore, suggest further research on the interrelationship between the internal factors within the field of ambidexterity (Kodama, 2017; Koryak et al. 2018).

Moreover, prior research has thoroughly investigated ambidexterity from one level within a company. Either from a firm level (Judge & Blocker, 2008; Prange & Schlegelmilch, 2018; Smith & Tushman, 2005), business unit level (Du & Chen, 2018; Fredberg & Pregmark 2016; O'Reilly & Tushman, 2008; Tushman, Smith, Wood, Westerman, & O'Reilly, 2010), individual level (Gibson & Birkinshaw, 2004), or two of the levels combined. However, prior studies have failed to evaluate how the internal factors affect ambidexterity from a multiple level perspective. There is a gap in previous literature about the factors and their interrelationship from a multiple level perspective. Further, Das et al. (2018) note that there is a lack of empirical studies on internal organisational issues, for large companies in achieving ambidexterity. An identified gap in previous literature is how large companies can achieve ambidexterity. From the media industry, there are limited empirical data in the ambidexterity literature.

The arguments for the chosen case organisation and industry are several. First, there are few studies of large media organisations and their internal challenges in achieving ambidexterity. Therefore,

this study is of interest as the media industry has faced transformational challenges and since a balanced approach on exploitative and exploratory innovation is one option for companies to achieve sustained organisational performance in the long-term (Gibson & Birkinshaw, 2004; He & Wong, 2004; Kodama, 2017; Koryak et al. 2018; March 1991; O'Reilly & Tushman, 2008; Smith & Tushman, 2005).

1.3 Aim and research questions

Building on the background and the problematization of ambidexterity, the aim of this thesis is twofold. First, this study aims to create an understanding of how internal factors (strategy, organisational structure and culture) affect a large organisation's ability to handle ambidexterity and how the internal factors interrelate.

Moreover, this study attempts to bridge the gap in the literature about the interrelationship between strategy, organisational structure and culture. Data will be collected from multiple levels within the case organisation to fulfil the aim of the study. Multiple levels mean that the organisation is investigated by conducting interviews from a firm-, business unit- and individual level. Therefore, to answer the research questions, insights will be collected from the top management at the firm level, business unit managers at a business unit level and team leaders within a business unit at the individual level.

Research Questions: *How do internal factors affect a firm's ability to handle both exploitative and exploratory innovation? And how are the internal factors interrelated?*

1.4 Outline of the thesis

The research starts with a comprehensive literature review consisting of four areas; ambidexterity, strategy, organisational structure and culture. The literature review section contemplates in giving an understanding of how strategy, organisational structure and culture affect a company's ability to achieve ambidexterity. The third section outlines the method used to collect and analyse data. The fourth section highlights the results found in the interviews and is followed by the fifth section, which is a discussion section analysing how the results relate to the research questions. The sixth and last section outlines a conclusion, suggestions for further research and a discussion on the limitations of the study.

2. Literature Review

This section contemplates in giving a theoretical overview of the topic of ambidexterity. The literature review is discussed in relation to the research questions: How do internal factors affect a firm's ability to handle both exploitative and exploratory innovation? And how are the internal factors interrelated? Previous literature suggests that companies need to achieve a balance between exploitative and exploratory innovation activities to create long-term success. However, how to achieve balance due to the paradoxical nature of exploratory and exploitative innovation, is discussed. These paradoxes could create conflicts within the organisation. Furthermore, previous studies have proven that three internal factors affect a company's ability to achieve ambidexterity. These internal factors are a company's strategy, organisational structure and culture. A theoretical background on all three factors will be provided. The literature review consists of several prominent articles on the subject of ambidexterity outlined and consist of authors such as March (1991), O'Reilly and Tushman (2004, 2008), Smith and Tushman (2005), Koryak et al. (2018), Judge and Blocker (2008), Jansen et al. (2009), Prange and Schlegelmilch (2018), and Gibson and Birkinshaw (2004). The literature review starts with a discussion about ambidexterity as a concept. Moving on with a discussion about the internal factors; strategy, organisational structure and culture in the stated order.

2.1 Ambidexterity

This section contemplates in giving a background about the concept of ambidexterity. An explanation of exploitative and exploratory innovation will be presented. Further, the ability to balance exploratory and exploitative innovation despite their paradoxical nature is the essence of ambidexterity.

2.1.1 Exploitative and exploratory innovation

In this section, the definition and concept of exploitative and exploratory innovation is described and provides a background about the concept of ambidexterity. To create and capture value, companies need to decide on what type of innovation to work with (Pisano, 2015). Several perspectives of innovation have been discussed in previous literature, and March (1991) was one of the first authors to explain the concept of exploratory and exploitative innovation.

Previous studies suggest that an exploitative view on innovation has a short-term perspective and revolves around internal capabilities (Kodama, 2017; March, 1991). Exploitative innovation is incremental in nature and close to core business (Andriopoulos & Lewis, 2009; Birkinshaw & Gibson 2004; Kodama, 2017). Exploitative innovation is believed to utilise existing capabilities and maintain core business while at the same time being innovative (Kodama, 2017; Hunter, Cushenbery & Jayne, 2017). In addition, exploitative innovation is more product focused and seeks to improve existing products within the company's portfolio (Kodama, 2017; Li, Zhou & Si, 2010; March, 1991). Smith and Tushman (2005) argue that products coming from exploitative innovation projects often compete with existing products, as exploitative innovations projects often fit the company's current business portfolio (Bessant et al. 2014).

Moreover, March (1991) suggest that exploratory innovation has a long-term focus, the outcome and costs are uncertain, and that the innovation is more distant from core business. Exploratory innovation is believed to have a more radical perspective (Kodama, 2017; Smith & Tushman, 2005; Tushman & O'Reilly, 1996). Exploratory innovation projects are often inspired by the company's external environment (Li et al. 2010; March, 1991). Prange and Schlegelmilch (2018) suggest that when innovation is categorised as strategic innovation, meaning more exploratory, highly effect

strategic decision making. Kodama (2017) explains the objective with exploratory innovation, is to seek new capabilities.

Junni et al. (2015) suggest that innovation can be a source of profit and long-term growth for a company. However, according to Henley (2007), innovation does not guarantee significant competitive advantages. The author believes that if the innovation process focuses merely on exploiting core product and processes, it does not ensure new value for consumers. Previous studies suggest that the commercial value of exploratory innovation is significantly higher than for exploitative innovation (Hall, Jaffe & Trajtenberg, 2000). Exploratory innovation is argued to have a more explicit connection to growth, and exploitative innovation is more connected to a company's profit (Junni et al. 2015).

2.1.2 Ambidexterity is about balancing exploratory and exploitative innovation

Explaining exploitative and exploratory innovation is the basis for understanding the concept of ambidexterity. This section outlines the concept of ambidexterity, to balance exploitative and exploratory innovation. Challenges in achieving ambidexterity due to the paradoxical nature of exploitative and exploratory are elaborated.

When a company is able to balance exploitative and exploratory innovation simultaneously, the company is ambidextrous (March, 1991). A perspective on ambidexterity is the organisation's ability to handle contradictions such as; short-term performance versus long-term adaptability simultaneously (Judge & Blocker, 2008; Smith & Tushman, 2005). Previous studies suggest that companies need to balance exploitative and exploratory innovation in order to create sustained organisational performance in the long-term (Gibson and Birkinshaw, 2004; He & Wong, 2004; Judge & Blocker, 2008; Kodama, 2017; Koryak et al. 2018; Li et al. 2010; March 1991; O'Reilly & Tushman, 2008; Smith & Tushman, 2005; Wang, Van De Vrande & Jansen, 2017). However, it is believed to be hard to know how to achieve the perfect balance between exploratory and exploitative innovation. Some scholars note that the balance is a subjective interpretation of a company that works with exploitative and exploratory innovation equally, in terms of resources and commitment (March 1991; O'Reilly & Tushman, 2008).

Moreover, it is difficult to balance these contradictory ways of working with innovation, as it creates tension and potential conflicts within organisations (March, 1991). Previous studies have proven that conflicts appear since the two approaches on innovation are paradoxical in nature (Andriopoulos & Lewis, 2009; Du & Chen; 2018; Koryak et al. 2018, Lubatkin et al. 2006; March, 1991; O'Reilly & Tushman, 2004). Bessant et al. (2014) argue that when organisations are moving towards more exploratory innovation, the level of risk is increasing and therefore, the degree of resource commitment is higher. The authors further argue that decision making that is based on uncertain future scenarios often result in internal conflicts. Moreover, a reason for why it is challenging to achieve a balance between exploratory and exploitative innovation is that too much focus on exploratory innovation could crowd out exploitative innovation and vice versa (Boumgarden, Nickerson & Zenger, 2012).

Moreover, there is no common view on how to achieve ambidexterity from an internal perspective (Cao, Gedajlovic & Zhang, 2009). Previous studies suggest that ambidexterity is a multiple level phenomenon (Birkinshaw & Gupta, 2013; Raisch & Birkinshaw, 2008). Similar, previous literature has conceptualised exploratory and exploitative innovation at three different levels; the firm level (strategy level), business unit level and individual level (O'Reilly & Tushman, 2008). Andriopoulos and Lewis (2009) argue that ambidexterity should be handled at the firm level, with a shared responsibility across the top management. Likewise, previous studies suggest that exploitative and exploratory innovation should be balanced in the strategy (Judge & Blocker, 2008; Smith & Tushman, 2005; Prange & Schlegelmilch, 2018). According to Judge and Blocker (2008) conflicts between the two approaches arise when an exploitative strategy often leads to better performance in the short-term perspective and that an exploratory strategy seems critical for a company's long-term survival. However, other previous studies suggest that ambidexterity needs to be achieved from the business unit level (Du & Chen; 2018; Jansen et al. 2009). According to O'Reilly and Tushman (2008), ambidexterity occurs at both the firm- and business unit level in an organisation. From the business unit level perspective, the organisational structure affects the balance between exploitative and exploratory innovation (March, 1991). In order to overcome the paradoxical tension between exploitative and exploratory innovation, several authors suggest a separate organisational structure approach combined with coordination and integration of exploratory and exploitative innovation in the top management (Benner & Tushman 2003; Bessant et al. 2014; Du

& Chen; 2018; Jansen et al. 2009; Junni et al. 2015; Koryak et al. 2018; Lubatkin et al. 2006; Smith & Tushman, 2005; O'Reilly & Tushman, 2008). A separate organisational structure means that one business unit manager is responsible for exploitative innovation while another business unit manager is responsible for exploratory innovation. A solution that is believed to overcome the paradoxical tension between the different types of innovation (Du & Chen; 2018; Fredberg & Pregmark, 2016; Jansen, Van Den Bosch & Volberda, 2006, 2009; O'Reilly & Tushman, 1996, 2008). In previous studies it is evident that this requires an integrated top management that cooperate, communicate and coordinate between the different business units and ensure that the business units support the overall strategy (Bessant et al. 2014; Benner & Tushman, 2003; Du & Chen, 2018; Jansen et al. 2009; Junni et al. 2015; Koryak et al. 2018; Lubatkin et al. 2006; Smith & Tushman, 2005; O'Reilly & Tushman, 2008).

However, other studies suggest that ambidexterity should be achieved from the individual level (Gibson & Birkinshaw, 2004). Gibson & Birkinshaw (2004) argue that a company or a business unit should be capable of handling exploitative and exploratory innovation approaches simultaneously, without separating it into different business units. Moreover, the authors suggest that a company's employees should be able to work with exploitative and exploratory innovation at the same time, within the same business unit. In other words, Gibson & Birkinshaw (2004) believe that employees must manage ambidexterity, and the corporate culture to be supportive of both exploratory and exploitative innovation. In addition, Wang et al. (2017) suggest that a company should balance exploitative and exploratory innovation in lower hierarchical levels of an organisation. Likewise, Andriopoulos and Lewis (2009) suggest that managing these paradoxes should be a shared responsibility, not only of top management but across all organisational levels.

2.2 Internal factors affecting ambidexterity

Achieving ambidexterity was described in the previous section. This section contemplates in giving a deeper understanding of the internal factors that affect a company's ability to achieve ambidexterity.

In previous literature a company's internal factors is referred to as dynamic capabilities (Jansen et al. 2009) and dynamic capabilities is also part of the ambidextrous literature (Bessant et al. 2014;

Jansen et al. 2009). Previous studies suggest that dynamic capabilities are vital for companies wanting to achieve ambidexterity (Bessant et al. 2014; Gholampour Rad, 2017; Jansen et al. 2009; Judge & Blocker, 2008; O'Reilly & Tushman, 2008; Prange & Schlegelmilch, 2018). In previous studies, dynamic capabilities are defined as; strategy, organisational structure and culture (Heracleous, Papachroni, Andriopoulos, & Gotsi, 2017; Jansen et al. 2009; Judge & Blocker, 2008; O'Reilly & Tushman, 2008; Teece, 2016; O'Reilly & Tushman, 2008). Moreover, it is believed that an organisation needs to create alignment between dynamic capabilities in order to be ambidextrous (Teece, 2006; 2016). The following sections will highlight the internal factors; strategy, organisational structure and culture that is believed to affect ambidexterity in organisations.

2.2.1 Ambidextrous approach on strategy

This section outlines the strategy factor and how it affects a company's ability to achieve ambidexterity. The strategy perspective on ambidexterity is believed to be vital for organisations ability to balance exploitative and exploratory innovation (Judge & Blocker, 2008; Smith & Tushman, 2005). Das et al. (2018) suggest that the overall strategy can be an internal barrier to exploratory innovation in large organisations. Previous literature suggests that exploitative and exploratory innovation must be balanced in a company's overall strategy (Smith & Tushman, 2005; Prange & Schlegelmilch, 2018). In addition, Judge and Blocker (2008) suggest that the overall strategy enables organisations to work simultaneously with exploratory and exploitative innovation. This means the overall strategy must address how organisations will balance new and existing markets, products and resources. Similarly, Dulaimi, Stewart and Fenn (2006) suggest that a well-defined overall strategy makes it possible for an organisation to detect what resources and capabilities that are missing between the present- and future position. In other words, the authors suggest that a company's overall strategy defines the need for innovation, to reach the desired position in the future.

Previous literature suggests that the strategy formulation process and the top management are important factors for companies trying to achieve ambidexterity (Leitner, 2014). Lubatkin et al. (2006) were the first authors to introduce the top management, their behaviour and ability in the ambidexterity literature. Additionally, other studies have identified top management and their ability to balance exploratory and exploitative innovation as vital for organisations seeking to

achieve ambidexterity (Judge & Blocker, 2008; Smith & Tushman, 2005; Tushman et al. 2010). In addition, Heracleous et al. (2017) believe that ambidexterity is related to leadership, rather than a structural problem. The authors suggest that for companies to make progress in exploratory innovation, the ability of top management is important. To overcome the conflict and paradoxes between exploratory and exploitative innovation, Du and Chen (2018) believe that for top management, it is vital to have a common strategic intent. In addition, O'Reilly and Tushman (2008) suggests that the top management needs the ability to formulate a balanced strategy that enables ambidexterity, while simultaneously manage different business units within the company and align exploratory and exploitative innovation activities.

It is evident in previous studies that top managers in large organisations often fail to notice and respond to changes of strategic importance while at the same time refocus their attention on innovation (Gholampour Rad, 2017; Maula, Keil & Zahra, 2013; Shepherd, McMullen & Ocasio, 2017). Gholampour Rad (2017) argue that if top managers within the media industry, fail to recognise innovation opportunities, they will miss out on more exploratory innovation. In addition, the strategy formulation process is beneficiary to define a strategy as either deliberate or emergent. This determines if a company either deliberately developed a strategy or it emerges due to certain circumstances (Leitner, 2014). Both emergent and deliberate strategy formulation is according to Leitner (2014) believed to have the same effect on exploitative innovation, but not on exploratory innovation which requires an emergent approach.

Furthermore, the overall strategy formulated by the top management, must be in alignment with the innovation efforts at all business unit levels within the organisation (Pisano, 2015; Teece, 2010). Previous studies note the importance of alignment, that the innovation efforts at operational level support the overall strategy (Bower & Gilberg, 2007; Pisano, 2015; Sharmelly, 2017; Teece, 2010; Varadarajan, 2018). Bate (2010) believe that non-alignment in the objectives of the innovation and the overall strategy is a hindering factor for creating return on investment from innovation. Similarly, Wadströms (2018) notes the importance of alignment between the corporate strategy and the business unit level strategy. The author further believe that it is important to match objectives in different hierarchical levels throughout organisations, especially in large organisations that have very different business units. Moreover, Smith et al. (2010) suggest that the

top management needs to formulate overall business unit strategies, while at the same time have specific goals for the different exploratory and exploitative innovation units.

However, despite formulating a balanced strategy, O'Reilly and Tushman (2008) suggests that the top management must handle conflicts that could arise from the different focuses in the exploratory and exploitative innovation units. To be ambidextrous as an organisation, Jansen et al. (2009) suggests that the top-management team must be responsible for resolving this conflict. The authors believe that the top management must openly discuss the conflicts that arise between exploratory and exploitative innovation units, to handle the conflicts. The authors further suggest that it is important that the top management integrate knowledge from the differentiated exploratory and exploitative innovation units.

Moreover, previous studies have proven that to enable coordination of resources between different business units within an organisation, a corporate strategy is essential (Varadarajan, 2018; Wadström, 2018). Previous studies further suggest that for organisations to achieve ambidexterity, the routines in which organisations allocate and reallocate resources across separate exploratory or exploitative innovation units, is important (Birkinshaw & Gupta, 2013; Heracleous et al. 2017; Jansen et al. 2009). In addition, Koryak et al. (2018) argue that the top managers attention affects resource allocation, between exploratory and exploitative innovation units. Das et al. (2018) believe that the top management needs to support and actively engage to secure the resources required to succeed in exploratory innovation. Smith and Tushman (2005) believe that integration of top management is the key to create a balanced resource allocation to exploratory and exploitative innovation. Similarly, other scholars suggested that the overall strategy must be aligned with the resource's allocation to the different business units (Bower & Gilberg, 2007; Varadarajan, 2018).

While resource allocation from the top management is important, business unit managers controlling the resources could resist sharing them (Freeman & Engel, 2007). Therefore, Smith et al. (2010) suggest top management to be responsible for handling conflicts and communicate the overall strategy to all business unit managers. The authors suggest that the business unit managers need to implement the strategies, even if they don't participate in the strategy formulation- and decision-making process. However, previous studies suggest that business unit managers that do

not take part in strategy formulation, could affect the level of implementation negatively since they make decisions that can undermine the overall strategy (Bower & Gilberg, 2007; Leitner, 2014).

2.2.2 Structuring an organisation for ambidexterity

This section outlines the organisational structure factor and how it affects a company's ability to achieve ambidexterity. Previous literature suggests that a company's organisational structure influence the company's ability in achieving ambidexterity (Fredberg & Pregmark, 2016; Hunter et al. 2017; Tushman et al. 2010). Four ways to structure for innovation are; centralisation, decentralisation, differentiation and integration (Jansen et al. 200; Marín-Idárraga & Cuartas, 2016).

Marín-Idárraga & Cuartas (2016) notes that centralisation means that the decision-making authority is centralised, while the delegation of decision making to other business units is decentralisation. Marín-Idárraga & Cuartas, 2016) further suggest that differentiation (separation) is about employee's task specialisation, where different units specialise in specific areas of knowledge, without sharing to other business units. Integration is referred to the integration of resources or sharing of knowledge between different business units (Jansen et al. 2009). Jansen et al. (2009) believes that ambidexterity could be achieved by focusing on the correct balance between separated and integrated approach on a structural organisational level. In previous literature exploratory innovation has been linked to a decentralised structure and exploitative innovation to a centralised structure (Benner & Tushman 2003; O'Reilly & Tushman, 2008). Whereas, other studies suggest organisations to be more decentralised to promote exploitative innovation (Boumgarden et al. 2012). In addition, Marín-Idárraga and Cuartas (2016) believes a decentralised structure, in general, affects a company's innovation outcome positively.

Freeman and Engel (2007) argue that exploratory innovation creates challenges for large organisations since the commercialisation of exploratory innovation requires other structures than exploitative. In addition, other scholars believe that a non-supporting organisational structure is a barrier to exploratory innovation (Das et al. 2018; Sandberg & Aarikka-Stenroos, 2014). Previous studies suggest that to overcome the conflict between exploratory and exploitative innovation a separate structure is needed, where one business unit manages exploitative innovation, and another

manages exploratory (Das et al. 2018; Du & Chen; 2018; Fredberg & Pregmark 2016; O'Reilly & Tushman, 2008). Similarly, Smith and Tushman (2005) note that too much focus on exploitative innovation could crowd out exploratory innovation if they happen within the same business unit. In addition, Jansen et al. (2009) suggest that for organisations to achieve ambidexterity, they should create a separate business unit with an exploratory innovation focus and another unit with an exploitative focus. The authors argue that the advantage of a separate organisational structure is that the different business units can specialise in different competencies, required for each innovation focus.

Jansen et al. (2009) note that this makes it possible for exploitative business units to focus on developing existing products, while the exploratory units can focus on new knowledge and skills. Likewise, Du and Chen (2018) suggest separation of exploratory and exploitative innovation into business units as they have different strategic directions. The authors believe that due to the paradoxical nature of exploratory and exploitative innovation, it is important to separate the business units on the operational level. In addition, Tushman et al. (2010) study suggest that organisations successful in achieving ambidexterity have separate business units for exploratory and exploitative innovation, while at the same time have linkages between the units to make use of assets and resources that both types of innovations focus could benefit from. However, to separate exploratory and exploitative innovation is difficult since communication between the units is vital, according to Hunter et al. (2017). Their study suggests that to reduce conflicts, a shared leadership model where management can create alignment between the separate business units is needed.

Moreover, another perspective in previous studies suggests that the organisational structure could be designed to separate exploratory and exploitative innovation, into temporary groups for shorter periods, or separation in different geographic locations (Bessant et al. 2014; Hunter et al. 2017). In addition, Bessant et al. (2014) believe that a separate business unit with an exploratory innovation focus could risk of being too far away from the core business and therefore temporary groups for shorter periods is of more significant advantage over totally separate business units. However, Heracleous et al. (2017) argue that geographic separation between business units could be a hindering factor to achieve ambidexterity if there is no coordination between the different units.

2.2.3 Culture influences the balance between exploratory and exploitative innovation

This section outlines the culture factor and how it affects a firm's ability to achieve ambidexterity. Previous studies have proven that exploitative innovation, builds on a company's cultural history, and exploratory innovation creates very different future (Boumgarden et al. 2012; Smith & Tushman, 2005; Tushman et al. 2010). Similarly, Das et al. (2018) notes that corporate culture, in general, is an internal barrier to achieve exploratory innovation. In addition, Harzing (2002) found that group values are a specific cultural barrier to succeed with exploratory innovation. Smith, Binns and Tushman (2010) suggest that a company needs a corporate culture that supports exploitative and exploratory innovation among all individuals throughout the entire organisation.

Moreover, Tushman et al. (2010) study indicate that organisations that have achieved ambidexterity created a specific corporate culture for each innovation focus. Similarly, Boumgarden et al. (2012) suggest that separate business units in large organisations call for a different culture within each unit. Conversely, Gibson and Birkinshaw (2004) believe that the corporate culture must promote exploitative and exploratory innovation within the same company or business unit. The authors argue that any employees within the same business unit should manage ambidexterity.

Prior research has thoroughly investigated culture in the ambidextrous literature, where risk (Das et al. 2018; Henley, 2007), reward (Ahmed, 1998; Sharmelly, 2017) and the "not invented here syndrome" (Freeman & Engel, 2007) are important cultural factors. However, little research has been conducted to show the relationship between the factors or how they affect a company's ability to achieve ambidexterity.

Gibson and Birkinshaw (2004) believe that individuals within an organisation must handle the balance between exploitative and exploratory innovation. In addition, Wang et al. (2017) suggest that companies should balance exploitative and exploratory innovation in lower hierarchical levels, rather than separating them in different business units. Prior studies suggest that risk-avoidance by managers is a hindering factor for exploratory innovation (Das et al. 2018; Henley, 2007). Similarly, Bate (2010) argue that a risk-averse corporate culture hinders companies in creating a return on investments from innovation efforts. Previous studies suggest that companies must create innovation that falls into the risk tolerance of the corporate culture (Bate, 2010; Prange &

Schlegelmilch, 2018). In addition, Freeman & Engel (2007) believe that individual decision makers will favour some alternatives over others if the innovation does not fit the risk profile tolerated in the current business. Moreover, the level of risk-taking in an organisation is equal to the willingness to allocate large, risky resources to uncertain exploratory innovation projects (Bate, 2010). Kahneman and Teversky (1979) found that managers tend to be more risk-averse in situations of gains, and this could lead to that riskier innovation are not being prioritised. In addition, Johnson (2001) argues that managers and employees who experience a high level of risk related to innovation might not support the innovation and could even sabotage it.

Furthermore, exploratory innovation is argued to have a higher risk than exploitative (Bessent et al. 2014). Das et al. (2018) note that an important internal enabler to exploratory innovation is performance incentives. Similarly, Johnson (2001) suggests that companies should introduce higher rewards for more risk-taking behaviours. In previous literature, rewards are suggested for motivating employees to work with innovation initiatives and for creating an innovative culture (Ahmed, 1998; Sharmelly, 2017). Kerr (1975) notes that management must reward the behaviour they wish to see from employees, meaning the rewards should reflect the desired behaviour. In addition, Lau and Ngo (2004) suggest that performance-based rewards are vital to creating a corporate culture that enables innovation. This is evident in Tushman et al. (2010) study, the organisations that achieved ambidexterity had reward structures for exploitative and exploratory innovation within each separated business unit. The authors suggest that for companies to achieve ambidexterity, the top management should create different reward structures for exploitative and exploratory innovation.

In prior studies, the “not invented here syndrome” is believed to affect a company's ability to achieve ambidexterity (Antons & Piller, 2015). According to Antons & Piller (2015), the “not invented here syndrome” is a negative attitude and rejection from one person towards ideas or external knowledge coming from other individuals. Moreover, Antons and Piller (2015) suggest that the corporate culture influence the “not invented here syndrome” to some extent, but most important is the individual's attitude. In previous literature the “not invented here syndrome” is suggested as a barrier to innovation in large organisations (Bessant et al. 2014; Freeman & Engel, 2007). Das et al. (2018) believe that the "not invented here syndrome" is a key barrier to succeed

with exploratory innovation within large organisations. In addition, when innovation is rejected due to the “not invented here syndrome” in an organisation the “not invented here syndrome” is believed to affect ambidexterity negatively in an organisation. (Antons & Piller, 2015; Bessant et al. 2014). Antons and Piller (2015) notes that employees or teams within an organisation could value their own knowledge higher than knowledge coming from another employee, team or business units. The authors suggest that this makes the “not invented here syndrome” a disadvantage for companies, as it forces individuals to make biased decisions.

Similarly, Freeman and Engels (2007) suggests that when innovations are close to core products, this could result in resistance, also known as the “not invented here syndrome”. The authors also discuss the challenges in the commercialisation process, when innovation is developed in one department and implemented to another department. The authors suggest that it is easier to implement exploitative innovation, as innovation is closer to the current business. Previous studies note the risk level connected to innovation, and the potential for conflict with the existing business model or strategic initiatives, determine the level of the “not invented here syndrome” from managers (Freeman & Engel, 2007; Johnson, 2001). Johnson (2010) believe that in order to overcome the “not invented here syndrome” when implementing innovation in another business unit, that innovation must fit the targeted business units’ values. In addition, Anton & Piller (2015) notes that other ways to overcome the “not invented here syndrome” could be to build an incentive structure that rewards knowledge sharing.

2.3 Summary

Exploitative innovation is close to a company's existing business, focused on existing capabilities and short-term profit. Exploratory innovation, on the other hand, is outside the current portfolio, focused on new capabilities and long-term growth. When a company manages to balance exploitative and exploratory innovation, it is believed to be ambidextrous. Previous literature suggests that it is vital for an organisation to achieve ambidexterity in order for obtaining long-term sustained performance. However, since the two innovative approaches are paradoxical in nature, balancing them is difficult, as it creates tension and potential conflicts within the organisation. However, prior studies have failed to identify a common view on how to achieve a balance between exploratory and exploitative innovation. Previous literature has discussed how to

achieve ambidexterity; on a strategy, business unit or individual level. For companies to achieve ambidexterity, previous research suggests that dynamic capabilities are important. Dynamic capabilities (internal factors) in previous literature is; strategy, organisational structure and culture.

For an organisation to achieve ambidexterity, it is important that the strategy formulation process creates alignment between the strategy and innovation activities, as highlighted in the strategy section. Highlighted in the organisational structure section are different perspectives on how to achieve ambidexterity at the business unit level. Some authors suggest a separate approach, where exploratory innovation happens in one business unit and exploratory in another unit. Several authors suggest an integrated top management approach. The culture section highlights the incentive structure, risk culture and the "not invented here syndrome" as barriers or enables to achieve ambidexterity. The figure below visualises the literature on ambidexterity and the structure of the literature review. The figure provides an overview and summary of the literature review.

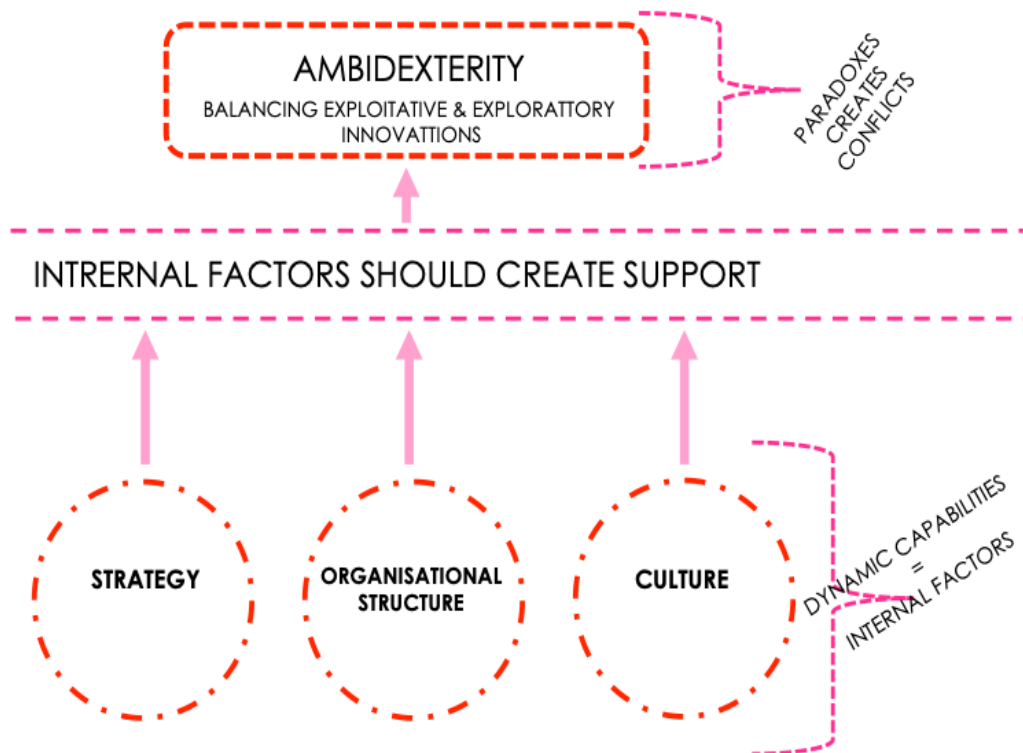


Figure 2.1 Literature Overview (Own Creation, 2019).

3. Methodology

The following section outlines the applied method for answering the research questions and assesses the chosen research design. The abductive approach supports the hermeneutics view on research, focusing on understanding the context of the case organisation. The section also assesses the qualitative research strategy, and how the choice of method impacts the validity and reliability. Further, the section outlines the data collection and analysis method.

3.1 Worldview of hermeneutics

This study aimed to create an understanding of how internal factors (strategy, organisational structure and culture) affect a large organisation's ability to handle ambidexterity and how the internal factors interrelate. The hermeneutic view on research was used in this study, since understanding is a central aspect of hermeneutics, with an emphasis on interpretation (Paterson & Higgs, 2005). Furthermore, the hermeneutic helix symbolises a focus on further development and the constant pursuit of knowledge development, where parts are compared to the whole picture and vice versa at a continuous speed (Paterson and Higgs, 2005). A more in-depth understanding was developed, by continually compare the pre-understanding from theory with newly developed knowledge from the empirical data, as recommended by Gummesson (2003).

3.2 Research design

Based on the identified gap in the previous literature, the research questions were developed (Creswell, 2014). There was a lack of studies on the interrelationship between the factors and how they affect a company's ability to achieve ambidexterity. To answer the research questions, "*How do internal factors affect a firm's ability to handle both exploitative and exploratory innovation? And how are the internal factors interrelated?*", an abductive approach was utilised. The abductive approach utilises elements from both inductive and deductive research, meaning that knowledge and theory is created by gradually interpreting both empirical data and previous research (Saunders, Lewis & Thornhill, 2016), as described in the hermeneutic spiral (Gummesson, 2003).

The abductive approach on research was criticised for being incoherent (Niiniluoto, 1999). However, the aim of this study was to create an understanding of how the internal factors (strategy, organisational structure and culture) affect a large organisation's ability to handle ambidexterity.

Further, how the internal factors are interrelated. Therefore, a combination of theory and empirical data was needed, and the abductive approach was utilised. The abductive approach made it possible to build the study on previous ambidexterity literature, while, at the same time extend prior understanding by interpreting the collected data (Cepeda & Martin, 2005). This process made it possible to make small adjustments to the literature review and interview guide during the data collection process, in line with Niiniluoto (1999) argument for using abduction in science.

Furthermore, previous research in the field was collected and presented in the literature review. The topic for the literature review was "ambidexterity" and has provided as a guide during the whole literature collection process (Creswell, 2014). As recommended by Bryman and Bell (2011), the selected keywords were chosen based on the purpose of the study. Selected topic keywords were; Strategic Innovation, Corporate Innovation, Exploitative, Exploratory, Ambidexterity, Innovation. Selected problem keywords were; Strategy, Paradox, Conflict, Organisational Structure, Culture. Selected articles were summarised and structured by important themes (Creswell, 2014), using a referencing program called Mendeley. After finding articles based on described keywords, the articles were mapped. A literature map was created and served as a basis for the literature review, this gave a clear overview of the topic (Creswell, 2014). Both supporting and critical articles were used for building the literature review (Gummesson, 2003). Furthermore, Eisenhardt (1989) adds another perspective to the case study method and argues that conflicting literature is a vital part, as it increases the trustworthiness of the study. Another argument for using conflicting data is the ability to identify gaps in theory (Eisenhardt, 1989). In the ambidexterity literature, there is no common understanding of how to achieve ambidexterity. Therefore, conflicting research was used to gain a broad pre-understanding of ambidexterity.

3.3 Research strategy

This section outlines the applied research strategy for answering the research questions. The research strategy had a qualitative approach and utilised a single case study to collect empirical data (Bryman & Bell, 2011). This section outlines the advantages and disadvantages of the utilisation of a single case study. Further, semi-constructed interviews were conducted to gain an understanding of how internal factors (strategy, organisational structure and culture) affect an organisation's ability to achieve ambidexterity and their interrelation.

Moreover, a single case study was applied to provide deeper understanding of the subject and explore new theoretical relationships that was not understood before (Gustafsson, 2017). Rich details from a single case were relevant since the research questions aimed for a deeper understanding of the internal factors and their interrelationship (Gummesson, 2003). Likewise, a single case study was applied due to the time constraints (Gustafsson, 2017). A multiple case study was not possible, due to the short time frame of 10 weeks.

The single case study was supported by notes, observations, and probing interviews. Furthermore, Eisenhardt (1989) argues that the main advantages with a case study, was the possibility to use several methods of collecting data. Observations did not provide accurate insights about the case organisation, but rather added details to the study to understand relationships and processes (Eisenhardt, 1989). This provided the study with a more holistic perspective of the case organisation.

To contribute with new understandings and knowledge to the subject of ambidexterity, a case study was the most favourable method to use. Also, as the subject of ambidexterity (Cao et al. 2009; March, 1991) is a reasonably new an interpretative single case study was used (Cepeda & Martin, 2005). The benefit of an interpretative single case study was the opportunity to explore areas new areas, missing in existing literature (Cepeda & Martin, 2005). This requires flexibility in the research approach, as suggested by Cepeda and Martin (2005). The flexible approach was evident in the data collection process where data from the interviews was interpreted, in line with the abductive research. This was in line with Cepeda and Martin (2005) discussion on interpretivism versus positivism in case studies. Researcher must be open to contradictions between the predetermined theory and the findings from the data collection with an ongoing revision (Klein and Myers, 1999). Further, a critical aspect of an interpretive case study is that the participants could be biased and have different narratives due to their experiences (Klein & Myers, 1999). The literature review was used as a guide and compared to the new data on a continuous basis, to overcome potential biases.

However, in contrast to multiple case studies, a single case study does not allow wider discovery of research questions (Gustafsson, 2017). In addition, as the findings were based on one case, they were difficult to generalise (Eisenhardt, 1989). Further, with a single case study, it was not possible to study similarities and differences between different cases and gain valuable insights from the comparisons (Gustafsson, 2017). There were specific challenges and opportunities that the case organisation faced, and the results were only applicable for the case organisation. However, a generalised conclusion was not necessary, since the study aimed to create an understanding of how internal factors affected the case organisation's ability to handle ambidexterity and how the internal factors were interrelated.

3.4 Data collection

This section contemplates to describe the challenges and opportunities connected to the use of qualitative semi-constructed interviews as data collection method. To understand the problem and the respondent's situations, a qualitative research method was used (Bryman & Bell, 2011; Creswell, 2014). For selecting respondents, a goal-focused method was used, which means that the respondents were strategically chosen based on the research aim (Bryman & Bell, 2011). This selection technique considered compatible with the hermeneutic approach (Gummesson, 2003). This approach was used, since previous research suggests that ambidexterity occurs on multiple levels within an organisation.

Therefore, the hierarchical levels at the case organisation were grouped into three primary levels; top manager, business area manager and team leader. The definition of a top manager, was a manager in the highest hierarchical level of the organisation, took part in the overall strategy formulation and had responsibility for both employees and results. The business unit managers were each of them, managers for one of the decentralised business units. They also took part in the executive team and the overall strategy formulation. The business unit managers had responsibilities for both employees and results. The team leaders worked in the centralised innovation programme and did not take part in the executive team and the strategy formulation. The team leaders had no responsibility for employees or results. However, they were responsible for the innovation projects within the innovation programme.

Table 3.1 List of participants

Respondent	Decision Making Level	Method	Duration
Respondent 1	Business Unit Manager 1	Face-to-face	60 min
Respondent 2	Business Unit Manager 2	Phone	45 min
Respondent 3	Business Unit Manager 3	Phone	45 min
Respondent 4	Team Leader 1	Face-to-face	60 min
Respondent 5	Team Leader 2	Face-to-face	60 min
Respondent 6	Business Unit Manager 4	Face-to-face	60 min
Respondent 7	Business Unit Manager 5	Phone	30 min
Respondent 8	Top Manager 1	Phone	45 min
Respondent 9	Top Manager 2	Phone	35 min
Respondent 10	Business Unit Manager 6	Phone	45 min
Respondent 11	Top Manager 3	Phone	30 min
Respondent 12	Top Manager 4	Phone	30 min

In the following section, the method for conducted interviews will be presented. The first contact made with the case organisation was by email. After a first probing interview with the business unit manager of the innovation programme, the start for the master thesis was agreed on. Second step was two more probing interviews with the business unit manager of the innovation programme. During these two interviews, a relationship with the case organisation was established. Based on the established literature review, we created an interview guide. The guide (Appendix A) was developed based on the main themes in the theoretical framework; ambidexterity, internal factors affecting innovation; strategy, organisational structure and culture. The interview guide provided the interviews with open, predetermined questions and allowed the participants to talk

freely about the chosen topic based on the questions asked (Creswell, 2014). Simultaneously, as the literature review was conducted, a plan for whom to interview was made. Since there was no common view in the literature on how to achieve ambidexterity, this step was crucial for the study. All twelve respondents selected for this study, was chosen due to their relevant position at the case company. Furthermore, the respondents were chosen on the basis that they could provide insight to answer the research questions. Top managers, business unit managers and team leaders were contacted via email. Out of fifteen invitations, three rejected participation, due to time constraints.

In total, twelve semi-structured interviews were carried out, they lasted between 30 and 60 minutes. The interviews were held on a five-week period, started 12 of March, and ended 9 of April 2019. Face-to-face and telephone interviews were established for answering the research questions. Due to geographic distance, eight out of twelve interviews were conducted by phone. Opdenakker (2006) argued that researchers can listen to the respondent's voice, interpret the meaning of the words, even if the interviews were done by phone. The author argued that body language interpretations were not useful for the quality of a study. Based on mentioned arguments, telephone interviews were accepted for this study. A case study was of advantage for this research, since it was possible to adjust and add questions as the research evolved (Eisenhardt, 1989). During the data collection process it was possible to add new sub-categories to the literature review during the collection of empirical data as the understanding and knowledge of the subject of ambidexterity expanded. The interviews were conducted with consent from the participants in calm surroundings. Furthermore, to get the best answers and to avoid language barrier, the interviews were made in Swedish. By conducting the interviews in Swedish, the participants could provide with more in-depth answers. Interviews in Swedish, provided the study with a better possibility to answer the research questions. The data collection process enabled the study to collect rich empirical data, used to answer the research question.

3.5 Data analysis

The following section outlines how data was analysed and converted into findings, used to answer the research questions. Thematic analysis was carried out, to transform collected data into themes, and provide a basis for answering the research questions (Castleberry & Nolen, 2018). Thematic analysis has been widely used for qualitative data analysis to identify, organise and interpret the

themes in textual data (King & Brooks, 2018), especially when conducting semi-structured interviews (King, 2004). The empirical data did only consist of text from the transcribed interviews, and non-numerical data was collected. The thematic analysis was done in two steps; defining and organising themes, as suggested by King and Brooks (2018). Braun and Clarke (2006) argued, to identifying themes within qualitative data, thematic analysis is useful. This was in line with the aim, is to understand the context at the case organisation. Moreover, the main strength of thematic analysis was the possibility to compare different views of the respondents (King, 2004). The collected data in this study came from multiple levels within the case organisation; top manager, business unit manager and team leaders.

As with all data analysis methods, thematic analysis was not without limitations. It is hard to maintain the right balance between too loosely defined initial themes and too detailed defined initial themes (King, 2004). Huberman and Miles (2002) discuss the critical process of thematic analysis, from developing the first framework until creating the final codes as uncertain. A systematic process of how to conduct the analysis was established to compensate for that issue. To provide this study with consistency and transparency when analysing the collected data, the first step was to develop all predefined codes (Appendix B). However, a weakness with the predefined approach, in opposition to the more open coding method, was that the predefined codes could steer the result (Raskind, Shelton, Comeau, Cooper, Griffith & Kegler, 2019). To overcome this weakness, a comprehensive literature review and thematic analysis, was used. Furthermore, another critical aspect of thematic analysis in qualitative research was the interpretation part (Braun & Clarke, 2006). Interpretation could be useful, but it is hard to know what the respondent meant. However, to interpret as valid as possible, the findings were applied to broad themes, and no conclusion of the results was drawn at this stage. The data analysis process consisted of eight steps in total and are outlined in the following section. The first step in the data analysis process was the transcription of all the collected data from the interviews. The interviews were transcribed, which resulted in eighty pages of raw data. The transcribing process allowed for a better understanding of the data after that the interview was conducted. In order to transcribe all interviews, they were recorded on agreement from all respondents (Bryman & Bell, 2011). The transcriptions were made by hand with a structured process to avoid the risk associated with manual transcribing (Creswell, 2014). Moreover, an aspect of this study was the vast amount of data collected. Twelve semi-constructed

open-ended interviews ranging from thirty to sixty minutes was conducted. To handle all data, the transcription process was planned over several days, and the work process was divided between the researchers. A further important aspect was that all relevant data for the themes was translated from Swedish to English, after the interviews were transcribed.

In the next step of the data analysis, transcribed data was read through, and the first initial new codes were generated. Braun and Clarke (2006) explains that this phase involves production of initial codes. Transcribed data was roughly grouped, and was coded by colouring text, based on the broad themes from the literature review. A critical aspect of this step was bias, which could have a significant impact on the result (Castleberry & Nolen, 2018). As the researchers had an important, active role in the study, biases could occur. For the reader to understand possible preference, a brief description of their experience in the field is provided. The researchers were both students at Lund University, studied a master's in international strategic management. Also, the researchers had business background. Furthermore, the researcher's role could have influenced the study since their prior knowledge may shape the interpretations of data (Creswell, 2014). This was reflected in the interaction between the literature review and the empirical data.

Third step in data analysis was coding. Raskind et al. (2019) approach on coding, used for this study, was to create a list of codes based on previous literature. The same attention was given to all data, which provided the study with extra validity (Raskind et al. 2019). The fourth step was to create new codes based on transcribed data from the interviews. The predefined framework was regrouped, new data was analysed and generated new themes (Creswell, 2013). Some empirical data did not match the predefined codes, though relevant for answering the research questions (King, 2004). Therefore, new codes were created. This process consisted of going back and forth between predefined codes and empirical data (King, 2004). Newly defined codes from empirical data served as sub-themes under the four main themes. All the predefined and new codes is found in Appendix B. Fifth step in data analysis, was the development of themes. The themes from the literature, used as a guide for the following codes; ambidexterity, strategy, organisational structure, culture. The interpretative part was a critical aspect of building themes. Essential to mention, the interpretation part was an ongoing process of research, and began the first day of study. There is no perfect way to interpret data to build themes. However, Yin (2011) argue for five quality checks

for proper interpretation, where the reader can follow how the interpretation was made and the process from start to end. Furthermore, another initiative, is that interpretation should be accurate and add value to the subject. Consent on how to interpret the findings was established between the researchers, to meet this criterion.

The next step in the thematic analysis was to review the themes, established to understand if they were useful (Castleberry & Nolen, 2018). A separate document including only relevant data from each transcribed interview was created to determine which themes to use. The transcribed text was read through twice, to make sure all relevant text was included in the themes (Braun & Clarke, 2006). In step seven, the themes were redefined and named as ambidexterity, strategy, organisational structure and culture. This was done by interpreting, discussing and conducting a comprehensive analysis of the result as described by (Braun & Clarke, 2006). The result of that process was the following theme titles: *The media industry, Case organisation, Research question part 1, Strategy factor, Organisational structure factor, Research question part 2, Strategy affects the structure and culture, The case organisations ability to handle ambidexterity and The case organisation was not ambidextrous*. The final step in thematic analysis was the discussion part. Braun and Clarke (2006) argue that the discussion section is complicated for thematic analysis, and it is crucial that the researchers make it coherent and logical. The discussion section was based on comparisons between the literature review and the empirical data. It was done in close collaboration between the researchers to make the discussion coherent and logical as possible.

3.6 Validity and reliability of the chosen methodology

The study was based on anonymous participation to avoid biases and bring validity to the study (Creswell, 2014). Further, peer debriefing by one supervisor, added validity to this study by continuously examined the process. Further, detailed and thick description to explain the research process added validity (Creswell, 2014). This was established with a comprehensive description of the case, method section and literature review. The study struggled with two factors impacting the validity, time and external audit (Creswell, 2014). However, this did not affect the study. Furthermore, the case study was limited in the scope of applicability since the data was not representative for a large population (Creswell, 2014).

Moreover, to make the research process as transparent and reliable as possible, all steps and choices during implementation of this study was openly described (Creswell, 2014). To show how the literature review and collection of data was conducted, the research process was described through text and supported by illustrations (Creswell, 2014). Moreover, before coding the collected data, a framework of how-to transcript data was created via a collaborative discussion among the researchers. This process provided the study with rules and a framework, to avoid mistakes during transcription of the interviews (Creswell, 2014). The theory themes in the discussion part were continually revised accordingly, the hermeneutics helix, where themes are re-developed (Gummesson, 2003). Furthermore, Creswell (2014) suggests that a qualitative study should utilise inter coder agreement. This could be difficult to achieve, as it involves another independent researcher for this specific study, to compare the findings. However, as this study have a supervisor, this was, to some extent, accomplished.

3.7 Ethical considerations

When conducting research, researchers need to consider ethical issues. A concern as described by Saunders et al. (2016) is the perspective of confidentiality for the participants. This study was anonymous, also communicated to the participants initially. Furthermore, voluntary participation is an ethical issue discussed by Saunders et al. (2016). This study was based on voluntary participation, but observations were utilised to some extent. The observations were not used as empirical data, but rather to build a holistic understanding of the company and its context.

3.8 Summary

A hermetic worldview with an abductive research approach was utilised combined with a single case study as a qualitative research strategy. In addition, a framework for semi-structured interviews based on the literature review was conducted. The literature review was used to cover previous research in the ambidexterity literature and for creating an interview guide for the twelve interviews. The data were analysed by using thematic analysis and provided the foundation for the discussion and conclusion. All steps were carefully documented to add validity and reliability to the research. Lastly, ethical considerations have been laid out.

4. Results

This section introduces the studied case organisation and provides an overview of the empirical findings collected from twelve semi-structured interviews. Empirical data was collected from multiple levels within the case organisation. To highlight different hierarchical levels, the respondents are referred to as; top manager (firm level), business unit manager (business unit level) or team leader (individual level). The gathered data were analysed using a thematic analysis. From previous literature, it was possible to predefine the following themes; "ambidexterity", "strategy", "organisational structure" and "culture". Within the ambidexterity literature, it was possible to predefine the following codes; "exploit", "explore" and "balance". From the strategy theme following codes was predefined; "strategy formulation" and "strategy alignment". However, the predefined codes "top management integration" and "top managers ability", did not appear in the empirical data, therefore, not included in the result section. From the organisational structure theme following codes were predefined; "decentralised" and "centralised". However, the predefined codes "size", "heritage" and "separation", did not appear in the empirical data, therefore, not included in the result section. From the culture theme none of the predefined codes; "risk", "reward" and the "not invented here syndrome" appeared in the result for the first part of the research question. However, the predefined codes "risk", "reward" and the "not invented here syndrome" appeared in the second part of the research question concerning the interrelationships, in headline 4.3. Also, the predefined codes "level of uncertainty" and "information sharing", did not appear in the empirical data, therefore, not included in the result section.

Moreover, the empirical results extended the predefined themes by offering more specific factors affecting the organisation's ability to handle ambidexterity. New codes emerged from the empirical data in the strategy theme, and they were; "financial return", "short- and long-term perspective" and "resource allocation". New codes emerged from the empirical data in the organisational structure theme were: "internal stakeholders". Themes from thematic analysis are hereby referred to as factors, and the codes from thematic analysis will be referred to as sub-factors. Furthermore, this section plays a crucial role in addressing the research questions *How do internal factors affect a firm's ability to handle both exploitative and exploratory innovation? And how are the internal factors interrelated?* However, while this result-section focuses solely on the results from the

empirical data, the following discussion-section will discuss and compare the empirical data with previous literature.

4.1 Case organisation

There is a vast number of players within the Scandinavian media industry (MarketLine, 2017). A factor that is increasing the rivalry within the media industry is fixed costs for printing. The fixed costs within the industry force large media organisations to diversify in order to maximise their investments (MarketLine, 2017). Furthermore, almost all companies within the newspapers segment today, gain most of their revenue from online advertisements or subscriptions and have digital strategies (MarketLine, 2017).

The case organisation is one of Sweden's leading media organisations, reaching over three million readers every day. Furthermore, it is a large organisation with a long heritage and history. In addition, the case organisation strives to lead the digital transformation in the industry as its traditional core business, and printed newspapers are under pressure. Moreover, a private family owns the case organisation, and the case organisation is therefore not present on the stock exchange market. Therefore, there are limited resources in the organisation, following risks with investments are shared among the business units.

Moreover, the case organisation experiences fluctuations in total net revenue between 2016 and 2018. While, examining the annual report and solely looking at traditional media (printed books, news and magazines) findings was that only paper magazines experience negative performance in net revenue between 2017 and 2018. Furthermore, the annual report indicated that printed news and paper magazines had weak earnings before interest and tax in 2018. The weak performance in earnings before interest and tax performance was mainly due to the high cost in print and expensive editorial investments. Moreover, the case organisation is struggling with implementing and managing subscriptions, and this has a negative impact on the earnings before interest and taxes. The implications for the case organisation are decreasing revenue from their traditional business. Simultaneously, the industry is in a transformational stage and digitalisation is replacing the traditional media. To follow the changes within the industry the case organisation initiated the central innovation programme in 2016. The aim for the innovation programme is to create growth

for the entire organisation by developing innovations for the end consumer, with a focus on extreme personalisation, education and health.

The organisational structure is both centralised and decentralised. The organisation consists of six central functions; human resources, administration, finance, tech, publication and market insight. The innovation programme is a part of the publication and market insight business unit. The innovation programme has a business unit manager that is responsible for the innovation programme and the innovation activities. However, business unit manager for the innovation programme does not take part in the overall executive group and overall strategy formulation.

Furthermore, the decentralised organisation consists of six different brands, divided into six business units. Each business unit manager has decision-making authority for their unit. All these business unit managers are a part of the overall executive group and in the overall strategy formulation. The business unit managers are responsible for formulating a strategy for their business unit, which is reviewed and accepted by the CEO. The case organisation's overall strategy consists of five strategic pillars. All six decentralised business units are operating within the same industry; however, they all have very different customers, value propositions and offerings. One of the business units is the second largest player in their market and reach is their main strength. They focus on daily news and are covering the whole Swedish market. Another business unit has a business to business focus with several magazine titles. A common understanding of the magazine titles in this business unit is that they have a more niche focus. A third business unit has a business industry focus and is also covering the entire Swedish market. This business unit is present in both in print and online. The fourth business unit is one of Sweden's most well-established newspapers with a good reputation. This business unit is present both in print and online. The fifth business unit has a niche focus on the lifestyle segment, mainly on printed magazines. The sixth business unit with a local focus, covering the south of Sweden and is mainly present in print.

The twelve respondents represent employees in three hierarchical levels within the case organisation. Four respondents are top managers; CEO or responsible for finance, sales or business development. Further, six respondents are business unit managers. Five, of them, are responsible for a decentralised business unit each and one is responsible for the centralised innovation

programme. Lastly, within the innovation programme, there are two team leaders, one is responsible for initiating innovation projects, and one for scaling innovation.

The figure below illustrates how the structure of the case organisation. The case organisation consists of six decentralised and seven centralised business units. The centralised innovation programme and sales & market insights have the same top manager. The other centralised business units' human resource (HR), finance, admin, publication and tech have their own managers. The business units' managers from the decentralised business units, are part of the management group, together with the top managers from finance, publication and sales & market insights.

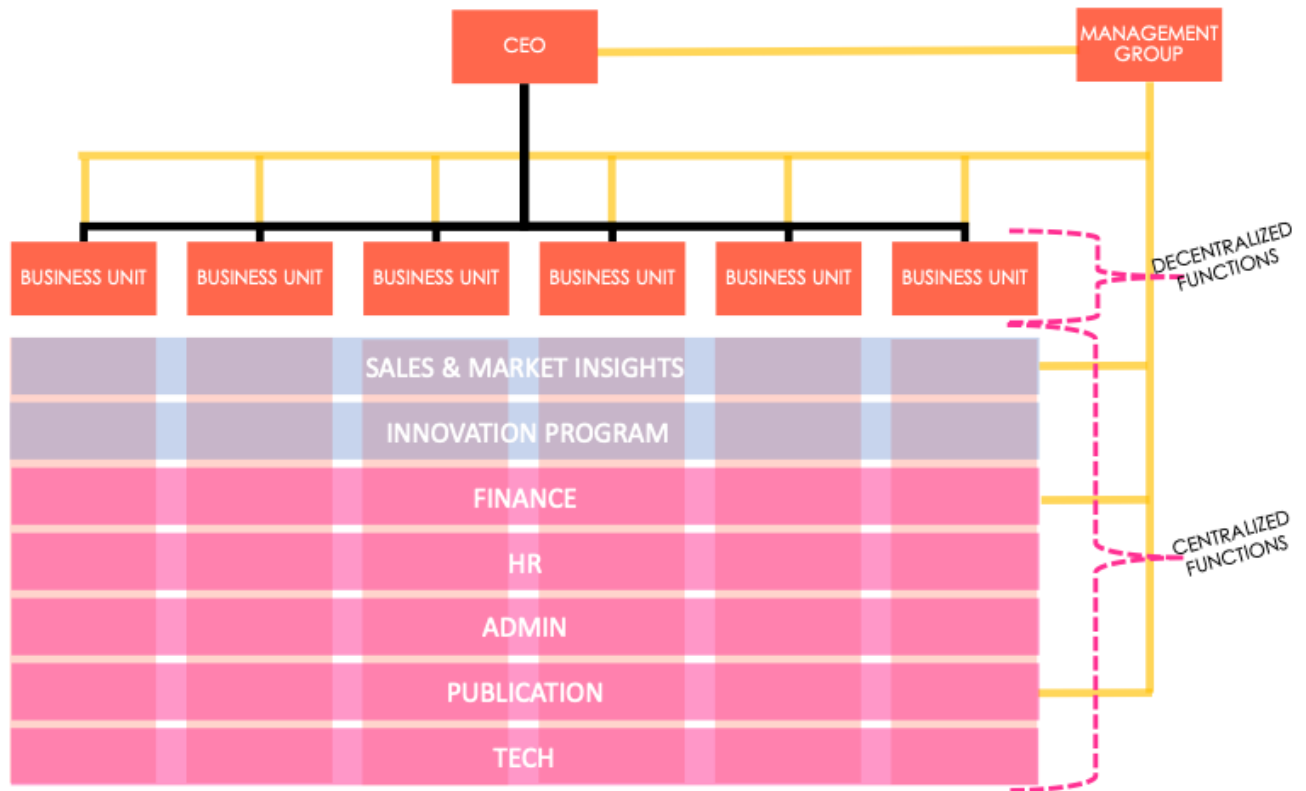


Figure 4.1 Organisational structure (Own Creation, 2019).

4.2 Research question part 1

This section will outline how the internal factors affected the case organisations ability to handle both exploitative and exploratory innovation.

4.2.1 Strategy factor

Findings from the interviews revealed that exploitative innovation was solely the focus in the overall strategy. Therefore, none of the business units has prioritised exploratory innovation, as this focus was lacked in the overall strategy. Further, the empirical data revealed that the strategy promoted short-term budgets, resource allocation and financial objectives.

Sub-factor: Strategy formulation

Data from several interviews revealed that the strategy formulation process at the case organisation included several components such as time perspective, resource allocation and financial return. The findings revealed different opinions about the role of innovation in the strategy formulation process. Similar, data from several business unit managers revealed that innovation was not on the agenda in the strategy formulation process. One top manager said that there was no innovation focus in the strategy formulation process. Moreover, data from five out of six business unit managers, strongly indicated that innovation needed to take a clearer and more prioritised place in the top-management agenda. One respondent expressed that if innovation will be successful, it had to take a more significant part in the strategy formulation process, especially exploratory innovation. Similarly, another respondent said that the direction for the organisation on exploratory or exploitative innovation should be clearer in the strategy discussion. In addition, for succeeding with innovation, several interviews indicated that a clear ambition, clear goals and a performance structure for innovation was vital. Data from one interview with one of the top managers revealed that it was essential for the organisation to be specific on which innovation the organisation will do. The lack of innovation focus in the strategy was highlighted by one of the top managers accordingly;

“We have no clear innovation agenda, but everything we do is both conscious and unconscious innovation, as we are forced to do new things in order to survive” (Top Manager 3).

Several respondents underlined the importance that the overall strategy should promote innovation. Likewise, most of the respondents believed that the overall strategy did not promote innovation in general. One business unit manager argued that the overall strategy needs to be adjusted to better support innovation. However, one top manager said that the business units need to focus on innovation to reach the overall strategic objectives in all five strategy pillars. A majority of the respondents, including business unit managers and top managers, revealed a lack of exploratory innovation focus on the overall strategy. In addition, one respondent said that the five strategy pillars solely provided a direction for what the organisation should do regarding exploitative innovation. While the foundation for everything, the case organisation does, according to one top manager, was the five strategy pillars.

Furthermore, a clear consensus among business unit- and top managers revealed that the strategy pillar, focused on maintaining core business, did not promote innovation. Conversely, one respondent argued that the strategy pillar focusing on maintaining core business forced the organisation to work with exploitative innovation. In addition, several top managers said that to do long-term, exploratory innovation, the company must create short-term revenue from the core business, which indirectly promotes exploitative innovation. One respondent said that focus on exploitative innovation in core business would generate revenues that could be reinvested in long-term innovation initiatives. Moreover, several managers underlined, that a long-term exploratory innovation could be a part of both the niche and the value chain of advertisement strategy pillars. Likewise, the empirical data revealed that if strategic objectives were quantified and had a long-term perspective, it would serve as a better framework for exploratory innovation.

New sub-factor: Long- and short-term perspective

Several respondents underlined the importance of balance between short- and long-term perspective in the strategy. Most of the top managers revealed that the strategy formulation process in the case organisation has a time horizon of one, three and ten years. One interview with a top manager revealed that key success factors for succeeding in an uncertain future must obtain a 10-year perspective. Moreover, several top managers expressed that a ten-year perspective in the strategy formulation process should be supported by a three and one-year perspective. In other words, the three and a one-year perspective should support the vision for the ten-year strategy.

Moreover, a clear strategic position for the future makes it easier to focus on innovation, according to several respondents. One interview with a business unit manager revealed that the discussion on where the organisation is going to be in ten years, must be evident during the executive management meetings. Likewise, several respondents highlighted that the ten-year perspective in the media industry was essential for long term survival for the organisation. However, due to the fast-changing media industry and decrease in revenue, one top manager revealed that two years innovation project were always prioritised over a ten years innovation project. Additional data from several respondents indicated that short-term innovation was prioritised over long-term initiatives due to financial aspects. Likewise, from empirical data it was evident that there was a need for a clear long-term plan for innovation, to know how much to invest in innovation. Findings from the interviews with the top managers indicated that innovation was seen as both a cost and an investment in the case organisation. Further, many respondents argued that innovation activities should result in short term return on investment but at the same time innovation should have a long-term perspective. However, one interview with a top manager revealed that innovation is a process of testing ideas several times, without it being strictly tied to a budget or an internal stakeholder.

New sub-factor: Financial return

Findings revealed that several top managers agree on the fact that different types of innovation need separate time perspectives and budgets. However, one interview with one of the top managers revealed that everything that the case organisation did, had to show short term financial results, including innovation projects. Also, another top manager said that innovation needed to prove itself successful and generate return quickly. In addition, data from several respondents indicated that there was no room for innovation in the business units' budgets.

Moreover, one of the business unit managers argued that the organisation needs to find a new financial model for encouraging long-term innovation activities. Several respondents highlighted that a financial model for long-term innovation should give different time frames for different innovation project as they have different return on investment. The model would enable long-term innovation projects to show profit after several years, not the first year. Likewise, one business unit manager noted that it was vital that some percentage of the budget was allocated for long term innovation projects, otherwise managers were prioritising short term projects.

The empirical data revealed that the initial objective for the innovation programme in 2016 was to create long term growth for the entire organisation. However, one of the top managers noted that the initiatives in the innovation programme had to show fast financial return. Several top managers underlined, for the case organisation to continue to create return on investments, innovation should happen in every business unit. However, evident in the findings is that several business unit managers believed that short-term objectives were a hinder, for long-term exploratory innovation. Furthermore, during the interviews, the two team leaders noted that the innovation programme was under pressure as they must show short-term financial results on an innovation project. They believed that this was hindering the programme to work with exploratory innovation projects. Similarly, both top managers and business unit managers from the interviews pointed out several challenges with a short-term perspective on innovation. A problem expressed by several top managers was that the case organisation could not manage to balance short-term decision-making with long-term visions. In addition, findings from one interview with a business unit manager indicated that the organisation was very busy with operational issues that there was no room for thinking and planning in the long-term perspective.

New Sub-factor: Resource allocation

The empirical data revealed that resource allocation was a barrier to succeed with exploratory innovation in the centralised innovation programme. According to the business unit manager responsible for the innovation programme, access to resources was believed to be a hindering factor, when innovation project developed, and more resources were needed. In addition, several respondents ,from all three levels, emphasised that for innovation to succeed, the organisation needed dedicated people who only worked with innovation projects over a longer period of time, which require resources. This was highlighted by one of the top managers accordingly;

“It is easy to make investment when a company is performing well, while, during recessions it is difficult to argue for long-term investments” (Top Manager 4).

The empirical data further indicated that the innovation programme was positive from a cost perspective, due to the centralised structure. However, several interviews indicated that the

centralised innovation programme had disadvantages from an exploitative innovation perspective. One disadvantage was that the other business units expressed resistance towards innovations developed at the centralised innovation programme. One the business unit managers expressed that another disadvantage with the centralised innovation programme was that they have little understanding of what the centralised business units need and therefore have not developed the "right" exploitative innovations. One top manager said that allocating resources to the decentralised business units for exploitative innovation have yielded higher return of investment compared to the return of investment yielded to the centralised innovation programme. One business unit manager said that the decentralised business units had better understand of how to develop exploitative innovation, and thereby the decentralised units could create faster return of investment. Another business unit manager highlighted this;

“If I had control over my own innovation and got my own share of the central innovation budget, then I would easily achieve my goals and increase the revenue, then if I was exposed to central priority between the business units” (Business Unit Manager 3).

Sub-factor: Strategy alignment

Findings revealed a missing link between the overall strategy and innovation programme. These findings were supported by most of the business unit managers. One business unit manager, a decision maker in the strategy formulation, said it was rare that the innovation programme was a part of the strategy formulation process. Also, one of the business unit managers argued, for the innovation programme to succeed with exploitative and exploratory innovation, responsibilities must be clarified from top management.

The interviews with all top managers, revealed a disagreement on how the innovation programme should be aligned with the strategy. Likewise, one interview with a top manager indicated that the innovation programme should have clearer direction, be more linked to the five strategy pillars. The missing of alignment between the innovation programme and the overall strategy was a problem, according to several respondents. In addition, one top manager expressed that the activities in the innovation programme must be in line with the overall strategy, but not with the other business units. However, several respondents underlined the disagreement regarding

responsibility for clarifying the objectives and direction of the innovation programme. Some respondents noted that the responsibility of the business unit manager for the innovation programme should be to define the objectives for the innovation programme and make sure it is coherent with the overall strategy. However, other respondents noted that the CEO and CCO should clarify the direction and objectives of the innovation programme. Moreover, data from several top managers revealed that for the organisation to succeed in innovation, the overall strategy needed to be more flexible and open to input from the organisation.

4.2.2 Organisational structure factor

Sub-factors: Centralised versus decentralised

Several respondents underlined that, for the case organisation to succeed in handling both exploitative and exploratory innovation, a balance between centralised and decentralised business units was vital. One respondent noted that the organisational structure was a hindering factor for long-term innovation activities. Furthermore, several respondents argued on disagreement within the case organisation regarding how to structure for exploitative and exploratory innovation. Some respondents underlined exploitative innovation to be established in both the centralised innovation programme and in the different decentralised business units, where each business unit should be responsible for exploitative innovation activities. While other respondents argued for exploitative innovation to be established only in the decentralised business units. The findings indicated that the organisation struggled to create an organisational structure that supports both exploratory and exploitative innovation.

Findings from interviews with the team leaders from the innovation programme, revealed that exploratory innovation must happen in the centralised programme. One respondent noted that the innovation programme was supposed to work and develop innovation that the decentralised business units did not do. Also, the respondent said that the programme must develop innovation that suits all business units, not only one or two. One business unit manager, said that the centralised innovation programme should work with exploratory innovation, to avoid conflict with other business units. Additionally, one top manager argued that the only responsibility the innovation programme must do, to develop exploratory innovation with a long-term innovation perspective.

Several respondents argued that long-term innovation will not be prioritised, since employees in the decentralised units focus on operational, everyday work. Findings indicate that the sales department is centralised enough to handle projects for all business units. Similarly, one business unit argued that the innovation programme must be a centralised function for all other business units, as an umbrella programme. Moreover, data revealed that the opportunities with a centralised innovation programme could be that they can utilise internal competencies and develop innovation based on data from the case organisation. In addition, the empirical data revealed that the current structure at the case organisation was too decentralised for the innovation programme to succeed with either exploitative or exploratory innovation. However, one respondent expressed that the current centralised structure for the innovation programme is a good structure for succeeding with both exploitative and exploratory innovation activities.

However, findings indicated no common view on this. Some respondents believed a centralised innovation programme had problems to succeed. A majority of the respondents believed, innovations developed by the centralised innovation programme, was too far from core business, that innovations risked never to be commercialised. Also, one business unit manager argued that if the innovation programme focused too much on exploratory innovation, far from the core organisation, a lot of exploitative potential could be lost. Similarly, one business unit manager noted, a business unit that has a long-term perspective, detached from the existing business, created challenges in utilising competencies within the organisation. Most of the respondents expressed organisational challenges regarding how to structure for success in both exploitative and exploratory innovation. Highlighted by one of the business unit managers;

“Maybe we should have an innovation programme for each different innovation focus. So, one programme with exploratory innovation and one with exploitative innovation”
(Business unit manager 1).

Data from several interviews revealed that the centralised innovation programme had difficulties in creating exploitative innovation, suited the entire organisation, since they were detached from core business. Further, several respondents underlined that the innovation programme met challenges when determining what position, it should have in the organisation. A majority of

respondents noted that the central innovation programme faced challenges, such as resistance from employees within the decentralised business units. Likewise, one business unit manager had no faith in the current innovation programme and how it was structured. One top manager agreed to some extent on the difficulties for the innovation programme accordingly;

“Maybe the innovation programme is doing the wrong things” (Top Manager 1).

The empirical data revealed that the case organisation had challenges with a centralised innovation programme. A centralised structure for innovation should be avoided in the media industry today. Highlighted by one business unit manager;

“All Swedish newspapers still have main income from print. Therefore, innovation is also about developing our printed paper product. In a media house, the heart of innovation is editorial staff, the other units are in some sense support units, to ensure that journalism is spread. That is the idea of a publishing company” (Business Unit Manager 3).

Most respondents believed it was difficult to develop exploitative innovation in the centralised innovation programme, as no understanding and knowledge of different business unit’s needs, competition and customers, was established. However, one team leader argued that an advantage with a centralised innovation programme was the potential to utilise competencies from all business units within the organisation. While other respondents underlined that access to the knowledge needed from other business units, was difficult to accomplish. Furthermore, several respondents expressed that the location for the innovation programme, seemed to be a barrier when developing exploitative innovation.

Another perspective generated from the interviews, was that innovation could appear anywhere in the organisation, and therefore, difficult for the organisations to structure for innovation. Similar, several respondents underlined that it was vital that the organisation structured in a way to support the opportunity that innovation can take place anywhere, and not tied to business units. Moreover, data from some respondents indicated that the innovation programme could work as an incubator for employees having an innovative idea.

New sub-factor: Internal stakeholders

The findings revealed the centralised innovation programme required internal stakeholders for commercialising innovation to the other business units within the organisation. This was believed to be a hinder for the program in developing innovation. Internal stakeholder, referred to as employees in the different business units that should function as receiver or implementer of a new project, product, process or service. Several respondents believed it was vital to, early in the process identify potential internal stakeholders for innovation projects. Otherwise, risking high level of resistance to the innovation from employees. The interviews revealed that the earlier one could define a stakeholder; the better one can match that interest and integrate stakeholders in the project. However, the results indicated that it could be several years before innovation projects was commercialised. Therefore, establish a future stakeholder for some of the projects was challenging. One respondent noted that internal stakeholders did not need to participate in innovation projects daily, but that they must participate in the innovation process on several occasions. Finding an internal stakeholder for newly developed products was challenging according to one business unit manager. These challenges included identifying an internal stakeholder, and to decide the involvement of the stakeholders in the projects. However, several respondents underlined that an option was to start a new business unit or a new company for commercialising the innovations, if no internal stakeholders were identified.

4.3 Research question part 2

This section will outline the interrelation on the internal factors.

4.3.1 Strategy affects the structure

Data revealed there was an interrelationship between strategy, organisational structure and culture. Data further indicated that the culture factor, by itself, was not affecting the organisation's ability to handle ambidexterity. Rather, the culture factor was affected by either the strategy factor or the organisational structure factor.

Findings generated from the interviews was that the innovation programme should only do exploratory innovation. However, the interviews revealed there was no room for exploratory

innovation in the strategy, which resulted in no business units prioritised exploratory innovation. Additionally, findings indicated that, due to short-term objectives in the strategy, the innovation programme was forced to prioritise exploitative innovation close to core business. This impacted the exploitative focus of the innovation programme, since they had to show fast return on investment. Furthermore, the findings revealed that exploitative innovation developed by the centralised innovation programme met resistance from the decentralised business units. Several respondents underlined that the cultural differences within the organisation create challenges for the centralised innovation programme. Similar, data revealed a lack of a unified culture within the case organisation. Moreover, several respondents underlined that the decentralised business units, historically, had been their own separate companies, with their own culture, which affected the divided corporate culture. The team leaders argued that a divided cultural appeared because the innovation programme was a centralised function. Data revealed that when the innovation programme tried to commercialise innovation within the organisation, the innovation programme met resistance from employees. The empirical data indicated that the decentralised business units, and the corporate culture, must support the innovation programme, for it to succeed.

Risk

Most of the respondents noted that the corporate culture significantly affected innovation activities in general. In addition, data from several respondents expressed that innovation requires an open culture, which allows employees to take risks and make mistakes. Likewise, the corporate culture should enable employees to make mistakes as innovation is a learning process, according to several respondents. Highlighted by one of the top managers;

“I promote innovation extremely clearly, meaning that we need to dare to make mistakes. It' is really an investment to dare to make mistakes, and if we have a culture that promotes mistakes, it is not so bad to make mistakes” (Top Manager 3).

Furthermore, empirical data revealed that the culture at the organisation allowed employees to make mistakes. Similarly, one business managers said it was up to the employees in each business unit to take risks and challenge the existing business. Another business unit manager said that the involvement of top management determined the risk level for innovation projects. Moreover, the

same respondent said that the decision-making authority was placed at top management, when the case organisation was working on high-risk innovation projects. Findings revealed that the case organisation must decide on the degree of risk that was accepted for the innovation projects. However, it was important for several top managers, that business unit managers had the mandate to make decisions, without the involvement of top management. The empirical data indicated, when innovation projects had uncertain return of investment, the lower willingness from top management to invest in those projects. Highlighted by one business unit manager accordingly;

“Risk can have different meanings. Usually classified in how much money you are prepared to lose, can also be if you dare to look away from core business” Business Unit Manager 1.

Incentive structure

From a cultural perspective, one respondent said that the organisation had an incentive structure, aimed to reduced risk. Another respondent argued; an incentive structure could be a hinder for succeeding with innovation. However, most respondents expressed that there were no incentives within the case organisation that was linked to innovation. In addition, one top manager argued that it was good that there were no incentives linked to innovation, as this could result in a discussion about what is innovation and what is just natural development. In addition, the two team leaders expressed that incentives could be used to succeed of innovation within the case organisation. This calls for a common definition on innovation within the organisation. But the findings from the interviews revealed that there is no common agreement on how to define innovation within the case organisation. One top manager defines innovation in three different categories; the long-term innovations, the short-term innovations and the innovation that the organisation does continuously. Moreover, it was essential that employees in the case organisation had a common view of innovation, according to one business unit manager. There was no coherence within the case organisation of how to define innovation, this was highlighted by one of the business unit managers;

“There are plenty of employees within the organisation, believing that they work with innovation. However, as they do not work in the innovation programme it may be hard to have a common view on innovation among employees working with innovation as we are such a large and decentralised organisation” (Business unit manager 4).

The “not invented here syndrome”

Furthermore, one business unit managers noted that, in an ambitious organisation where everybody wants to be a part of the solution over receiving an innovation, resistance could arise. Most of the respondents argued that the “not invented here syndrome” was a problem in the organisation, especially when working with innovation. In addition, the team leaders noted that innovations developed in the innovation programme met resistance from the other business units, at individual level. Similarly, one of the team leaders said that innovation was also about being innovative when it comes to human relationships. One top manager supported this;

“I think in old large organisations; everyone wants to come up with innovation themselves and show what they have done. In order to step forward, I think we need to change the culture. But changing our culture does not take one or two years, it takes a long time. Therefore, I think we need to set a clear strategy all the way from the top, down into the organisation on how we need to change” (Top manager 3).

Several respondents underlined that the "not invented here syndrome" became an issue when innovation projects were transferred from the centralised innovation programme to a decentralised business unit. Findings from most of the top managers indicated that the employees within the decentralised business units wanted to control, and focus on their work, and could therefore show resistance for new innovations, coming from other business units. Data from several business unit managers indicated that the "not invented here syndrome" appeared when the innovation programme failed to match the other business unit’s key performance indicator. One top manager supported this;

“One challenge for the innovation programme is the people in the decentralised business units and their attitude towards the innovation programme. They feel that no one should come and disturb them as they have so much to do with their own innovation and development projects” (Top Manager 4).

The empirical data revealed that the centralised innovation programme created a culture of the "not invented here syndrome".

4.4 The case organisations ability to handle ambidexterity

4.4.1 Results: The case organisation was not ambidextrous

The empirical data revealed that innovation was needed for the organisation to create new revenue and growth in the future. However, data indicated that innovation at the organisation revolves around cost savings initiatives. One top manager argued that the only way to measure performance of innovation, is if it adds new value to the organisation. Also, several respondents said that value could have different meanings, for example new knowledge or increased revenue. Several respondents expressed that short-term focused exploitative innovation is significant for the organisation's survival. Conversely, a top manager said that the purpose of innovation is to create new sustainable businesses, to make the organisation survive in the long-term. However, most business unit managers argued that the focus was mostly on exploitative innovation, developing existing products. Most respondents noted that the organisation was successful in exploitative innovation, close to core products, and that all business units worked with exploitative innovation. While there was agreement, among the respondents that the organisation was struggling with exploratory innovation. Highlighted by one of the business unit managers;

“A challenge for an organisation such as ours, is to work with our core business, while, simultaneously work with innovation in a completely different way” (Business Unit Manager 4).

Moreover, several respondents underlined that the innovation programme should be the challenger in the organisation. Data indicated that the programme should do exploratory innovation, far from core business, that no other competitors in the media industry does. Likewise, one of the respondents suggested that the innovation programme be responsible to identify the media landscape of tomorrow. However, other respondents argued if the time horizon for the programme was too long and too abstract for other employees, it would be difficult to succeed. This was believed to create internal conflicts and political challenges, as described previously. A common opinion from several respondents were that the innovation programme was working too close to the business units. These challenges were highlighted by one business unit manager;

“I think that the biggest challenge for old companies such as ours, is to find the right distance between the innovation programme and the ordinary business, and links between them” (Business Unit Manager 4).

The generated data from the interviews indicated that the case organisation was not able to balance between exploratory and exploitative innovation; in other words, the case organisation was not ambidextrous. The empirical data revealed a disagreement among the respondents on how to define innovation. Moreover, the findings revealed that the organisation primarily utilised exploitative innovation, resulting in a discussion on the innovation programme’s role. Most of the respondents, at all levels, expressed that the organisational structure created conflicts within the organisation. The findings generated from the interviews indicated that the internal factors; strategy, organisational structure and culture, together affected the imbalance between exploitative and exploratory innovation in the organisation. Likewise, data indicated that the interrelationship between the internal factors was the cause for the organisation's inability to handle ambidexterity.

4.5 Summary

Findings revealed that strategy, organisational structure and culture affected the imbalance between exploitative and exploratory innovation in the case organisation. Similarly, empirical data revealed that the interrelationship between strategy, organisation structure and culture, caused the organisation inability to achieve ambidexterity.

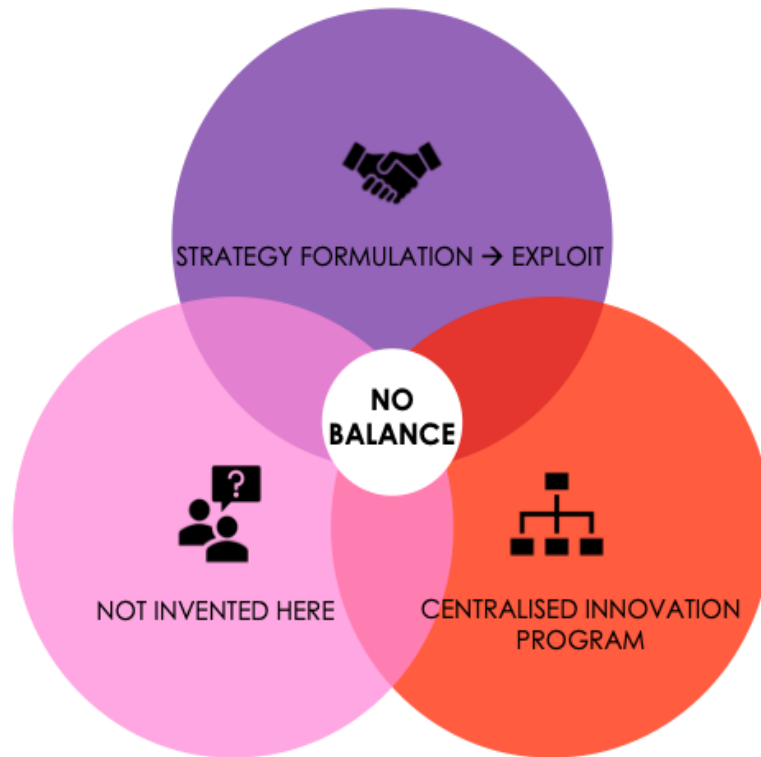


Figure 4.2 Interrelationship between strategy, organisational structure and culture (Own Creation, 2019)

The figure above illustrates the interrelationship between the three internal factors; strategy, organisation structure and culture. The overall strategy only supported exploitative innovation activities. The imbalance in the strategy level created a non-supporting organisational structure for achieving ambidexterity. The non-supporting structure was due to the centralised innovation programme, which created conflicts within the organisation. Moreover, empirical data revealed that the innovation programme was forced to prioritise exploitative innovation that was close core, due to short-term objectives in the strategy. Likewise, the centralised innovation programme created conflicts within the organisation, resulted in the “not invented here syndrome”.

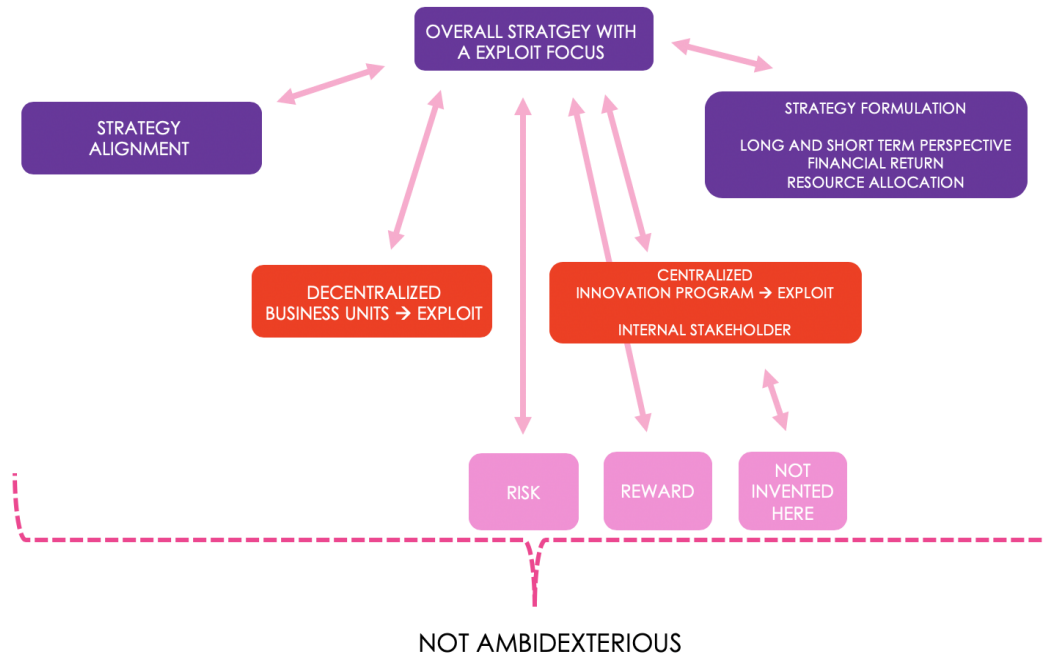


Figure 4.3 Result Model (Own Creation, 2019)

The figure above illustrates the key findings from the interviews conducted at the case company. It shows that the organisation was not ambidextrous since they could not balance between exploratory and exploitative innovation activities. It was evident at the strategy level since the overall strategy had only exploitative innovation focus. The strategy directly affected the resource allocation, financial return and long versus short-term perspective. The centralised innovation programme was, therefore, unable to succeed with exploratory innovation, as an effect of the short-term focus in the overall strategy. Furthermore, the programme also experienced challenges in exploitative innovation due to the centralised organisational structure, which created a culture of the “not invented here syndrome”.

5. Discussion

This section outlines the findings from the interviews, necessary to answer the research questions. The section below will discuss the comparison between previous literature and the findings made through this study. This study investigates the details of the internal factors; strategy, organisational structure and culture, and how those factors affect the case organisation's ability to handle ambidexterity. Furthermore, the study sought to develop understanding on how the factors interrelate.

The results clearly indicate that the case organisation lacks an exploratory innovation focus in the overall strategy and in the entire organisation. Our study, therefore, provides additional support for Boumgarden et al. (2012) beliefs, too much focus on exploitative innovation can crowd out exploratory innovation. The findings show that the paradoxes between exploitative and exploratory innovation activities create, conflicts within the organisation and makes it difficult to handle ambidexterity. These findings are consistent with previous research, suggesting that it is difficult to balance these contradictory ways of working with innovation (March, 1991) due to their paradoxical nature (Du & Chen; 2018; Koryak et al. 2018; O'Reilly & Tushman, 2004).

Previous studies have identified strategy, organisational structure and culture as factors, affecting an organisation's ability to achieve ambidexterity. Previous literature has investigated one or two factors together (Jansen et al. 2009; Teece, 2016), and indicates that it requires alignment between the factors for an organisation to achieve ambidexterity (O'Reilly & Tushman, 2008). However, previous research has not provided a common understanding of how all three factors interrelate. Findings from this study extend previous ambidexterity literature on how the three internal factors; strategy, organisational structure and culture, interrelate and together, seems too indirectly create an imbalance between exploratory and exploitative innovation focus.

5.1 Hindering factors for exploratory innovation

- Strategy and non-supporting organisational structure

These results offer compelling evidence that the overall strategy promotes exploitative innovation but lacks focus on exploratory innovation. Implications are that the overall strategy affects the organisation's ability to achieve ambidexterity negatively, since the strategy creates an imbalance between exploitative and exploratory focus. This result ties well with previous studies, showing that exploitative and exploratory innovation need to be balanced at the strategy level, for an organisation to be ambidextrous (Prange & Schlegelmilch, 2018; Judge & Blocker, 2008; Smith & Tushman, 2005). Findings indicate that exploratory innovation is not on the agenda in the strategy formulation process. The results seem consistent with prior research, showing the importance of balancing ambidexterity on the strategy level (Prange & Schlegelmilch, 2018; Judge & Blocker, 2008; Smith & Tushman, 2005).

Moreover, the findings indicate that the centralised innovation programme, is unable to balance both exploitative and exploratory innovation in their business unit. A result of the lack of exploratory innovation focus on the overall strategy. Also, an important finding is that the strategy formulation process affects the resource allocation to innovation activities, due to the time perspective of one, three and ten years. This underlines that resource allocation is a barrier in succeeding with exploratory innovation, due to yearly budgets and short-term key performance indicators. Findings implicate that the innovation programme focus on exploitative innovation but cannot do exploratory innovation. The empirical data support previous literature, stating that exploratory innovation has a long-term perspective (Kodama, 2017; March, 1991), and does not provide short-term financial results (Judge & Blocker, 2008). The empirical findings further reflect Jansen et al. (2009) argument, for an organisation to achieve ambidexterity, it needs to allocate and reallocate resources across separate business units, focusing on either exploratory or exploitative innovation.

Another important finding is that the innovation programme is a centralised business unit but has no connection to the overall strategy. The innovation programme activities do not support the overall strategy, and this creates conflicts within the organisation. Consensus among the top

managers is that the overall strategy should work as a framework for all business units in the organisation, and alignment is important throughout the business unit levels. The findings support previous authors whom highlight the importance of alignment between an organisation's innovation efforts at operational level, and the overall strategy (Sharmelly, 2017; Varadarajan, 2018; Pisano, 2015; Teece, 2010; Bower & Gilberg, 2007).

Moreover, the empirical data indicate that the overall strategy is affecting the business units' innovation activities. The result also indicates that the two factors; strategy and organisational structure are interrelated, which adds to similar observations in the literature (Jansen et al. 2009; Teece, 2016). In addition, the manager for the innovation program was not involved in the strategy formulation process, which could have affected the lack of innovation focus in the overall strategy. The interrelationship between strategy and organisational structure is together believed to be negatively affecting the organisation's ability to handle ambidexterity.

5.2 Hindering factors for exploitative innovation

- A centralised structure and the “not invented here syndrome”

The interviews revealed that exploitative innovation happens in both the centralised innovation programme, and in the decentralised business units. Furthermore, several respondents experience challenges with the organisational structure, when having a centralised innovation programme. Findings from the interviews strongly indicate that exploitative innovation should happen in decentralised business units, over a centralised programme. Findings indicate that the current organisational structure, prevents the organisation in achieving ambidexterity. These findings are consistent with previous research, showing that a centralised unit for exploitative innovation is not beneficial in achieving ambidexterity, rather, a separate approach is (Du & Chen; 2018; Jansen et al. 2009; O'Reilly & Tushman, 2008; Fredberg & Pregmark, 2016). Furthermore, findings from interviews indicate that, the geographical location and lack of separation results in resistance from managers. This is in line with prior literature, suggesting that exploratory and exploitative innovation should be in different geographic locations (Bessant et al. 2014; Hunter et al. 2017).

Findings from the interviews show that the case organisation has a centralised business unit that works with exploitative innovation for all other units. Findings reveal that a culture of the "not invented here syndrome" is created by individuals in different business units. The "not invented here syndrome" becomes an issue when innovation is moving from the centralised innovation programme to a decentralised business unit. Implications is that the centralised structure, could be a hindering factor for the organisation's ability to handle ambidexterity. The findings are consistent with Bessant et al. (2014) argument, that ambidexterity is profoundly affected by the "not invented here syndrome" in large organisations. Similarly, Freeman and Engel (2007) argues that challenges occur in the commercialisation process for innovations, developed in one business unit, and sold in another. The result is also in line with Teece (2006, 2016), who discuss the relationship between an organisations structure, and culture for achieving ambidexterity.

Implication for the organisation with an innovation programme, is that the programme, as a centralised unit, is too far from core business to succeed with exploitative innovation, and too close core business to succeed with exploratory innovation.

5.3 Hindering factors for achieve ambidexterity

- **Interrelationships between strategy, a centralised structure and the “not invented here syndrome” culture**

The results indicate that the organisation relies on employees to handle ambidexterity. The responsibility of balancing exploratory and exploitative innovation activities relies on individuals at the lower hierarchical levels in the organisation. Findings reveal that the team leaders in the innovation programme experience everyday challenges on how to balance exploratory and exploitative innovation projects. Findings indicate that employees responsible for handling ambidexterity, are not given the correct tools to manage it. The overall strategy, the strategy formulation process, the organisational structure and resistance from employees, are several factors indicating that the employees at the programme are not given the correct tools to achieve ambidexterity. In addition, these findings are in line with Gibson and Birkinshaw (2004) suggestion that individuals should achieve ambidexterity. The authors believe that individuals, and not the organisation (firm or business unit level), should handle ambidexterity. However, the case

organisation is unable to handle ambidexterity since they lack an exploratory innovation focus. In contrast to how the organisation is handling ambidexterity, several scholars argue that an organisation should put responsibility on the top management or business unit managers, for achieving ambidexterity (Prange & Schlegelmilch, 2018; Judge & Blocker, 2008; Smith & Tushman, 2005; Du & Chen; 2018; Jansen et al. 2006, 2009; O'Reilly & Tushman, 2008). Furthermore, the results tie well with Smith & Tushman (2005), suggesting that too much focus on exploitative innovation could crowd out exploratory innovation, if it happens in the same business unit.

The interrelationship between the internal factors identified from the findings is that the strategy has an exploitative focus, and lacks room for exploratory, long-term innovation activities. Furthermore, the results indicate that the short-term focused strategy affects the organisation's ability to handle ambidexterity negatively, on a business unit level. Further, the strategy formulation determines the amount of resources allocated for either exploitative or exploratory innovation activities. The findings show that alignment between strategy formulation and resource allocation is important. The formulated strategy also steers what type of innovation the innovation programme can initiate. The programme is limited to a short-term strategy and short-term financial returns. Therefore, the programme is only doing exploitative innovation activities. Further, the findings show that the centralised innovation programme develops exploitative innovation for all other business units. This creates resistance for exploitative innovation, developed by the programme, and results in the "not invented here syndrome" culture within the case organisation.

6. Conclusion

This study aimed to create an understanding of how internal factors (strategy, organisational structure and culture) affected a large organisation's ability to handle ambidexterity and how the internal factors interrelated. The findings provide insight on how the factors interrelate, and how the factors together, make it difficult for the organisation to handle ambidexterity.

The most apparent findings emerge from the study, is that the case organisation is not ambidextrous. Findings support Cao et al. (2009) argument, that there is no common understanding on how to achieve ambidexterity, due to the paradoxical nature of exploitative and exploratory innovation. The findings show that the interrelationships between factors are hindering the case organisation's ability to handle ambidexterity. The un-supportive factors from the results, the overall strategy, non-supporting organisational structure, and the "not invented here syndrome". The study contributes to previous research by providing further understanding and knowledge to the subject of ambidexterity, from multiple levels within a large media organisation.

6.1 Confirming existing theory

By conducting a single case study, from multiple levels within a large media organisation, several findings appeared. The findings indicate that, from a single unit level within an organisation, it is not possible to handle ambidexterity. Rather, it is the interrelation between the hierarchical levels that enables or hinders an organisation to handle ambidexterity. Findings confirm previous studies, that strategy (Judge & Blocker, 2008; Prange & Schlegelmilch, 2018), organisational structure (Du & Chen; 2018; Jansen et al. 2009; Junni et al. 2015; March, 1991; O'Reilly & Tushman, 2008) and culture (Teece, 2006) by themselves are influential internal factors for handle, and then achieve, ambidexterity. The findings also confirm previous literature, that a centralised organisational structure is a barrier to exploitative innovation, affecting a company's ability to achieve ambidexterity (Du & Chen; 2018; Jansen et al. 2009; O'Reilly & Tushman, 2008). Furthermore, findings confirm previous literature, that a centralised structure for exploitative innovation creates resistance from individuals, caused by the "not invented here syndrome" (Bessant et al. 2014). The study is also aligned with Teece's (2006; 2016) argument, that culture and organisational structure interrelate and require alignment in order for an organisation to handle and achieve ambidexterity.

6.2 Contribution to existing theory

The study further supports Teece (2006; 2016) argument, that it requires alignment between culture and organisational structure for an organisation to handle and achieve ambidexterity. Likewise, it extends Teece (2006; 2016) study by adding a strategy perspective, and the importance of alignment between strategy, organisational structure and culture for a company to achieve ambidexterity. Findings therefore extend previous literature on ambidexterity by providing an understanding of how strategy is not only affecting the organisation's ability to be ambidextrous, but closely interrelated to organisational structure and culture. This study, therefore, extends previous literature on a strategy level.

The study also adds several sub-categories to the strategy factor. The sub-categories, that affect the organisation's ability to balance between exploitative and exploratory innovation, emerged from the findings. The sub-factors are; strategy alignment, strategy formulation, resource allocation, financial return and short- and long-term perspective. These findings provide further understanding to the ambidexterity literature and underline the importance of strategy and the managers that formulate it, in the quest for organisations to achieve ambidexterity. Also, the role of the innovation programme is not clear, therefore, it is unclear how the innovation program should support the overall strategy, alignment is important. Lastly, resource allocation, financial return is barriers to handle ambidexterity since exploratory innovation requires long-term focus.

This study contributes to previous research by providing further understanding on the subject of ambidexterity, from multiple levels within a large media organisation. The findings provide new knowledge and further understanding that strategy, organisational structure and culture interrelate, and poor alignment between the three factors, is hindering organisations in achieving ambidexterity. The figure below illustrates how the findings confirm existing theory and contribute to the existing theory, by adding a strategy factor with several sub-factors. The figure also shows how other factors are affected.

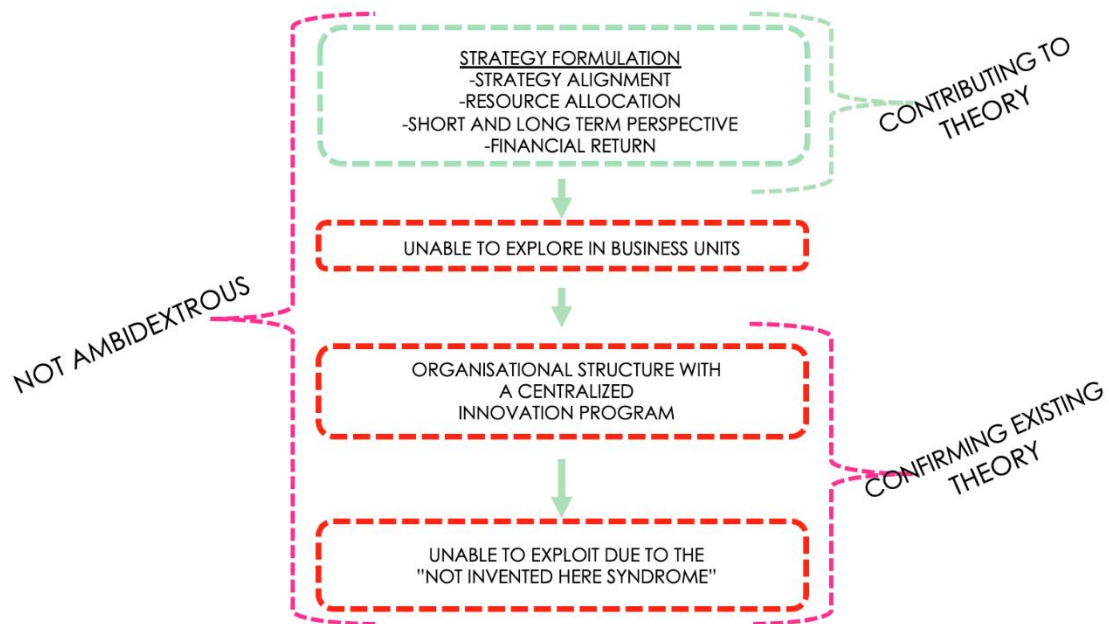


Figure 6.1 Overview over the contribution of the findings (Own Creation, 2019)

6.3 Practical implications

Findings provide some practical implications for companies to achieve ambidexterity. A barrier to achieve ambidexterity, is a centralised innovation programme. Tushman et al. (2010) study indicate that successful ambidextrous organisations, have separated business units for exploratory and exploitative innovation. While creating linkages between the units to make use of assets and resources that both units could be beneficial. Tushman et al. (2010) study shows, organisations that achieved ambidexterity have a separate incentive system for exploitative innovation and one for exploratory innovation, within each business unit. Implementation of incentive systems requires top management integration (Jansen et al. 2009), and that innovation is apparent in the strategy formulation process. Further, companies must formulate a strategy, that enables an organisation to work with both exploitative and exploratory innovation activities simultaneously. The overall strategy should set the direction for the business units, doing either exploitative innovation or exploratory innovation. The results indicate that the different business units require different types of alignment; time frames, key performance indicators, resources, incentive structures and cultures. Also, exploitative and exploratory innovation focus must be balanced in the overall strategy for an

organisation to achieve ambidexterity. Lastly, the top management must integrate and coordinate between the business units (Du & Chen; 2018; Jansen et al. 2006, 2009; Judge & Blocker, 2008; Smith & Tushman, 2005; Prange & Schlegelmilch, 2018; O'Reilly & Tushman, 2008). The figure below illustrates the practical recommendation for large companies aiming to achieve ambidexterity. The figure is a combination of empirical data and previous literature.

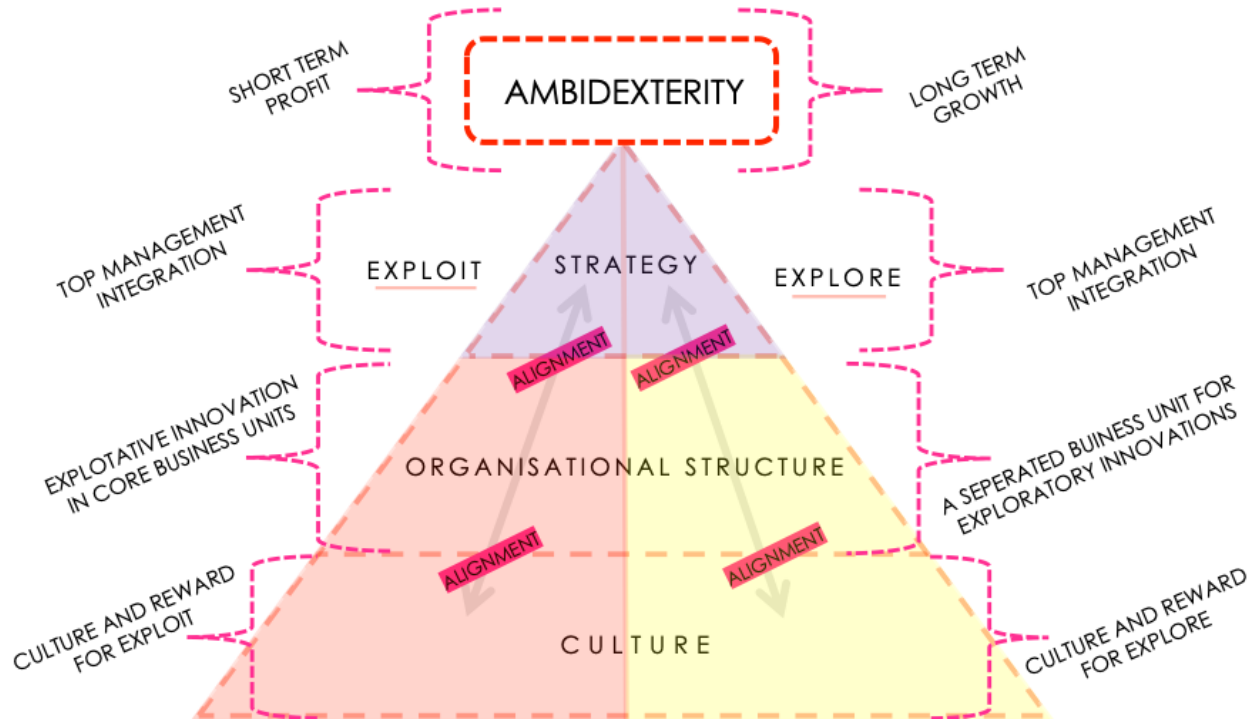


Figure 6.2 The ambidexterity pyramid (Own Creation, 2019)

6.4 Limitations and further research

As with all research, this study also has its limitations. The study concludes that the organisation is not ambidextrous, using a qualitative interpretive approach. This research studied how to handle ambidexterity, and the interrelationship between the internal factors, strategy, organisational structure and culture using a quantitative approach. Further limitations are that ambidexterity is a new phenomenon, and therefore, the results could be speculations and subjective estimations. To validate if an organisation is ambidextrous and if the factors interrelate, conducting a study on a large organisation over a long time period might be a possibility. It could provide the opportunity

to track the internal factors, how they interrelate and their effect on the organisation's ability to handle and achieve ambidexterity. Suggestion for further research is to investigate internal factors, their relationship and impact on different organisation's ability to ambidexterity. This could be done by conducting a multiple case study. This could provide a comparison between organisations in various industries, to identify different internal challenges for achieving ambidexterity.

6.5 Final words

Previous research, as well as this study, identified challenges in achieving ambidexterity that derives from strategy, organisational structure, culture, hierarchical levels, competition and new technology. The findings are, therefore, relevant for organisations trying to achieve ambidexterity. The million-dollar question for many companies is how an organisation can achieve ambidexterity. Furthermore, in a globalised world, competition is becoming fiercer and an opportunity for organisations to obtain sustained long-term performance is by achieving ambidexterity.

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Appendix A

Question	Theme
Name?	Background
Position?	Background
How many are you responsible for?	Background
Who do you report to?	Background
Business Unit?	Background
Can you tell us about your role?	Background
How do you experience that the organisation is working with innovation?	Background
What factors do you experience is vital for succeeding with commercialisation of innovation?	Type of innovation
For whom do you feel that innovation should be for?	Type of innovation
What factors do you feel are hindering the commercialisation process of innovation?	Type of innovation
Do you feel that the organisation's overall strategy is promoting innovation?	Strategy
Do you feel that the innovation programme contributes to the overall strategy?	Strategy

From a financial perspective, how is innovation defined?	Strategy
What measurements / key performance indicators are connected to innovation?	Strategy
What do you think about "not invented here" and does it exist within the organisation?	organisational structure
From your perspective, where in the organisation should innovation happen?	organisational structure
What opportunities and hindrances do you experience when innovation is concentrated to an innovation programme?	organisational structure
Do you feel that the organisation's structure is promoting or hindering the commercialising process of innovation?	organisational structure
Do you feel that the culture within the organisation is promoting or hindering the commercialising process of innovation?	Culture
What do you feel is the most important intent with innovation?	Type of innovation
How large part do you have in the development of new overall strategy?	Strategy
How do you feel that your role should be in the development of new overall strategy?	Strategy
What incentives are implemented so that you would take more risk connected to innovation?	Culture
Do you feel that you need more information when taking decision connected to the commercialising process of innovation?	Culture

Do you experience that you get support by your boss and colleagues in terms of development and commercialisation of innovation and new ideas?	Culture
Do you feel that time perspective affects the support for innovation?	Culture
Do you feel that the level of uncertainty affects the support for innovation?	Culture

Appendix B

Predefined codes based on literature	
Code	Theme
Exploit	Ambidexterity
Explore	Ambidexterity
Balance	Ambidexterity
Strategy formulation	Strategy
Strategy alignment	Strategy
Top management integration	Strategy
Top managers ability	Strategy
organisational structure separation	Organisational structure
Decentralised	Organisational structure
Centralised	Organisational structure
Size	Organisational structure
Heritage	Organisational structure
Industry	Organisational structure
Reward	Culture
Risk	Culture

Information sharing	Culture
Not invented here	Culture
Level of uncertainty	Culture
New defined codes based on empirical data	
Codes	Theme
Performance measurement	Strategy
Resource allocation	Strategy
Financial Return	Strategy
Short-time perspective	Strategy
Long-time perspective	Strategy
Internal stakeholders	Organisational structure