



## **Organizational transformation: Handling the double-edged sword of urgency**

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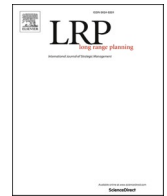
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## Organizational transformation: Handling the double-edged sword of urgency

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### ABSTRACT

A central idea in organizational research and practice is that change efforts demand a sense of urgency. It is also commonly accepted that renewal beyond incremental improvements demand individuals and teams to have what earlier research has called a “promotion focus”—to think innovatively, see opportunities, and think long term. Urgency, however, leads to a “prevention focus,” with which teams and their members are more inclined to seek incremental improvements and error reduction. Hence, urgency seems to both support change and prevent it. Earlier research has not established the conditions under which urgency may lead to creative and productive outcomes. This paper aims to do so. In a study of seven change initiatives at a large media company undergoing a serious crisis, we found that urgency cues could be productively handled by managers and project team members when they addressed three core relationships: (a) the success-failure relationship, (b) the safety-accountability relationship, and (c) the operative-strategic relationship. We make three related theoretical propositions regarding the role of urgency in innovation-driven change and transformation.

### Introduction

Traditional change models commonly describe the need for an organization-wide sense of urgency (Cady et al., 2014; Kotter, 1995; Lewin, 1947; Oreg et al., 2011), such as a perceived threat, that creates the motivation needed to move away from the current state and toward a new state. It has also been argued that a contemporary context demands more innovative, explorative work (Pasmore, 2015; Reeves and Deimler, 2011). Studies suggest that renewal capabilities such as creativity, learning, and commitment (Huy, 1999, 2005) are crucial for success in cases where radical change is called for. For new knowledge creation, creativity, and innovative action, as well as absorptive capacity, negative emotions such as fear and stress are detrimental, whereas trust, joy, and interest are beneficial (Alexiou et al., 2019; Fredrickson, 2001; Lee et al., 2003).

If a sense of urgency is both necessary and detrimental, this results in a dilemma. Management must simultaneously create pressure/urgency and refrain from doing so. Following Brockner and colleagues (Brockner and Higgins, 2001; Brockner et al., 2004), the problem is that urgency invokes a prevention focus. A prevention focus favors upholding current standards, risk aversion and error avoidance, something that is highly efficient in creating a faster set response. However, it is not sufficient in situations where new, creative solutions are needed. Such situations demand individuals and teams to have what the authors call a promotion focus—an inclination towards growth, expansion, creative solutions, opportunity recognition, and long-term thinking. Leaders influence employee behavior by inducing either a promotion or a prevention focus through managerial cues (Brockner and Higgins, 2001). Regulatory focus studies indicate that promotion and prevention foci work as opposite forces, but that they may be present at the same

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time (Brockner and Higgins, 2001; Henker et al., 2015). Further, the balance between the two forces shifts due to dispositional factors of partaking individuals and situational factors resulting from environmental cues, of which the most influential result from managerial action and communication. For the purposes of this paper, the lingering question is if and under what conditions urgency cues can create a promotion focus in individuals and teams (and not only the expected prevention focus). Very few studies have analyzed such cues, and almost none have dealt with innovation or change. Research into innovation and change similarly does not provide explanatory models for why some organizations manage to innovate under pressure and some do not, and why some organizations prevail in crisis through creating new solutions, while others seem to retract to doing more of the same. With regard to practice, understanding how to manage the double-edged sword of urgency would provide the basis for developing a managerial process that could improve the low success rate of transformations, which is estimated to range from 70 to 75% (Beer and Nohria, 2000; Jacquemont et al., 2015).

This paper builds on a renewal project for a media industry incumbent, Newsgroup, during a period of difficult transition. Authors note that industry incumbents find it problematic to achieve sufficient transformation to remain successful (Christensen, 1997; Miller, 1990). Media industry incumbents are no different (Christensen et al., 2012). Recognizing the need to change and innovate within the context of pressure, Newsgroup management decided to set up a series of innovation initiatives led by internal high potential managers as experiments into new ways of working.

This paper focuses on how, in the pursuit of their objectives, the initiatives solved the conflicting outcomes of urgency. We provide insight into the resolution process in which teams managed to create a promotion focus, despite environmental and managerial cues that logically would lead to a prevention focus. We found three key components that helped turn pressure from the sense of urgency to a promotion focus instead of a prevention focus: the success-failure relationship, the safety-accountability relationship, and the operative-strategic relationship. We contribute to the understanding of innovation-driven changes in large organizations by advancing the understanding of individual- or team-based practices that help manage the contradictions and tensions and make three propositions related to the three relationships. In addition, we provide knowledge about managerial actions that constitute situational factors supporting the development of a promotion focus. This paper contributes to practice by suggesting how managers and organizations can manage urgency cues in situations where they need to seek innovative solutions to their challenges.

First, we discuss the theoretical background for potential trade-offs when creating urgency and its relationship to regulatory focus theory. Thereafter, the method used and the results of the intervention are described. In the discussion section, we present an analysis of the three key components that help manage urgency's impact on promotion/prevention and describe our three propositions. The paper concludes with implications for theory and practice.

### Theoretical framework

Lewin (1947) famously proposed that organizations need to “unfreeze” the stable state that they are in to enable change. He argued that the unfreeze phase needs a deliberate “emotional stir-up” to break through “complacency and self-righteousness” (Lewin, 1947, p. 35). Similarly, a “dissatisfaction” with the status quo is central to change, according to Gleicher's change formula (Beckhard, 1975; Beckhard and Harris, 1987; Beer, 2009; Cady et al., 2014). Kotter (1995, 2008) referred to the need for leaders to create an organization-wide “sense of urgency” to muster up the motivation to leave the old way of working behind. Kotter (2008) argued that a sense of urgency could be created when the change ahead is pressingly important. Leaders must ensure that the organization perceives the change ahead to be a matter of success or failure. Moreover, Kotter (2008) stated that it is necessary to bring the outside in; that is, to present threats from the external context to the organization. This is similar to Conner's (1992) reference to “pain messages” (p. 105) that need to be dispersed throughout the organization. Armenakis and Bedeian (1999) showed in their review of organizational change research that authors have used concepts such as creating intellectual pain, diffusing dissatisfaction, or the threat of organizational failure to describe similar ways of assuring awareness within an organization of the need for the change ahead. Hence, bringing a threatening, urgent situation to the attention of the organization is considered a necessity to convince people to leave the old behind. Table 1 provides examples of previous research examining the sense of urgency and similar constructs that are needed to motivate change.

As Table 1 indicates, we know a lot about the importance of urgency in motivating change. We know less about its role in change

**Table 1**  
Overview of urgency constructs as motivation for change.

Author(s)	Construct	Explanation
Kotter (1995, 2008)	Sense of urgency	In Kotter's 8-step model for change, creating a sense of urgency is the first. According to Kotter, this should be done by drawing organization-wide attention to outside threats and matters of pressing importance.
Beckhard and Harris (1987)	Dissatisfaction with current state	In the “change formula,” first developed by Gleicher, dissatisfaction with status quo is described as crucial for succeeding with change. According to the formula, with no dissatisfaction, no change will be possible.
Lewin (1947)	Emotional stir-up	Lewin described the emotional stir-up as a way of unfreezing a current, stable state to be able to move.
Conner (1992)	Pain messages	Conner explained how pain messages should be dispersed through the whole organization. He described pain management as crucial and the first step towards developing commitment to change.
Taffinder (1998)	Awakening	In Taffinder's five transition lines for change, awakening is the first. It is described as a key prerequisite that needs to be in place before imagining the future and building the change agenda. He stated that awakening can be rude and brutal through putting threats on the table.

that builds on innovation and creativity. However, it can be assumed that an organization-wide sense of urgency and dissatisfaction with the current state, created through pain messages (Conner, 1992) and emotional stir-ups (Levin, 1947), could create pressure, stress, and fear. Many authors have shown that negative emotions, pressure, and fear can block needed change capabilities (e.g., Edmondson and Lei, 2014; Fredrickson, 2001; Higgins, 1997; Huy, 1999; Lee et al., 2003; Rock, 2008). For example, Rock (2008) argued that pressure and fear can limit creativity and collaboration. Lee et al. (2003) claimed that negative emotions and fear inhibit both absorptive capacity and innovative behavior. Amabile and Kramer (2011) showed that anxiety and stress, accentuated by control-oriented management, hindered attempts at creativity, and lowered productivity. Moreover, creativity and innovation is more negatively impacted by unsupportive management signals, than it is positively impacted by positive management signals (Amabile and Kramer, 2011; Cable, 2019).

According to Reeves and Deimler (2011), the ability to change and adapt is the true competitive advantage an organization can possess in today’s business landscape. Such change and adaptation demands new ideas, new thinking, and new behavior (Pasmore and Woodman, 2017), new forms of collaboration (Johansen, 2017), continuous learning (Edmondson, 2019), and a need to continuously have innovative/entrepreneurial initiatives co-exist with the current business in the same structures—what authors refer to as contextual ambidexterity (Birkinshaw and Gibson, 2004; Smith et al., 2010). Moreover, creativity, trust, and open communication are required to find new solutions to complex questions (Senge, 1990), which is the case when an organization needs to renew itself beyond incremental improvements. Prerequisites for creating such an environment have been extensively investigated. Edmonson and Lei (2014) argued that psychological safety is necessary to spur creativity and innovation (see also Edmondson, 2019). For new knowledge creation as well as for thinking and innovative action, negative emotions such as fear and shame can be detrimental, whereas joy, trust, and interest are beneficial (Fredrickson, 2001; Lee et al., 2003).

Huy (1999, 2005) argued that to support renewal and radical change, it is necessary to consider individual emotions and organizational capabilities. According to Huy (2005), renewal processes must incorporate efforts to foster emotions that facilitate capabilities to adapt, innovate, and change. Leaders in a renewal process should thus strive to create organizational capabilities such as receptivity to change, knowledge sharing, collective action, creativity, and the retention of key personnel. These capabilities are in turn connected to emotional states like authenticity, sympathy, hope, fun, and attachment. Amabile and Kramer (2011) similarly showed that progress, fun and other positive components drive both efficiency and creativity better than pressure and fear. They pointed to how positive emotions created by “small wins” support creativity. Managers play an important role as catalysts in creating this sense of progress, which can become a collective experience that propels the organization forward. Positive emotions broaden the awareness of innovators and encourage novel, varied, and exploratory thoughts and actions (Fredrickson, 2001). This is echoed by authors from different fields who have discussed how such emotions and capabilities are best evoked (Cameron and McNaughtan, 2014; Fredrickson, 2003; Higgins, 1997; Rock, 2008; Senge, 1990). A common denominator is that the absence of fear and the presence of trust and perceived safety is essential for positive emotional states among individuals and teams.

Arguably, creating a sense of urgency could have consequences that are counter-productive to the stimulation of creativity, learning, and open-mindedness. Thus, if authors in the change field almost univocally support a sense of urgency as a key factor, change either does not need the factors we have listed, or there is a conflict involved in creating a sense of urgency: it both supports and inhibits change. Fig. 1 displays a simplified scheme of the theoretical reasoning that led up to the research focus of this study.

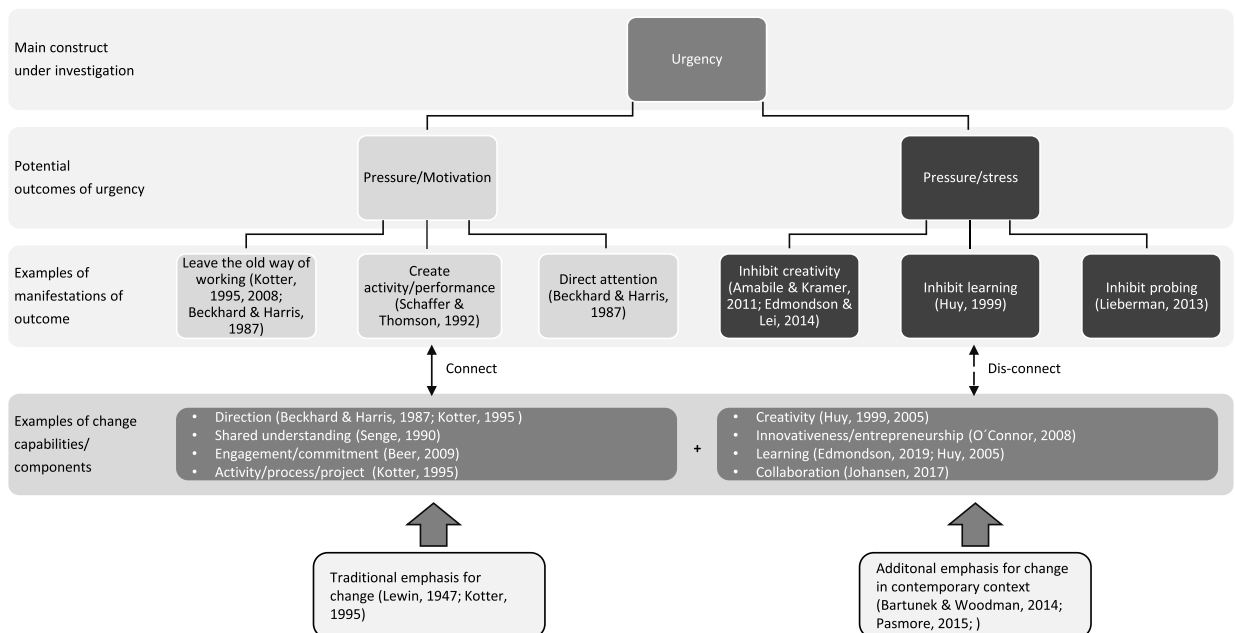


Fig. 1. Theoretical underpinning for research problem.

Higgins and colleagues (Brockner and Higgins, 2001; Brockner et al., 2004; Higgins, 1997, 2002) provided a potentially reconciling perspective. They focused on employees' regulatory focus. Depending on both situational and dispositional factors, people are more inclined to have a promotion focus, meaning that they are keen to seek advancement, reach their aspirations, be creative etc., or a prevention focus, meaning that they are more inclined to defend what they have, avoid errors, and focus on their current areas of responsibility. Brockner and Higgins (2001) argued that the regulatory focus is composed of three factors that delineate between a promotion and a prevention focus: "(a) the needs that people are seeking to satisfy, (b) the nature of the goal or standard that people are trying to achieve or match, and (c) the psychological situations that matter to people" (p. 37). Key to Brockner and Higgins's argument is that an organization needs people with both foci, and that both may exist in one person at the same time. For example, a quality manager should focus on minimizing the outcome variance from a production process to uphold standards. However, the same person may simultaneously do an excellent job in a high-risk/high-reward business development opportunity where she or he is in the position of planning pilots where a high degree of failure can be expected.

Researchers have assumed that regulatory focus has both dispositional/chronic and situational components (e.g., Tuncdogan et al., 2015). Related lines of research have aimed to understand dispositional resistance to change (Oreg, 2003; Oreg and Sverdluk, 2011), and have questioned whether resistance actually is a disposition (Michel et al., 2013). As we have stated earlier, we were in this study specifically interested in the effects of urgency/pain messages/burning platforms, etc., (from here on: urgency) as tools for management to drive change. This paper therefore focuses on situational factors or cues that support the development of a prevention and/or promotion focus.

Managerial action establishing a sense of urgency can either take an indirect form, such as contextual information, organizational constructions, etc., in which people draw their own conclusions, or a direct form, where management expresses a set of rules, norms, or priorities with the assumption that employees will adapt to them. Along these lines, Brockner and Higgins (2001) discussed various aspects that may influence whether a promotion or a prevention focus arises in employees, including leadership style, use of language, feedback processes, reward systems, and a vision of the future. They also indicated that contextual variables may have an important impact, such as the situation in which the organization is in (Dholakia et al., 2006; Shah et al., 1998). This reasoning is parallel to Amabile and Kramer (2011), who wrote about the impact of the context created by managerial action, where positive components such as project setup and signals of progress and cross-organizational idea flow are linked to higher degrees of exploration, creativity, and innovation. Studies on the antecedents of regulatory focus are rare; the field, although broad, is mainly devoted to the direct or moderating effects of regulatory focus on other variables. Researchers in this field (e.g., Ahmadi et al., 2017; Johnson et al., 2015; Spanjol and Tam, 2010; Tuncdogan et al., 2015; Wu et al., 2008) have found that managers who are promotion-oriented create a climate focused more on exploration and creativity than exploitation (Ahmadi et al., 2017; Wu et al., 2008), that a transformational leadership style, and/or a preference for exploration, is related to a promotion focus within employees (Henker et al., 2015), and that a promotion focus is associated with more change-oriented decisions (Spanjol and Tam, 2010). There are some important studies that have focused on the antecedents of regulatory focus. They include the finding that the formulation and creation of tasks affect regulatory focus in a group (Van Dijk and Kluger, 2011), and that leadership style (and therefore action or cues, although not typically tested) similarly leads subordinates to adopt a certain regulatory focus (Henker et al., 2015; Johnson et al. 2015, 2017; Kark and Van Dijk 2007; Rietzschel, 2011; Tuncdogan et al., 2017; Wu et al., 2008). Shah et al. (1998) and DeCarlo and Lam (2016), in laboratory studies, showed the influence of incentives. Studies of collective regulatory focus indicate that organizations that send environmental cues around need to maintain a status quo and decrease risk, and foster a prevention attitude among employees (Johnson et al., 2015), as do environmental cues that create anxiety and pressure (Gorman et al., 2012; Higgins, 1997). Moreover, Henker et al. (2015) found that both foci commonly were present at the same time.

Building on Brockner and Higgins's (2001) argument that cues in the organization lead to a promotion and/or a prevention focus, the question is what management does to create one or the other. Provided that an organization most likely wants both, how do individuals and teams manage the balance between them? Translated to the specific issue at hand in this paper, we ask how teams manage to balance or combine handling the prevention focus created by urgency with the promotion focus needed to innovate and create new offerings. In other words, there exists a conflict in which change agents must create a sense of urgency but limit its potential negative effects on innovation, creativity, and learning. No studies that we found on regulatory focus provide guidance to resolve this issue. Thus, the aim of the current study was to answer how this can be done, thereby contributing knowledge on how to solve the double edge sword dilemma of urgency for organization transformation.

## Method

### *Empirical setting and research approach*

To understand in depth the dual outcomes of urgency, we investigated the media group Newsgroup in the midst of a technological shift. We followed Newsgroup longitudinally from 2013 to 2016 as part of a larger research initiative to understand how organizations can/cannot innovate while being under severe pressure. Data for this paper were gathered between March 2014 and December 2015 through an inductive inquiry to multiple cases (Eisenhardt, 1989).<sup>1</sup>

<sup>1</sup> In 2016 the CEO retired and the research collaboration was terminated. Therefore, we do not have access to data about the long-term effects of the initiatives/projects described in this paper or the status of the overall transformation. We can, however, see from external sources that Newsgroup has survived the digital shift and its latest report shows an increase in digital businesses both in terms of readership and advertisement.

At the time of study, Newsgroup owned six regional newspapers with print, internet, and mobile editions as well as four free daily newspapers in Scandinavia. Although Newsgroup's leadership had understood the threat from digital and mobile media for many years, the company had focused on trimming the existing working models and raising prices, which, for a long time, allowed it to maintain a high profit rate (this is consistent with the findings of [Christensen et al., 2012](#)). However, advertisement revenue (traditionally comprising 70% of total revenue) fell by 8%–9% yearly from 2009 to 2013, sending Newsgroup into a downward spiral.

Newsgroup, like many of its peers, did not have a tradition of innovation and change. The main innovation activities had for a long time been process improvements, such as desktop publishing, digital printing, and the occasional creation of a new newspaper section. Digital and mobile editions of the newspaper were mainly versions of the paper newspaper but cut to a smaller format. Management had long seen a need for renewal. As the advertising revenue plummeted, however, almost every decision was made to support the paper edition.

In the beginning of 2014, the company was trying to recover from a disappointing year in 2013, a gloomy outlook regarding advertisement sales, a painful taxation verdict from high court, and the need to refinance its activities with a group of banks who demanded increasingly higher risk premiums on their lending. Stressed by the drastic downturn and the company's inability to innovate, the management team decided to try a new method to impose innovative ways of tackling the challenge ahead. The goal of the management team was to increase both the urgency and the capability for innovation. The research team was interested in studying the conditions for innovation under high degrees of urgency and uncertainty.

We conducted a clinical management research study ([Schein, 1987](#)), allowing us to study the change processes as they evolved. This gave us a deep understanding of the external and internal contexts of the company. The work with Newsgroup was highly collaborative ([Adler et al., 2003](#); [Shani et al., 2007](#)) and longitudinal ([Pettigrew, 1990](#)), in line with calls from leading management scholars that such approaches are important to thoroughly understand organizational transformations and renewal ([Balogun and Johnson, 2004, 2005](#); [Beer, 2011](#); [Pettigrew, 1990](#); [Pettigrew et al., 2001](#); [Schein, 1987](#)).

### Study outline

As part of the overall change process in the organization, management used two workshops to identify key challenges that needed to be addressed in the near future and formed initiatives around those challenges. This paper focuses specifically on seven innovative initiatives that were formed as parts of the overall renewal process (see [Fig. 2](#)). The initiatives were driven by employing the logic of inductive inquiry to multiple cases (initiatives) in the same setting ([Eisenhardt, 1989](#)). The foci of the initiatives were outcomes of the strategic change agenda, and the knowledge developed in the initiatives subsequently became input to refining this agenda.

The researchers designed a model for the initiatives to increase urgency, but also to increase the space for innovation. The model was based on findings from the academic literature and built on the following ideas/assumptions:

- Performance focus can drive new behavior ([Schaffer and Thomson, 1992](#))
- Change is best achieved through unit-by-unit change based on task alignment ([Beer et al., 1990](#))
- “Part-whole” relationships need to be managed by inviting complexity in the development team ([Van de Ven \[1986\]](#), suggested that the whole should be designed into the parts.)
- Development teams perform best when their members see “small wins” progress with meaningful work ([Amabile and Kramer, 2011](#))

The initiatives were given tight deadlines and what was publicly announced as “unreasonably ambitious goals”, a cross-functional team composed of representatives from relevant parts of the organizational system, a three-month time span, a breakdown structure where monthly review meetings included top management, and weekly meetings with a project sponsor ([Table 2](#)). The setup of the initiatives demanded management to lead them in a different manner than traditional projects. The aim was to see how the setup would function and, particularly, what effect it would have on the relationship between innovativeness, creativity, learning, and urgency.

All seven initiatives demanded innovative approaches to development with the goal of increasing profitability through innovations in products, services, or processes. The stakes were high, as Newsgroup's revenues were plummeting. Six of the initiatives included an innovative approach to the editorial/journalistic component of the news media aspect; for example, one included the building of a new collaborative platform for coordination between the mobile, web, and media outlets in the reporting of Sweden's most popular television show. The set-up of the initiatives also demanded that the teams rethink the way they collaborated with different parts of the organization.

The researchers were involved in supporting the design and setting up of the initiatives as well as designing learning events in relation to the initiatives and their contribution to the renewal process. However, the content and responsibility for the initiatives were in the hands of Newsgroup. The formulation of the challenges and targets was done by the top management team in collaboration with the project leaders, and each initiative was driven and executed by Newsgroup resources. The evaluation of the projects was done by sponsors and project leaders.

### Data collection

The researchers followed Newsgroup on a weekly basis to study what happened in the change initiatives. Reflections were noted in learning diaries and discussed within the research team every other week to create a continuously updated “theory of the case” (a brief description of current understanding of what was going on and why). In addition to monitoring the initiatives, the researchers



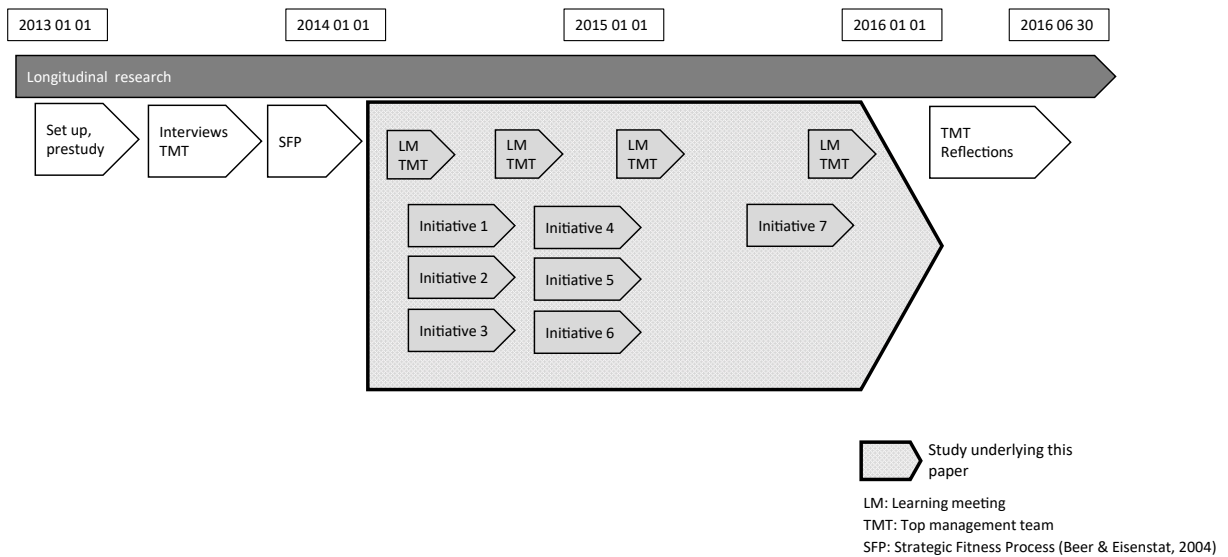


Fig. 2. Study outlay and context.

**Table 2**  
Design criteria for initiative setup.

Design features supporting urgency	Design features supporting creativity/innovation
The challenges should be critical for future success.	The goals should be set so high that they could not be reached with the current working model.
Very short time frame	The solution to the challenge could not exist; it had to be created.
High management attention	Publicly announced as “impossible” goals
No negotiations on goals, time frames and levels	Focus on team, fun, and playfulness
Team awareness of overall strategic challenges	Minimum of project documentation and administration
Clear, measurable targets	Cross-functional teams

conducted 26 interviews and engaged in 28 learning meetings (including review meetings, workshops, etc.). The series of learning meetings were designed to connect learning from projects with the organizational level and the strategic transformation agenda. Table 3 displays the different data collection points. All work, including interviews, was done in the native language of the researchers and respondents. We have translated quotes to English and checked for accuracy of the translations with a professional language editor. Work in the native language allowed study participants to easily express themselves and the researchers to understand the context.

We wanted to understand how the teams handled the sense of urgency in the setup and how that transferred into action and outcomes. The research team (the authors and one additional senior researcher) met in six full-day workshops to make sense of the data. Using a simple categorization process, the authors then grouped statements and actions in the different initiatives and used these to form higher order categories (cf. Gioia et al., 2012). An outline of the coding scheme can be found in Table 4.

*Findings*

In this section, we first describe some key elements around how the initiatives were selected and what happened with regard to the implementation of the initiatives (for a description of each initiative, see Appendix A). Next, data are presented in the form of illustrative quotes that are summarized in dimensions (Table 4). Lastly, three overarching themes that were identified as important for combining prevention and promotion are presented.

*Description of initiatives*

While management knew that they were in urgent need of improving company performance, they were not sure which steps to take. A general slogan was “everything that could be done jointly should be done jointly.” However, as one management team member said, “In saying that, we were actually trying to give the organization a direction. I realize now that there was no hope or passion in that statement. We [then] realized that we needed to not only cut costs, but also innovate, try new things, and change our business model.”

The top management team drafted a strategic direction that pointed towards a few areas where Newsgroup would need to excel in the future and decided on three initiatives related to these areas. After three months, a learning workshop was held among management and project leaders, and three new initiatives were launched. Three months later, another workshop was held and one more

**Table 3**  
Data collection points.

Context	Time period	Number of interviews	Interviewees	Number of learning meetings	Focus on learning meeting
Initiative 1: Increase in digital ad sales	May 2014–Aug 2014 (including summer break)	2	Project manager Project sponsor	3	30 days review 60 days review 90 days review
Initiative 2: New digital platform for the Eurovision song contest	May 2014–Aug 2014 (including summer break)	2	Project manager Project sponsor	3	30 days review 60 days review 90 days review
Initiative 3: Cross-border collaboration to enhance sales	May 2014–Aug 2014 (including summer break)	2	Project manager Project sponsor	3	30 days review 60 days review 90 days review
Initiative 4: Sales of customized digital ads supported by a system that does not yet exist	Sept 2014–Dec 2014	2	Project manager Project sponsor	3	30 days review 60 days review 90 days review
Initiative 5: One jointly produced newspaper section	Sept 2014–Dec 2014	3	Project manager 1 Project manager 2 Project sponsor	3	30 days review 60 days review 90 days review
Initiative 6: Boosting core sales in the largest market	Sept 2014–Dec 2014	2	Project manager Project sponsor	3	30 days review 60 days review 90 days review
Initiative 7: Mixed media sales	May 2015–Aug 2015 (including summer break)	2	Project manager Project sponsor	3	30 days review 60 days review 90 days review
Top management team interaction	March 2014–Dec 2015	9	CEO (4) SVP Business Dev (4) SVP Sales (1)	4	Strategic agenda Learnings initiatives 1-3 Learnings initiatives 4-6 Learnings initiative 7
Project kick-offs	May 2014–May 2015			3	Kick-off initiatives 1-3 Kick-off initiatives 4-6 Kick-off initiative 7
Summary		24		28	

**Table 4**  
Coding scheme (inspired by Gioia et al., 2012).

First order codes	Second order dimensions	Third order themes
Descriptions (quotes or observations) illustrating sense of urgency without stress/ Or Description (quotes or observations) illustrating innovative/creative capability and sense of urgency	Dimension 1 Dimension 2 Dimension 3 Dimension 4 Dimension n	Aggregated theme 1 that seems to reconcile urgency and innovation Aggregated theme 2 that seems to reconcile urgency and innovation Aggregated theme n that seems to reconcile urgency and innovation

initiative was launched. Table 5 describes some basic characteristics of each initiative.

#### Summary of findings from initiatives

As the initiatives began, they seemed to follow the same path. In each kick-off meeting the team members initially showed hesitancy. The conversation was hard to steer toward ideating. Instead, team members dwelled on the present and tried to negotiate the seemingly impossible goals. However, the project managers were instructed to stand firm on goal formulation. The project managers also made a point of explaining that the goal was deliberately set high to force out-of-the box thinking and challenge current working models. Management communicated that although they thought it unlikely that the ambitious goals would be achieved, they still had



high hopes. Gradually, the mood among the project teams changed. Passivity and resistance transformed into activity and energy. After one project ended, the project manager said, “Now, this project has been so much fun. So much work, but so much fun. And the level of our solutions is, at least in this context, remarkable.” The experiences of other project managers were similar. The level of creativity and trust increased during projects. In the project documentation from one initiative, team members stated that the project created, rather than drained, energy.

**Table 5**  
Characteristics of initiatives (building on Fredberg and Pregmark, 2016).

	1. Increase in digital ad sales	2. New platform for Eurovision song contest	3. Cross-border collaboration to enhance sales	4. Sales of digital ads supported by a system that does not yet exist	5. One jointly produced newspaper section	6. Boosting core sales in the largest market	7. Mixed media sales
Context	- Sales of printed ad going down dramatically -Digital ads perceived as the future but sales force reluctant	-Idea to create a cross-media platform to test future potential -Eurovision song contest selected as test case	-Two papers owned by Newsgroup were in the same market -One paper was losing ad sales and had been forced to reduce workforce	-The revenues from printed ads will not match the revenues from digital ones -A project aimed to create a new platform for ads, leveraging editorial content, was launched	-For the first time this was to affect the core of the papers—local journalism	-Through in the middle of a digital transition, major revenue streams came from printed ads in the largest geography -Development here had not been given much attention lately	-Building on initiative 3, this initiative was launched in another region, with an even stronger focus on combining different media types (digital, print, free, 360 product, web-tv, customer paper)
Challenge	-Increase digital ad sales 100% across all regions	-To launch a new digital platform, increase the number of views substantially (to attract advertisements) -Platform to include live, articles, video, chat, etc.	-Reach 560,000 in new money combining the strengths of three types of media: printed ads, digital ads, and ads in free papers -The two competitors had to work together	- Sell the new type of product, which did not fully exist yet, to a higher price than regular digital ads	- Section two of all paid newspapers in the group was to be almost the same - Normally, changes affecting the product took years	-Boost sales by 20% within three months in a mature market	-Customer to buy at least four out of the six media types
Obstacles	-Sales force lacked capabilities and confidence -Business models and packages for digital ads were lacking	-Culture and structure did not support collaboration between functions as well as media types	-The trust between the traditional and free paper was low -To increase sales in an industry where all indicators were pointing in the wrong direction was challenging	-Hard to sell product that does not exist -Journalists and sales representatives had not successfully worked together in the past	-The news about the common part met skepticism -Usually changes were made slowly -Put new demands on every workstream and role.	-Mature market with downwards trend -Sales team with weakening confidence	-The trust between representatives from sales people of different media types was low -Customer base not at all used to buying a mix of ad products
Outcome	-90% increase in digital ad sales -Sales people rated their ability to sell digital ads substantially higher after the project	-Almost met goals in terms of audience and sold ads -The digital platform was launched and worked at the planned date	-Reached their “impossible” goal -The expected sales increase for the following month was four times as big as the goal -The increased sales were 12 times the costs of the project	-The new product was sold at a rate 20 times higher than average market rate	-90 days after the first meeting a new common part was launched -Estimates that the increased revenues and cost savings were 30 times the invested capital	-Did not reach their goal but saw an increase by about 10%	-Reached their goal of convincing customers to buy four or more media types
Learnings	-Cultural factors such as fear of failure and losing status more important blocker than expected	-The platform was later used to create a working model for major event coverage -Collaborative way of working for shared short time success released creativity	-The working model for the project was developed into a new organizational structure	-Possible to work from the future and back -Collaboration across functional borders created energy rather than friction when shared goal was accepted	-Refocusing from cost saving to creating future possibilities -Rethink the value of existing models in the promotion of speed and flexibility	-Found new working model, breaking up the old teams -Introduced a method for celebrating small wins jointly	-New ways of working collaboratively introduced -New business models and ad packages introduced -Boost in confidence

Project members found that the formulation of the challenge was central to converting stress into positive energy. In their final report, one project team concluded that the ambitious goal forced them to think differently. Moreover, the complexity of the challenge gave them no choice but to cooperate. To succeed, different competencies and different newspapers needed to work together. The overly ambitious goal had a somewhat unexpected effect. Because it was not a traditional stretch goal, it became more of a vision. The team members expressed that they did not feel that missing the target would be a failure. Instead, just getting close to the goal felt like a success.

**Table 6**

Gioia table of case analysis.

First order codes	Second order dimensions	Third order themes
<p>“It was clear from the beginning that these goals required new ways of working. And that it was expected. First it felt scary since it also was a really tight timeframe.” Project Manager, Initiative 7</p> <p>“I am quite experienced as a Project Manager. Normally, if you plan well enough, if you follow up, if you ... you know ... do all that, you will succeed with your project. In this case, just planning, spending time, getting resources together and to follow up would not do the trick. To reach an increase with 100 percent it was not about hours or planning or getting the right people onboard. It was about finding new ways.” Project Manager, Initiative 1</p>	Goals that cannot be reached with current working model	Publicly announced aim for success and tolerance for failure
<p>“It is like when Sweden plays Germany and is down with 0–4 in half time—it is the same feeling I guess, if we make it we win big, if we don’t we don’t lose.” Project Manager, Initiative 3.</p> <p>“Yes, it was impossible. And we loved it. Suddenly we were working for a possible sense of reward—not as we were used to, working under the knife.” Team Member, Initiative 6</p> <p>“To be able to succeed I needed to trust my teammates—the time pressure and difficulty to plan made it impossible to work through control.” Project Manager, Initiative 1</p>	Shared sense of team to work for “mission impossible”	
<p>“The project did meet the target, more or less, but the most important thing was how much we learned. The sponsor and I agree on that.” Project Manager, Initiative 1</p> <p>“I know I can present our results with my head held high, even if I did not completely meet the targets. I feel confident that both the steps we took, and our learnings will be well received.” Project Manager, Initiative 7</p> <p>“We did not fully meet the targets but we found new ways of working that was both more effective and more fun.” Project Manager, Initiative 6</p>	Projects as learning mechanisms	
<p>“I think I speak for the whole team when I say that the stakes have never been so high. But I think we don’t see them (top management team) as counterparts.” Project Manager, Initiative 1</p> <p>“When reporting to top management, I perceived that obstacles are there to be tackled and failures are there to be learned from. I imagine this is not always the case for teams when presenting to management.” Project Manager, Initiative 3</p> <p>“You need to tell me what you need to succeed, not why you can’t succeed. And I will try to support you and your team with that.” Sponsor, Initiative 7, to Project Manager</p>	Presence and support from leadership	Psychological safety and accountability
<p>“I feel that we are a team that can fight the dragon—we will win by being smarter together.” Team Member, Initiative 2</p> <p>“Normally my job as a project manager is to get stuff done, often pre-decided stuff. In this project it was much more about creating a sense of that we could come up with solutions together.” Project Manager, Initiative 7</p> <p>“Now, this project has been so much fun. So much work, but so much fun. And the level of our solutions is, at least in this context, remarkable.” Project Manager, Initiative 5</p>	Focus on team spirit	
<p>“I expect a lot from this initiative. I have been asked to lower goals and move deadlines but I have not folded. I don’t interfere so much in what they do but I expect them to follow the rules of the game.” Sponsor, Initiative 6</p> <p>“To me this simple structure helped to secure time for the more creative parts of the project work. But it also helped me to go from creativity to action—the targets and milestones were rock hard.” Project Manager, Initiative 1</p>	Firm (but simple) project structure	
<p>“I am not sure where this industry is going, but it could be that we are working with our future success right now. And that feels good.” Team member, Initiative 4</p> <p>“We realized that we needed to let go of our ego, let go of our expert roles a bit to make this collaboration work. And we realized that could be done when we all united for one common goal that was important for the company’s survival.” Project Manager, Initiative 2</p> <p>“It is exciting to think that I might be a part of saving the organization and its path to a new future.” Team Member, Initiative 2</p>	Operative work clearly connected to strategy and/or purpose	Focus on operative work and strategic direction
<p>“Our freedom to act was almost unlimited—but we were not to tamper with the goals.” Team Member, Initiative 3</p> <p>“This project was different to me—it was a lot of pressure, really structured, really challenging but also fun and exciting.” Team Member, Initiative 6</p>	Creativity/freedom within set frames	

When project managers reported to the management team, they were not nervous (by their own accounts). Instead, they perceived that management was there to help. Moreover, they described a sense of trust and an environment in which raising issues was encouraged. One project manager stated, “When reporting to top management, I perceived that obstacles are there to be tackled and failures are there to be learned from. I imagine this is not always the case for teams when presenting to management.” Another comment concerning how energy and creativity were released was related to the connection between the challenges and the strategic agenda. Management declared that these initiatives were prioritized initiatives, designed to be important steps toward a new and, to some extent, unknown future. According to team members, this prioritization clarified the strategic importance of the project. One project manager commented that, “It is exciting to think that I might be a part of saving the organization and its path to a new future.”

To the surprise of management (and the researchers), five of the seven initiatives met or exceeded the “impossible” goals. In another, the result was a clear improvement, although it missed the target. However, in that case, the lessons learned from the project formed the basis for the design of a new organizational structure. In the last initiative, the team missed the target significantly, but the learning contributed to a similar, later project in the same field. In all initiatives, both sponsors and project managers agreed that the degree of innovative thinking and creativity exceeded expectations. As indicated in the descriptions of the initiatives, the effects of the initiatives lasted far beyond the time when they were implemented, mainly because they created the foundations for new ways of working.

#### *Case analysis*

As explained above, the initiatives were designed to increase the feeling of urgency, but also to increase the possibilities for innovation. We gathered data to understand how individuals and teams responded to this challenge. In [Table 6](#), we have included representative quotes, our second dimensions, and the three overarching themes.

Analyzing data from interviews and field notes, it is clear that the project teams found a way between pressure from an overall sense of urgency and the need for creativity to create new solutions. In [Table 6](#), we have reduced the data to be able to propose three core themes that are considered important for understanding why and how this combination of urgency and creativity could be incorporated in change efforts. The themes are outlined below and illustrated by a brief vignette from one of the cases.

#### *Psychological safety and accountability*

Members of the top management team (TMT) repeatedly stressed the urgent situation demanding rapidly changing behaviors and clear improvements in performance. Thus, they declared that they could not allow a slow and careful development process for implementing new routines that the organization often saw as standard. At the same time, they seemed to recognize the need to install a sense of safety across levels of the organization. Below is an example from Initiative 2.

*Tom and his team were frustrated and a bit surprised. They had not been fully aware of the fears, resistance, and lack of tools that sales people in the local papers struggled with. How could they succeed with increasing digital ad sales by 100% under these conditions? At the first action learning meeting with the sponsor Tom aired his frustration: “I ask them to go out and sell digital. I incentivize, I measure, I encourage—and they come back with print sales. Me and my team can push, but a 100% increase in three months is too high—would 50% be reasonable?” The sponsor from the TMT responded calmly, “No. It is 100%. We can make it. Now, let us discuss how I can help.” Tom, the sponsor, and the team developed a system in which one experienced print sales person paired up with a digital native, which seemed to transfer a sense of safety but kept the high targets for each sales person. They almost made it—90% increase in digital ad sales.*

This is an example of how data indicates that leaders managed a delicate balance in which they held the initiative leaders and organization accountable for pushing toward clear performance goals while simultaneously creating a team and sense of safety across levels.

#### *Publicly announced aim for success and tolerance failure*

The clear, very high, and publicly announced goals repeatedly come back in the data as the core to be able to handle the urgent situation, while simultaneously supporting creativity. Project leaders and team members referred to the excitement of being on a “mission impossible” and how different that was from the normal way of working where targets were set to be first and foremost realistic and reachable. In many initiatives, team members also focused on how the projects were presented as part of a learning journey for the whole company. Below is a snapshot from Initiative 5.

*After three months of intensive work, Robin presented her results and learning to the sponsor of the project. “I know the exact moment when the mood shifted in my project team” she reflected. “After a meeting with the project sponsor one team member compared us with the special forces. He concluded that we need to give it all we have, use all our grit and creativity, and we are going to come back as heroes. Hopefully with mission completed, but if not, still heroes.” The project sponsor responded: “This was a very good way of letting creative capacity out instead of locking it in.” Robin continued: “There is a huge difference in doing something to succeed rather than doing it to avoid failure.”*

This example illustrates how the sponsor from the TMT together with the project manager managed to keep the urgency and importance of the mission—the aim for success—and refrain from creating fear of failure.

#### *Focus on operative work and strategic direction*

The continuous emphasis on the initiatives’ connection to the strategic direction of the organization was frequently brought up in

both interviews and in different project meetings. Because Newsgroup was in a transition, there was no clear long-term strategic idea, and the initiatives were therefore perceived to be both a part of executing priorities and a way of learning to shape the direction and explore alternative futures of the organization. Below is an example from Initiative 5.

*Creating a common part was not the most popular project in Newsgroup. It was especially unpopular in the newsroom. Everyone knew that it was about cost savings and everyone assumed that it would hurt the local journalism and creative freedom. “We need to turn this around,” John (one of the two project managers) said. “We need to make this about the survival of local journalism rather than the death of it.” The sponsor of the project agreed and they started to create a new type of narrative, where all actions—though absolutely fitting a cost cutting agenda—were continuously put in the context of creating room for the heart of local journalism. According to both John and his partner Fred, as well as to the sponsor in the TMT, there seemed to be a turning point where team members started turning fear into energy and creativity.*

The vignette shortly illustrates how leaders manage to reinterpret cues that shaped actions and focus by connecting the project aims to a desirable future direction and purpose.

## Discussion

Many of Newsgroup’s competitors had, with devastating results, failed to meet the new demand for digitalization. Newsgroup was not very different. The company was in financial difficulty, with weakening sales of both advertisement and subscriptions. The organization-wide sense of urgency, and the cost reduction focus that came with it, was intentional, palpable and welcome. With it followed a prevention focus in line with the single minded focus on better use of joint resources illustrated by the mantra of Newsgroup’s CEO above. In the rapid industry transformation, however, creative and innovative capabilities - and with them a promotion focus - were needed to respond to a quickly developing business environment.

In this study, the seven innovation initiatives were created as a means for a rapid renewal process and to study innovation under very urgent conditions, using untraditional project structures and logic. The time frame was short (only three months). The project manager had significant freedom to navigate the project path and an open line to the top management team. Additionally, the challenge was clear and easy to understand, but involved the complexity of the whole organization. Hence, project teams represented different functions and/or organizational areas. This project logic seemed to produce an environment where pressure from an overall sense of urgency was retained on an organizational level while ensuring a safe space for creativity and innovation for projects. Therefore, we suggest that in a case where there is an identified need for a promotion focus in innovative work as a part of a transformation requiring a sense of urgency, leaders need to attend to the relationships between success and failure, safety and accountability, and the operative and strategic view. The following sections provide theoretical propositions about these three relationships.

**Proposition 1.** *Leaders need to create clear definitions of success to direct attention and motivation, but create a publicly accepted space to tolerate and learn from failure. Here, we call it the ability to reconceptualize the success-failure relationship.*

The challenges were formulated to maintain and motivate an overall sense of urgency while relieving perceived stress. The data indicate that the setting of unreasonably ambitious and publicly announced as such targets caused team members to perceive that they could not fail. They were striving for success but were not afraid of not reaching the goal. Hence, deviating from the traditional model of setting goals designed to be reachable and realistic (Doran, 1981) seems to be a way of turning pressure into energy instead of causing fear and friction, which encourages a positive perspective and promotional focus (Higgins, 1997) and frees renewal capabilities (Huy, 2005). The initiatives pointed to a productive way to manage the success-failure relationship, not by shying away from the challenge but by creating a different intellectual relationship with the challenge. Under these special circumstances, urgency (and demand) became a condition that allowed a larger solution space (and hence a greater potential for innovation). In the language of Poole and Van de Ven (1989), the team achieved synthesis by introducing new terms to manage the relationship between urgency and innovation.

Results indicate that it was possible for team members to clearly define the success needed to keep in line with the organization

**Table 7**  
Addition of situational cues found related to reconceptualized relationships.

Relationship	Situational cues leading to prevention focus (beyond business crisis)	Addition to bundle of cues leading to promotion
Success-failure	High performance pressure Short time span Stretch goals	Extensive degrees of freedom Management support Goals set so ambitiously that progress rather than goal attainment became the focus
Safety-accountability	High performance pressure  Accountability for results Unwillingness to negotiate goals	Cross-functionality  Task to solve problems jointly High involvement and support from leadership Less accountability towards established ways of working Assumption of the work being fun
Operative-Strategic	Strategy only focused on doing the same but with less resources Uncertainty and confusion about future potential of business	Assumption of long-term meaning created through short-term results  Signals that failure is okay if it leads to learning Clarity of short-term goals

level strategic agenda without creating fear of failure. Previous research is extensive around the importance of promoting success and small wins (see [Amabile and Kramer, 2011](#)) to enhance creativity and probing. The reconceptualization of the success-failure relationship allowed a group of prevention focus cues, such as performance pressure from superiors and a short time span, to turn into promotion focus cues when combined with increased degrees of freedom to seek solutions, management support for exploration, and counterintuitive goals set so high that fast progress towards the goal, rather than goal attainment itself, became the target. Importantly, it is the combination of cues that allow this reconceptualization to take place, and that it is the addition of cues to such a bundle of cues that creates the difference ([Table 7](#)).

**Proposition 2.** *Leaders need to put performance pressure on innovative projects and demand accountability but simultaneously create psychological safety and trust between projects and management. We call this the ability to manage the safety-accountability relationship.*

The close collaboration with management installed a sense of trust and psychological safety ([Edmondson and Lei, 2014](#)) indicating that both the project team and management were committed to the projects. The internal environment in the teams was characterized by cross-functionality, joint problem solving, and an assumption that the work would be fun. However, the projects were clearly designed to ensure performance pressure and accountability in the project teams. This setup is consistent with findings from [Edmondson \(2019\)](#), concluding that both psychological safety and accountability are needed to create a setting for learning. Just as the ambitious goals and the short time frame change the relationship between success and failure, the changed perception of the solution space for what the teams were allowed to do and how they would be held accountable altered the relationship between safety and accountability. All initiatives were of critical importance to the financial performance of Newsgroup, which meant that the overall accountability was very high (which arguably could lead to a strong prevention focus). However, the “local” accountability to peers, including norms and project considerations, was loosened. This allowed the teams to expand the solution space for the initiatives (which allowed the development of a promotion focus). The creation of the right safety-accountability relationship is, arguably, of importance in ensuring a positive outcome of the success-failure relationship. This is in line with [Amabile and Kramer’s \(2011\)](#) argument that managers are catalysts to risk-taking, which is intrinsic to innovative work. In addition, the potential stress and fear that could be created from a sense of urgency is likely to be reduced in an environment of trust.

[Edmondson \(2019\)](#) discussed that both psychological safety and accountability/performance pressure create conditions for learning. We argue that the findings in this study add to that notion and provide ideas for how these conditions can be created in the case of rapid transformation. However, more research is needed to investigate how structure, culture, and practices for supporting such learning could be set up.

Hence, safety-accountability seems to be reliant on situational cues in line with achieving psychological safety in combination with high degrees of accountability. It was explicitly expressed from management that the teams were allowed to challenge established truths, borrow from concepts and solutions already developed elsewhere, and be light on project administration to move away from traditional project management structures. Another difference from other situations was that accountability was not for a more exact solution. Moreover, situational cues were given, explicitly expressing that traditional accountability to the established system and peers within that system was less important ([Table 7](#)).

**Proposition 3.** *Leaders need to convey a continuously updated strategic intent to serve as a guide for autonomously driven operative/project work, but at the same time allow freedom to explore potentially important new strategic directions. We call this the ability to manage the operative-strategic relationship.*

A sense of what is important and essential to the collective advancement of an organization is vital for competitive companies ([Senge, 1990](#)). Newsgroup lacked a clear strategy. However, the initiatives were connected to a potential strategic agenda for future success. This created meaning for the teams in the project work and provided an open solution space. Project members were responsible for the results, but also had authority over the solutions. [Fredberg and Pregmark \(2018\)](#) discussed how entrepreneurial initiatives can be supported in an established organization when performed with “attachment with autonomy” (p. 117)—meaning creating clear ties to the strategic agenda and common goals but allowing freedom to initiate and innovate. This study strengthens the idea that innovative and entrepreneurial work in established organizations is benefited by a connection to the strategic agenda. Beyond “everything that could be done jointly should be done jointly” (Newsgroup executive), the teams did not have much strategic thinking to build on. The old strategic ideas needed to be reconceptualized and interpreted to allow small steps in the initiatives to make strategic sense. When they did, the teams ceased to defend the established business model (prevention focus) and started to develop new ideas that challenged it (promotion focus).

The short-term, ambitious goals allowed the teams to fail but still prove that their efforts were useful for the long term. In addition, the clarity of the short-term goals made the future less opaque and created a sense of progress that stimulated creativity ([Amabile and Kramer, 2011](#)). The need for organizational members to continuously connect to an overall purpose/direction has been discussed extensively (e.g., [Fredberg and Pregmark, 2018](#); [Senge, 1990](#)). However, how to continuously connect the operative and strategic levels in a change process needs further research.

The situational cues that allowed the reconceptualization of the operative-strategic relationship included signaling superiority of short-term goals over established strategy (which in Newsgroup’s case equaled current operations), while also signaling that future strategy was explored through the initiatives, and in that way, create meaning. Hence, the prevention focus created by the situational cues conveyed through Newsgroup’s business crisis were combined with situational cues (from management) that supported strategy creation through the initiatives. An additional design factor that indirectly made this work possible was team composition. Although cross-functionality in teams is more difficult to directly relate to prevention/promotion focus in teams, the representation of all relevant organizational functions and units in the teams arguably helped team members to see broader applications of the developed



solution and thus worked to strengthen the response to other cues (Table 7).

Following the reasoning above, a success factor here is the ability to create an overall sense of urgency while not transferring that pressure to project teams. The reconceptualization of the three central relationships enabled a promotion focus in an environment dominated by prevention-focused managerial cues. Through managerial cues created through the project setup, leaders managed to maintain urgency and prevention cues (Brockner and Higgins, 2001; Brockner et al., 2004) to ensure accountability (Edmondson, 2019) and responsibility in the project teams for the overall urgent transformation, while supporting creativity and innovativeness in the initiative work. Thus, management instigated a promotion focus (Brockner and Higgins, 2001; Brockner et al., 2004) among the teams, although they were under significant pressure. This implies that pressure and a sense of urgency are not necessarily in conflict with a promotion focus and positive emotions as long as management can balance this tension by creating a work setup that allows for different dynamics to occur. Connecting to Brockner and Higgins (2001) and Brockner et al. (2004), these cues are a form of situational factors influencing the teams' regulatory focus. We found that a combination of such cues, rather than only individual cues, mattered. Table 7 links the three relationships to the bundles of cues and separates cues associated with a prevention focus and the additional cues created in the different initiatives.

For example, high pressure, short time frame, and impossible goals alone can lead to high stress and a prevention focus, but in combination with more degrees of freedom and management support, the bouquet of cues can instead create a promotion focus in team members. For example, cues that supported psychological safety in the teams guaranteed that challenging established truths and habits, and breaking with other organizational units, moved attention towards what potentially could be possible, and thereby altered the nature of the goals and the teams' attitudes toward those goals (cf. Brockner and Higgins, 2001). Further, the expressed superiority of short-term developmental goals over an established strategy created meaning for team members, as they were part of testing possibilities that could become part of a new strategy. Hence, to explicitly relate our findings to Brockner and Higgins (2001), the management of the three relationships created new situational cues that changed "(a) the needs that the teams were seeking to satisfy, (b) the nature of the goal that the teams were trying to achieve, and (c) the psychological situations in the teams" (p. 37).

Our findings extend, and to some degree, explain results by Schaffer and Thompson (1992) and Schaffer and Ashkenas (2005), who argued that the formulation of extremely highly set goals in short-term initiatives helps invigorate project work and create the foundation for strategic change with a longer time perspective. Our understanding is that the possibilities for experimentation and focus were created, as the initiatives seem to have produced microcosms where a synthesis (Poole and Van de Ven, 1989) of urgency and innovation could coexist. The characteristics of these microcosms seem to be similar to those of innovation in high-uncertainty/high-velocity markets, where innovation work is fast-paced and the project results are unclear. The achievement of goals could override process considerations, norms, and boundary conditions (heuristics) that determine what a team can or cannot do (Brown and Eisenhardt, 1997; Eisenhardt and Martin, 2000). The initiatives in this study displayed a series of boundary conditions (time frame, team setup, general assignment), but they enjoyed a wide solution space and expanded as the ambitious goals demanded the teams to rethink how they normally approached problems. The teams driving the initiatives maintained a tight-loose coupling to the existing business (Benner and Tushman, 2003; O'Connor, 2008) and achieved "attachment with autonomy" by using the resources of the established operations, while they reconfigured the same resources to the initiative's advantage (Fredberg and Pregmark, 2018). The character of the microcosms also suggests that the synthesis of urgency and innovation was not necessarily stable, as it is difficult for organizations to maintain such special conditions for prolonged periods of time. The initiatives did not only create new product/service solutions but developed organizational capability to support new innovations. This was a necessary result of the initiatives being driven inside organizational structures. It seems logical that the organization could use the new innovative solutions from the initiatives and make them standard practice in the organization, something that also happened. Of course, the customized nature of the results from the initiative makes the integration process simpler.

The data from the seven initiatives suggest that project members succeeded partly through collaboration and learning, which is consistent with some of the required renewal capabilities identified by Huy (2005) and some key components of flow (Aubé et al., 2018). No one in the project teams seemed to begin with a clear vision of what to do and how to do it. Instead, project managers adapted a new style of problem solving by determining and leveraging each team member's strengths, which led to energy and action. This is consistent with the findings of Lee et al. (2003), who emphasized that reaching out and seeking solutions was important for creating new knowledge. Previous research has mainly discussed these components as findings for teams or individuals. We argue that this study shows how these innovative components can be incorporated in a larger organizational setting, where the overall agenda was focused on change with a more prevention approach. A sense of urgency created motivation in the organization to move faster, but led to prevention cues at the organizational level, which meant that decisions primarily became directives to serve the established business model. The downside of urgency for innovation and creativity could be mitigated in innovative initiatives, thus providing the project level with a promotion focus.

The effort to innovate for the future and simultaneously leverage the current business is frequently referred to as the ambidexterity problem (Smith et al., 2010; Tushman and O'Reilly, 1996). Newsgroup was clearly experiencing difficulties in handling this dilemma. For various reasons, Newsgroup was not in a position to benefit from reducing the complexity of the organizational solution (Marion and Uhl-Bien, 2001) by separating the established from the new in time and/or space (Baden-Fuller and Volberda, 1997; Tushman and O'Reilly, 1996). Instead, Newsgroup attempted to let the established and the new co-exist (contextual ambidexterity: Birkinshaw and Gibson, 2004; Smith et al., 2010) and drive new ideas in seven innovative initiatives, which are described in this paper. Managing the three aforementioned relationships could arguably be a way of not only combining a promotion and prevention focus, but also to support contextual ambidexterity (Birkinshaw and Gibson, 2004; O'Reilly and Tushman, 2013). Previously, not much has been published on concrete ways of working to succeed with a contextual ambidexterity approach. The findings in this study are a step in that direction.



## Conclusion

Many researchers have argued that a sense of urgency induces effective change (Armenakis et al., 1993; Beckhard and Harris, 1987; Conner, 1992; Kotter, 1995). For Newsgroup, pressure from a sense of urgency was clearly present. Other authors have been argued that pressure and perceived threats have a negative effect on individuals' ability to change radically because they reduce people's capacity to analyze and create (Lieberman, 2013; Rock, 2008) and, instead, foster defensive routines (Argyris, 1993), and arguably a prevention focus. However, Newsgroup desperately needed its teams to have a promotion focus to allow them to seek radical renewal, which in turn demanded capabilities such as learning and creativity (Huy, 2005). These capabilities come from positive emotions and positive energy (Alexiou et al., 2019; Amabile and Kramer, 2011; Huy, 1999, 2005).

We argue that we here uncover ideas for managing the potential conflicting outcomes of urgency (both supporting and limiting the ability to change). Innovative initiatives (requiring a promotion focus to release creativity) as part of a larger transformation (where a prevention focus is necessary) seem to be an effective setup where the sense of urgency can bring about motivation to change without causing stress, fear, or friction. This is especially of interest to organizations that need individuals to both be part of explorative and exploitive work and thus seek contextual solutions (Birkinshaw and Gibson, 2004) to ambidexterity problems.

In our study, we found that leaders in the organization succeeded in reconceptualizing three different relationships, which seemed to be crucial for the ability to keep a high sense of urgency but refrain from creating stress and friction. Management of these three relationships allowed for the coexistence of (a) activities in line with the strategic intent due to the urgent need to change, and (b) prerequisites for promotion focus, creativity, and innovativeness at the project level. The reconceptualization meant using managerial or situational cues that influenced the regulatory focus of participants. Where the context—a crisis, high tension, and a strong sense of urgency—created cues that research earlier has connected with a prevention focus, the reconceptualization or the relationships meant that the cues—bundled slightly differently—helped participants to adapt a promotion focus. The critical bundle of cues included both high time pressure and high demand, but also increased degrees of freedom and management support.

## Implications

### *Contribution to theory*

This paper sets up the problem of urgency's conflicting outcomes as a problem of managerial cues that lead to a promotion or a prevention focus. Brockner and Higgins (2001) discussed various aspects that may influence whether a promotion or a prevention focus arises in employees: leadership style, use of language, feedback processes, reward systems, and more. Studies have also confirmed that task type (Van Dijk and Kluger, 2011), incentives (Shah et al., 1998), and leadership style (Kark and Van Dijk 2007; Johnson et al., 2015; Johnson et al., 2017; Rietzschel 2011; Tuncdogan et al., 2017; Wu et al., 2008) influence regulatory focus. Beyond these studies, the literature has mainly focused on the effects rather than the antecedents of regulatory foci. We have not found any literature that helps explain the development of a promotion/prevention focus in the form of managerial cues, beyond the overarching observation that situational factors should indeed do so. With the exception of Tuncdogan et al. (2017) and Wu et al. (2008), we found very little that links regulatory focus to creative or innovative outcomes. Our study focused on the creation and balance of prevention and promotion cues. Also here, we have not found any previous studies that have made this link. We believe that our paper contributes to the innovation literature: first, by introducing regulatory focus as a key factor; and second, by analyzing managerial cues, as created in the Newsgroup's organizational environment and in the initiatives, and the tensions that they created, as the cause of situational factors affecting the regulatory focus.

The paper further contributes by proposing the following: (1) that the conflict can be resolved under special conditions (the microcosms), some of which we have proposed in this paper; and (2) how the conflict between urgency and the ability to be creative and innovate can be resolved by reconceptualizing the relationships between success and failure, safety and accountability, and the operative and strategic view. We hypothesize that the setup of the challenges maintained pressure while relieving perceived stress, thereby allowing focus and innovation. Team members perceived that they could not lose, only win. Deviating from the traditional model of setting realistic rather than ambitious goals transformed pressure into energy instead of friction. Hence, in a renewal and innovation context, the traditional change prerequisite of a sense of urgency or dissatisfaction must be balanced with the components of trust, psychological safety (Edmondson, 2019; Edmondson and Lei, 2014), and positive emotions (Amabile and Kramer, 2011; Huy, 2005). We argue that this can be done through an approach to contextual ambidexterity that maintains a tight-loose coupling to key processes and resources. As a secondary contribution, we believe this study contributes to the understanding of how contextual ambidexterity can be organized in practice (Birkinshaw and Gibson, 2004; O'Reilly and Tushman, 2013).

Solutions to managing the three relationships—success-failure, safety-accountability, and operative-strategic—are found at the project level. Together, these relationships create a higher-level solution to the conflicting outcomes from urgency and our findings hence support the existence of such solutions (Andriopoulos, 2003; Poole and Van de Ven, 1989). Our findings also suggest that the possibility of resolving conflict and tensions is related to initiative design. The research design did not allow for evaluation of the stability of the solutions beyond the study period. Although we do not have the same access to Newsgroup, we have strong indications from informants that the initiatives formed the basis for further innovative developments, which was one of the main intentions of Newsgroup management.

*Implications for practice*

Organizations with an established line of business constantly face the pressure of both focusing on operations and innovation. A multitude of company slogans exist to describe this ambidexterity ambition. Organizations we know use the terms “perform and transform”, “renew and new”, or simply “operate and innovate”.

In the age of fast-moving markets and technological shifts, the push for organizations to learn how to manage this “simultaneous solve” (Beer et al., 2011) becomes increasingly pressing. However, as has been shown repeatedly, the incentives for companies to use the sense of urgency evoked by disruptive technologies, industry transition or weakening sales to motivate productivity increases in the established lines of business (rather than innovative activities) are very strong (e.g. Hill and Rothaermel, 2003). This is a problem, because the focus on more of the same, with a push for short term financial rewards and/or rule-based governance, establishes managerial cues that with a high likelihood lead to prevention focus.

In this paper, we argue that organizations need to create special conditions with cues supporting a promotion focus in order to foster innovation. The paper contributes to practice through offering ideas for how managerial cues can be created to support such conditions. We point towards practical components for setting up innovative initiatives in a way that releases creativity and innovativeness in the project teams, despite an organizational environment with strong (and necessary) focus on current operations, exploitation and rationalization. These components included (a) increasing the group complexity while decreasing the task complexity, (b) increasing the solution space while decreasing the time commitment, and (c) increasing the strength of the relationship to the long-term vision while decreasing the strength of the relationship to the operative environment. Taken together, the setup of the microcosms enabled the creation of a promotion focus in a prevention focus environment. Setting up change initiatives in this way and encouraging leaders to strive to manage the relationships between success and failure, safety and accountability, and an operative and strategic view could be ways to benefit from a sense of urgency – and succeed with a “simultaneous solve”:

We speculate that the combination of urgency and innovation is temporal. The initiatives were connected, but freestanding. Because they were driven in the existing structures – with the selected project team members working partly in the initiatives and partly with the established business - they created solutions that were adapted to the organization, which reduced the need for reintegration of the solutions in the organization. Thus, we saw evidence to suggest that this set up could make these initiatives both innovative enough and close enough to the organization to rapidly get integrated and tested – a finding we believe to be useful for leaders in practice.

To conclude, we attempted to determine how management can combine high pressure and urgency with renewal and innovation. Our study showed that unreasonably ambitious project goals under special conditions could create motivation toward success rather than away from failure, allowing people to maximize their inspiration, collaboration, and new knowledge creation. The results indicate that the initiatives developed attributes found in environments with high velocity/high uncertainty. This paper focuses on managerial cues to enable a promotion focus to develop in initiatives. A large part of the organization necessarily needs to be prevention focused, perhaps especially in a situation like the one Newsgroup experienced. However, a prevention focus arguably develops more easily in a situation where an organization needs to protect what it has. Our argument here has been on developing the alternative, which we believe to be of importance for any organization struggling to keep up with a contemporary context, where adaptability and innovation are core for future success. These findings and arguments could also potentially be of particular interest in the current situation, where organizations all over the globe are struggling to cope with effects of the Covid-19 crises. It is reasonable to assume that the pandemic has created environmental cues that easily can lead to more of a prevention focus in many organizations. At the same time, in some companies that we know, the pandemic has also created a positive flow of ideas and solutions. The high demands, the short time frame, and the suddenly very open solution space generated by the willingness to find alternative solutions, also created a promotion focus in these examples. In some of these organizations, the regular way of working was disrupted to such an extent that people started to question the modus operandi existing before the pandemic. The findings in this paper could potentially contribute to practice by supporting more organizations to reconnect with their innovative work and enter “the new normal” with new models, ideas and capabilities.

*Limitations and future research*

Our study focused on a set of initiatives driven through a special work setup. We believe that the setup can create similar effects in other organizations. Nonetheless, due to the variability of contextual factors, the results from the seven initiatives at Newsgroup may be limited in their generalizability to other organizations and types of organizations. The media industry and Newsgroup were in a very special situation where the advertisement market was shrinking up to 10% per year at the time of the study. We cannot determine how much this influenced the general feeling of urgency. Additionally, we focused on how a promotion focus could be supported and created in a context with a clear prevention bias and did not take individual dispositional factors into account. The importance of dispositional factors for change results has been questioned (Michel et al., 2013), but as Brockner and Higgins (2001) showed, dispositional factors do influence how people react to different cues. Lastly, Newsgroup had very limited experience with innovation, which could have had an influence on all aspects of our study. Thus, it is unclear the extent to which similar needs, initiatives, or results would be found in an organization that more actively supports innovation as a part of its organizational structure.

There are several areas in need of further research. The first regards the different forms that this seemingly fruitful combination of urgency and innovation can take. A second area concerns the psychological effects that the project teams experienced, as they found that the ridiculously ambitious goals opened their solution space. A third area in need of investigation, which is perhaps the most interesting from an innovation and transformation perspective, is the relationship between the initiatives and the corporate system.

The innovative solutions created in the initiatives were created in the system, but at the same time renewed the system. This is an example of contextual ambidexterity (Gibson and Birkinshaw, 2001; Smith et al., 2010) on the project/process level, which is something that has not been explored extensively. Research is needed to investigate the progression of contextual ambidexterity over time. We believe it could be beneficial for future research to engage in such endeavors.

### Author statement

The authors, Tobias Fredberg and Johanna E. Pregmark, contributed equally to this paper, in all parts of the research, writing and revising. The names are written alphabetically.

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### Appendix. Description of initiatives

#### *Initiative 1 – Increase in digital ad sales*

Although digital sales were considered a key for the future direction of Newsgroup, there was still a preponderance among the sales force toward selling traditional print ads. Management therefore organized a cross-border team that was charged with the difficult task of increasing digital ad sales by 100% within a three-month period. One project manager, Tom, took charge. He and his team quickly realized that insecurity and fear of failure were bigger obstacles than a lack of IT solutions and problems with bonus systems. As Tom put it, “What we hear among the sales people is that they are told there is a crisis and they need to increase sales. However, the way they know how to do that is to sell print ads. They are not stupid, they know that it is not the future, but they still push it.”

Tom and his team created, among other things, a process whereby sales people were paired—combining digital competence with traditional print competence to create security. Tom and the team challenged each pair to use both competences to build on the strong print product and add at least one digital product. Tom stated, “I think this was a way of creating trust and security,” instead of indicating that the print advertisement sales people were becoming obsolete. Instead, the intent was to use their strengths as much as possible. After selling in teams like this a few times, the print advertisement sales people gained confidence.

The project was successful. Although not achieving the goal of a 100% increase, there was an increase in sales of approximately 90%. In addition, all sales people participating in the process rated their own ability to sell digital ads both at the beginning of the initiative and at the end of the three-month project. All participants rated themselves substantially higher at the end of the study period.

#### *Initiative 2 – New digital platform for the Eurovision song contest*

The Eurovision song contest and the national pre-selection competitions are among the most seen television shows in Sweden. Newsgroup decided to create a completely new way of following the event, which involved creating a digital platform that linked live reporting, interaction with both artists and audiences, and broadcasting. The digital platform is needed to function for the web as well as for tablets and smartphones. The goal was to launch the platform in only three months and increase the number of views substantially to attract advertisements.

Anders was given responsibility for the initiative and put a cross-functional team together. The challenge demanded technical expertise as well as editorial, marketing, and administrative expertise. One major initial finding for Anders and his team was that they were not used to cross-functional collaboration. The project sponsor, Ann (Head of Business Development), stated, “We realized that we needed to let go of our ego, let go of our expert roles a bit to make this collaboration work. And we realized that could be done when we all united for one common goal.”

The project came close to meeting the expectations in terms of audience and views, but it was considered a success for other reasons. The lessons learned from the project as well as the platform itself were used to create a working model for major event coverage. Only a short time after, the Swedish election was covered via a digital platform with major success in terms of both viewers and ads.

*Initiative 3 – Cross-border collaboration to enhance sales*

In none of the Newsgroup regions, collaboration between the traditional paper organization and the free paper organization happened naturally. For this initiative, pursued in a mid-sized Swedish town, collaboration between one traditional paper and one free paper was a prerequisite going into the project. The goal was to stimulate new business through increased sales. There was a low level of trust between the traditional paper staff, the free paper staff, and the print advertising sales department. Additionally, digital advertising sales were low.

Susan, the new sales director of one paper, was appointed project manager. Susan and the sponsor of the project, Mary, put together a team composed of people from both papers and from both the newsroom and the advertising sales department.

After a slow and rather rough start, the team quickly picked up speed. The short time frame and the clear task gave them no other option but to take action and to do so jointly. The sponsor stated, “We have had a tendency to plan too much and do too little. We have now solved things we have been talking about for a very long time in just a few weeks by just doing things.” The challenge forced the team to think outside the box, which was highlighted in the final report. Moreover, the project documentation stated that, “The project became a vitamin injection,” implying that the challenge energized rather than drained the team.

The result was beyond expectations. The team surpassed its goal, and the collaboration became a component of the permanent organizational structure.

*Initiative 4 – Sales of customized digital ads supported by a system that does not yet exist*

A project to develop a new way to customize digital ads had been launched in Newsgroup some time ago. However, it did not gain momentum. Although everyone agreed that the project could be an important part of the future of Newsgroup, it seemed hard to invest resources into the project during the ongoing crisis. The management team decided to make it a three-month initiative. The task was to sell a product that did not exist at the time, but introduce it at a substantially higher price than existing alternatives.

The project manager, Robin, and the sponsor formed a team composed of representatives from the editorial staff, advertising sales, IT development, and analysts. The project began slowly. Many team members doubted that they would obtain the resources needed to complete the challenge. However, after a few project meetings, Robin managed to get the team on board. The project was crucial for the future. The project sponsor said, “I am not sure where this industry is going, but it could be that we are working with our future success right now. And that feels good.”

The initiative was considered successful. The challenge was accomplished. The new product was sold at a rate 20 times higher than the average market rate. In addition, the lessons learned from the project were extensive. The project sponsor concluded, “This was a very good way of letting creative capacity out instead of locking it in,” and stated, “There is a huge difference in doing something to succeed rather than doing it to avoid failure.”

*Initiative 5 – One jointly produced newspaper section*

The management of Newsgroup continuously repeated that “everything that could be done jointly should be done jointly.” This was not a popular phrase. Collaboration became a even greater concern when the core business—local journalism—was affected. For this initiative, management decided that a new joint section for business and sports, ideally identical for all paid newspapers in the group, should be developed and ready to go in only three months. When change was affecting the content of the newspapers, the tradition had been to carefully take both internal and external considerations into account. Now, the company had run out of time.

As the sponsor stated, nobody went to work energized with the aim of reducing individual decision rights to enable more collaboration. The two project managers, John and Fred, discussed what might be possible to additionally achieve by creating a jointly produced newspaper section. They concluded that the creation of a common section would allow cost savings that might save the company and save local journalism (which is costly to produce). In this way, Newsgroup could create a setting where people could continue to create local value. John stated, “The challenge transformed from something that created a fear of losing jobs into something that gave meaning and provided the energy needed for the first step in building a committed team.” As one project member put it, “Here [working in the project], I know why I am doing things and what success looks like. I also know that if I am not doing anything, we are not going to succeed.”

Ninety days after the project was initiated, a new common part was launched. The success of the project was evident from the lack of reader complaints. Success was also implied by John’s estimates, which calculated that increased revenues and cost savings were 30 times the invested capital. Moreover, the lessons learned from the successful project were substantial, new relations were created, and a new way of collaborating was established.

*Initiative 6 – Boosting core sales in the largest market*

The management team realized that to survive, they still had to excel at selling their existing (primarily print) ads in their largest market for their main newspaper. Therefore, management proposed an initiative to boost sales by 20% within three months in a mature market.

Henry assumed the leadership role. He immediately enforced cross-team collaboration and innovative ways to work. These initiatives were well received. “It was a relief working towards something tangible and not just talking about an uncertain future. We felt like we were part of the solution and not the problem.” The teams knew the challenge was tough, but, as Henry put it, “Yes, it was

impossible. And we loved it. Suddenly, we were working for a possible sense of reward—not as we were used to, working under the knife.”

Ultimately, the team did not reach their goal completely. However, they made progress, enhanced sales, and re-organized methods of working to continue on the path they found to be both more effective and more enjoyable.

### Initiative 7 – Mixed media sales

For this initiative, the lessons learned from Initiative 3 were transferred to another region of Newsgroup. Three newspapers were challenged with boosting sales through cooperation—among the papers as well as the different types of ads. In this case, the main focus was to encourage customers to buy at least four of the six different product types (digital, print, free paper, 360 product, web-tv, customer paper).

Toby, the project manager, was encouraged by the results of the previous initiatives. The team assembled was less convinced. At the first meeting the team felt pressure. However, when Toby clearly communicated that the project was considered a pilot and failure was acceptable and part of the learning process, the mood shifted. Toby said, “It was when the team members felt that they were not going to be seen as failures if they did not succeed that the creative ideas started to come.” The team managed to enhance sales by broadening their product portfolio to targeted customers and thereby reach its target.

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