

Side to side - Balancing paradoxical tensions within product innovation

Understanding how Swedish music record labels and music publishers manage the tensions between creativity and commerciality and, incremental and radical innovation through ambidexterity.

Abstract

Modern organisations are constantly faced with a plethora of paradoxical tensions, especially during the process of product innovation. For example, the development of incremental innovations must be balanced with radical ones to ensure that an organisation remains relevant in the short and long-term. Organisations balance such tensions through the capability of ambidexterity, a concept which has attracted a proliferation of scholarly interest. However, ambidexterity research to date has primarily focused on the capability from a macro and organisational perspective. Additionally, although product innovation tensions represent an innate aspect of creative industry organisations' (CIOs) daily business, these organisations have been widely ignored by ambidexterity scholars. The purpose of this study is to understand how product innovation tensions are managed on a micro or individual level within the empirical context of the Swedish music industry. This study investigates specific managerial mechanisms, or antecedents to ambidexterity, which allow individual managers to balance the tensions between creativity and commerciality, and incremental and radical innovation. To achieve this, we adopted a qualitative paradigmatic case study design and interviewed 12 managers working in Swedish record labels and music publishers. We find six distinct managerial mechanisms used by managers to balance the tension between creativity and commerciality and two mechanisms used to balance the tension between incremental and radical innovation. Three of these mechanisms, *organisational role*, *sequential shifting on the individual level* and *focus on identity* have not been explored in previous ambidexterity research. The nature of the managerial mechanisms and their descriptions found in this study also provide deeper insights into literature within product innovation and its sub-streams such as real options theory.

Keywords: ambidexterity, paradox, product innovation, creative industry, music industry

Supervisor: Mattia Bianchi

Acknowledgements

This study would not have been possible without the support of the managers working within the Swedish music industry. We are deeply grateful for the interview participants time given that they are all busy making sure Sweden continues being the pop music powerhouse that it is today. It is very rare that one gets the opportunity to have one on one meetings with so many past, current and future legends of the music industry.

Additionally, we would like to thank our supervisor Mattia Bianchi who guided us with his wisdom and expert knowledge. Mattia provided us with constructive feedback and challenged us to dig deeper and inspired us to be creative in our research.

Table of contents

1 Introduction	6
1.1 Paradoxical tensions and ambidexterity	6
1.2 Creative industries as an empirical context	7
1.3 Swedish music industry as a special case	7
1.4 Research gaps	8
1.5 Research purpose and question	9
2 Literature review and theoretical framework	10
2.1 Paradox and ambidexterity	10
2.2 Product innovation	15
2.3 Creative industry organisations	17
2.4 Creative industry organisations and ambidexterity	20
2.5 Synthesis	20
3 Methodology	22
3.1 Pre-study	22
3.2 Research design and approach	24
3.3 Quality of study	28
4 Empirical Findings	30
4.1 A&R managers and their role	30
4.2 Tension between creativity and commerciality	31
4.3 Managing the tension between creativity and commerciality	35
4.4 Tension between incremental and radical innovation	40
4.5 Managing the tension between incremental and radical innovation	43
5 Discussion	47
5.1 Nature of tensions	47
5.2 Overview of the antecedents to alignment and adaptability ambidexterity	51
5.3 Antecedents to alignment ambidexterity	53
5.4 Antecedents to adaptability ambidexterity	60
5.5 Synthesis of both tensions	64
6 Conclusions	65
6.1 Theoretical contribution	65
6.2 Managerial implications	66
6.3 Limitations	66
6.4 Future research	67
7 References	68
8 Appendices	68

Definitions

Artist

Artists are individuals who front and perform a song. An artist can also be an author of a song, but this is not necessarily true. An artist can be signed to both a record label and music publisher.

Artists and repertoire (A&R) managers

A&R managers are individuals working within the A&R division of a record label or music publisher, or independently. They are responsible for overseeing the development of song products and work closely and creatively with artists (Passman, 2010; Tschmuck, 2010).

Creative industry organisation (CIO)

Creative industry organisations are firms working with creative industries. Creative industries produce products and services that are founded on aesthetics, artistry and creativity. Examples of creative industries include the film, music, performing arts and video game industries (Caves, 2000; Chaston and Sadler-Smith, 2012; Lampel, Lant and Shamsie, 2000).

Demo

A demo, short for 'demonstration recording' is a rough recording of a song or song idea which is intended to be shared with certain stakeholders such as producers or A&R managers rather than for public release. A demo can be seen as a minimal viable product of a song (Passman, 2010).

Independent record label (indie)

Independent labels are record labels of smaller size that operate separately or in conjunction with major record labels (Gander and Rieple, 2002; Hesmondhalgh, 1996; Musik Sverige, 2016).

Major record label (major)

Major record labels refer to the three organisations that account for the majority of music sales in Sweden and the world. These include Sony Music, Universal Music Group and Warner Music. (Musik Sverige, 2016)

Music publisher

Music publishers are organisations that work on behalf of the authors of a song such as producers, songwriters, lyricists and even artists. They focus on finding and developing authors who do not necessarily front the final song product and ensure that authors receive compensation for the use of their songs on TV, radio, restaurants, etc. (Musik Sverige, 2016).

Record label

Record labels are organisations that work with finding and selling songs in both physical and digital formats. They focus on finding and developing artists and marketing and distributing artists' music (Passman, 2010).

Playlist

Playlists are a selection of songs on music streaming platforms such as Spotify that are curated either algorithmically or by humans or a combination of both (Spotify, 2017).

Producer

Producers are an individual who oversee the sound recording of a song. Producers can also be co-authors of a song by suggesting changes to the sound and composition of a song (Passman, 2010).

Product innovation

Product innovation refers to the development and introduction of a product or service that is novel and represents an incremental or radical improvement of existing products or services (OECD, 2005).

Songwriter

Songwriters are individuals who compose a song's melody, structure, chord progression and lyrics. Songwriters often collaborate with artists and other authors of a song, such as producers, to develop a song (Merriam-Webster, 2017).

Streaming

Streaming is a method of distributing audio files without the requirement for downloading the audio file. Popular music streaming platforms include Spotify and Apple Music (Harris, 2016).

1 Introduction

1.1 Paradoxical tensions and ambidexterity

Today's organisations are increasingly faced with a myriad of paradoxical tensions, conflicting demands that are also interdependent (Schad, Lewis, Raisch and Smith, 2016). These tensions evoke anxiety within organisations since conflicting demands elicit equivocality during the decision-making process (Smith and Lewis, 2011). Examples of prevalent tensions include environmental sustainability versus financial performance and competition versus cooperation. Such paradoxes contain elements that are simultaneously favourable and in conflict with each other, being '*two sides of the same coin*' (p.761, Lewis, 2000; Zimmermann, Raisch and Birkinshaw, 2015). The ancient Taoist symbol of *Ying and Yang* intuitively illustrates the concept by depicting two opposing elements, black and white swirls that harmoniously combine to form a unified circle (Schad et al., 2016).

Concurrently, product innovation has never been more critical for the success of organisations (Forés and Camisón, 2016). Companies, such as Apple and Alphabet that are highly ranked in terms of innovativeness are also the most valued regarding market capitalisation (BCG Perspectives, 2017; PwC, 2016). In the context of product innovation, there are two tensions that consistently plague organisations. First, product innovation projects face the conflicting demands of creativity and efficiency (O'Reilly and Tushman, 2013). While creativity is imperative for developing new ideas, efficiency is also required to ensure that innovations are implementable and profitable. However, excessive efficiency can impede on creativity. Second, organisations face the conflict of deciding between incremental and radical innovations (Raisch and Birkinshaw, 2008). Incremental innovations are necessary for short-term survival while radical innovations are necessary to ensure an organisation's long-term relevance. Both are necessary but compete for the same resources (March, 1991).

Scholars' interest in understanding how organisations manage paradoxical tensions has seen the burgeoning of ambidexterity literature (Zimmermann et al., 2015). *Ambidexterity* generally refers to the capability of managing the tension between exploitation and exploration (March, 1991; O'Reilly and Tushman, 2013). Exploitation activities focus on efficiency and execution, while exploration activities focus on experimentation and discovery (March, 1991). Although many scholars view ambidexterity as the capability to manage the paradoxical tension between exploitation and exploration, some consider ambidexterity as a capability of managing organisational tensions in general (Nosella, Cantarello and Filippini, 2012). This paper defines ambidexterity as the '*capability of a complex and adaptive system to achieve and manage conflicting activities, by realising high levels of both in a simultaneous way*' (p.450, Nosella et al., 2012). While earlier research focused on dealing with these tensions with an either/or approach, scholars have instead argued for the need to *balance* conflicting elements (March, 1991; Smith, 2009). Scholars of ambidexterity have largely focused on three broad approaches to achieve ambidexterity; (1) having separate organisational structures that focus on each

conflicting activity, (2) switching between the activities over time and (3) creating a context that allows individuals to manage tension (Gibson and Birkinshaw, 2004; O'Reilly and Tushman, 2013; Zimmermann et al., 2015). On a *micro level*, ambidexterity is realised through specific managerial mechanisms, processes and leadership solutions. These solutions are referred to as *antecedents to ambidexterity* (O'Reilly and Tushman, 2013; Zimmermann et al., 2015).

1.2 Creative industries as an empirical context

Creative industry organisations (CIOs), such as organisations within the music and film industries, experience product innovation tensions on an extreme basis (Lampel et al., 2000). The extreme nature of these tensions in CIOs can contribute to a richer understanding of how ambidexterity can be realised in a complex environment (Eisenhardt and Graebner, 2007).

The tension between creativity and commerciality represents a significant challenge for CIOs when developing creative products. In the context of CIOs, this paper defines creativity as the use of imagination and artistry to produce novel and pure ideas. The nature of creative products requires them to be artistic yet commercial enough to meet the tastes of consumers (Lampel et al., 2000). Commerciality can, however, undermine a creative product's artistic value. This tension is intensified by the non-utilitarian nature of creative products and the extreme uncertainty surrounding their potential success. This is because the value of creative products is derived from the emotional experiences they evoke. The value of creative products is thus highly subjective which makes it difficult to control and predict its commercial success (Hirsch, 1972). Product innovation literature's focus on the tension between creativity and efficiency differs slightly from that of CIO's tension between creativity and commerciality. Efficiency is inwards-looking and focused on productivity, while commerciality is more outwards-focused concerning the market fit of products.

Additionally, the tension between incremental and radical innovation is a fundamental product innovation issue for CIOs across projects. This is because CIOs are expected to simultaneously satisfy consumers' current demands and develop future demand (Lampel et al., 2000). CIOs must create products that adhere to current trends but are also expected to create products that transform the market (Lampel et al., 2000). This tension is exacerbated within the context of CIOs as they are forced to constantly innovate due to rapidly changing consumer tastes and short product lifecycles (DeFillippi et al., 2007; Lampel et al., 2000).

1.3 The Swedish music industry as a special case

Music record labels and music publishers (music organisations) are prime examples of CIOs that perpetually deal with product innovation tensions. Like other CIOs, music organisations must develop songs that are creative and artistic but also appeal to the mass market. Additionally, they do not only develop songs that fit with current trends but are also tastemakers that create new trends (Lampel et al., 2000).

Swedish music organisations provide a particularly unique case study to explore product innovation tensions for three reasons. First, the relatively small size of the Swedish music industry places pressure on music organisations to export products abroad. USA's 2016 recorded music revenues of \$7.7bn USD dwarfed Sweden's revenues of \$126m during the same year (IFPI, 2017; RIAA, 2017). These organisations are thus faced with a complex task of reaching their commercial goals.

Second, Sweden is extremely successful on the international stage and is the world's largest exporter of music relative to GDP (Ferreira and Waldfogel, 2013). Sweden has produced a steady stream of artists, producers and songwriters who have achieved international success such as Zara Larsson, Max Martin and ABBA.

Third, Sweden is the world leader in music streaming consumption and is the birthplace of Spotify, one of the world's most used music streaming service. While the streaming market is already mature in Sweden, the rest of the world is still transitioning from a CDs and downloads dominated business model to a streaming one. In 2016, revenues from streaming services, namely Spotify, represented over 85% of total recorded music revenues in Sweden (IFPI, 2017). Only in 2009, CDs, Vinyl and downloads accounted for 80% of total revenues. In the USA, streaming only accounted for 51% of revenues in 2016 (IFPI, 2017; RIAA, 2017).

The unique characteristics of the Swedish music industry represent an extreme example of a creative industry and an '*opportunity for unusual research access*' (p.27, Eisenhardt and Graebner, 2007). Not only do Swedish music industry organisations constantly face paradoxical tensions in their daily operations but they are also extremely successful. Thus, the Swedish music organisations provide an interesting case study to explore the concept of ambidexterity (Eisenhardt and Graebner, 2007; Siggelkow, 2007).

1.4 Research gaps

While there is a plethora of research within paradox, ambidexterity and product innovation theory, we have identified three gaps in the current literature.

First, there has been little attention given to the antecedents of ambidexterity on a micro or individual level - the specific managerial mechanisms that drive ambidexterity (O'Reilly and Tushman, 2013; Schad et al., 2016). Previous studies have instead placed a stronger focus on macro and organisational antecedents to ambidexterity (Nosella et al., 2012). Second, despite the extreme nature of tensions within CIOs' product innovation process, they have received little attention from ambidexterity scholars (Wu and Wu, 2016). Third, there is little research on the specific tension between creativity and commerciality within product innovation. Scholars have instead focused more on the tension between creativity and efficiency (Kratzer, Gemünden and Lettl, 2008). Therefore, a focused study that investigates the antecedents of ambidexterity in a specific CIO seems warranted.

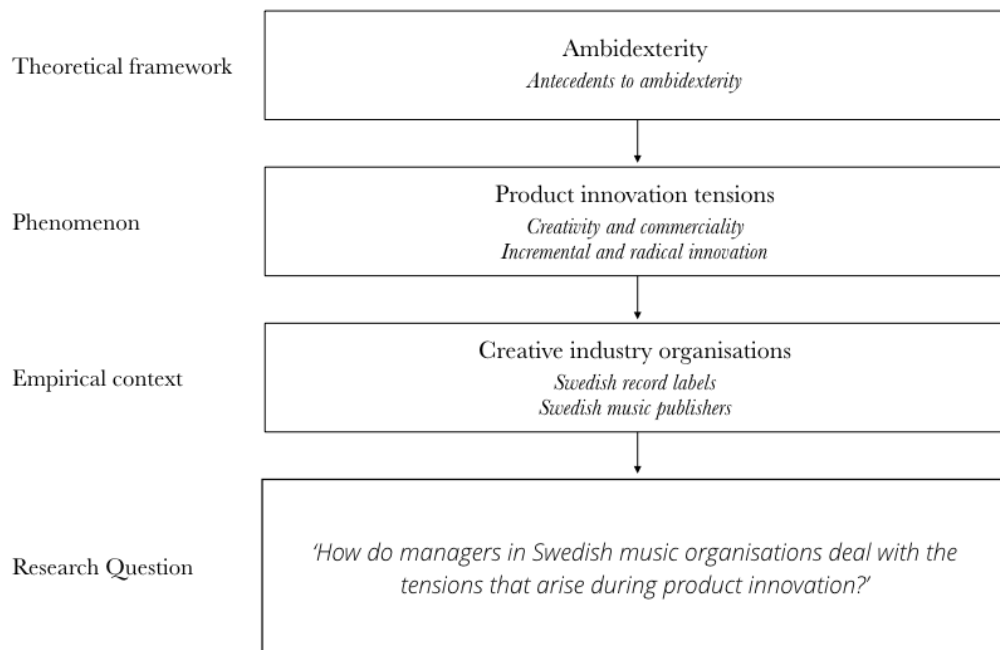
1.5 Research purpose and question

The purpose of this study is to understand how product innovation tensions are managed on a micro level, using the Swedish music industry organisations as an empirical case study. Using ambidexterity literature as a theoretical lens, this study will investigate the phenomenon of product innovation tensions in the context of CIOs. Therefore, this paper will explore the following research question:

‘How do managers in Swedish music organisations deal with the tensions that arise during product innovation?’

Specifically, the study aims to identify the antecedents to ambidexterity that allow managers to balance the tensions between (1) creativity and commerciality and (2) incremental and radical innovation. This paper will specifically explore how managers in Swedish record labels and music publishers, collectively labelled as music organisations, balance these two tensions. See figure 1.1 below for an overview of this study.

Figure 1.1: Overview of this study’s research structure.



1.5.1 Delimitations

This study will only investigate music record labels and music publishers as these organisations are directly involved in the development of novel songs. While music organisations may experience other product innovation tensions, these are beyond the scope of this study.

2 Literature review and theoretical framework

To understand how Swedish music organisations deal with product innovation tensions this section will review the literature pertaining the theoretical framework and context for the study. The section is organised into five parts. First, paradox and ambidexterity theory will be reviewed to provide a foundation for the theoretical framework. Second, literature surrounding the phenomenon of product innovation tensions will be examined. Some solutions to these tensions, such as improvisation, will also be explored. Third, research on CIOs and their product innovation challenged will be explored. Additionally, a description of music organisations' product innovation process will be detailed. Fourth, ambidexterity research within the context of creative industry organisations will be considered. Lastly, a synthesis of the literature will be presented along with the theoretical gaps which this study aims to contribute to.

2.1 Paradox and ambidexterity

2.1.1 Paradoxical tensions

The proliferation of paradoxical tensions in modern organisations has stirred great interest in paradox research within management science (Schad et al., 2016; Smith, 2009). While the definition of paradox varies across management scholars, Schad et al. (p.50, 2016) define them as the '*persistent contradiction between interdependent elements*'. Contradictions are conflicting demands which are both interdependent and mutually exclusive that cause a '*tug-of-war*' effect (Putnam, Fairhurst and Banghart, 2016; p.9, Schad et al., 2016). Interdependence refers to the conflicting elements of a paradox that are distinctively unique but somehow connected (Lewis, 2000). There is strong convergence amongst scholars that paradoxes are persistent in nature - they can be remedied but not solved (Smith and Lewis, 2011). Thus, scholars highlight that organisations must deal with paradoxes on a constant basis (Lüscher and Lewis, 2008). The contradicting, interdependent and persistent nature of paradoxes thus causes tensions within organisations (Putnam et al., 2016).

Types of paradoxes

Research seems to support the claim that paradoxical tensions are numerous and rampant in modern organisations. On an organisational level, research has focused on a myriad of paradoxes such as exploration versus exploitation, competition versus cooperation, flexibility versus efficiency, and purpose versus profits (Adler, Goldoftas, and Levine, 1999; Andriopoulos and Lewis 2009; Jay, 2013; Raza-Ullah, Bengtsson, and Kock, 2014). On an individual level, studies have explored paradoxes such as performance versus learning

and individual versus collective (Murnighan and Conlon, 1991; Van Der Vegt and Bunderson, 2005). Given the abundance of paradoxes in organisations, several authors have attempted to categorise them. For example, Smith and Lewis (2011) organised paradoxes from empirical studies into several broad categories including tensions stemming from time and conflicting stakeholder goals.

State of paradox literature

A review of the current state of paradox literature finds that the content of the research has focused on six themes: (1) paradoxes types (2) relationships within paradoxes (3) collective approaches to managing paradoxes (4) individual approaches to managing paradoxes, (5) paradox outcomes and (6) dynamics of paradoxes (Schad et al. 2016). Interestingly, Schad et al. (2016) found that scholars have given far less attention to the individual approaches to managing paradoxes.

Traditionally, practitioners and researchers argued that paradoxes should be managed by choosing one of the conflicting demands in a paradox, for example, choosing profit over social good. However, scholars have recently criticised an ‘either/or’ approach and instead advocate for the need to balance conflicting demands (Smith, 2009; Smith, Binns and Tushman, 2010). Empirical studies reveal how simultaneously balancing the conflicting demands of a paradox can drive success and innovation (Smith et al. 2010; Takeuchi, Osono, and Shimizu, 2008).

2.1.2 Ambidexterity, the capability of dealing with paradoxical tensions

Researcher’s desire to understand how paradoxical tensions can be balanced has seen the proliferation of ambidexterity literature (O’Reilly and Tushman, 2013). Ambidexterity is generally defined by scholars as the capability to balance the tension between exploitation and exploration, one of the most prominent paradoxes investigated within organisational studies (Schad et al., 2016). Exploration refers to the act of finding new opportunities through experimentation, flexibility and discovery while exploitation refers to the act of taking advantage of current capabilities and can include activities such as ‘*refinement, choice, production, efficiency, selection, implementation, execution*’ (Andriopoulos and Lewis, 2010; p.71 March, 1991). Although both activities are two necessary ingredients for organisational survival and prosperity, tensions arise since they compete for the same resources (March 1991; Raisch and Birkinshaw, 2008). Scholars generally agree that a balance between exploitation and exploration activities is needed to ensure both short and long-term relevance (March, 1991; Raisch and Birkinshaw, 2008). Empirical studies of ambidexterity tend to recognise a positive correlation between ambidexterity and performance (Gibson and Birkinshaw, 2004; Raisch and Birkinshaw, 2008; Tushman and O’Reilly, 2013).

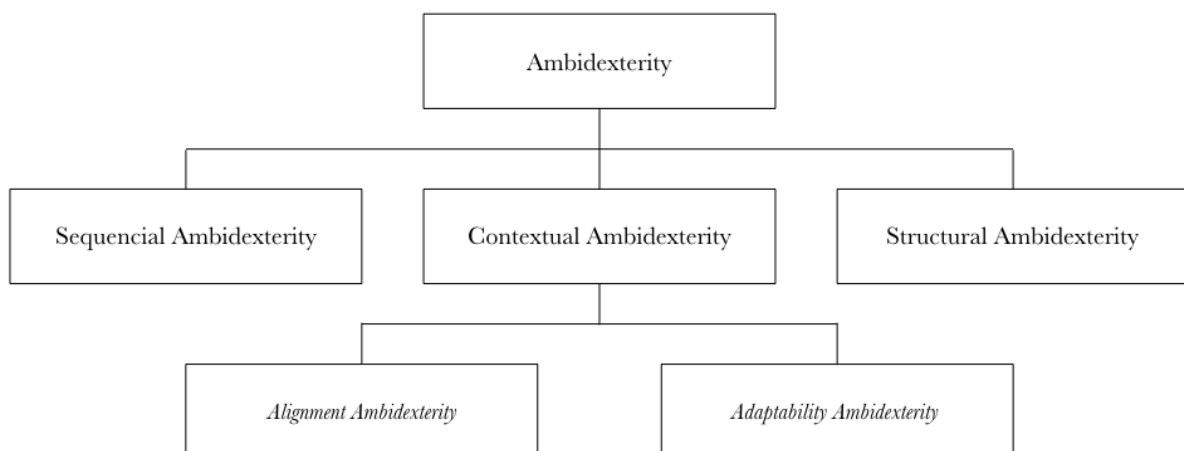
A broader definition of ambidexterity

While scholars of ambidexterity have primarily focused on the concept of balancing the exploration versus exploitation tensions, some have argued for the broadening of the definition. Nosella et al. (2012) argue that organisations must balance a myriad of tensions such as discipline versus passion, and efficiency versus flexibility (Andriopolous and Lewis, 2009; Alder et al., 1999). The authors suggest that the definition of ambidexterity could be expanded to describe the *‘organisational capability that makes it possible to resolve different tensions that arise within an organisation’* (p.450, Nosella et al., 2012). This definition suggests that ambidexterity can refer to an organisation’s capability to balance different tensions other than that between exploration versus exploitation.

The three approaches of ambidexterity

Ambidexterity scholarship shows strong convergence in three broad ways in which ambidexterity can be achieved: structurally, sequentially and contextually (O’Reilly and Tushman, 2013). Structural ambidexterity involves an organisation to have independent units or architectures that either work with exploration or exploitation activities (O’Reilly and Tushman, 2013; Turner, Swart and Maylor, 2012). Sequential ambidexterity involves an organisation changing between elements of a paradox over time (O’Reilly and Tushman, 2013). Contextual ambidexterity refers to having an organisational context that supports individuals to individually decide themselves how *‘they divide their time between alignment and adaptability-oriented activities’* (p.221, Gibson and Birkinshaw, 2004). Alignment refers to *‘coherence among all the patterns of activities in the business unit; they (workers) are working together toward the same goals’* (p.209, Gibson and Birkinshaw, 2004). Adaptability refers to the ability to adapt to changing demands (Gibson and Birkinshaw, 2004).

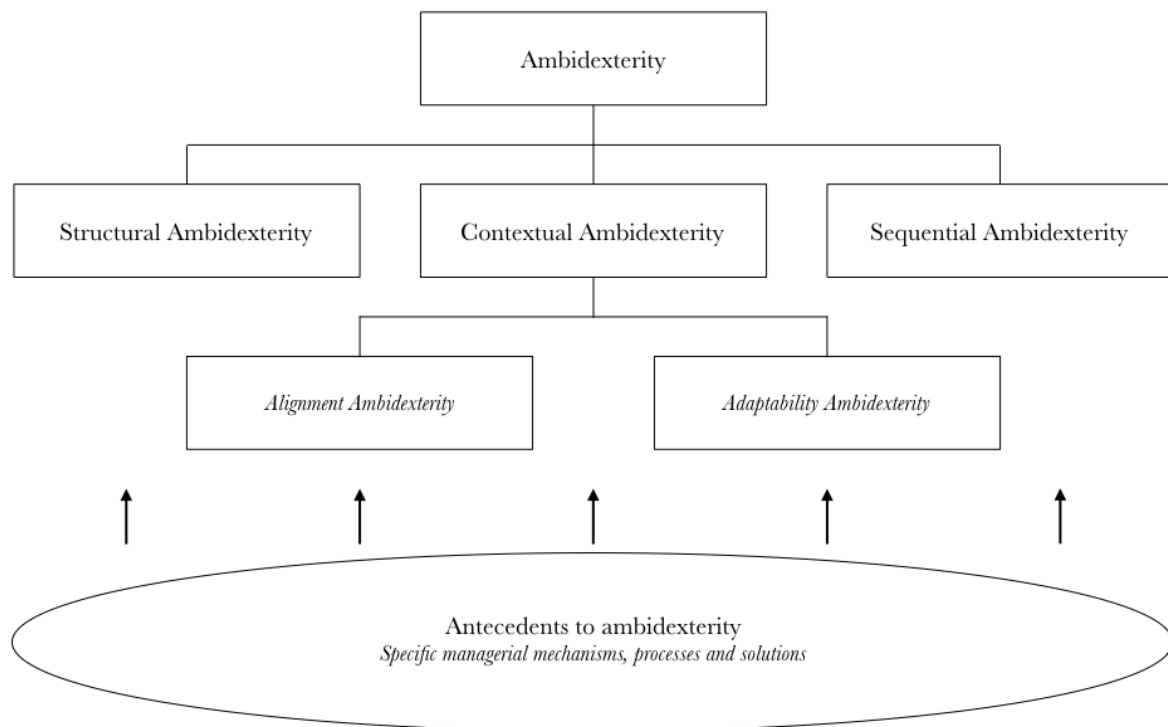
Figure 2.1: The three broad approaches to ambidexterity



Antecedents to ambidexterity

Beyond the three broad approaches of ambidexterity, scholars have also investigated the antecedents to ambidexterity. Antecedents to ambidexterity refer to the specific managerial mechanisms that make individuals, teams and organisations ambidextrous (Gibson and Birkinshaw, 2004; Raisch and Birkinshaw, 2008). Examples of antecedents to ambidexterity studied by scholars include formal organisational structures, culture and leadership (Lubatkin et al., 2006; Nosella et al., 2012; Raisch and Birkinshaw, 2008). However, more attention has been given to antecedents to structural ambidexterity than contextual ambidexterity (Nosella et al., 2012; Raisch and Birkinshaw, 2008). With this, there are few studies focused on individual antecedents to contextual ambidexterity (Raisch and Birkinshaw, 2008). Gibson and Birkinshaw (p.214, 2004) contend that ‘*stretch, discipline, support and trust*’ within an organisational context fosters contextual ambidexterity. Wu and Wu (2016) broadly mention several managerial processes such as improvisation, prototyping and brokerage that can achieve contextual ambidexterity.

Figure 2.2: Antecedents to ambidexterity - Specific managerial mechanisms allow individuals, teams and organisations to be ambidextrous.



State of Ambidexterity research

Despite an abundance of literature within ambidexterity, some argue that there is a lack of attention given to ambidexterity on a micro level. Turner et al. (2013) claim that much of the current empirical research has focused on the structural approaches to ambidexterity. Less attention has been given to understand how managers balance conflicting demands on a ground level. Similarly, Nosella et al. (2012) argue that ambidexterity needs to be studied through a microlens, as a macro-level analysis neglects the '*specific processes, mechanisms and routines*' that alleviate tensions has been largely ignored (p. 459, Nosella et al., 2012). Scholars contend that ambidexterity research has drifted away from seeing ambidexterity as a *capability* since the study of a capability requires an understanding of the specific processes that create the capability (Nosella et al., 2012; O'Reilly and Tushman, 2013). Researchers have since called for a returned focus of ambidexterity as a capability, which requires a process perspective to understand how organisations explicitly balance the conflicting tensions (O'Reilly and Tushman, 2013; Schad et al., 2016).

2.2 Product innovation

2.2.1 Product innovation

Given the fundamental need for organisations to continually renew themselves to survive, the concept of product innovation has received a plethora of interest from scholars (Lewis, Welsh, Dehler and Green, 2002). There seems to be a scholarly consensus that product innovation as a means, allows organisations to renew themselves and adapt to changing demands (Daneels, 2002; Dougherty, 1992). While product innovation literature is vast, some scholars have focused on the tensions that arise during the product innovation process (Lewis et al., 2002). Two particular product innovation intentions that have been widely discussed are creativity and efficiency, and incremental and radical innovation.

Tension between creativity and efficiency

A review of product innovation literature on the tension between creativity and efficiency reveals an agreement about the underpinnings of the tension. Scholars highlight that product innovation requires creativity, spontaneity and experimentation to develop novel solutions (Jørgensen and Messner, 2009; Kratzer et al., 2008). Concurrently, management controls are required to ensure that the innovations are commercially fruitful (Adler et al. 1999; Jørgensen and Messner, 2009). The tension arises because the control mechanisms which drives efficiency inherently hinders the creativity needed for innovation.

Empirical studies of this product innovation tension have focused on how organisations can be innovative in an efficient way. For example, Tschang (2007) investigated the tension between creativity and rationalisation in the video games industry, Kratzer et al. (2008) examined how creativity and time efficiency were managed in R&D projects, and Adler et al. (1999) found several mechanisms that allowed Toyota to be simultaneously efficient and flexible. Although the above studies adopt various names to describe the tension in question, these tensions seem to have the same roots. They involve a conflict between productivity focused processes and creativity.

Tension between incremental and radical innovation

The tension between incremental and radical innovation represents an area of thorough research (Benner and Tushman, 2003). There is a consensus amongst scholars that both incremental and radical innovations are imperative for the short and long-term survival of an organisation (Forés and Camisón, 2016; Lin et al., 2013). Incremental innovations represent improvements on existing products through exploiting and refining current knowledge (Andriopoulos and Lewis, 2009; Greve, 2007). Radical innovations refer to the development of novel products through exploring new knowledge (Greve, 2007). The novelty of radical innovations makes their future demand extremely uncertain. Incremental and radical innovation creates

tensions in organisations since they compete for resources and require conflicting organisational approaches (Greve, 2007; March, 1991).

From the literature, it seems that scholars use the terms ‘incremental and radical innovation’ and ‘exploitation and exploration’ interchangeably. Managing this incremental and radical tension has thus been the focus of most ambidexterity literature (Schad et al., 2016).

2.2.2 Solutions to product innovation tensions

To address the need for creativity and efficiency, and short and long-term focus, scholars have been drawn to a myriad of solutions such as improvisation and small-worlds.

Improvisation within minimal structures

Improvisation represents a common process in the product innovation process and can help organisations be ambidextrous (Wu and Wu, 2016). Scholars generally define improvisation as an ongoing creative process, characterised by spontaneity and flexibility, to obtain a novel outcome (Cunha et al. 2007; Gong, Baker and Miner, 2006; Miner et al., 2001). Improvisation is a process of thinking and doing almost simultaneously and is commonly utilised in the product innovation process. (Baker et al., 2003).

Improvisation research stems from the arts, especially in the environments of jazz and theatrical performance (Vera and Crossan, 2004; Weick, 1993). Scholars often use the descriptive metaphor of jazz musicians to illustrate the concept of improvisation (Eisenhardt, 1997; Hatch, 1999). In jazz, members of a band create music in real-time while constantly adjusting to the shifting musical interpretation of other group members (Eisenhardt, 1997). Jazz musicians’ ability to harmoniously create novel music on the spot stems from their reliance on a few specific rules such as chords and rhythm (Eisenhardt, 1997).

In a new product development setting, the specific rules used by jazz musicians can be explained through the concept of *minimal structures* (Eisenberg, 1990; Kamoche and Cunha, 2001; Prahalad, 2006). Minimal structures provide certain boundaries which people can freely improvise within when developing new products (Kamoche and Cunha, 2001). Too little structure creates excessive freedom which inhibits efficiency, while too much structure can impede on creativity which is necessary for product innovation. Minimal structures allow organisations to improvise in a structured way, thus allowing for both creativity and efficiency.

Researchers within the network theory substream of product innovation argue that *small worlds* can engender creativity and innovation (Fleming, King and Juda, 2007a). Scholars generally refer to small worlds as a group of tight cluster relationships that are bridged together by individual brokers (Benassi and Gargiulo, 2000; Fleming, King and Juda, 2007b). While local clusters foster a trustful and sharing environment, connections with other local clusters through the brokers allows for the diffusion of new knowledge. Scholars argue that a combination of fresh information from other distant clusters, and trust, from within a cohesive cluster, improves an organisation's ability to innovate incrementally and radically.

2.3 Creative industry organisations

The empirical context of this study takes place within creative industry organisations (CIOs). Scholars define CIOs as firms that produce goods and services that are found on aesthetics, artistry and creativity (Caves 2000; Chaston and Sadler-Smith 2012; DeFillippi, Grabher and Jones, 2007). Scholars seem to agree that CIOs include businesses within music, film, art, television, etc. (Chaston and Sadler-Smith, 2012; Eikhof and Haunschild, 2006). CIOs are not only economically significant in advanced economies, but also profoundly influence society's values and lifestyles (Hartley, 2005).

2.3.1 Product innovation in creative industry organisations

Creative industry literature seems to agree on several idiosyncrasies of product innovation within CIOs that make the product development process extra complex for managers.

First, the creative products of CIOs are non-utilitarian goods (Lampel et al., 2000). Unlike other goods that derive their value from their usefulness, creative products derive their value from the emotional experiences that they evoke (Hirsch, 1972). These experiences are highly subjective, and thus the quality of creative products is difficult to predict.

Second, there is extreme uncertainty surrounding the potential success of creative products (Caves, 2003). Since the quality of creative products and tastes are highly subjective, sentiments toward a product can vary considerably (Lampel et al., 2000; Lorenzen and Frederiksen, 2005).

Third, artists have an intrinsic affinity with the creative product that they create. Caves (p.74, 2003) describes this idea as '*Art for art's sake*', referring to the utility which artists acquire from creating their art. An artist's opinion regarding creative direction and style is core to the development of creative products.

Fourth, CIOs must continuously produce novel products. Lampel et al. (2000) highlight that consumer taste can vary and rapidly change, forcing CIOs to keep innovating to meet current and future trends. Concurrently, producers of creative products must delicately balance the novel and familiar aspects of a product as *'consumers need familiarity to understand what they are offered, but they need novelty to enjoy it'* (p.264, Lampel et al., 2000). Rapidly changing demands causes CIOs to be heavily project based, as they often develop multiple products simultaneously (DeFillippi et al., 2007).

Scholars seem to agree that the peculiarities of CIOs and their creative products give rise to a myriad of product innovation tensions (Eikhof and Haunschild, 2006; Lampel et al., 2000). Examples of such tensions include artistry versus mass entertainment and product differentiation versus market innovation (Lampel et al., 2000).

2.3.2 The music industry

Product innovation process

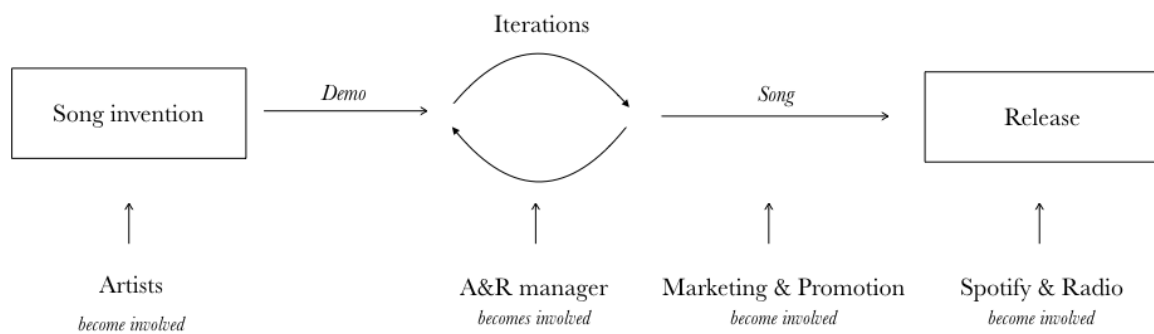
Music industry organisations are an example of CIOs that must constantly develop novel creative products which have relatively short product lifecycles (Lorenzen and Frederiksen, 2005). Product innovation in the music industry focuses on developing songs and involves three general steps.

First, artists undertake the invention of a song by generating ideas and creating minimal viable products called demos (Lorenzen and Frederiksen, 2005). Artists often create songs with co-authors such as songwriters, producers and lyricists. However, there are instances when artists are not involved in inventing songs as they receive song ideas from other songwriters.

Second, A&R managers of record labels and music publishers become involved in the process when the authors of a song send them a demo (Passman, 2009). A&R managers work creatively with artists and the co-authors of a song through a process of feedback and iterations until both parties are satisfied. They oversee the development of a demo into a finalised song product.

Third, A&R managers, together with product managers, oversee the song's reach to customers by ensuring that the other functions of a music organisation such as marketing and promotions work collaboratively to push the song product to music distributors such as Spotify and radio (Passman, 2009).

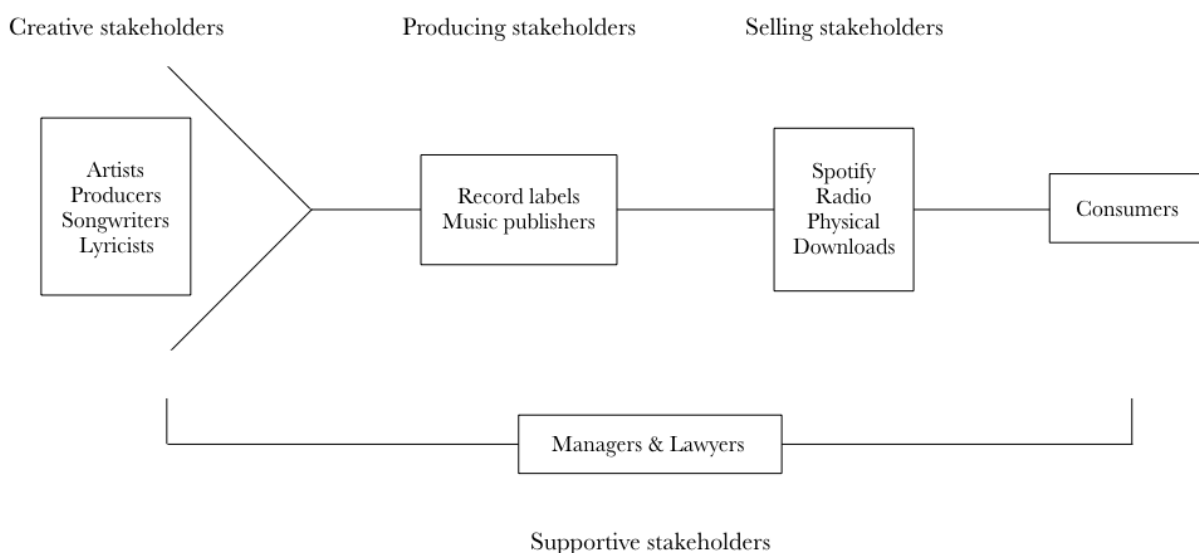
Figure 2.3: Product innovation process of a song.



Stakeholders

From ideation to release, there are four broad stakeholders involved in the product innovation process (Hedborg, 1999). First, creative stakeholders such as artists and songwriters invent the core product. Second, producing stakeholders such as record labels and music publishers seek to capitalise on the creative stakeholder's art (see Appendix 1 for a more detailed description). Third, selling stakeholders such as Spotify and radio distribute the finished song products to end consumers. Fourth, supportive stakeholders such as managers and lawyers oversee administrative processes.

Figure 2.4: Stakeholders involved in the production of a song.



2.4 Creative industry organisations and ambidexterity

Although CIOs must constantly balance paradoxical tensions during product innovation, they have been largely ignored by ambidexterity scholars (Wu and Wu, 2016). One exception is a meta-analysis of CIO and ambidexterity literature conducted by Wu and Wu (2016). The authors argue that CIOs provide an empirical example of how contextual ambidexterity is achieved as individual managers constantly work with alignment and adaptive tensions.

First, Wu and Wu (2016) claim that CIO's need to balance the tension between artistry and commerciality for each creative product launched, represents alignment ambidexterity (Wu and Wu, 2016). The authors claim that artists' creativity must be mediated so that their creative products are commercially viable.

Second, the authors argue that CIO's constant challenge to '*address existing demand while at the same time using their imagination to extend and transform the market*', which highlights CIO's inherent need to have adaptability ambidexterity (Gibson and Birkinshaw, 2004; p.263, Lampel et al., 2000; Wu and Wu, 2016). This same study also found that individual approaches of achieving ambidexterity had received little focus from scholars.

Although Wu and Wu (2016) provide a summary of some antecedents to ambidexterity in CIOs (See Appendix 2), these antecedents are not based on ambidexterity-specific empirical studies and are not specific to particular creative industries. This generality and lack of empirical data represents a major limitation of Wu and Wu's (2016) study.

2.5 Synthesis

2.5.1 Synthesis and theoretical gaps

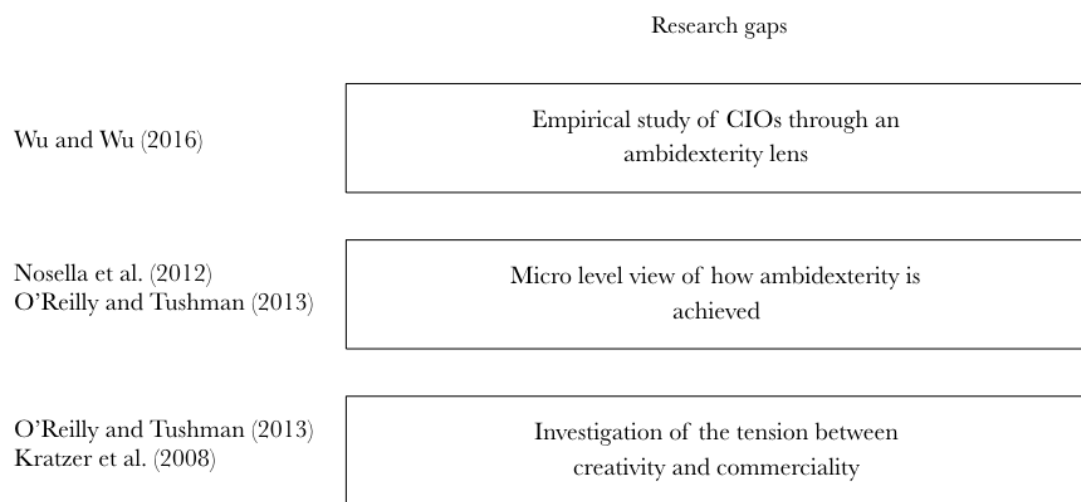
From the review, we identify three gaps in the literature. First, it is apparent that creative industries have not been the focus of ambidexterity scholars. While Wu and Wu's (2016) meta-analysis provides a decent overview of CIOs and ambidexterity, it does not provide any empirical or detailed micro-analysis. The peculiarity of product innovation tensions within CIOs can offer deeper insights into how managers can be ambidextrous.

Second, it seems that ambidexterity scholars are calling for research to re-focus on the antecedents, specific routines and processes that drive ambidexterity (Nosella et al., 2012; O'Reilly and Tushman, 2013). Both paradox and ambidexterity literature point out the need for a micro-level understanding of how

ambidexterity is achieved since most research to date have taken a macro-level approach (O'Reilly and Tushman, 2013; Schad et al., 2016; Turner et al., 2013).

Third, we find that product innovation and ambidexterity literature has focused more on the tension between creativity and efficiency rather than creativity and commerciality. While efficiency focuses on productivity issues such as time and costs involved in developing a product, commerciality focuses on the market fit of the product. Developing creativity products that are commercially viable is an inherent challenge that CIOs face since the non-utilitarian nature of creative products makes their value highly subjective. CIOs absence from ambidexterity literature may explain scholars lack of attention to this issue.

Figure 2.5: Overview of the theoretical gaps which this study aims to address.



2.5.2 Theoretical framework

This study seeks to elaborate on the above-mentioned gaps by using ambidexterity literature as a theoretical framework to investigate the phenomenon of product innovation tensions. The study will investigate these tensions in the case of Swedish music organisations. By focusing on two specific tensions, including the less researched creativity and commerciality tension, we aim to identify specific antecedents to ambidexterity that allow managers to deal with them. See figure 1.1 for an overview of this study's structure.

3 Methodology

This section of the paper outlines the research approach of the study and is divided into three parts. First, we will describe how we conducted a pre-study to arrive at the research topic. Second, the process and design of our qualitative study will be disclosed. Third, a reflection on the quality of the study will be presented.

3.1 Pre-study

3.1.1 Initial focus on prototyping in the music industry

Having both worked in the Swedish music industry and being avid music lovers, we were drawn to the managerial challenges of the music industry. We were particularly interested in understanding the complexity of popular songs as products for two reasons. First, we were curious to understand how one manages the development of non-utilitarian products that are valued by the emotions they evoke. Second, we were interested in understanding how successful music organisations consistently produced hit songs given their short product cycles and consumers' constantly changing tastes. With this, we became interested in lean management as a method of innovation and were interested to see whether music organisations adopted principles such as rapid prototyping in the song innovation process.

3.1.2 Pre-study interviews

A pre-study of four interviews with managers working in various Swedish music organisations was conducted. The theoretical lens of lean management was adopted to gather a better understanding of the product innovation process of a song. The interviews were exploratory as we not only sought to understand whether lean management was relevant but also the general product development challenges in the music industry. Participants were asked to describe their work activities, product innovation processes, and feedback mechanisms.

Table 3.1: List of participants in the pre-study.

Pre-study				
Participant	Position	Location	Interview type	Date
<i>Participant A</i>	A&R manager	Stockholm, Sweden	Face-to-face	03/02/17
<i>Participant B</i>	A&R manager	Stockholm, Sweden	Face-to-face	04/02/17
<i>Participant C</i>	Label manager	Stockholm, Sweden.	Face-to-face	08/02/17
<i>Participant D</i>	A&R/General manager	Stockholm, Sweden	Face-to-face	10/02/17

Findings from pre-study made us pivot away from the lean management theoretical framework due to two reasons. First, we found that the internal feedback process was often informal and given by perceived ‘experts’. Second, external feedback in the process is limited to several factors including privacy issues and that songs are usually a *one-time phenomenon* and not continuously improved after an initial release. Prototyping was rarely done in the real world as music organisations often created music products internally.

Despite this, we identified two interesting dualities from the interviews. First, participants emphasised that successful pop songs needed to be both novel and familiar. Listeners desired songs that were not too different to what they were used to but different enough to stand out. Second, it was found that many artists regarded their songs as art, wanting to maintain their artistic integrity while also appealing to the mass market. It was apparent that managing these two dilemmas was central to the product innovation process. Interestingly, it became apparent that it was often the task of the A&R manager to deal with the before-mentioned tensions within music organisations.

From this, our desire to better understand how music organisations manage the tensions that arise during the product innovation process caused us to pivot the research direction of the study.

3.2 Research design and approach

3.2.1 Qualitative design and method

Qualitative approach

To answer our research question of ‘*How do managers in Swedish music organisations deal with the tensions that arise during product innovation*’, we adopted a qualitative research approach. Qualitative research allowed us to understand how individuals of Swedish music organisations ‘*made sense of their lives and experiences*’ when dealing with product innovation tensions (p.23, Merriam, 2009). A quantitative approach was inappropriate as we did not seek to explore the ‘amount, intensity or frequency’ of the tensions (Creswell, 2014; p.233, Ketokivi and Choi, 2014).

Research design

This qualitative study adopted a single case study method. A case study provided us with a platform to understand the phenomenon of product innovations in depth and ask *why* and *how* questions about the management of tensions (Yin, 2013). We treated *Swedish music organisations* as a paradigmatic case study (Flyvbjerg, 2006). A paradigmatic case study does not attempt to represent the whole population but aims to ‘*provide as much inspiration as possible*’ to elaborate theory (Flyvbjerg, 2006; p.289, Lorenzen and Täube, 2008). The Swedish music industry represents an extreme case due to its high-levels of commercial success, technological leadership and international focus. The extreme nature of Swedish music organisations thus affords an interesting context to elaborate ambidexterity theory (Siggelkow, 2007). With this, the case study investigated Swedish music organisations at an industry level due to three reasons.

First, Swedish music organisations are *collectively interesting* as they together make Sweden the largest exporter of music relative to GDP (Ferreira and Waldfogel, 2013). Second, Sweden’s extreme music success does not stem from one single entity but is shared amongst several organisations. Third, Swedish music organisations represent an ecosystem that collaboratively create success. Independent labels often partner with major labels to leverage their distribution power (Lorenzen and Frederiksen, 2005). The cluster nature of the Swedish music industry caused us to bound the single case study across various music organisations rather than one (Yin, 2013). Therefore, conducting expert interviews of managers across various organisations allowed us to discover a variety of antecedents to ambidexterity.

Abductive approach

Since we strived to *elaborate* ambidexterity theory and not generate new theory or test existing theory, we followed an abductive reasoning approach (Ketokivi and Choi, 2014). We simultaneously explored theory

and the empirical context of Swedish music organisations in an '*emergent and flexible*' manner (Ketokivi and Choi, 2014; p.16, Merriam, 2009).

Abductive reasoning allowed us to use theory as a guide to our empirical research and to adjust the theory to adapt to the peculiarities of Swedish music organisations (Ketokivi and Choi, 2014). For example, interview questions were rooted in our theoretical framework of ambidexterity. However, we did not seek to prove the theory as in a deductive approach because ambidexterity research within CIOs was scarce (Creswell, 2014). The exploratory nature of the study caused us to heavily focus on the empirical context. As we collected and analysed data from the interviews, we continuously broadened our theoretical framework. For example, literature from other streams of product innovation literature were utilised to understand our findings.

3.2.2 Data collection

Interviews

Data collection primarily stemmed from individual interviews. Interviews were deemed appropriate as we sought to understand individuals' personal experiences with product innovation tensions and how they managed them (Brinkmann, 2013). The interviews aimed to harvest the '*elicit views and opinions*' of the participants as we desired to understand the how's and why's of their work (p.523 Creswell, 2014). We conducted semi-structured interviews by using an interview protocol as a guide (Yin, 2011).

The interview protocol was based on the theoretical framework of ambidexterity but was continuously iterated as we discovered new ideas from the interviews or theory (see Appendix 3). We began each interview with general questions to make the participants feel comfortable. Thereafter, open questions that aimed to understand the nature of product innovation tensions and how they were managed, were asked. These questions were based on our theoretical framework. The interviews were conversational in style as we used questions flexibly and asked probe questions when relevant. This semi-structured approach allowed us to adapt our questions to participants' specific experiences (Merriam, 2009; Yin, 2011).

Purposive sampling

We interviewed a total of 12 people working in A&R and management positions in various major and independent record labels and music publishers in Stockholm. We focused on interviewing A&R managers as our pre-study found that these individuals were the main individuals dealing with product innovation tensions. Through a purposive sample that was chosen to represent maximum variation, we aimed to gather an extensive range of viewpoints on the management of productive innovation tensions (Glaser and Strauss, 1967; Yin, 2011).

The number of interviews conducted was deemed sufficient due to two reasons. First, we were able to collect enough data to identify various mechanisms in which managers dealt with product innovation tensions and noticed a saturation in data (Brinkmann, 2013). Second, not having excessive amounts of interviews allowed us to practically manage our data and keep our analysis detailed (Brinkmann, 2013).

Table 3.3: List of interview participants.

Main-study				
Participant	Position	Location	Interview type	Date
<i>Participant 1</i>	Head of A&R / A&R manager	Stockholm, Sweden	Face-to-face	10/03/2017
<i>Participant 2</i>	Senior A&R manager	London, United Kingdom (previously in Sweden)	Phone	13/03/2017
<i>Participant 3</i>	Senior Creative Director / A&R manager	Stockholm, Sweden.	Face-to-face	15/03/2017
<i>Participant 4</i>	CEO / A&R manager	Stockholm, Sweden	Face-to-face	16/03/2017
<i>Participant 5</i>	CEO & Chairman / A&R manager	Stockholm, Sweden.	Face-to-face	17/03/2017
<i>Participant 6</i>	President of A&R / A&R manager	Stockholm, Sweden	Face-to-face	20/03/2017
<i>Participant 7</i>	CEO & Chairman	Stockholm, Sweden.	Face-to-face	21/03/2017
<i>Participant 8</i>	CEO	Stockholm, Sweden	Face-to-face	21/03/2017
<i>Participant 9</i>	CEO / previously A&R manager	Stockholm, Sweden.	Face-to-face	04/04/2017
<i>Participant 10</i>	CEO	Stockholm, Sweden	Face-to-face	25/04/2017
<i>Participant 11</i>	COO	Stockholm, Sweden.	Face-to-face	28/04/2017
<i>Participant 12</i>	A&R manager	Stockholm, Sweden	Face-to-face	05/05/2017

Interview process

Interviews spanned from 50 to 80 minutes and were digitally recorded. We kept the interviews confidential to encourage honest responses, and we informed participants that their identity, companies and artists mentioned would not be disclosed. All but one interview was conducted face-to-face at participants' respective offices. Face-to-face interviews were preferred as they provided a richer source of information from facial expression and body language and represented a forum to build rapport (Brinkmann, 2013). Since we were two interviewers, one was always responsible for leading the interviews while the other took notes and

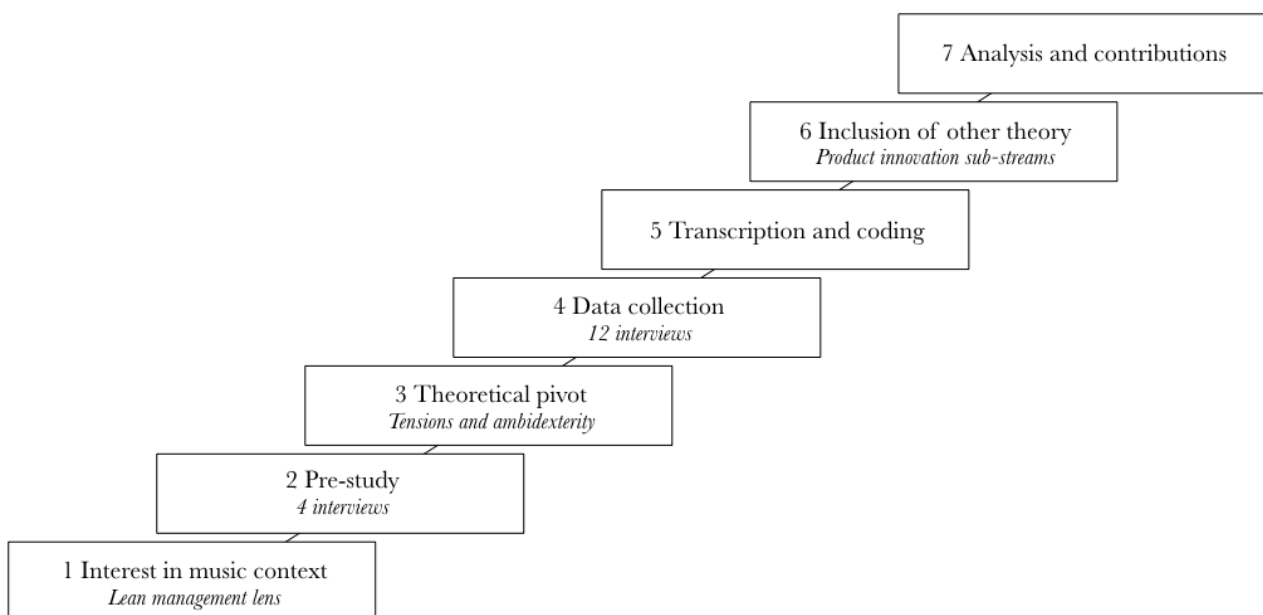
probed when appropriate. The recordings were transcribed within maximum two days after the interview to ensure that we had a better recall of participants' non-verbal cues (Brinkmann, 2013). We transcribed the interviews with 'oTranscribe', a software that allowed us to slow and readily pause the audio.

3.2.3 Data analysis

After transcribing each interview, we read through the transcript to obtain an overview of ideas discussed. We then uploaded transcripts onto 'Saturate App', an online software for coding and categorising data, to ensure that we could readily and easily sort through our interview data. The transcripts were then open-coded using a data-driven approach. The codes used, such as *variety*, were initially based on the empirics rather than our theoretical framework (Brinkmann, 2013). We simultaneously coded the interviews and analysed the data with ambidexterity theory. This caused us to continually re-code the data iteratively using terminology that was more related to existing theory.

Following, we grouped the codes into relevant overarching themes that fitted with our ambidexterity framework. For example, the open-code *variety* was categorised under the theme of *Antecedents to adaptability ambidexterity*. As we analysed the coded data, we discovered that the specific mechanisms adopted to achieve ambidexterity went beyond the scope of our ambidexterity framework. For example, we discovered that the tension between radical and incremental innovation could be balanced through investing in a variety of music. Following abductive convention, we decided to look beyond ambidexterity theory and analysed this finding with real options theory. Being open to incorporate theory from adjacent fields in product innovation allowed us to be more creative in interpreting the data.

Figure 3.1: Summary of the research process.



3.2.4 Researcher's position

To enhance the transparency of this study, it was imperative that we highlighted any biases that could affect this study (Creswell, 2014). We have identified two ways in which our backgrounds could influence our interpretation of the data. First, having both previously worked in music organisations, our prior and deep knowledge of the music industry context may impede with the impartialness of this study. Second, we have had previous personal contact with several of the interview participants in this study.

3.3 Quality of study

We strived to ensure that we collected, analysed and interpreted the data in a quality manner to ensure the trustworthiness of our design and execution (Yin, 2011). The quality of this study will be assessed through a qualitative research specific criteria of credibility, consistency and transferability (Lincoln and Guba, 1985; Merriam, 2009).

3.3.1 Credibility

Credibility refers to the extent which the findings from a study represent the reality of the data presented (Merriam, 2009; Yin, 2011). This study adopted several strategies to ensure the credibility of our findings given the data. First, the triangulation of different data sources aimed to improve the validity of findings. The themes discussed in section 4 were categorised through the accumulation of different perspectives of various interview participants (Creswell, 2014). Second, we as investigators started hearing similar ideas from participants and thus reached an *adequate engagement in data collection* or saturation in data (Merriam, 2009). Third, the inclusion of how our backgrounds could influence the findings in '*researcher's position*' creates an '*open and honest narrative*' (p.550, Creswell, 2014).

3.3.2 Consistency

Consistency refers to whether the findings from a study are dependable on the data which the findings were derived from (Lincoln and Guba, 1985; Merriam, 2009). Three strategies were adopted to enhance the consistency of the study. First, the use of triangulation and inclusion of the researcher's position allowed us to assure consistency (Merriam, 2009). Second, transcripts were cross-checked with the original audio files to avoid mistakes in the transcription process. Translation of quotes from Swedish to English was also peer reviewed to ensure accuracy (Gibbs, 2007). Third, care was taken to avoid misinterpretations of codes while coding (Gibbs, 2007). Using the cloud-based app Saturate allowed us to compare quotations under the same codes continuously.

3.3.3 Transferability

The transferability of a study refers to whether the empirical findings of the study in question can be used in another context (Merriam, 2009). We strived to include ‘*enough detailed description of the study’s context*’ to help readers determine whether the findings are transferable through two mechanisms (Lincoln and Guba, 1985; p.225, Merriam 2009). First, the purposive sample of interview participants in this study was specifically chosen from multi-national organisations. This can allow for the transfer of the findings into other geographical markets (Merriam, 2009). Second, by providing a thick description of the context of music organisations and their product innovation process, we aimed to help readers determine whether our findings are applicable to another situation (Lincoln and Guba, 1985).

4 Empirical Findings

This section will present the empirical findings from the study and is divided into five parts. Part 4.1 will present the role and responsibility of an A&R manager. Part 4.2 and 4.3 will discuss the nature of the tension between creativity and commerciality and how it was managed respectively. Part 4.4 and 4.5 will similarly examine the tension between incremental and radical innovation and the mechanisms used to balance it.

4.1 A&R managers and their role¹

The responsibility of an A&R manager is to find and develop artists and song authors, oversee the development of songs and deliver these songs as products to the music organisation. During the song development process, A&R managers need to satisfy the distinctive interests of artists and the music organisation. On the one hand, A&R managers are expected to add value to the music organisation by developing commercially successful songs. Participants considered the role of the A&R to be the foundation of a music organisations' success.

"What's the strategic plan? hits hits hits. If we can fix that, that will help everything...if you have hits, you will be successful. So what are hits? it all starts with A&R" - Participant 8

With this, some participants compared the A&R role with that of R&D departments in pharmaceutical industries. A&R managers essentially work on behalf of music organisations to find, invest and develop innovations.

Concurrently, an A&R manager is expected to satisfy the intrinsic motivations of artists.

"It's still the artist's soul you're talking about and it's sensitive when you're like putting a finger on their artistic work" - Participant 6

Artists did not perceive their songs as mere commercial products but also as expressive works of art. When creating songs, artists often desire to satisfy their creative ambitions. Thus, an A&R manager needs to balance the intrinsic interests of artists and the commercially-driven goals of music organisations.

"As an A&R, you work closely to the ones who create the song, the artistry, and you are indeed the link into the commercial world. It's about getting these music companies to understand the human product (the artist) and the artists to understand a commercial reality." - Participant 3

¹ See Appendix 4 for summary of quotes

An A&R manager acts as the link between the artist and the music organisation and ensures that both parties understand each other.

4.2 Tension between creativity and commerciality²

4.2.1 Overview of the tension

Balancing the tension between creativity and commerciality was found to be an innate aspect of the song innovation process. In this context, creativity refers the use of imagination and artistry to produce novel and pure ideas. While creativity and commerciality are often viewed as conflicting goals, both are deemed necessary.

"A great song has something unique in a mainstream way. What makes a song unique? It could be the melody or production - it's hard to say. It can be within the (trending) format yet somehow stand out." - Participant 3

This participant highlights the interdependency of creativity and commerciality. To be commercially viable, a song needs to fit into the trading format, but it also needs to be novel. Importantly, A&R managers are responsible for understanding the differences in how artists and consumers think about music.

"I usually call music nerds (artists) A-listener's. Consumers are B-listener's. Simplicity is something that B-listener's want - it's about repetition and simple arrangements. A-listeners are so creative and want to throw in so many sounds into the mix...my job is to take this creative person's production and melodies and break them down so that B-listeners can sing along." - Participant 4

Here, the participant explains how artists can get caught up in their creativity, thus creating complex songs which clash with consumers' demand for simplicity. The A&R manager must ensure that an artist's creative product is also appropriate for mass-market consumers.

"You need to break new ground. The music should surprise people. But it's the fact that you want to have commercial success, that forces you to adapt to the rules of the game...it's a difficult balance, I always want to ensure that the music is interesting and innovative. But it's not always the music that will be number one." - Participant 9

While A&R managers and artists desire to create innovative art, they are sometimes forced to sacrifice some of their creativity to 'play the game'. Ultimately, it is a balancing act for A&R managers.

² See Appendix 5 for summary of quotes

"It's about finding a balance between what is good and what can sell and reach an audience. It's about developing 'high-quality and commercially viable music'" – Participant 6

4.2.2 Imbalances cause tensions

Participants revealed that too much of either creativity or commerciality could yield negative consequences. For example, too much artistry can deteriorate a song's commercial viability.

"The artist had very strong opinions about what she wanted and it was too 'left-field' and 'arty'. Arty can be everything but sometimes I know that it won't work, if it is too odd, it won't make any impact." - Participant 6

If a song is too creative, consumers' demand for simplicity will cause them to reject it. Similarly, if a song is too commercial, it can negatively impact an artist's credibility.

"When the song is commercially fine, from a cultural perspective, the fans of the artist may think that he or she has sold-out." - Participant 7

The act of selling out carries negative connotations, suggesting that the artist in question has betrayed his or her artistic values for commercial goals. This can have a detrimental impact on an artist's image and future success.

4.2.3 Songs have an emotional value for artists

Artists' emotional attachment to songs was viewed as a challenge for A&R managers when managing the tension between creativity and commerciality.

*"It's an artist's soul we are talking about and it is sensitive. If a painter was painting something and a random said "it should be green not yellow". The artist would probably say "f**k off!". It's a very sensitive issue" - Participant 6*

Songs often have an intrinsic value for artists which can make it difficult for A&R managers to suggest changes when attempting to enhance the commerciality of a song. Artists may oppose feedback from A&R managers if they see that it could diminish their artistic integrity as 'creators'. Therefore, the personal values of artists can restrict the degree of a song's commerciality.

4.2.4 The artist has the final say

While it is the responsibility of A&R managers to balance the tension between creativity and commerciality, artists have the final say.

"Finally, it is the artist who decides in the end. In one case, the record company wanted something in the song... it would have been a 'Spotify Discover song'. But then it was the artist who said 'I do not want it in the song!' and she put her foot down. You should never forget who the boss is. We are not the bosses, it is the artists who are the bosses." - Participant 5

A&R managers' ability to balance the tension is challenged by their lack of formal authority, which forces them to focus on managing the artists, rather than song products. With this, participants cited that A&R managers worked more as guides than formal decision makers.

4.2.5 Drivers of commerciality

While A&R managers highlighted that commercially successful songs share some common elements, these are perceived more as quasi-rules than recipes.

"A pop song exists within a certain framework. It shouldn't be 12 minutes long, rather 3 minutes. It needs a structure and arrangement, some verse, chorus and a logic of how the song is constructed. Then there are the lyrics, they need to serve a purpose...then there is the production...so there is a framework." - Participant 3

Here, the participant lists several elements of a pop song that can be used as guidelines during the product innovation process.

Influence of music distributors

The quasi-rules for songs were cited to stem from the demands of music distributors such as radio and music streaming platforms such as Spotify. Spotify wields strong influence over A&R managers as it represents the highest source of revenue for many music organisations in Sweden (IFPI 2017). The need for a song to succeed on Spotify was found to have an impact on an A&R manager's decisions during the song innovation process. By analysing the data obtained from Spotify, A&R managers gain knowledge about consumers listening habits.

"People have access to all the music in the world, they find playlists that they like and they browse through it, click on a song and listen a couple of seconds and then move on." - Participant 2

Here the participant explains how most listeners consume music through playlists - curated collections of songs - and often have short attention spans. Such insights impact the ways in which songs are developed.

"You get statistics from Spotify and you see when people drop the song. People listen to playlists, try songs and skip them. You get paid after 45 seconds for the stream... Unfortunately, people often skip after 2 seconds which means you need to have a really good idea in the beginning of the song to get people interested. Then you have another spike when people drop the song at 35-40 seconds, exactly before it is counted. Producers are looking at this. We need to add something new 35 seconds into the song to keep the listener interested." - Participant 10

The above quote depicts how the ease for Spotify users' skipping behaviour has caused some A&R managers to focus on having a captivating introduction and elements at around 35 seconds to keep users engaged. However, following such quasi-rules would only cause tensions if they have a profound impact on the artist's vision for a song. Tensions would often arise when A&R managers suggested cutting out parts of a song to adhere to Spotify's quasi-rules.

"The artist always thinks 'I want this instrumental part in the song' but we want to shorten the song down to two minutes - that is a usual clash or discussion." - Participant 10

4.3 Managing the tension between creativity and commerciality

Interview participants explained how the tension between creativity and commerciality could be managed on a process level in four broad ways: variety, bounded creative freedom, external leveraging and leadership.

4.3.1 Variety

A&R managers were found to use two forms of variety to manage the tension between creativity and commerciality: variation across song projects and remixes.

Variation across song projects

A&R managers and artists often develop multiple songs simultaneously. This means that for a given artist, A&R managers can balance the creativity and commerciality tension across different songs.

"We let the artist release and do songs that they wanted to but it was those songs that we pushed that became hits." - Participant 2

Here, the A&R manager encouraged the artist to develop songs that varied with regards to creativity and commerciality. A&R managers ensure that artists also work on more creative and less commercial projects to satisfy artists' creative ambitions. Additionally, participants highlighted the importance of supporting all of an artist's songs and not just the commercial ones.

"From a creative point of view, you can't always focus directly on the big hits. Maybe the artist has five other songs about his grandmother, the most important person in his life. You can't not listen to them just because they are ballads and aren't commercial. You must listen to them all." - Participant 5

A&R managers acknowledge that songs have an emotional value for artists and understand that it is paramount to support an artist's intrinsic motivations.

Remixes

In addition to allowing for variety across songs projects, A&R managers can ensure variety within one specific song. A&R managers would often commission remixes of a specific song, versions of a song with a different sound or mixed in a different genre.

"So you have a basic product that is more or less timeless pop and you dress it to the current trends by using remixes. We have a lot of songs which are tropical house remixes, techno...The remix ideas don't usually come

from the artist. They don't bring many streams but bring attention from blogs, various club charts... which makes it more likely that radio will play the original version. In the case of (Artist), she didn't care about tropical house but understood the commercial argument for doing a tropical house remix for the UK. She was fine with it as long as the original artistic product was not affected." - Participant 10

With this, remixes represent a calculated tactic to increase the commercial success of a song by making it appeal to a broader audience. Interestingly, artists agree to this since remixes are perceived as a separate product from the original song, which allows artists to maintain their creative integrity. From this, it can be observed that variety, through either remixes or variation across other song projects, allows managers to balance both commercial and creative goals.

4.3.2 Bounded creative freedom

Participants highlighted the high degree of freedom given to artists during the product innovation process. This freedom is however bounded by the constraints such as time and quasi-rules.

Creativity bounded by time

Interviewees emphasised that the provision of freedom was necessary to respect the creativity of the artists when developing songs. A&R managers ensure that artists can create music with minimal intrusion during the early stages of the innovation process.

"First you must let them be creative and do their thing. I don't like to be present from the very beginning. An A&R should not be in the room while artists are making a song because A&Rs are not songwriters." - Participant 4

A&R managers would deliberately keep themselves distant from artists to not interfere with their creativity. Once an artist had developed some ideas, they would often send demos to the A&R manager for feedback. One A&R manager explained the relationship between the artist and the A&R manager through an analogy.

"An A&R oversees the building of a song. The artist builds the house and foundations. We fix the interiors. To maximise their potential, you need to give them space without professional interference. And then I'll ask 'what have you guys made?'" - Participant 4

The quote above draws attention to a possible temporal separation between creative and commercial elements of the product innovation process. A&R managers ensure that artists begin a song with complete creative freedom before they come in with their commercial perspective.

Creativity bounded by quasi-rules

When A&R managers enter the song innovation process with their commercial perspective, artists' creative freedom becomes bounded by quasi-rules.

"I often come in with the harsh reality like this sounds great but we need to make it work for the radio, so we have to shorten it down or do a vocal version." - Participant 2

A&R managers determine whether the creative and commercial elements of a song are in the balance and intervene if necessary. For example, if the introduction of a song is too long, the A&R manager would suggest shortening it down by introducing the melody earlier to catch listeners' attention.

It can be observed that A&R managers bound artists' creativity in two ways. First, A&R managers bound creativity by time. Artists are given complete creative freedom in the early stages of the creation process which becomes constrained when the A&R manager becomes involved. Second, A&R managers bound creativity by specific rules. When creating songs, artists can improvise within certain quasi-rules such as having a short and catchy introduction.

4.3.3 External leveraging

To ensure that products are of high quality, A&R managers connect artists with external resources, such as producers, to contribute in the song innovation process. Artists seldom develop songs in isolation.

"To connect people that complement each other, so that 1 + 1 = 19, is a very important attribute of an A&R. There are very few artists who do everything themselves." - Participant 3

While A&R managers primarily bring in external competencies to enhance the quality of songs, this strategy is also used to balance the tension between creativity and commerciality. If an A&R manager deems a song to be too creative, he or she may bring in external parties to fix the imbalance.

"We sometimes set the artist up with other co-writers who are more senior and have the courage, due to their experience, to help me explain the changes that we need to do to make it commercial...it's quite usual for artists who aren't that commercial." - Participant 6

Here, the A&R manager identifies a clear imbalance in creativity and commerciality. This imbalance is managed by using an experienced third-person to convince an artist to make certain changes to a song. A&R managers bring in external parties as specialists to help with specific elements of a song. If the song needs to

be more commercial, the A&R manager will match an artist with a producer known for producing commercial hits.

4.3.4 Leadership

A&R managers' core role of being advisors for artists during the song innovation process is also fundamental in managing the tension between creativity and commerciality. Three leadership behaviours were observed: (1) discussing goals, (2) guiding through mentorship and feedback and (3) fostering a climate of trust.

Goal setting

Participants suggested that managing a creativity and commerciality imbalance could involve a direct discussion about goals with artists.

"So it is a discussion that we have daily, the artist would ask "how do you think this song will go?". I would reply "I think that it can go well, but I do not think it's a top 10 (commercial hit) if that's what you want or do you want to do your thing 100%?". The artist often wants both so we have to adapt a bit to the game rules, which may compromise a little of their style. Because their world doesn't always meet the commercial world." - Participant 9

The above dialogue shows that the A&R manager first discusses the artist's artistic and commercial goal with the song. This focus on goals directly addresses one of the core reasons of why the tension exists; artists perceive songs to be more than just commercial products.

Guiding artists through mentorship

Participants emphasised that an A&R manager played the role of as a guide for artists, and stressed the importance of helping artists to stick to their strengths.

"You can guide an artist. They (artists) were young and had idols like Artist X and Y, which of course is fine but they had a bunch of songs which sounded quite similar to their idols, which is fine, but we made them focus more on the sound that made them different...they came with the sound to us. We were just guiding them to stay in that world." - Participant 2

The above quote illustrates how the A&R manager actively guided the artist towards a sound that did not sound identical to that of other mentioned artists. The participant explained that the reason for this was because the music genre that the artist was accidentally mimicking was highly saturated and losing

popularity. Additionally, it is apparent that A&R managers act more as mentors rather than authority figures as participants emphasised the necessity for frank feedback and dialogue.

"There's no right or wrong... My role is to say the things that artists don't want to hear." – Participant 3

While most participants highlighted the benefits of honest dialogue between the A&R and artist, the A&R manager would always consider the personal value of songs for the artists.

"You need to push the feedback until the point they get upset, as I strongly believe in honesty. Artists and songwriters are the creators, and it can be a very sensitive world. When you do something creative, put your heart and soul into the music... One must keep that in mind." – Participant 9

Artists' personal attachment to songs adds a level of complexity to A&R managers' ability to provide feedback to artists. Participants highlighted the need to relate to artists, be mindful of how feedback was presented and constantly provide positive reinforcement. With this, some even compared the role of A&R managers to therapists.

"This is quite a special industry, and we should get therapy education because there is very much therapy work." - Participant 6

Fostering a climate of trust between artists and A&R managers

A&R managers also emphasised the importance of building trust between the artist and A&R manager.

"If you build trust with artists, then you will gain their trust in you to push a bit more on the commercial aspects of the song." – Participant 5

A trustful relationship was cited to make it more frictionless for an A&R manager to balance any tension between creativity and commerciality. To build trust, participants highlighted that importance of transparency that A&R managers had an artist's best interests in mind, especially regarding their creative ambitions.

"There is a greater need, as an A&R, to work on gaining artist's trust. It is as if they see record labels as people who want them to sound like Backstreet Boys... You need to make sure that they know you are helping them to be unique, have the same goals, and want to make them better." – Participant 6

This highlights how important it is for A&R managers to manage their relationship with artists in order to manage the creativity and commerciality tension.

4.4 Tension between incremental and radical innovation³

4.4.1 Overview of the tension

The tension between incremental and radical innovation projects was found to be a perpetual challenge experienced by music organisations. In this study, incremental innovations refer to songs that satisfy current consumer demands, usually by following prevailing sound trends. Radical innovations refer to songs that will satisfy future demand and do not necessarily follow current sound trends as they aim to transform consumer tastes. While A&R managers are expected by top management to develop innovative songs that will meet the future demands of consumers, they are also expected to meet consumers' current demand.

"Absolutely we put time and resources into finding the next thing. But we need a balance. If you look at our repertoire, we must constantly be on top of the charts (consistently successful), so we focus on being there. At the same time, we try to be one step ahead of what may come in a year or two." - Participant 9

This quote illustrates the conflicting short and long-term demands that A&R managers must juggle. This conflict was found to have an impact on A&R managers' daily work.

"There can be a trend like Tropical house...it definitely affects A&R. As an A&R manager, should you also sign a tropical house artist or try something different? It is clear my colleagues have these kind of discussions." - Participant 6

4.4.2 Imbalances cause tensions

It was found that too much focus on either incremental or radical innovations could yield negative commercial consequences. Focusing too much on incremental innovations by exploiting the current music styles, enhances the risk of missing the next trend.

"It's a classic mistake to spend lot of time on a song and then when it's released, feels dated... nothing happens to the music because people have already moved on and think that other types of music sound much hotter or better." - Participant 9

It is important to highlight that consumers' tastes are often changing, as they demand songs that feel 'hotter or better'. If A&R managers focus too much on developing songs based on the current style, they risk releasing a product after the style's commercial peak. Concurrently, focusing too much on exploring new

³ See Appendix 6 for summary of quotes

styles can result in songs that consumers would reject. Participants highlighted that consumers simultaneously demand both novelty and familiarity.

"I think 'this song sounds amazing! This hasn't been heard before'. The problem lies in that I listen to more music than most other people... it's far from certain that others agree that the song is amazing. The people still want songs that work in their world. And if you try a too hard and release the music, no one embraces it. The reaction is like 'God, what is this? It sounds crazy'...it's a classic mistake to push quicker than what the market is prepared for." - Participant 9

The quote illustrates that A&R managers must develop songs that are novel yet familiar enough for audiences to digest it.

4.4.3 The role of music distributors

Radio

Several participants highlighted how music distributors played a pivotal role in pressuring A&R managers to simultaneously pursue incremental and radical innovations. Radio demands songs that are simultaneously novel and familiar, mirroring consumers paradoxical demand.

"Regular people don't want to listen to new music, they want to listen to music that they recognize, that's a catch 22. You want the radio to play a certain song but then you can't get on to radio because people have already heard it, so it's not that easy." - Participant 2

The quote above reveals that radio stations do not play songs that are too radical, given consumers desire for familiarity. Simultaneously, songs cannot be too familiar either.

Spotify

A&R managers argued that playlists on Spotify have become the most common way in which people consumed music. Participants argued that the music on these playlists are often generic.

"On those large playlists that work, like those that Spotify curates, there are not many songs that are super original." - Participant 6

A&R managers' view that songs in top playlists sound generic indirectly increases the pressures for them to develop songs that are incrementally innovative. Given that streaming accounts for most recorded music revenues, having products on the playlists is imperative. Interestingly, the perceived increase in generic music

on playlists combined with an increase in users listening to playlists prolongs the lifetime of certain trends like tropical house. This further intensifies the pressure for A&R managers to exploit current styles. One participant even stated that this has caused some major record labels to focus too much on short-term demand.

"Major companies are in some way, short-term focused. They have to have market share, they should be on the radio all the time and they have to deliver hits to show their bosses... it can end up being more of a "rat race". - Participant 7

Concurrently, streaming has made it much easier for the release of music which increases the competition between songs.

"Things move so incredibly quickly in the streaming world...there are songs that fly onto to Spotify every day, new hits every day, so it's harder now to compete." – Participant 9

Spotify represents a crowded, competitive space for music organisations. Therefore, participants claimed that there is an increased pressure to create more novel songs that stand out. This juxtaposes the pressure induced by playlists to conform to a particular trend. Like radio, Spotify also pressures A&R managers to create songs that are a perfect balance between familiar and novel, incremental yet radical.

4.5 Managing the tension between incremental and radical innovation

Interview participants explained how the tension between incremental and radical innovation could be managed through variety and focusing on artists' identity.

4.5.1 Variety

Some participants in top management positions argued about the necessity of having projects in a variety of sounds, or as one participant stated being 'everywhere'. This is a result of the extreme uncertainty regarding the future success of songs. Participants pursue a strategy of diversification to hedge their bets.

"It's like when you go fishing and you don't know what kind of water it is out there; you have to be adaptable. You need short fishing lines, long fishing lines...We have to experiment in genres and subcultures that we are not really in today. We need to take risks. That's the key thing with A&R." - Participant 8

The above quote highlights how music companies achieve diversification through investing in a variety of music that may not be mainstream. Further, the rationale behind investing in a variety of music stems from participants claim that mainstream music often has its roots in sub-cultures. Being aware and invested in these sub-cultures is thus critical.

"I try to listen to what younger people say and listen to, because they are ahead of the trends. Old people like me are coming a bit after." - Participant 11

By seeing young consumers as early adopters, music organisations attempt to predict the direction of the mass market.

Interestingly, an additional benefit of investing in a variety of music sounds is the potential of learning synergies. Knowledge from developing non-mainstream music can also benefit the more commercial projects.

"You learn from those left-field acts. You pick up something from them which you can use on the more commercial acts. It benefits the whole company...(Producer) is quite left-field and is very good at certain types of beats. The other more mainstream producers pick up things from him. Sounds that they use in their own productions." - Participant 10

This cross-fertilization that can occur between various genres highlights a learning relationship across music projects. This interdependency is further emphasised as having a variety of artists, including those which were less commercial, is seen to bring credibility to music organisations. It signals to audiences and other organisations that the music organisation is serious about music and does not only care about mainstream hits.

How organisations choose between incremental and radical investments

Investment decisions regarding incremental and radical music are based upon A&R managers' personal taste, strategic direction from top management and data analytics. A&R managers often use their personal judgment when making investment decisions.

"I've been working on things that have been strange in the beginning but over time have become something...I work with music that I think is good, and 'if I like it then more people should like it'." – Participant 3

A&R managers' rationale for developing music based on their judgment highlights their role as tastemakers who transform market demand. This idea is supported by upper management who trust in A&R managers' decisions.

"I try to listen to the people who are not in the "mainstream", cause I'm mainstream. A&R guys are very seldom mainstream... they are usually up there (left) or out there (right) or out somewhere else.... these guys have ideas and thoughts that I could never come up with." - Participant 11

Although A&R managers often personally make investment decisions, they sometimes receive strategic direction from top management.

"20% of what we do is artist development, but 60-70% is finding hits and the rest is experiment." - Participant 8

The above quote indicates that this particular top management has a strategy regarding investments in incremental and radical innovations. In this case, 70% of the resources are invested in finding hits, which can be interpreted as incremental innovations while the rest is invested in more exploratory innovations. The investment behaviours of managers made one participant compare music organisations to a venture capital firm.

"We are venture capitalists in entertainment...we invest time, great people and money in companies, our artists, that we believe in who will give us a great return on investment." - Participant 8

With this, artists represent businesses which the venture capitalists invest in, and the songs are the products of these businesses. Organisations invest in particular artists with the hope of generating future financial returns.

Impact of data

Furthermore, it was found that some music organisations and A&R managers leverage data statistics to make investment decisions.

"We do research. We do consumer insights. We have Spotify analytics, YouTube analytics, we follow all the trends out there. We try to scan everything out there...If dance became successful I hire people in dance." – Participant 8

Here it is apparent that some top managers use data to direct their investment decisions between radical innovations in their music portfolios. Interestingly, only participants in top management positions, and not A&R managers, highlighted the use of data to find music. This may reflect A&R manager's perception of themselves as tastemakers. Some companies have even started their own services with the purpose of finding artists early through data.

"We started a service where we scan the market and if we see something is moving then we can sign the artist when it is cheap and before anyone else. That's using 100% data." – Participant 8

The quote above highlights how the digitalisation of music enables music organisations to invest early in particular artists before they become mainstream.

4.5.2 Focus on artist identity

Music organisations and A&R managers highlighted the importance of developing an artist's identity to ensure that they have a long-term career and can prevail through changing trends.

"A really good artist stands above and survives trends...They survive trends and continue to be big and successful, because their music speaks to people, like Adele stands above trends, she does her thing. Ed Sheeran..." - Participant 7

It can be interpreted that artists with strong identities can continually produce music that fosters an emotional connection with the audience. This emotional connection is perhaps more important than the adhering to prevailing trends. Interestingly, participants also argued that releasing a hit song does not make an artist a 'real artist' with long-term prospects.

"Success doesn't come overnight just because you have a hit, that doesn't make you an artist... you need to build something else...it helps if the artist is multifaceted. You need to reel them in so that they get to know the artist behind." - Participant 11

The notion of building an artist's identity was a common theme amongst participants and could be compared to a business building its corporate identity and purpose. Even if an artist releases a hit product in the present day but lacks a solid identity, future successful songs are not guaranteed.

"It's going to be much easier than ever to make one-hit wonder compilations in four years... since every new release is like a one-hit wonder." - Participant 5

The quote above reveals that the industry's focus on songs rather than on an artist's identity can lead to short-term success at the cost of long-term relevance. Participants attempted to explain the variables that made a strong artist identity.

"A long-term career still requires a traditional artist personality. It's about being able to perform and have a genuine feel, probably the ability to write in the long run. If the only thing you are good at is singing, well you need a unique style." - Participant 10

Although participants had difficulty specifying what made a strong artist identity, participants highlighted that successful artists have some unique 'edge'. To ensure that an artist can develop songs that are both relevant today and in the future, the focus is not necessarily on the songs but the artist.

5 Discussion

This section will analyse the empirical data through our theoretical framework and is divided into five parts. Part 5.1 will analyse the paradoxical tensions between creativity and commerciality, and incremental and radical innovation through the theoretical lens of ambidexterity. Part 5.2 will summarise the antecedents to ambidexterity found in this study that allowed music organisations to manage product innovation tensions. Part 5.3 and 5.4 will analyse in detail the antecedents to ambidexterity that allowed music organisations to balance the two tensions investigated. The nature of these antecedents to ambidexterity was found to empirically contribute to sub-streams of product innovation scholarship such as real options theory. Part 5.5 will provide a synthesis of both tensions investigated.

5.1 Nature of tensions

5.1.1 Tension between creativity and commerciality

Paradox

We found that the tension between creativity and commerciality qualifies as a paradox (Schad et al., 2016). Both creativity and commerciality were seen as essential but contradictory elements of a successful song. A song needs to be ‘*unique*’ and reflect the ‘*soul*’ of the artist. Concurrently, a song needs to adhere to certain ‘*rules of the game*’ to be easily digestible by the mass market. The need for creativity and commerciality conflict with each other since following rules can hinder novelty.

Nature of the paradoxical tension

By detailing the nature of the overlooked tension between creativity and commerciality, we contribute to both ambidexterity and product innovation literature by highlighting its significance in the innovation process. It was observed that the tension was a concern on an individual song project level which stemmed from the differing motivations of A&R managers and artists. Artists were portrayed as creators who put their ‘soul’ into creating a song, highlighting the intrinsic significance of songs to artists. This supports Caves (2003) idea of ‘*art for art’s sake*’, which emphasises the utility that artists gain from creating their products. Although A&R managers also invested their creative resources into the production of songs, they also represented the commercial interests of music organisations. A&R managers ensured that the artists’ creations could reach the mass market. This supports Lorenzen and Frederiksen’s (2005) notion that there is a disparity in the motivations of the artists who create the songs, and the A&R managers who manage the development process.

It was apparent that the tension between creativity and commerciality represented a significant consideration during product innovation. This tension deserves more attention from product innovation scholars who have, to date, focused on managing creativity and efficiency (Kratzer et al., 2008). While efficiency focuses on an organisation's internal productivity when innovating, commerciality concerns the market fit of an innovation.

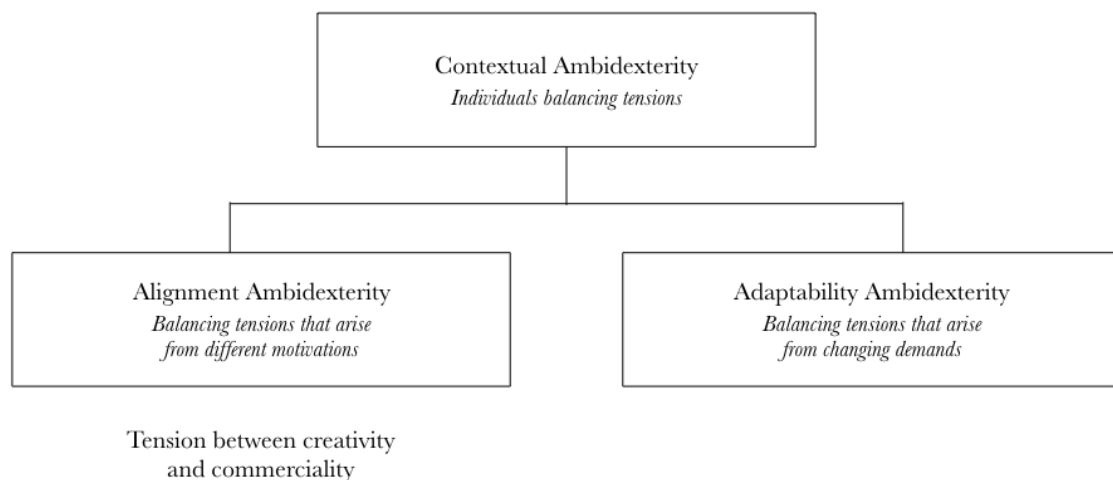
Managing the paradoxical tension through contextual (alignment) ambidexterity

It was found that individual A&R managers dealt with the tension by individually finding a balance between creativity and commerciality. This individual act of balancing the tension reveals A&R managers' capability of contextual ambidexterity (Gibson and Birkinshaw, 2004). A&R managers individually adopted specific processes to find a balance between '*what is good and what can sell*', to produce '*high quality and commercially viable music*'. The capability of contextual ambidexterity can, however, be further broken down into two sub-forms of ambidexterity: alignment and adaptability ambidexterity (see figure 5.1).

In agreement with Wu and Wu (2016), we argue that the act of balancing the tension between creativity and commerciality highlights A&R managers' capability of alignment ambidexterity. Alignment ambidexterity refers to the capability of an individual to balance peoples' different motivations, so they all work towards the same goal (Gibson and Birkinshaw, 2004). In the context of music organisations, A&R managers must align the differing interests of an artist and the music organisation during the product innovation process.

In the following analysis, the individual managerial solutions used to balance the tension between creativity and commerciality will thus be referred to as *antecedents to alignment ambidexterity*.

Figure 5.1: The tension between creativity and commerciality is balanced through alignment ambidexterity.



5.1.2 Tension between incremental and radical innovation

Paradox

Like the previously discussed tension, the tension between incremental and radical innovation was also found to be paradoxical in nature (Schad et al., 2016). Both incremental and radical innovations were deemed to be paramount for the survival of an organisation, but also conflicted. On the one hand, A&R managers need to develop incremental innovations to *'be on top of the charts'* and meet current demand. On the other hand, they must develop radical innovations to be *'one step ahead'* of trends to meet future demand. Although both types of innovations are necessary, they conflict with each other since they compete for the same time and financial resources.

Nature of the paradoxical tension

The study elaborates ambidexterity literature by highlighting the idiosyncratic aspects of the paradoxical tension between incremental and radical innovation within music organisations. This paradoxical tension was a concern on an organisational level across projects and stemmed from the expectation of A&R managers and music organisations to satisfy current demands while being *'one step ahead'*. This supports Lampel et al.'s (2000) claim that CIOs are expected to develop innovations that transform the market and thus satisfy future demand.

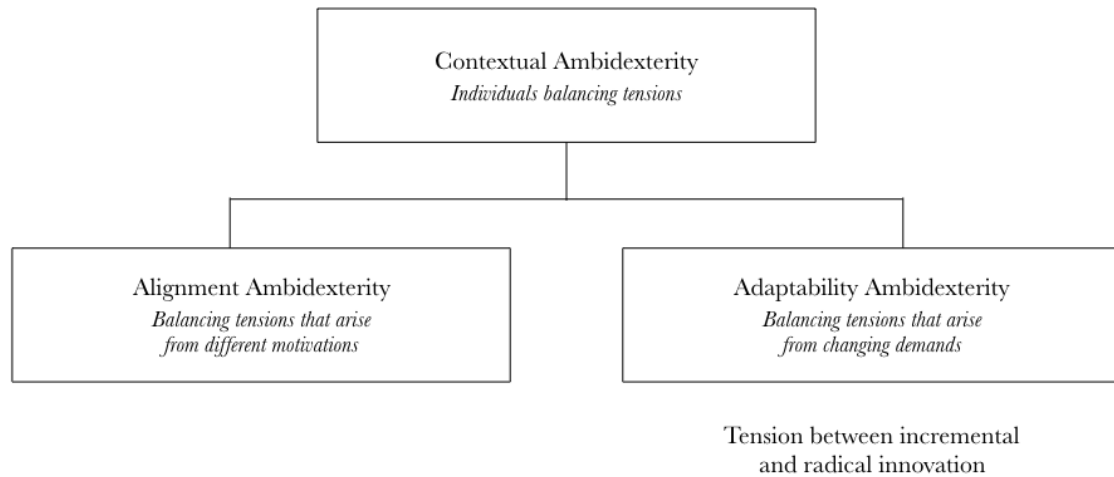
Interestingly, the tension appeared to be exacerbated by mass-market consumers' simultaneous demand for novelty and familiarity. While A&R managers were expected to develop radical innovations, consumers would reject songs that sounded too different from the norm. However, consumers concurrently demanded novel songs that were *'hotter and better'*. The notion that consumers *'don't want to listen to new music'* but simultaneously demand *'hotter'* songs represents another paradox within the paradoxical tension between incremental and radical innovation already faced by music organisations. Consumers desire for novelty and familiarity further complicates A&R managers and music organisations task of finding a balance between incremental and radical innovations.

Managing the paradoxical tension through contextual (adaptability) ambidexterity

From the data, it was observed that it was the responsibility of the A&R manager, who was at times influenced by top management, to balance the paradoxical tension between incremental and radical innovation. A&R managers individual act of balancing the tension without formal organisational structures highlights A&R managers' capability of contextual ambidexterity (Gibson and Birkinshaw, 2004; March, 1991).

Specifically, we argue in support of Wu and Wu (2016) that A&R managers display the capability of adaptability ambidexterity - one of the two subsets of contextual ambidexterity (see figure 5.2). Adaptability ambidexterity refers to an individual's ability to adapt to changing demands (Gibson and Birkinshaw, 2004). In this study, A&R managers were tasked with investing in music that would satisfy current and future consumer demand. In the following analysis, the managerial solutions used to balance the tension between incremental and radical innovations will be referred to as *antecedents to adaptability ambidexterity*.

Figure 5.2: The tension between incremental and radical innovation is balanced through adaptability ambidexterity.



5.2 Overview of the antecedents to alignment and adaptability ambidexterity

This study provides an individual level view of how ambidexterity is achieved through specific managerial mechanisms in a CIO context. Directly answering our research question of “*How do managers in Swedish music organisations deal with the tensions that arise during product innovation?*”, this study found antecedents to ambidexterity that allowed music organisations to manage the product innovation tensions between creativity and commerciality, and incremental and radical innovation (see Table 5.1 and 5.2 below for a summary).

Table 5.1: Antecedents to alignment ambidexterity - managerial solutions to balance the tension between creativity and commerciality.

Alignment ambidexterity	
Antecedent	Description
<i>Organisational role</i>	A specific individual that is part of the organisation system, that is responsible for managing tensions.
<i>Sequential shifting on an individual level</i>	The process of individuals shifting from one element of the tension to the other over time.
<i>Improvisation within minimal structures</i>	The act of experimenting freely within some specific boundaries.
<i>Variety</i>	The development of a range of different products that vary in creativity and commerciality to ensure that all stakeholder interests are met.
<i>External leveraging</i>	The use of external parties to help balance tensions.
<i>Leadership</i>	The provision of mentorship, feedback and trustful relationships.

Table 5.2: Antecedents to adaptability ambidexterity - managerial solutions to balance the tension between incremental and radical innovation.

Adaptability ambidexterity	
Antecedent	Description
<i>Variety</i>	The use of small bets on a range of music and subcultures with the aim of picking the right investment which generates a high return on investment.
<i>Focus on identity</i>	The development of an artist’s identity to ensure that he or she remains relevant to the audience in the short and long-term.

The above antecedents found in this study contribute to ambidexterity and product innovation scholarship in three ways. First, the micro view of the study returns the focus of ambidexterity as a capability, as we identified specific mechanisms that created the capability (Nosella et al., 2012; O’Reilly and Tushman, 2013).

To date, prior research has mainly focused on a macro view of how ambidexterity is achieved through structures (Nosella et al., 2012).

Second, we identified antecedents to ambidexterity that have not been addressed in previous research. We extend Wu and Wu's (2016) list of antecedents to ambidexterity in CIO's with three additions: (1) organisational role, (2) sequential ambidexterity on an individual level and, (3) focus on identity. Several antecedents identified also challenge ambidexterity literature's defined approaches of structural, sequential and contextual ambidexterity. We found that a single antecedent can represent a hybrid of the two of the three approaches.

Third, the nature of the antecedents identified in the study provide insights into other elements of the product innovation process. For example, the use of variety to manage the tension between incremental and radical innovations represents an empirical example of real options theory. Empirical evidence for real-options theory has been limited (Brunner et al., 2008).

In the following subsections, each antecedent to alignment and adaptability ambidexterity will be presented and analysed.

5.3 Antecedents to alignment ambidexterity

5.3.1 Organisational role of the A&R manager

Discussion in relation to ambidexterity

It was found that an individual in a specific organisational role can function as an antecedent to alignment ambidexterity. We argue that the A&R manager's role represents an antecedent to alignment ambidexterity for two reasons. First, A&R managers have the organisational responsibility to manage the often-incongruent interests of the music organisation and the artist. Second, individual A&R managers decide themselves how they manage the two parties' different interests. With this, we see that the specified organisational role of an A&R manager is an individual and system that allows music organisations to achieve alignment ambidexterity.

Not only is this antecedent not mentioned in Wu and Wu's (2016) meta-analysis of ambidexterity and CIO literature, but it also represents a departure from the distinct *structural*, *sequential* and *contextual* approaches of ambidexterity. We contend that the organisational role of an A&R manager represents a mixture of structural and contextual ambidexterity (Tushman and O'Reilly, 1996; Gibson and Birkinshaw, 2004). Gibson and Birkinshaw (2004) argue that contextual ambidexterity concerns individuals in general, deciding themselves how to deal with conflicting tensions. A&R managers individually balance tensions and thus demonstrate the capability of contextual ambidexterity. Concurrently, the organisational role of an A&R manager is a fixed part of a music organisation, much like the organisational architectures that foster structural ambidexterity (Tushman and O'Reilly, 1996). Therefore, we argue that the organisational role of an A&R manager represents a hybrid between contextual and structural ambidexterity.

Discussion in relation to product innovation

The organisational role of an A&R manager that fosters alignment ambidexterity additionally offers insights into lean management research. The role of an A&R manager draws parallels to that of a chief engineer (CE), an integral part of lean management (Morgan and Liker, 2006). For example, within Toyota's lean management process, the CE acts as the architect of the entire product innovation process and ensures that decisions are made in line with customer needs (Ballé, Morgan and Sobek, 2016). Although CEs make design and engineering decisions, they do not have formal authority over engineers and thus embody strong leadership skills to ensure agreement amongst stakeholders. The role of an A&R manager can be compared to a CE. A&R managers oversee the development of a song, ensure that the song is relevant to consumers and do not have formal authority over artists whom they work with. This comparison implies that A&R managers embody the leadership and soft skill capabilities required to manage the delicate tension without

formal authority. Additionally, this finding highlights the existence of CE role in the context of a CIO and suggests that music organisations utilise elements of lean management theory.

5.3.2 Sequential shifting on an individual level

Discussion in relation to ambidexterity

By sequentially shifting from one conflicting element of a tension to the other over time, we found that individuals could achieve alignment ambidexterity. During the product innovation process, A&R managers switched their focus between the creative elements and the commercial ones in a sequential manner - an artist's creative freedom could be bounded by time. First, A&R managers afforded artists with complete freedom to be creative in the beginning stages of product innovation by actively staying out of the process. Second, after A&R managers received demos from artists, they would then focus on improving the songs with a more commercial perspective. With this, managers balanced the tension between creativity and commerciality by allocating specific times for creativity and commerciality.

Our finding extends Wu and Wu's (2016) list of antecedents to ambidexterity in CIOs and interestingly reveals how sequential ambidexterity can work at a contextual level. Our finding represents a hybrid between sequential and contextual ambidexterity. Previous literature has focused on sequential ambidexterity from an organisational level and through '*large-scale examples with the changes taking place over long time periods*' (p.8, O'Reilly and Tushman, 2013). A&R managers' use of sequential shifting between creativity and commerciality illustrates how sequential ambidexterity can be achieved on an individual level and not just on an organisational level. Additionally, A&R managers' use of sequential shifting contradicts O'Reilly and Tushman's (2013) proposition that sequential ambidexterity is primarily useful in sluggish and steady industries as A&R managers manage tensions in a fast-paced and volatile environment. We propose that this is because individuals can shift their focus between conflicting demands faster than organisations can.

Discussion in relation to product innovation

A&R managers' decision to stay out of the early creation process of a song additionally offers empirical insights into the *fuzzy front end* (FFE) of the product innovation process. The FFE refers to the initial stages of the innovation process and time spent ideating before any formal processes commence (Koen et al., 2001). As the name suggests, FFE is regarded as a highly uncertain and complex stage in the innovation process by scholars and practitioners alike (Backman, Börjesson and Setterberg, 2007). Within the context of radical innovations, Reid and De Brentani (2004) propose that ideas are first generated by individuals, which then enter the organisation via a gatekeeper. The gatekeeper evaluates the merits of the ideas and acts as an advocate for the idea within the organisation.

This study provides empirical support for Reid and De Brentani's (2004) FFE model. Artists and other authors of a song work individually on the song innovation which is then sent to the A&R manager who acts as a gatekeeper. The A&R manager represents the information link between the innovators and the music organisation. While FFE of innovation is still regarded as an uncertain stage in the product innovation process, this study provides a concrete illustration of how music organisations manage the FFE of innovation.

5.3.3 Improvisation within minimal structures

Discussion in relation to ambidexterity

We found that the process of improvisation within minimal structures was used by A&R managers to achieve alignment ambidexterity. The empirical data found that A&R managers allowed artists to experiment creatively within certain boundaries. This process of bounded experimentation correlates with the concept of minimal structures in improvisation environments described in jazz improvisation literature (Barret, 1998; Kamoche and Cunha, 2001). A&R managers encouraged artists to experiment within certain '*rules of the game*' or quasi-rules that songs should follow such as being three minutes in length and having a captivating introduction. Minimal structures allow A&R managers to ensure some standard of commerciality of a song while not impeding on an artist's creativity.

Although Wu and Wu (2016) mention improvisation as a possible antecedent to alignment ambidexterity, we elaborate on this by highlighting the necessity of minimal structures. Improvising alone does not necessarily balance the tension between creativity and commerciality. While improvisation fosters creativity, minimal structures are required to ensure that the end-product is commercially viable. This study offers a deeper understanding of how the process of improvisation within some boundaries allows individuals to be ambidextrous.

Discussion in relation to product innovation

This study's empirical illustration of how bounded improvisation can work in practice additionally elaborates on improvisation scholarship. Through the analogy of jazz improvisation, Kamoche and Cunha (2001) argue that minimal structures stem from an understanding of the audience and their reactions. Likewise, Prahalad (2006) propose that innovation boundaries are determined by having a deep understanding of customers. This study supports these claims but extends them by providing concrete examples of where minimal structures can come from and how external actors can shape them. We reveal how product distribution actors such as Spotify indirectly create specific quasi-rules which A&R managers adapt to. For example, knowing that Spotify listeners often skipped songs after two and thirty-five seconds caused some managers to ensure that songs had captivating introductions and '*something interesting*' at thirty-five seconds to keep people listening. It is interesting how an external actor such as Spotify can shape the way in which music

organisations develop innovations. The continual digitalisation of music may provide even more customer insights for managers to determine the boundaries of innovation.

5.3.4 Variety

Discussion in relation to ambidexterity

This study found that managers could establish alignment ambidexterity by leveraging two forms of variety. First, A&R managers could encourage artists to develop a variety of different songs. Some songs could be more commercial while others could be more artistic. Second, A&R managers could commission remixes of a particular song. These remixes served the commercial purpose of reaching a broader segment without compromising the artist's original song. Both methods of variety allow A&R managers to achieve alignment ambidexterity as they ensure that both the artist's and music organisation's interests are satisfied.

While our finding confirms Wu and Wu's (2016) conclusion that variety is a common antecedent to achieve alignment ambidexterity, we extend their finding by providing an alternative reason to why managers use variety. Wu and Wu (2016) claim that variety aims to benefit customers with a wider choice. Contrastingly, we find that A&R managers use variety for the benefit of the creators rather than customers. A&R managers gave artists the freedom to develop songs that were not commercial and commissioned remixes because they acknowledged artists' intrinsic affinity with their songs. Encouraging artists to pursue a variety of songs ensure that artists' creative ambitions are not jeopardised by commercial interests (Caves, 2003). Therefore, we argue that variety allows A&R managers to pursue commercial interests without affecting artists' creativity.

5.3.5 External leveraging

Discussion in relation to ambidexterity

It was found that managers can leverage external stakeholders to achieve alignment ambidexterity. Our study supports Wu and Wu's (2016) argument that external leveraging is a common antecedent to alignment ambidexterity in CIOs, and extends it by investigating the rationale behind it. A&R managers often brought in external stakeholders, such as songwriters and producers, to assist artists in the creative process. However, external leveraging was also specifically used to balance the tension between creativity and commerciality. For example, when dealing with an artist who was more creative than commercial, an A&R could bring in a senior producer known to produce commercial hits. A&R managers felt that the social stature of certain external stakeholders would convince artists to change their products according to A&R managers' opinions. We propose that the use of external leveraging may have political intentions as it can prevent friction between the A&R manager and the artist.

Discussion in relation to product innovation

A&R managers' use of external leveraging to balance product innovation tensions draws parallels with the collaborative networks literature. It was observed that songs were produced in small-worlds, networks composed of a multitude of dense cluster relationships which are bridged together by brokers (Fleming, King and Juda, 2007a). In this study's context, A&R managers can be seen as brokers who bridge together clusters of artists, songwriters and producers.

Scholars agree that small-world networks foster innovation because tight cluster relationships engender trust and efficiency while relationships between clusters foster new knowledge (Fleming and Marx, 2006; Fleming, King and Juda, 2007b). While this holds true when an A&R manager uses external leveraging to help artists develop a song creatively, it does not hold true when A&R managers use external networks to balance tensions. When balancing tensions, external parties who have a certain status can also bring trust into the product innovation process. With this, we argue that both cluster and distant relationships can foster trust during product innovation.

5.3.6 Leadership

Discussion in relation to ambidexterity

The leadership behaviours of individual managers were found to be instrumental in cultivating alignment ambidexterity. Our finding supports Wu and Wu's (2016) claim that leadership is a major antecedent to alignment ambidexterity but extends it by detailing specific leadership behaviours. To balance the conflicting demands of creativity and commerciality, A&R managers discussed goals with artists, guided them through mentorship and feedback, and fostered an environment of trust. Goal-setting discussions with artists allowed A&R managers to ensure that interests were aligned and determine whether artists needed to '*adapt more to the game rules*'. A&R managers guided artists to be unique and provided candid feedback about specific elements of a song's sound and structure. Participants, however, emphasised the delicateness of this process given artist's' sensitivity to their creations. The comparison of A&R managers to therapists who constantly provided positive reinforcement exemplifies their soft-skill abilities. Interestingly, A&R managers emphasised the importance of building trustful relationships to reduce decision making frictions. This is in direct agreement with Gibson and Birkinshaw (2004) who claim that trust is an integral attribute for contextual ambidexterity. A&R managers built trust with artists by supporting all their work and constantly assuring that they had the artists' best interests at heart. We propose that trust is especially important in music organisations since managers do not have formal authority over artists.

Our findings support and develop scholarship pertaining leadership as an antecedent to ambidexterity. While there is some research that examines how leadership contributes to ambidexterity, there has been little attention given to how managers achieve this (Carmeli and Halevi, 2009; Nosella et al., 2012). O'Reilly and

Tushman (2013) argue that more qualitative studies are required to understand the behaviours that leaders adopt to foster ambidexterity. This empirical study provides insights into some specific routines of how A&R managers' leadership behaviours specifically contribute to ambidexterity through direct intervention, goal-setting, mentorship, feedback and relationship building. Similarly, A&R managers' constant awareness of the need to build trust between themselves and creators highlights the importance of rapport in contexts where managers do not have full authority over innovation decisions.

5.3.7 Synthesis of antecedents to alignment ambidexterity

It is apparent that A&R managers play a significant role in balancing the creative interests of artists and the commercial interest of music organisations. However, their ability to do so is hindered by their lack of formal authority over product design decisions.

Therefore, we propose that A&R managers' ability to achieve alignment ambidexterity stem from trustful relationships. An A&R manager can only suggest and convince artists to make changes to a song, such as by shortening the introduction, since artists have the final word. To ensure that artists listen to A&R managers' commercial perspective, it is, therefore, important for A&R managers to be transparent about having the artist's best interests at heart. Since music organisations' success depend on commercialising art, it is thus important for A&R managers to ensure that the artists who create the art are creatively satisfied.

Table 5.3: Summary of the analysis of antecedents to alignment ambidexterity.

Alignment ambidexterity			
Antecedent	Wu & Wu (2016)	Relation to Ambidexterity	Relation to Product innovation
<i>Organisational role</i>	Not mentioned	Represents a hybrid of structural and contextual ambidexterity. A specific manager can be tasked with balancing the tension.	Highlights the existence of <i>Chief Engineer</i> (CE) role in the context of a CIO and suggests that music organisations utilise elements of lean management theory.
<i>Sequential shifting on an individual level</i>	Not mentioned	Reveals how sequential ambidexterity can work in a contextual level. A specific manager can switch focus between creativity and commerciality in a sequential manner.	Offers empirical insights into the <i>fuzzy front end</i> (FFE) of the product innovation process.

<i>Improvisation within minimal structures</i>	Extends	Highlights the necessity of minimal structures. Minimal structures can allow managers to ensure some standard of commerciality while not impeding on a creator's creativity.	Provides an empirical example of where innovation boundaries come from and how external actors can shape them.
<i>Variety</i>	Supports and extends	Provides an alternative explanation where managers can use variety for the benefit of the creators rather than the customers.	
<i>External leveraging</i>	Supports and extends	Investigates the rationale behind external leveraging. The social status of certain external stakeholders can be used by a manager to balance the tension.	Draws parallels with collaborative networks and <i>small-words</i> literature. When balancing tensions, external parties whom have a certain status can bring trust into the product innovation process.
<i>Leadership</i>	Supports and extends	Details specific leadership behaviours such as goal-setting, mentorship, feedback and relationship building.	

5.4 Antecedents to adaptability ambidexterity

5.4.1 Variety

Discussion in relation to ambidexterity

Music organisations were found to pursue a strategy of variety in the form of a diversified portfolio of projects to achieve adaptability ambidexterity. This finding extends Wu and Wu's (2016) claim that variety is a common antecedent to alignment ambidexterity as we propose that it also fosters adaptability ambidexterity. Music organisations commonly invested in a variety of genres and subcultures, even those that were not currently popular. This was due to the uncertainty of what music styles would be commercially successful in the future due to consumers' equivocal tastes - a common challenge found in other creative industries (Lampel et al., 2000). This challenge was further exemplified by the fact that a few successes often financed many failures (MacCormack et al., 2004). While it was initially surprising that one participant compared music organisations to venture capitalists, music organisations' investment decisions gave the comparison credence. Like venture capitalists, music organisations would make small but calculated bets on various artists, in the hope of generating high returns on investments in the future. These investment decisions were based on A&R managers' personal judgment, data analytics or a combination. Being '*everywhere*' allows music organisations to be adaptable to short and long-term demand since they can develop incremental music that works on Spotify playlists while also '*finding the next thing*'.

Discussion in relation to product innovation

Music organisations' use of variety to achieve adaptability ambidexterity additionally provides an empirical illustration of (1) real options and (2) portfolio management theory.

The intuition behind music organisations act of making bets on subcultures draws parallels with real options theory. A real option represents the right but not the obligation to develop, sell, or ignore an investment. The potential losses of an investment are fixed by the initial seed investment while the potential gains are infinite. Additionally, the value of a real option (or investment) increases as market risk increases (Boer, 2008). Within the context of music organisations, the high uncertainty surrounding songs in sub-cultures represents a high risk. The valuation of a subculture investment is thus high since losses are always constrained by the initial investment while potential payoffs are endless. With this, music organisations' small bets on subcultures can be explained by real options theory. This empirical example of real options theory in practice represents a contribution to the literature as there are a few empirical studies on real options in practice despite its academic popularity (Brunner et al. 2008). Brunner et al. (2008) highlight that many companies have difficulty in abandoning failing projects due to high costs. However, music organisations represent a unique

context in which there are minimal costs to begin or exit an innovation project. Unlike other creative products such as films and video games, songs can be made cheaply and quickly.

Music organisations' investment in a diverse range of music to achieve adaptability ambidexterity can be compared to the logic of R&D portfolio management theory. Portfolio selection theory concerns how one can choose optimal investment portfolios based upon a firm's objectives (Winkofsky et al., 1980). Brunner et al. (2008) highlight that in environments where project outcomes are uncertain, an optimal portfolio would include a mix of safe and speculative investments. Thus, a diversified portfolio can minimise investment risk and ensure growth. Music organisations operate in such an uncertain environment, and the strategy to be 'everywhere' can be seen as a way of finding the few hits that pay off all the failures (De Vany, 2004; MacCormack et al., 2004). The way in which different music organisations decided how they would balance between incremental and radical innovations in their portfolios supports the methods highlighted in portfolio selection theory. Some music organisations utilised a top-down approach when deciding between incremental and radical innovations. A&R managers would consider previously stated ratios between incremental and radical artists by top management when making investment decisions. This top-down approach supports strategic framework models of portfolio selection. (Nagji and Tuff, 2012; Raynor and Leroux, 2004). Concurrently, some music organisations utilised a bottom-up approach as A&R managers would invest in artists or genres based on their personal tastes.

Interestingly, this study contributes to R&D portfolio management theory by empirically highlighting the interdependencies between portfolio projects, a concept that has been neglected by scholars (Brunner et al., 2008). We found that investing in radical innovations could have cross-fertilization and learning effects within a music organisation. For example, one participant stated that mainstream artists could pick up sounds from more left-field artists. The context of music organisations provides a simple illustration of how learnings, such as a specific sound from one song radical project, can be readily applied to another incremental innovation project. Further, it was found that investing in left-field music could enhance the credibility of a music organisation. This signalled to outsiders that the music organisation was passionate about music and not just driven by commercial interests, further highlighting the interdependencies of projects.

From this, music organisations use of diversified portfolios to achieve adaptability ambidexterity also offers insights into the fields of (1) real options and (2) portfolio management research.

5.4.2 Focus on identity

Discussion in relation to ambidexterity

Our study found that by building the identity of an artist, A&R managers could achieve adaptability ambidexterity. By having a strong sense of identity, an artist could foster a sustained emotional connection and sense of relevance to the audience. The sustained relevance allowed an artist to continually develop songs that were relevant for both current and future consumption, thus balancing the tension between short and long-term demand. Participants highlighted that strong artists had some traits in common such as having an ability to write and unique style. Even as music trends oscillated over time, artists with strong identities could survive changes in trends. Having a strong identity also prevented artists from being one-hit wonders - artists who only have one hit song that satisfy current demand but do not have enough identity to develop future success.

This finding represents an antecedent to adaptability ambidexterity that has not been discussed in previous ambidexterity literature (Wu and Wu, 2016). This antecedent to ambidexterity balances the tension between incremental and radical innovation by focusing on the innovator rather than the innovations. Interestingly, a single artist can develop both incremental and radical innovations. By focusing on the core identity of an artist and maintaining an emotional connection between the artist and the audience, music organisations can ensure that the song products developed by the artist satisfy current and future demand.

Discussion in relation to product innovation

The focus on building an identity to achieve adaptability ambidexterity additionally supports recent scholarship within disruptive innovation. Disruptive innovation refers to how changes in how organisations develop a product or service create a new market. This new market eventually rattles the existing market as the disruptors replace the established firms and their products (Christensen and Bower, 1996). Recently, some scholars claim that organisations can survive disruptive innovations by focusing on their identity (Gans, 2016; Tripsas et al., 2013). Organisations which have survived disruptive innovations through focusing on their identity have done so by retaining control and ownership of key aspects of the end customer experience that remained relatively constant throughout disruptions (Gans, 2016; Tripsas et al., 2013).

Fuji Film is an example of a company that has managed to make the transition from film to digital photography by focusing on its identity (Gans, 2016). Unlike other competitors such as Kodak who viewed themselves as photography companies, Fuji Film identified itself as an “information and imaging” company. Their identity made it easier for managers to envision and implement new business models suited to the digital world (Gans, 2016). Music organisations’ focus on building an artist’s identity appears to follow a similar logic. A&R managers focused on maintaining the key and constant aspects of an artist’s identity by developing his or her personality, ability to perform, ability to write songs, brand, etc. Focusing on these

aspects allowed artists to maintain an emotional connection with the audience and develop relevant music across time. Doing so allowed artists to survive through oscillating trends or ‘disruptions’, like Fujifilm. This empirical finding, of how A&R managers focus on identity to ensure that artists’ products can survive changing trends, supports the link between corporate identity and surviving disruptive innovation, an underexplored area of research (Gans, 2016; Tripsas, 2009).

5.4.3 Synthesis of antecedents to adaptability ambidexterity

It is apparent that the tension between incremental and radical innovation can be managed by investing in a variety of artists and music, and by building the identity of a particular artist. The solution of variety can be viewed as an organisational approach to achieving adaptability ambidexterity. Investing and maintaining a diversified portfolio of music would require substantial financial and time resources for a music organisation.

The solution of focusing on identity places an emphasis on an individual artist to be relevant in the short and long-term. Focusing too much on creating songs, that represent incremental innovations, can be dangerous as it can lead the artist to become a one-hit wonder. Participants highlighted this risk and argued that this is a relevant issue in today's music streaming landscape.

Ideally, a music organisation would utilise both solutions, but this can be challenging for two reasons. Firstly, resources constraints can prevent smaller organisations in investing in a diversified portfolio. Secondly, focusing on an artist’s identity is a long-term project that may conflict with managers’ short-term focused appraisals in larger organisations. It would be interesting to understand how differences in firm size impact how a music organisation would manage the tension between incremental and radical innovation.

Table 5.4: Summary of the analysis of antecedents to adaptability ambidexterity.

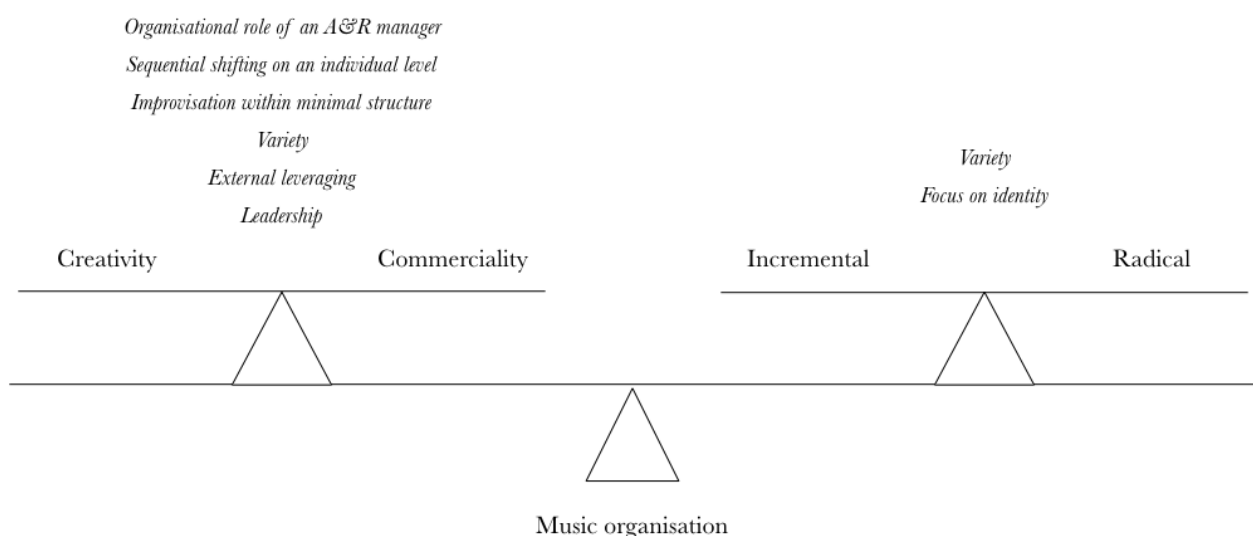
Adaptability ambidexterity			
Antecedent	Wu & Wu (2016)	Relation to Ambidexterity	Relation to Product innovation
<i>Variety</i>	Extends	Being ‘everywhere’ allow organizations to be adaptable to short and long-term demands.	Offers an empirical example of <i>real options theory</i> in practice and highlights the interdependencies between projects in <i>portfolio management</i> .
<i>Focus on identity</i>	Not mentioned	Having a strong identity enable creators to continually develop products that are relevant for both current and future consumption.	Supports recent scholarship within <i>disruptive innovation</i> that highlights the link between focusing on corporate identity and surviving disruption innovations.

5.5 Synthesis of both tensions

Although the tensions between creativity and commerciality, and incremental and radical innovation may appear different on the surface, we propose that they are *deeply interrelated*. The tension between creativity and commerciality is a concern on an individual product level. A&R managers must work with individual artists through a trustful relationship to ensure that each product release is both creative yet commercially appealing. The tension between incremental and radical innovation can be seen as a concern on a higher artist and organisational level. Music organisations must ensure that they can satisfy consumers' current and future demands by having a diversified portfolio of music or by ensuring that an artist has a strong identity to remain relevant amongst listeners.

We propose that music organisations need to balance both tensions since they rely on each other. Just focusing only on balancing the tension between creativity and commerciality may help develop commercially successful songs, but successful individual products do not necessarily translate into long-term success. The phenomenon of 'one hit wonders' gives credence to this argument. Arguably, the artist behind a song must have a strong identity to ensure long-term success. Concurrently, focusing on only the tension between incremental and radical innovations by finding the "next thing" and having strong artists does not guarantee the development of commercially successful songs. A strong artist identity must be supported with equally strong song products which need to be a balance of creativity and commerciality. Both incremental and radical innovations need to be a balance between creativity and commerciality. From this, we argue that the elements of both tensions feed into each other, and thus balancing them both simultaneously is imperative for an organisation's success.

Figure 5.1: Music organisations must simultaneously balance both tensions between creativity and commerciality, and incremental and radical innovation.



6 Conclusions

The purpose of this study was to investigate how Swedish music organisations dealt with product innovation tensions on an individual level. We identified distinct managerial mechanisms - antecedents to ambidexterity - used to balance the tensions between creativity and commerciality, and incremental and radical innovation.

Solutions that allowed music organisations to balance the tension between creativity and commerciality were: (1) organisational role of an A&R manager, (2) sequential shifting on an individual level, (3) improvisation within minimal structures, (4) variety, (5) external leveraging and (6) leadership. To balance the tension between incremental and radical innovation, managers focused on (1) variety through a diversified portfolio and (2) identity.

Importantly, we propose that both tensions investigated are deeply interrelated. While a balance between creativity and commerciality is required on an individual product level, music organisations must ensure that these products are relevant to consumers in the short and long-term.

6.1 Theoretical contribution

The findings from this study contribute to ambidexterity and product innovation scholarship in five ways. First, the micro perspective of this study through identifying specific managerial mechanisms adopted to achieve ambidexterity addresses a fundamental research gap. Previous studies have primarily investigated ambidexterity from a macro and organisational perspective and have thus not focused on the processes and mechanisms that drive ambidexterity (Nosella et al., 2012).

Second, this study found several antecedents to ambidexterity which have not been covered in previous literature. This study extends Wu and Wu's (2016) list of antecedents to ambidexterity in CIOs with the addition of organisational role, sequential shifting on an individual level and identity. We further propose that an antecedent to ambidexterity can represent a hybrid between the sequential, structural and contextual approaches to ambidexterity.

Third, this paper addresses CIOs lack of attention in ambidexterity literature despite their extreme experiences with paradoxical tensions. This paper provides an in-depth empirical study in one creative industry, which elaborates Wu and Wu's (2016) meta-analysis of creative industry and ambidexterity literature.

Fourth, our investigation of the tension between creativity and commerciality fills a gap in the literature which has primarily focused on the tension between creativity and efficiency (O'Reilly and Tushman, 2013).

Given the importance of creativity and commerciality in product innovation, more scholarly attention is warranted.

Fifth, the nature of the antecedents also provides empirical insights into sub-streams of product innovation literature. For example, this study provides a rare empirical example of real options theory in practice and contributes to R&D portfolio management scholarship by highlighting the interdependence between innovation projects.

6.2 Managerial implications

We have identified three managerial implications of this study. First, managers of innovative organisations should observe how music organisations achieve ambidexterity. Managing tensions is a part of music organisations everyday business as they are forced to continuously innovate within short product lifecycles. This challenge is exacerbated by the extreme uncertainty of whether products will be successful given the non-utilitarian nature of song products.

Second, managers should be aware of the importance of leadership behaviours to achieve ambidexterity. This is especially true when members of an organisation have a personal relationship with the goods and services produced. In this study, A&R managers provide an empirical illustration of how one can manage a tension between two parties without formal authority.

Third, managers should focus on building a strong corporate identity to ensure present and future relevance. While incremental and radical innovations concern products and services, it is the identity of an artist or organisation that transcends products and trends. We argue that having a strong identity builds a foundation for short and long-term relevance.

6.3 Limitations

We have identified three major limitations to this study. First, artists were not interviewed in the study as we only investigated the tensions from a music organisation perspective. The participation of artists would present a more holistic representation of reality since they are the innovators.

Second, this study did not explore how A&R managers dealt with product innovation tensions with different artists. For example, managers may adopt different antecedents to ambidexterity depending on whether an artist is established or non-established.

Third, this study did not investigate how the size of an organisation can impact on which solutions managers adopt to achieve ambidexterity. It would be interesting to understand the differences and similarities of how major and independent record labels and music publishers manage the two tensions investigated.

6.4 Future research

Although there is already a plethora of research within ambidexterity, we have identified three interesting areas for future research. First, a longitudinal case study of a specific music organisation could further conceptualise the two tensions and provide deeper analysis on a specific project-level.

Second, research conducted on an inter-organisational level could reveal how ambidexterity is achieved across organisations. In the music industry, artists and songs are often launched on a global level through co-operations between music organisations in different markets.

Third, more ambidexterity research in the context of CIOs is warranted. Empirical studies within industries such as film and theatre could offer deeper insights into the different ways that one could manage product innovation tensions.

7 References

Adler, P.S., Benner, M., Brunner, D.J., MacDuffie, J.P., Osono, E., Staats, B.R., Takeuchi, H., Tushman, M. & Winter, S.G. 2009, "Perspectives on the productivity dilemma", *Journal of Operations Management*, vol. 27, no. 2, pp. 99-113.

Adler, P.S., Goldoftas, B. & Levine, D.I. 1999, "Flexibility versus efficiency? A case study of model changeovers in the Toyota production system", *Organization science*, vol. 10, no. 1, pp. 43-68.

Ahuja, G. 2000, "Collaboration networks, structural holes, and innovation: A longitudinal study", *Administrative Science Quarterly*, vol. 45, no. 3, pp. 425-455.

Andriopoulos, C. & Lewis, M.W. 2010, "Managing innovation paradoxes: Ambidexterity lessons from leading product design companies", *Long range planning*, vol. 43, no. 1, pp. 104-122.

Andriopoulos, C. & Lewis, M.W. 2009, "Exploitation-exploration tensions and organizational ambidexterity: Managing paradoxes of innovation", *Organization Science*, vol. 20, no. 4, pp. 696-717.

Baker, N. & Freeland, J. 1975, "Recent advances in R&D benefit measurement and project selection methods", *Management science*, vol. 21, no. 10, pp. 1164-1175.

Baker, T., Miner, A.S. & Eesley, D.T. 2003, "Improvising firms: Bricolage, account giving and improvisational competencies in the founding process", *Research policy*, vol. 32, no. 2, pp. 255-276.

Ball, M., Morgan, J. & Sobek, D.K. 2016, "Why Learning Is Central to Sustained Innovation", *MIT Sloan Management Review*, vol. 57, no. 3, pp. 63.

Barrett, F.J. 1998, "Coda—creativity and improvisation in jazz and organizations: Implications for organizational learning", *Organization science*, vol. 9, no. 5, pp. 605-622.

Bastien, D.T. & Hostager, T.J. 1992, "Cooperation as communicative accomplishment: A symbolic interaction analysis of an improvised jazz concert", *Communication Studies*, vol. 43, no. 2, pp. 92-104.

BCG Perspectives, 2017, "The most innovative companies", accessed 2 April 2017, https://www.bcgperspectives.com/content/interactive/innovation_growth_most_innovative_companies_interactive_guide/

Benner, M.J. & Tushman, M.L. 2003, "Exploitation, exploration, and process management: The productivity dilemma revisited", *Academy of management review*, vol. 28, no. 2, pp. 238-256.

Boer, F.P. 2000, "Valuation of technology using "real options"", *Research-Technology Management*, vol. 43, no. 4, pp. 26-30.

Bowman, E.H. & Hurry, D. 1993, "Strategy through the option lens: An integrated view of resource investments and the incremental-choice process", *Academy of management review*, vol. 18, no. 4, pp. 760-782.

Brinkmann, S. 2013, *Qualitative interviewing*, Oxford University Press.

Brown, S.L. & Eisenhardt, K.M. 1998, *Competing on the edge: Strategy as structured chaos*, Harvard Business Press.

Brown, S.L. & Eisenhardt, K.M. 1997, "The art of continuous change: Linking complexity theory and time-paced evolution in relentlessly shifting organizations", *Administrative Science Quarterly*, pp. 1-34.

Brunner, D., Fleming, L., MacCormack, A. & Zinner, D. 2008, "R&D Project Selection and Portfolio Management: A Review of the Past, a Description of the Present, and a Sketch of the Future", *Handbook of Technology and Innovation Management*, pp. 215.

Carmeli, A. & Halevi, M.Y. 2009, "How top management team behavioral integration and behavioral complexity enable organizational ambidexterity: The moderating role of contextual ambidexterity", *The Leadership Quarterly*, vol. 20, no. 2, pp. 207-218.

Caves, R.E. 2003, "Contracts between art and commerce", *The Journal of Economic Perspectives*, vol. 17, no. 2, pp. 73-83.

Caves, R.E. 2000, *Creative industries: Contracts between art and commerce*, Harvard University Press.

Chaston, I. & Sadler-Smith, E. 2012, "Entrepreneurial cognition, entrepreneurial orientation and firm capability in the creative industries", *British Journal of Management*, vol. 23, no. 3, pp. 415-432.

Christensen, C. 2013, *The innovator's dilemma: when new technologies cause great firms to fail*, Harvard Business Review Press.

- Christensen, C.M. & Bower, J.L. 1996, "Customer power, strategic investment, and the failure of leading firms", *Strategic Management Journal*, , pp. 197-218.
- Ciborra, C.U. 1996, "The platform organization: Recombining strategies, structures, and surprises", *Organization science*, vol. 7, no. 2, pp. 103-118.
- Cooper, R.G., Edgett, S.J. & Kleinschmidt, E.J. 2001, *Portfolio management for new products*, Basic Books.
- Coyne, K.P., Clifford, P.G. & Dye, R. 2007, "Breakthrough thinking from inside the box", *Harvard business review*, vol. 85, no. 12, pp. 70.
- Creswell, J.W. 2014, *A concise introduction to mixed methods research*, Sage Publications.
- Danneels, E. 2002, "The dynamics of product innovation and firm competences", *Strategic Management Journal*, vol. 23, no. 12, pp. 1095-1121.
- De Vany, A. 2004, *Hollywood economics: How extreme uncertainty shapes the film industry*, Routledge.
- DeFillippi, R., Grabher, G. & Jones, C. 2007, "Introduction to paradoxes of creativity: managerial and organizational challenges in the cultural economy", *Journal of Organizational Behavior*, vol. 28, no. 5, pp. 511-521.
- Dougherty, D. 1992, "A practice-centered model of organizational renewal through product innovation", *Strategic Management Journal*, vol. 13, no. S1, pp. 77-92.
- Eikhof, D.R. & Haunschild, A. 2006, "Lifestyle meets market: Bohemian entrepreneurs in creative industries", *Creativity and innovation management*, vol. 15, no. 3, pp. 234-241.
- Eisenberg, E.M. 1990, "Jamming transcendence through organizing", *Communication Research*, vol. 17, no. 2, pp. 139-164.
- Eisenhardt, K.M. 1997, "Strategic decisions and all that jazz", *Business Strategy Review*, vol. 8, no. 3, pp. 1-3.
- Eisenhardt, K.M. & Graebner, M.E. 2007, "Theory building from cases: Opportunities and challenges", *Academy of management journal*, vol. 50, no. 1, pp. 25-32.

- Ferreira, F. & Waldfogel, J. 2013, "Pop internationalism: has half a century of world music trade displaced local culture?", *The Economic Journal*, vol. 123, no. 569, pp. 634-664.
- Fleming, L., King III, C. & Juda, A.I. 2007a, "Small worlds and regional innovation", *Organization Science*, vol. 18, no. 6, pp. 938-954.
- Fleming, L., King, C. & Juda, A. 2007b, "Small worlds and innovation", *Organization Science*, vol. 18, no. 6, pp. 938-954.
- Fleming, L. & Marx, M. 2006, "Managing creativity in small worlds", *California management review*, vol. 48, no. 4, pp. 6-27.
- Fleming, L., Mingo, S. & Chen, D. 2007, "Collaborative brokerage, generative creativity, and creative success", *Administrative Science Quarterly*, vol. 52, no. 3, pp. 443-475.
- Flyvbjerg, B. 2006, "Five misunderstandings about case-study research", *Qualitative inquiry*, vol. 12, no. 2, pp. 219-245.
- Fors, B. & Camisn, C. 2016, "Does incremental and radical innovation performance depend on different types of knowledge accumulation capabilities and organizational size?", *Journal of Business Research*, vol. 69, no. 2, pp. 831-848.
- Gander, J. & Rieple, A. 2002, "Inter-organisational relationships in the worldwide popular recorded music industry", *Creativity and innovation management*, vol. 11, no. 4, pp. 248-254.
- Gans, J. 2016, *The Disruption Dilemma*, MIT Press.
- Gargiulo, M. & Benassi, M. 2000, "Trapped in your own net? Network cohesion, structural holes, and the adaptation of social capital", *Organization science*, vol. 11, no. 2, pp. 183-196.
- Garud, R. & Karne, P. 2001, "Path creation as a process of mindful deviation", *Path dependence and creation*, vol. 138.
- Gibbs, G.R. 2007, "Thematic coding and categorizing", *Analyzing qualitative data*. London: Sage, , pp. 38-56.
- Gibson, C.B. & Birkinshaw, J. 2004, "The antecedents, consequences, and mediating role of organizational ambidexterity", *Academy of management Journal*, vol. 47, no. 2, pp. 209-226.

- Glaser, B.G. & Strauss, A.L. 1967, "The discovery of grounded theory: strategies for qualitative theory".
- Gong, Y., Baker, T. & Miner, A.S. 2006, "Capabilities and Routines in New Organizations: Evidence from the Field", Unpublished Paper.
- Greve, H.R. 2007, "Exploration and exploitation in product innovation", *Industrial and Corporate Change*, vol. 16, no. 5, pp. 945-975.
- Guba, E.G. & Lincoln, Y.S. 1985, "Naturalistic inquiry (Vol. 75)", Beverly Hills, CA: Sage.
- Gunther McGrath, R. & Nerkar, A. 2004, "Real options reasoning and a new look at the R&D investment strategies of pharmaceutical firms", *Strategic Management Journal*, vol. 25, no. 1, pp. 1-21.
- Hall, J.M. & Johnson, M.E. 2009, "When should a process be art, not science?", *Harvard business review*, vol. 87, no. 3, pp. 58-65.
- Harris, M., 2016, "What is streaming music? All about music streaming and how it works", accessed 2 April 2017, <https://www.lifewire.com/what-is-streaming-music-2438445>
- Hartley, J. 2005, *Creative industries*, Blackwell Pub.
- Hatch, M.J. 1999, "Exploring the empty spaces of organizing: How improvisational jazz helps redescribe organizational structure", *Organization Studies*, vol. 20, no. 1, pp. 75-100.
- Hedborg, A., 1999, "Tuning in - A Summary of a Study on the Swedish Music Export Successes", Expertgruppen för studier i offentlig ekonomi, Stockholm, Sweden.
- Henderson, R.M. & Clark, K.B. 1990, "Architectural innovation: The reconfiguration of existing product technologies and the failure of established firms", *Administrative Science Quarterly*, pp. 9-30.
- Hesmondhalgh, D. 1996a, "Flexibility, post-Fordism and the music industries", *Media, Culture & Society*, vol. 18, no. 3, pp. 469-488.
- Hesmondhalgh, D. 1996b, "Flexibility, post-Fordism and the music industries", *Media, Culture & Society*, vol. 18, no. 3, pp. 469-488.

- Hirsch, P.M. 1972, "Processing fads and fashions: An organization-set analysis of cultural industry systems", *American journal of sociology*, vol. 77, no. 4, pp. 639-659.
- IFPI, 2017, "Fortsatt tillväxt för musikkörsäljningen i Sverige", accessed 10 March 2017, <http://www.ifpi.se/2017/04/12/fortsatt-tillvaxt-musikkorsaljningen-sverige/>
- IFPI, 2017, "Sveriges årsstatistik för 2016", accessed 10 March 2017, <http://www.ifpi.se/app/uploads/2017/04/Ifpi-Sverige-helarsstatistik-2016.pdf>
- IFPI, 2014, "Digital Music Report 2014", accessed 10 March 2017, <http://www.ifpi.org/downloads/Digital-Music-Report-2014.pdf>
- Jay, J. 2013, "Navigating paradox as a mechanism of change and innovation in hybrid organizations", *Academy of Management Journal*, vol. 56, no. 1, pp. 137-159.
- Jrgensen, B. & Messner, M. 2009, "Management control in new product development: The dynamics of managing flexibility and efficiency", *Journal of Management Accounting Research*, vol. 21, no. 1, pp. 99-124.
- Kamoche, K. & Cunha, M.P.E. 2001, "Minimal structures: From jazz improvisation to product innovation", *Organization Studies*, vol. 22, no. 5, pp. 733-764.
- Ketokivi, M. & Choi, T. 2014, "Renaissance of case research as a scientific method", *Journal of Operations Management*, vol. 32, no. 5, pp. 232-240.
- Kratzer, J., Gemünden, H.G. & Lettl, C. 2008, "Balancing creativity and time efficiency in multi-team R&D projects: the alignment of formal and informal networks", *R&d Management*, vol. 38, no. 5, pp. 538-549.
- Lampel, J., Lant, T. & Shamsie, J. 2000, "Balancing act: Learning from organizing practices in cultural industries", *Organization science*, vol. 11, no. 3, pp. 263-269.
- Lewis, M.W. 2000, "Exploring paradox: Toward a more comprehensive guide", *Academy of Management review*, vol. 25, no. 4, pp. 760-776.
- Lewis, M.W., Welsh, M.A., Dehler, G.E. & Green, S.G. 2002, "Product development tensions: Exploring contrasting styles of project management", *Academy of Management Journal*, vol. 45, no. 3, pp. 546-564.

- Lin, H., McDonough, E.F., Lin, S. & Lin, C.Y. 2013, "Managing the exploitation/exploration paradox: The role of a learning capability and innovation ambidexterity", *Journal of Product Innovation Management*, vol. 30, no. 2, pp. 262-278.
- Lorenzen, M. & Frederiksen, L. 2005, "The management of projects and product experimentation: examples from the music industry", *European Management Review*, vol. 2, no. 3, pp. 198-211.
- Lorenzen, M. & Täube, F.A. 2008, "Breakout from Bollywood? The roles of social networks and regulation in the evolution of Indian film industry", *Journal of International Management*, vol. 14, no. 3, pp. 286-299.
- Lubatkin, M.H., Simsek, Z., Ling, Y. & Veiga, J.F. 2006, "Ambidexterity and performance in small-to medium-sized firms: The pivotal role of top management team behavioral integration", *Journal of management*, vol. 32, no. 5, pp. 646-672.
- MacCormack, A.D., Enrico, D. & Herman, K. 2004, "Activision: The Kelly Slater's Pro Surfer'Project".
- March, J.G. 1991, "Exploration and exploitation in organizational learning", *Organization science*, vol. 2, no. 1, pp. 71-87.
- Maxwell, J.A. 2012, *Qualitative research design: An interactive approach*, Sage publications.
- Merriam, S.B. 1998, *Qualitative Research and Case Study Applications in Education. Revised and Expanded from "Case Study Research in Education."*. ERIC.
- Merriam-Webster, 2017, "Songwriter", accessed 4 April 2017, <https://www.merriam-webster.com/dictionary/songwriter>
- Meyer, A. 1998, "Antecedents and Consequences—Organizing for Improvisation: The Backstage Story of the Vancouver Jazz Concert and Symposium", *Organization Science*, vol. 9, no. 5, pp. 569-576.
- Miner, A.S., Bassof, P. & Moorman, C. 2001, "Organizational improvisation and learning: A field study", *Administrative Science Quarterly*, vol. 46, no. 2, pp. 304-337.
- Miron-Spektor, E., Gino, F. & Argote, L. 2011, "Paradoxical frames and creative sparks: Enhancing individual creativity through conflict and integration", *Organizational behavior and human decision processes*, vol. 116, no. 2, pp. 229-240.

- Moorman, C. & Miner, A.S. 1998, "The convergence of planning and execution: Improvisation in new product development", the Journal of Marketing, pp. 1-20.
- Morgan, J.M. & Liker, J.K. 2006, The Toyota product development system, New York: Productivity Press.
- Musik Sverige, 2016, "The Music Industry in Numbers - statistics for 2015", accessed 30 March 2017, <https://statistics.musiksverige.org/>
- Musik Sverige, 2014, "The Music Industry in Numbers - statistics from 2004-2014", accessed 30 March 2017, http://www.musiksverige.org/wp-content/uploads/MusikbranschenISiffror_2014.pdf
- Murnighan, J.K. & Conlon, D.E. 1991, "The dynamics of intense work groups: A study of British string quartets", Administrative Science Quarterly, pp. 165-186.
- Nagji, B. and Tuff, G., 2012, "Managing your innovation portfolio", Harvard Business Review, vol. 90, no. 5, pp.66- 74.
- Nosella, A., Cantarello, S. & Filippini, R. 2012, "The intellectual structure of organizational ambidexterity: A bibliographic investigation into the state of the art", Strategic Organization, vol. 10, no. 4, pp. 450-465.
- O'Reilly, C.A. & Tushman, M.L. 2013, "Organizational ambidexterity: Past, present, and future", The Academy of Management Perspectives, vol. 27, no. 4, pp. 324-338.
- OECD, 2005, "Glossary of Statistical Terms - Product innovation", accessed 4 April 2017, <https://stats.oecd.org/glossary/detail.asp?ID=6868>
- Passman, D.S. 2015, All you need to know about the music business, Simon and Schuster.
- Phelps, C., Heidl, R. & Wadhwa, A. 2012, "Knowledge, networks, and knowledge networks: A review and research agenda", Journal of Management, vol. 38, no. 4, pp. 1115-1166.
- Pina e Cunha, M., Vieira da Cunha, J. & Kamoche, K. 1999, "Organizational improvisation: What, when, how and why", International journal of management reviews, vol. 1, no. 3, pp. 299-341.
- Prahalad, C.K. 2006, "The innovation sandbox", Strategy and Business, vol. 44, pp. 62.
- Putnam, L.L., Fairhurst, G.T. & Banghart, S. 2016, "Contradictions, dialectics, and paradoxes in organizations: A constitutive approach", Academy of Management Annals, vol. 10, no. 1, pp. 65-171.

- PwC, 2016, "Global top 100 companies by market capitalisation", accessed 3 April 2017, <https://www.pwc.com/gx/en/audit-services/publications/assets/global-top-100-companies-2016.pdf>
- Raisch, S. & Birkinshaw, J. 2008, "Organizational ambidexterity: Antecedents, outcomes, and moderators", *Journal of management*, vol. 34, no. 3, pp. 375-409.
- Ratcliffe, J.W. 1983, "Notions of validity in qualitative research methodology", *Knowledge*, vol. 5, no. 2, pp. 147-167.
- Raynor, M.E. & Leroux, X. 2004, "Strategic flexibility in R&D", *Research-Technology Management*, vol. 47, no. 3, pp. 27-32.
- Raza-Ullah, T., Bengtsson, M. & Kock, S. 2014, "The coopetition paradox and tension in coopetition at multiple levels", *Industrial Marketing Management*, vol. 43, no. 2, pp. 189-198.
- RIAA, 2017, "News and Notes on 2016 RIAA Shipment and Revenue Statistics", accessed 9 April 2017, <http://www.riaa.com/wp-content/uploads/2017/03/RIAA-2016-Year-End-News-Notes.pdf>
- Sanchez, R. 1993, "Strategic flexibility, firm organization, and managerial work in dynamic markets: A strategic options perspective", *Advances in strategic management*, vol. 9, no. 1, pp. 251-291.
- Schad, J., Lewis, M.W., Raisch, S. & Smith, W.K. 2016, "Paradox research in management science: Looking back to move forward", *Academy of Management Annals*, vol. 10, no. 1, pp. 5-64.
- Siggelkow, N. 2007, "Persuasion with case studies", *The Academy of Management Journal*, vol. 50, no. 1, pp. 20-24.
- Smith, W.K. 2009, "A dynamic approach to managing contradictions", *Industrial and Organizational Psychology*, vol. 2, no. 3, pp. 338-343.
- Smith, W.K., Binns, A. & Tushman, M.L. 2010, "Complex business models: Managing strategic paradoxes simultaneously", *Long range planning*, vol. 43, no. 2, pp. 448-461.
- Smith, W.K. & Lewis, M.W. 2011, "Toward a theory of paradox: A dynamic equilibrium model of organizing", *Academy of Management Review*, vol. 36, no. 2, pp. 381-403.

Smith, W.K. & Tushman, M.L. 2005, "Managing strategic contradictions: A top management model for managing innovation streams", *Organization science*, vol. 16, no. 5, pp. 522-536.

Spotify, 2017, "Playlists", accessed 4 April 2017,
https://support.spotify.com/us/using_spotify/playlists/save-your-music-with-playlists/

Statista, 2017, "Recorded music industry revenue in Sweden from 2005 to 2015", accessed 10 March 2017,
<https://www.statista.com/statistics/448052/music-industry-revenue-sweden/>

Statista, 2017, "Statistics and facts about Music Industry in the U.S", accessed 10 March 2017,
<https://www.statista.com/topics/1639/music/>

Tripsas, M. 2009, "Technology, identity, and inertia through the lens of "The Digital Photography Company"", *Organization Science*, vol. 20, no. 2, pp. 441-460.

Tripsas, M., Kellogg, M.P., Ravasi, D., Tushman, M. & Smith, W. 2013, "No title", Exploring the interaction between organizational identity and organizational design in technological transitions.

Tschang, F.T. 2007, "Balancing the tensions between rationalization and creativity in the video games industry", *Organization Science*, vol. 18, no. 6, pp. 989-1005.

Tschmuck, P. 2012, "Creativity and innovation in the music industry" in *Creativity and Innovation in the Music Industry* Springer, pp. 225-251.

Turner, N., Swart, J. & Maylor, H. 2013, "Mechanisms for managing ambidexterity: A review and research agenda", *International Journal of Management Reviews*, vol. 15, no. 3, pp. 317-332.

Tushman, M.L. & O'Reilly, C.A. 1996, "The ambidextrous organizations: Managing evolutionary and revolutionary change", *California management review*, vol. 38, no. 4, pp. 8-30.

Van Der Vegt, Gerben S & Bunderson, J.S. 2005, "Learning and performance in multidisciplinary teams: The importance of collective team identification", *Academy of Management journal*, vol. 48, no. 3, pp. 532-547.

Vera, D. & Crossan, M. 2004, "Theatrical improvisation: Lessons for organizations", *Organization Studies*, vol. 25, no. 5, pp. 727-749.

- Weick, K.E. 1993, "The collapse of sensemaking in organizations: The Mann Gulch disaster", *Administrative Science Quarterly*, pp. 628-652.
- Winkofsky, E.P., Mason, R.M. & Souder, W.E. 1980, "R&D budgeting and project selection: A review of practices and models", *Management of Research and Innovation*, BV Dean and JL Goldhar (Eds.), North-Holland, Amsterdam.
- Wu, Y. & Wu, S. 2016, "Managing ambidexterity in creative industries: A survey", *Journal of Business Research*, vol. 69, no. 7, pp. 2388-2396.
- Yin, R.K. 2011, *Qualitative research from start to finish*, Guilford Publications.
- Yin, R.K. 2009, "Case study research: Design and methods. 4 uppl", Thousand Oaks, CA.
- Zimmermann, A., Raisch, S. & Birkinshaw, J. 2015, "How is ambidexterity initiated? The emergent charter definition process", *Organization Science*, vol. 26, no. 4, pp. 1119-1139.

8 Appendices

Appendix 1 - Producing Stakeholders⁴

Producing stakeholders		
Type	Function	Relationship with creators
<i>Record label</i>	Their main functions include finding and developing artists, and marketing and distributing artists' music (Passman, 2010).	By signing a recording contract, an artist gives away a share of the revenue if his/her songs are sold in physical or digital formats. This is called revenue from recorded music. (Passman, 2010) It is important to note that song products are commonly co-created by other authors such as songwriters, producers and lyricists.
<i>Music publisher</i>	Their main functions include finding and developing authors of a song who do not necessarily perform the actual song product and, ensuring that authors receive compensation for the use of their songs from TV, radio, restaurants etc. (Musik Sverige 2016).	By signing a publishing contract, music publishers collect revenue on behalf of the authors of the music when the songs are used in commercials, TV etc. The revenue is generated by the actual copyright of the song. (Musik Sverige, 2016) Music publishers work creatively with the authors of a song, which necessarily don't front and perform the actual song.

Note: An artist of a song can also be an author of the same song. Thus, an artist is often signed to both a record label and a music publisher.

Note: Both record labels and music publishers exist in a duopolistic industry structure with small independent companies and three global major entertainment companies. Major companies are characterized by superior distribution and marketing competencies, whereas small independent record companies are characterized by superior innovation capabilities. (Hesmondhalgh, 1996)

⁴ Hedborg (1999)

Table 4
A summary of practices and processes used to achieve ambidexterity in CIOs.

Managerial solution	Definition	Level/location	Example industries
<i>Practice</i>			
Prototyping	"outward spiral" in software development (i.e., "iterating and repositioning products during development to adapt them to the market")	Product/project	Gaming, music (new category)
Variety	Developing and offering a rich line of products and services against customer demand for additional choice	Product/project	Film, design, music, media
Governance	Specific internal governance policies and implementation measures to ensure desired organizational functioning (e.g., control, HR, rewarding)	Firm, project, unit	Film, architecture, art
Integration	Dynamic shifting, combination or facilitation of people, functions, and levels to serve both or all sides of a paradox	Inter-firm, firm, project, unit	Design, culture, media, gaming, music, film
Leader	Behaviors and activities of a leader with respect to a group or a team	Firm, project	Art, film, food, media, gaming
Partnering	Collaboration with one or more external entities	Inter-firm	Design, music
User	Direct or indirect involvement of customer input (knowledge and activities) in product development	Network, community	Gaming, music, design
<i>Organizing</i>			
Duality	Structural or other explicit attention to dual purposes	Inter-firm, firm	Performing arts, media (publishing), film
Improvisation	Unplanned organization or reaction when doing, playing, or performing	Firm	Gaming, performing arts, film
Network	Network organization led by a "hub" producer, as an alternative to a hierarchical firm	Network, community	Media (TV), film, performing arts, music
<i>Processes</i>			
Capability building	Development of different types of capabilities to address balancing and adapting purposes	Firm, project, unit	Film, music, gaming, architecture
Rules	Interaction with existing rules to facilitate both creativity and business imperatives	Inter-firm, firm	Media, performing arts, design, music
Decoupling	Breaking with existing rules	Inter-firm, firm	Food (wine) architecture, film
External leveraging	Process of working with external entities and communities to identify, predict, and reinforce value catering to resolve tensions	Network, community	Media, gaming, film, media, performing arts
Role enactment	Process of a role system being negotiated and renegotiated among temporary project contributors	Project, network	Film, advertising
Brokerage	Effort of a broker or agent to facilitate flexible, stable, and creative production in a loosely connected network	Network, community	Media (TV), music, gaming

Appendix 2 - Summary of antecedents in CIOs⁵

⁵ p.2393; Wu & Wu, 2016

Appendix 3 - Expert interview protocol example⁶

Warm up questions

Q. Let's start with you explaining what you do here as _____?

Main questions

Q. In a creation of a pop song, can you walk us through the process of - Song/Artist specific (success)

How the (1) creators and the (2) A&Rs/Management work from ideation to release.

How (2) you as an A&R work with (3) the rest of the music organization from ideation to release.

Probe: How can one support and help the creators do their best work (artistic specific)?

Q. In a creation of a pop song, can you walk us through the process of when it didn't go so well? - Song/Artist specific (failure)

Q. Can you talk about how feedback or new information is incorporated into the song through the development process with: (artist specific)

Q. What can/should be standardized (and why?), in order to make space/increase time for the other more artistic parts?

Q. What are the unpredictable and creative elements of creating a pop song?

Q. When you develop new song products, you can either have it sound similar to what is out or do something crazy different, what are your thoughts about this?

Q. How do you reason when investing in new music projects, what are the parameters that you consider? Give concrete example.

Q. You work with a lot of music and artists, what's your view in releasing more commercial (trending music) versus really game-changing stuff? Can you give examples

Q. How do you make sure that artists survive changes in trends and sounds?

⁶ Note: This is just an example of some questions asked. The protocol underwent constant iterations.

Appendix 4 - Overview of quotes from part 4.1

Overview of quotes in empirical findings part 4.1

A&R Managers and their role		
Part	Heading	Quotes
4.1	A&R managers and their role	<p>“What’s the strategic plan? hits hits hits. If we can fix that, that will help everything...if you have hits, you will be successful. So what are hits? it all starts with A&R” - Participant 8</p> <p>“It's still the artist's soul you're talking about and it's sensitive when you're like putting a finger on their artistic work” - Participant 6</p> <p>“As an A&R, you work closely to the ones who creates the song, the artistry, and you are indeed the link into the commercial world. It’s about getting these music companies to understand the human product (the artist) and the artists to understand a commercial reality.” - Participant 3</p>

Appendix 5 – Overview of quotes from part 4.2 and 4.3

The nature of the tension between creativity and commerciality and how it was managed		
Part	Heading	Quotes
4.2.1	Overview of the tension between creativity and commerciality	<p>“A great song has something unique in a mainstream way. What makes a song unique? It could be the melody or production - it's hard to say. It can be within the (trending) format yet somehow stand out.” - Participant 3</p> <p>“I usually call music nerds (artists) A-listener's. Consumers are B-listener's. Simplicity is something that B-listener's want - it's about repetition and simple arrangements. A-listeners are so creative and want to throw in so many sounds into the mix...my job is to take this creative person's production and melodies and break them down so that B-listeners can sing along.” – Participant 4</p> <p>“You need to break new ground. The music should surprise people. But it's the fact that you want to have commercial success, that forces you to adapt to the rules of the game...it's a difficult balance, I always want to ensure that the music is interesting and innovative. But it's not always the music that will be number one.” – Participant 9</p> <p>“It's about finding a balance between what is good and what can sell and reach an audience. It's about developing ‘high-quality and commercially viable music’” – Participant 6</p>
4.2.2	Imbalances cause tensions	<p>“The artist had very strong opinions about what she wanted and it was too ‘left-field’ and ‘arty’. Arty can be everything but sometimes I know that it won't work, if it is too odd, it won't make any impact.” - Participant 6</p> <p>“When the song is commercially fine, from a cultural perspective, the fans of the artist may think that he or she has sold-out.” - Participant 7</p>
4.2.3	Song products have an emotional value for artists	<p>“It's an artist's soul we are talking about and it is sensitive. If a painter was painting something and a random said “it should be green not yellow”. The artist would probably say “f**k off!”. It's a very sensitive issue” - Participant 6</p>
4.2.4	The artist has the final say	<p>“Finally, it is the artist who decides in the end. In one case, the record company wanted something in the song... it would have been a ‘Spotify Discover song’. But then it was the artist who said “I do not want it in the song!” and she put her foot down. You should never forget who the boss is. We are not the bosses, it is the artists who are the bosses.” - Participant 5</p>
4.2.5	Drivers of commerciality	<p>“A pop song exists within a certain framework. It shouldn't be 12 minutes long, rather 3 minutes. It needs a structure and arrangement, some verse, chorus and a logic of how the song is constructed. Then there are the lyrics, they need to serve a purpose...then there is the production...so there is a framework.” - Participant 3</p> <p>“People have access to all the music in the world, they find playlists that they like and they browse through it, click on a song and listen a couple of seconds and then move on.” - Participant 2</p> <p>“You get statistics from Spotify and you see when people drop the song. People listen to playlists, try songs and skip them. You get paid after 45 seconds for the stream.. Unfortunately, people often skip after 2 seconds which means you need to have a really good idea in the beginning of the song to get people interested. Then you have another spike when people drop the song at 35-40 seconds, exactly before it is counted. Producers are looking at this. We need to add something new 35 seconds into the song to keep the listener interested.” - Participant 10</p> <p>“The artist always thinks ‘I want this instrumental part in the song’ but we want to shorten the song down to two minutes - that is a usual clash or discussion.” - Participant 10</p>

4.3.1	Managing the tension through variety	<p>“We let the artist release and do songs that they wanted to but it was those songs that we pushed that became hits.” - Participant 2</p> <p>“From a creative point of view you can’t always focus directly on the big hits. Maybe the artist has five other songs about his grandmother, the most important person in his life. You can’t not listen to them just because they are ballads and aren’t commercial. You must listen to them all.” – Participant 5</p> <p>“So you have a basic product that is more or less timeless pop and you dress it to the current trends by using remixes. We have a lot of songs which are tropical house remixes, techno...The remix ideas don't usually come from the artist. They don't bring many streams but bring attention from blogs, various club charts... which makes it more likely that radio will play the original version. In the case of (Artist), she didn't care about tropical house but understood the commercial argument for doing a tropical house remix for the UK. She was fine with it as long as the original artistic product was not affected.” - Participant 10</p>
4.3.2	Managing the tension through bounded creativity	<p>“First you must let them be creative and do their thing. I don’t like to be present from the very beginning. An A&R should not be in the room while artists are making a song because A&Rs are not songwriters.” - Participant 4</p> <p>“An A&R oversees the building of a song. The artist builds the house and foundations . We fix the interiors. To maximise their potential you need to give them space without professional interference. And then I'll ask ‘what have you guys made?’.” - Participant 4</p> <p>“I often come in with the harsh reality like this sounds great but we need to make it work for the radio, so we have to shorten it down or do vocal version.” - Participant 2</p>
4.3.3	Managing the tension through external leveraging	<p>“To connect people that complement each other, so that 1 + 1 = 19, is a very important attribute of an A&R. There are very few artists who do everything themselves.” - Participant 3</p> <p>“We sometimes set the artist up with other co-writers who are more senior and have the courage, due to their experience, to help me explain the changes that we need to do to make it commercial...it's quite usual with artists who aren't that commercial.” – Participant 6</p>
4.3.4	Managing the tension through leadership	<p>“So it is a discussion that we have daily, the artist would ask "how do you think this song will go?". I would reply “I think that it can go well but I do not think it’s a top 10, if that's what you want or do you want to do your thing 100%?”. The artist often wants both so we have to adapt a bit to the game rules, which may compromise a little of their style. Because their world doesn’t always meet the commercial world.” - Participant 9</p> <p>“You can guide an artist. They (artists) were young and had idols like Artist X and Y, which of course is fine but they had a bunch of songs which sounded quite similar to their idols which is fine, but we made them focus more on the sound that made them different...they came with the sound to us. We were just guiding them to stay in that world.” - Participant 2</p> <p>“There’s no right or wrong... My role is to say the things that artists don't want to hear.” – Participant 3</p> <p>“You need to push the feedback until the point they get upset, as I strongly believe in honesty. Artists and songwriters are the creators, and it can be a very sensitive world. When you do something creative, put your heart and soul into the music... One must keep that in mind.” – Participant 9</p> <p>“This is quite a special industry and we should get therapy education, because there is very much therapy work.” - Participant 6</p> <p>“If you build trust with artists, then you will gain their trust in you to push a bit more on the commercial aspects of the song.” – Participant 5</p> <p>“There is a greater need, as an A&R, to work on gaining artist’s trust. It is as if they see record labels as people who want them to sound like Backstreet Boys... You need to make sure that they know you are helping them to be unique, have the same goals, and want to make them better.” – Participant 6</p>

Appendix 6 – Overview of quotes from part 4.4 and 4.5

The nature of the tension incremental and radical innovation and the mechanisms used to balance it		
Part	Heading	Quotes
4.4.1	Overview of the tension between incremental and radical innovation	<p>“Absolutely we put time and resources into finding the next thing. But we need a balance. If you look at our repertoire, we must constantly be on top of the charts, so we focus on being there. At the same time, we try to be one step ahead of what may come in a year or two.” - Participant 9</p> <p>“There can be a trend like Tropical house...it definitely affects A&R. As an A&R manager, should you also sign a tropical house artist or try something different? It is clear my colleagues have these kind of discussions.” - Participant 6</p>
4.4.2	Imbalances cause tensions	<p>“It's a classic mistake to spend lot of time on a song and then when it's released, feels dated... nothing happens to the music because people have already moved on and think that other types of music sound much hotter or better.” – Participant 9</p> <p>“I think "this song sounds amazing! this hasn't been heard before". The problem lies in that I listen to more music than most other people... it's far from certain that others agree that the song is amazing. The people still want songs that work in their world. And if you try a too hard and release the music, no one embraces it. The reaction is like "God, what is this.. It sounds crazy"...it's a classic mistake to push quicker than what the market is prepared for.” - Participant 9</p>
4.4.3	The role of music distributors	<p>“Regular people don't want to listen to new music, they want to listen to music that they recognize, that's a catch 22. You want the radio to play a certain song but then you can't get on to radio because people have already heard it , so it's not that easy.” – Participant 2</p> <p>“On those large playlists that work, like those that Spotify curates, there are not many songs that are super original.” - Participant 6</p> <p>Major companies are in some way short-term focused. They have to have market share, they should be on the radio all the time and they have to deliver hits to show their bosses... it can end up being more of a "rat race". – Participant 7</p> <p>“Things move so incredibly quickly in the streaming world...there are songs that fly onto to Spotify everyday, new hits every day, so it's harder now to compete.” – Participant 9</p>
4.5.1	Managing the tension through variety	<p>“It's like when you go fishing and you don't know what kind of water it is out there, you have to be adaptable. You need short fishing lines, long fishing lines...We have to experiment in genres and subcultures that we are not really in today. We need to take risks. That's the key thing with A&R.” - Participant 8</p> <p>“I try to listen to what younger people say and listen to, because they are ahead of the trends. Old people like me are coming a bit after.” - Participant 11</p> <p>“You learn from those left field acts. You pick up something from them which you can use on the more commercial acts. It benefits the whole company...(Producer) is quite left field and is very good at certain types of beats. The other more mainstream producers pick up things from him. Sounds that they use in their own productions.” - Participant 10</p> <p>“I've been working on things that have been strange in the beginning but over time have become something...I work with music that I think is good, and 'if I like it then more people should like it'.” – Participant 3</p> <p>“I try to listen to the people who are not in the "mainstream", cause I'm mainstream. A&R guys are very seldom mainstream... they are usually up there (left) or out there (right) or out</p>

		<p>somewhere else.... these guys have ideas and thoughts that I could never come up with.” - Participant 11</p> <p>“20% of what we doing is artist development, but 60-70% is finding hits and the rest is experiment.” - Participant 8</p> <p>“We are venture capitalists in entertainment...we invest time, great people and money in companies, our artists, that we believe in who will give us a great return on investment.” - Participant 8</p> <p>“We do research. We do consumer insights. We have Spotify analytics, YouTube analytics, we follow all the trends out there. We try to scan everything out there...If dance became successful I hire people in dance.” – Participant 8</p> <p>“We started a service where we scan the market and if we see something is moving then we can sign the artist when it is cheap and before anyone else. That’s using 100% data.” – Participant 8</p>
4.5.2	Managing the tension by focusing on artist identity	<p>“A really good artist stands above and survives trends...They survive trends and continue to be big and successful, because their music speaks to people, like Adele stands above trends, she does her thing. Ed Sheeran...” - Participant 7</p> <p>“Success doesn't come overnight just because you have a hit, that doesn't make you an artist... you need to build something else...it helps if the artist is multifaceted. You need to reel them in so that they get to know the artist behind.” - Participant 10</p> <p>“It’s going to be much easier than ever to make one-hit wonder compilations in four years... since every new release is like a one-hit wonder.” - Participant 5</p> <p>“A long-term career still requires a traditional artist personality. It’s about being able to perform and have genuine feel, probably the ability to write in the long run. If the only thing you are good at is singing, well you need a unique style.” - Participant 10</p>