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Informasjon fra deltaker

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Master thesis

Organizational culture as a catalyst for innovation: A comparative case study of Netflix and Tomra

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Abstract

The aim of this study was to investigate how organizational culture can be leveraged to foster innovation within Norwegian companies, using Netflix and Tomra as comparative case studies. The reason for this investigation is the critical role that organizational culture plays in driving innovation and maintaining competitive advantage in a rapidly changing business environment.

The research was conducted through a methodical approach, involving in-depth interviews and qualitative analysis. The interviews were designed to be exploratory, allowing for the discovery of valuable insights beyond the predetermined research areas. Further, the content of the interviews was distilled into five main codes: "values," "empowerment," "development-oriented," "candor," and "edify."

Throughout the study, several interesting factors were uncovered, such as the impact of leadership commitment on innovation, the role of transparent communication in fostering trust and creativity, and the benefits of empowering employees to take risks and learn from failures. These factors highlight the complex interplay between organizational culture and innovation capabilities.

In conclusion, Norway appears to be a country with strong potential for innovation, but it requires strategic guidance to fully harness this potential. The study, therefore, provides a detailed analysis and proposes actionable recommendations for Norwegian companies on how to implement a culture that fosters innovation. By adopting these recommendations, companies can create an environment conducive to continuous innovation and sustained competitive advantage.

Innholdsfortegnelse

Organizational culture as a catalyst for innovation: A comparative case study of Tomra and Netflix

1.0 Introduction

For an organization's survival and longevity, innovation has been central to the discussion for the last few decades. The reason is that innovation is a key driver of economic development and is crucial in gaining competitive advantages at both national and organizational levels (Cefis & Marsili, 2006; Tellis et al., 2009; Hogan & Coote, 2014, Turro et al., 2014). In addition, the dynamics and complexity of the competitive landscape force business organizations in particular to keep up with the pace of their competitors. This means that organizations that want to survive in today's business environment need to be able to innovate (Gumusluoglu & Ilsev, 2009; Tellis et al., 2009; Hogan & Coote, 2014).

Through innovation, firms acquire the possibility to influence or change the environment in which they operate (Baregheh et al., 2009; Bessant et al., 2005; Damanpour, 1991; Zain et al., 2002; Hueske & Guenther, 2015). Innovation also helps companies to grow and provide better services and benefits to the community, consumers, businesses, and the economy as a whole (Cornell University et al., 2017; Mendoza-Silva, 2020).

On the firm level, innovation can be seen as a complex term ranging from new product innovation to upgraded or more effective business processes. To understand innovation correctly, it is in this paper defined by novelty, utility, and application. Novelty as the originality of the innovation. Utility implies that it has to serve a practical purpose. Application in the sense of being important when adopted or implemented within its intended environment (Bessant & Tidd, 2015, pp. 1-43; Jones, 2013, pp. 388-408; Hogan & Coote, 2014; Mendoza-Silva, 2020; Tian et al., 2018).

Since innovation is one of the most crucial drivers of both the company's survival and society's sustainability, companies need to develop certain capabilities and skills to build innovation capability. For example, they need to be able to collect sufficient capital, come up

with new products, understand market needs, recruit highly talented and motivated workers, and establish effective communication with the external environment (D'este et al., 2012).

In order to build such capabilities, previous studies have put a lot of effort into understanding how firms organize and benefit from innovative skills by focusing on prerequisites and their consequences in innovation processes. Some of the findings relate to strategic alignment (Liu, 2009), knowledge management (Lin, 2007), internal collaboration (Weber & Heidenrich, 2018), organizational culture (Cakar & Ertürk, 2010), and the commitment of top management (Koc & Ceylan, 2007) – these are especially relevant in relation to developing the necessary skills to survive in today's competitive business world (Mendoza-Silva, 2020).

Even though all the factors mentioned above are important for promoting a sustainable innovation environment, organizational culture, however, is viewed as one of the most central parts for creating and maintaining innovativeness (Dobni, 2008; Chatman & O'Reilly, 2016). The reason organizational culture has such a large impact on innovation is that cultural and social characteristics are found to either stimulate or inhibit innovation (Büschgens et al., 2013; Martins & Terblanche, 2003; Scaliza et al., 2021). In fact, organizational culture works as a linchpin between an organization and its ability to innovate (Dobni, 2008). Therefore, it is crucial that more effort should be devoted to understanding and assessing innovation culture specifically related to organizations (Dobni, 2008).

This master thesis aims to examine organizational culture in both Norwegian and American contexts. In doing so, we have turned our eyes toward some of the most successful innovative companies in Norway and the USA, i.e., Tomra and Netflix, to understand which cultural factors have influenced their success in innovation. At the same time, we direct our attention to understanding the similarities and differences between these two organizations operating in two distinct contexts and cultures. In relation to our above-mentioned objective, the main research question of this study is:

"How can Norwegian companies use organizational culture as a tool to foster innovation?"

To further support the issue of the thesis, two research questions are put forth to address how Norwegian companies can foster innovation through their culture:

Research question 1: *"Which cultural traits promote or prohibit innovation and how do they foster innovation?"*

Research question 2: *"What are the similar and different variables in the innovation culture of Netflix and Tomra?"*

2.0 Theory

This chapter aims to consolidate four different parts of the literature. First, innovation is defined both as a term and as a process. The reason for this is to understand that innovation is a diverse concept that is about more than just a finished product or a service and that it is a holistic part of the entire value chain in an organization. It also adds a holistic approach as we further delve into innovation in light of the realm of organizational culture. By using Hofstede's cultural dimensions, the paper aims to understand which underlying national prerequisites affect organizations' ability to innovate, including different prerequisites companies have when creating and building their innovation-oriented cultures. These national cultural factors shape the behavior of both internal and external stakeholders and are therefore essential in managing cultural change (Hofstede et al., 2010). Then, the paper looks explicitly toward cultural dimensions that stimulate innovation before we round off the chapter by considering contextual dimensions affecting the company's prerequisites for creating an innovation culture.

2.1 Innovation

According to the Norwegian government, innovation is defined as a new product, service, production process, application, or organizational form that has been launched on the market or taken into use to create economic value (Regjeringen 2009, St. meld. no. 7, 2008-2009, p. 13). An innovation therefore differs from an invention, idea, or concept in that it is only valid as an innovation when it leads to economic value creation (Ørstavik & Isaksen, 2023).

In order to find the answer to the research question mentioned above, we first need to explain the concept of innovation further. Different scholars have explained the concept in different ways, and there is no agreement among them. However, most writers mention that true

innovation is characterized by novelty, utility, and actual application. Novelty involves introducing a product, service, or process that has not been seen before within the company and its environment. It can be both radical in terms of altering the market, or it can be incremental by offering small but impactful changes. Utility means that the innovation should provide a tangible benefit that affects the company internally or the stakeholders of the company. Application means an innovation, no matter how interesting, only has value if it is actively used by people. The application emphasizes the transition of an idea having an impact on its surroundings (Bessant & Tidd, 2015, pp. 1-43; Jones, 2013, pp. 388-408; Hogan & Coote, 2014; Mendoza-Silva, 2020; Tian et al., 2018).

The reason why companies want to innovate has been mentioned earlier. Innovation is essential for companies to keep aligned with the ever-changing environment they operate within. Innovation is not only about the final product but it is a continuous process where creativity is needed to be consistent throughout the entire process (Bessant & Tidd, 2015, p. 21). To understand how organizations implement innovations, I have explained the process model of innovation below.

2.1.1 A Process model for innovation

The process model for innovation is a sequence of activities used to create value in a new manner. The model has four steps that help visualize the process: recognizing the opportunity, finding the resources, developing the venture, and creating value. In this way, the organization can facilitate innovation where they have the time to develop and implement innovative ideas or projects systematically. At the same time, the model is iterative, which means that there is room to jump back and forth between the different stages if necessary. The process model of innovation allows for flexibility within structure. The essence of innovation as a process lies in the philosophy that no human or organization can start with a fully developed product or service; rather, it is a process where one can constantly learn and adapt their approach to innovation. This is done by building capacity through trial, error, and learning while the organization gradually builds up the skills and abilities needed to successfully implement innovation (Bessant & Tidd, 2015, p. 21 & p. 485).
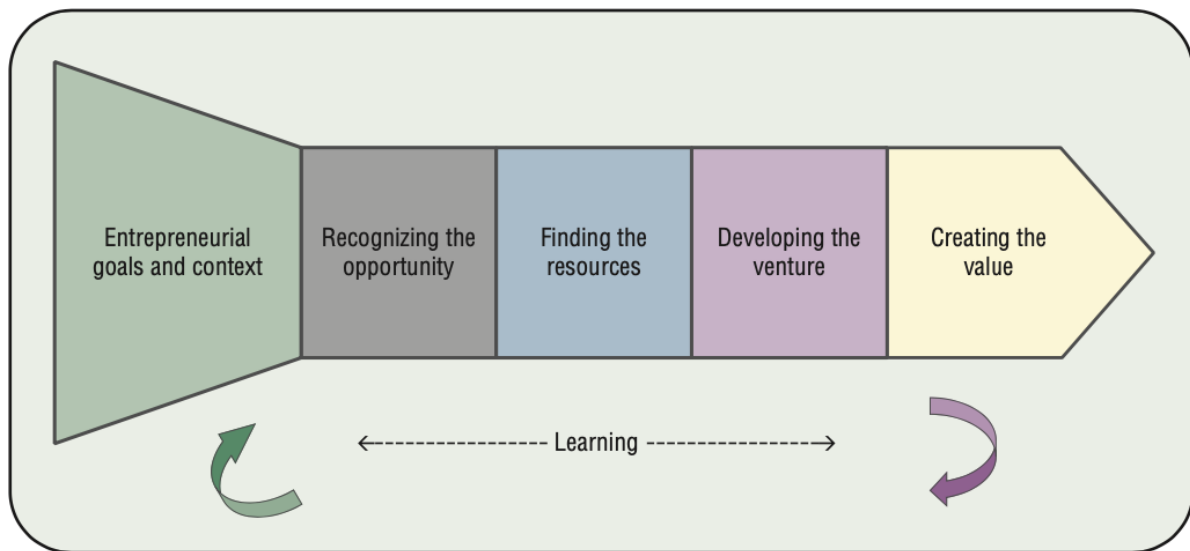
(Figure 1: A process model for innovation (Bessant & Tidd, 2015, p. 21)).

Recognizing the opportunity

To recognize the opportunities means to develop an "antenna," which is used to search for good ideas within and outside of the organization. This can be already existing technologies or processes that help the organization become more efficient, but it can also mean that the organization starts looking for future trends that fit its company profile (Bessant & Tidd, 2015, pp. 21–22). In this step, the main goal is to identify potential opportunities for innovation by, for example, discovering unsolved problems, finding new market needs, exploiting technological advances, uncovering changes in customer preferences, or simply any changes in the environment in which the company operates. On the internal side, the company can also look for new competencies, teach the employees new skills, or recruit new members to the company. To explore the opportunity space, organizations can use all sorts of tools. Some of the most well-known methods for acquiring this knowledge are trend analysis, market research, or getting feedback from customers. The most important factor is that the company finds a way to either become better at covering an existing need or uncover a completely new one (Bessant & Tidd, 2015, pp. 232-233). Therefore, recognizing the opportunity is all about the robustness of the firm to search, find, and grab the opportunities that exist either internally or externally in the organization.

Finding the resources:

After the company has identified and chosen which opportunities to pursue, the firm needs to gather the resources necessary to solve the problem they have found. This can include financial, human, material, and/or immaterial resources. Furthermore, the company also needs to know how to compose the resources. It should fit their existing business model to the extent that the new opportunity is to be integrated into the established business. In this way, the company can ensure that they pursue something they're already familiar with or if they have the skills and tools necessary to realize the new venture. If the company does not have these skills or tools, it is still possible to realize the idea through a process of finding out how to acquire the necessary resources and how to mobilize them (Bessant & Tidd, 2015, p. 22). This step is likely to look different from organization to organization and vary in terms of sizes and forms. The most important part of this step is having the entrepreneurial skills (risk assessment, strategizing, and resource management) required to find and compile the necessary resources (Turró et al., 2013).

Developing the venture:

After a company has recognized an opportunity it wishes to pursue and gathered the resources needed to realize the opportunity, the company can start developing its venture. To develop the venture, reference must be made to the balance between control and creativity. In an innovative project, creativity and testing are central aspects for developing the venture. At the same time, the company has limited resources. This implies that a degree of control needs to be set for the project so that it won't cost more than the company can afford, last too long, or consume scarce resources (Bessant & Tidd, 2015, p. 22).

It is at this stage that the development of the innovation truly starts to happen. This may include designing and developing a new product, improving existing solutions, or developing a new business model (Bessant & Tidd, 2015, pp. 19-20). Familiar activities in this process include prototyping and testing, where iteration will be an important factor in optimizing the solution. Prototyping and testing are important to the extent that the company can understand the dynamics of the new product, which still doesn't exist. By making physical examples from the ideas and testing them out, the company can produce a product that is in line with its vision (Elsbach & Stigliani, 2018). The most important part of this step is to transform the ideas into practical solutions that meet the needs of the market (Bessant & Tidd, 2015, p. 22).

Creating, or capturing, value is not only about implementing a successful product but also about taking care of the learning effects a project provides an organization. In this way, the company can secure a sustainable and long-lasting product while also making it possible to scale (Bessant & Tidd, 2015, p. 23). Mainly, this refers to the process of bringing a new solution to the market in a way that meets customer needs and creates economic and/or social value. Even if a solution turns out to be a failure, the company can still capture value by learning what not to do for future innovation activities. The discussion about learning will be addressed in later chapters of this thesis, but in essence, this refers to exploiting the positive effects a failure can provide (Edmondson, 1999).

The process model of innovation is a four-step sequence of activities that helps understand how a company can create value in new ways. We can therefore view innovation as more than a new product or service by itself, where the process of continuous learning and exploration is also part of innovation. One of the most important driving forces a company can utilize and adapt to as an innovation-centered company is through its culture (Ghosh & Srivastava, 2021). It is, after all, the people within the organization who capture and create the value the firm brings to the market (Robbins & Coulter, 2021, p. 197). Therefore, both national and organizational predispositions will be discussed in the next section of this chapter. In this way, we get to understand the underlying factors that affect how humans within national borders behave and conduct activities, which in turn affects the companies within those national borders (Hofstede et al., 2010).

2.2 Organizational Culture

Organizational culture is the basic assumptions, values, and norms that are shared by the members of an organization. The cultural elements are often taken for granted and operate on an unconscious level. They shape how people perceive, think, and act within organizational boundaries (Jones, 2013, p. 201; Chatman & O'Reilly, 2016). Organizational culture is deeply rooted in the organization and often includes unconscious beliefs and values. It is all about "how we do things here" and affects the workers on a fundamental level.

In the context of innovation, organizational culture can be used to stimulate innovation by emphasizing norms and thereby influencing how the members perform and act (Robbins & Coulter, 2021, pp. 209-210). Therefore, it is important for companies that wish to innovate to have leaders who are capable of forming attitudes and behaviors toward innovation-oriented characteristics (Chatman & O'Reilly, 2016). This can be done by recognizing which attitudes and behaviors are expected in the company, for example, by promoting and rewarding creativity, teamwork, taking risks, and self-development (Montreuil et al., 2019).

An exciting aspect of organizational culture relating to innovation is that most researchers agree that organizational culture lies at the heart of innovation and serves as the linchpin between the two (Dobni, 2008; Schein, 1984; Weick, 1985; Tushman & O'Reilly, 1997). This emphasizes the importance of building a culture that promotes innovation to the best of the organization's abilities. The reason for this is that most people believe culture influences creativity and innovation in several ways, including socialization processes and the value propositions communicated through structures, policies, and day-to-day activities. Therefore, a shift toward innovation requires a change in the general cultural orientation (Dobni, 2008; Tushman & O'Reilly, 1997).

All organizations have their own distinctive internal culture. However, there are external factors that affect which values and norms are present in a company. One of the biggest influences on this is the culture of the nation the company operates within. This does not mean that a company can't break free and create its own culture, but it still affects the capacity for innovation (Tian et al., 2018). National culture plays an important but complex role, which is why it is beneficial to discuss the national values and norms of the two respective companies in this study. Therefore, Hofstede's cultural dimensions help us to understand specific organizational and national assumptions in the contexts of Norway and the U.S. (figure 2).
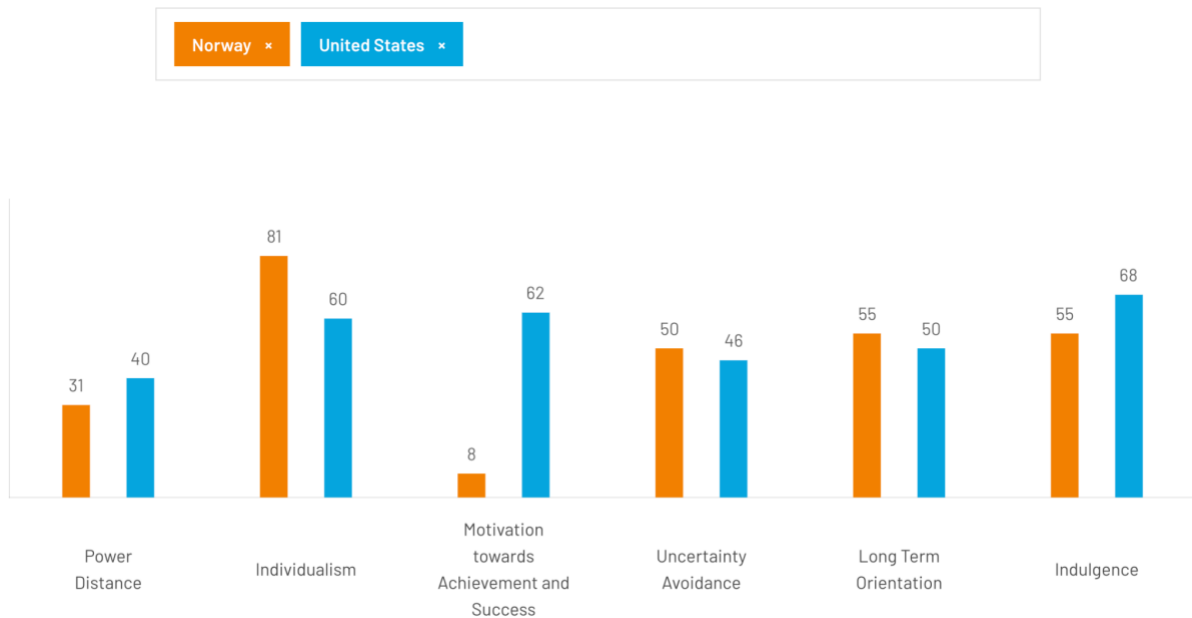
(Figure 2: Cultural scores for the two respective companies (Hofstede Insights, 2024)).

2.2.1 Hofstede's cultural dimensions

To understand the cultural values and prejudices under which people work in Tomra and Netflix, it is appropriate to review the national cultural preconditions for the two companies. Geert Hofstede, one of the most influential scholars in organizational theory, identified six characteristics that help define the cultural environment within national borders. His framework is recognized throughout the entire world, especially within academia, and he has been an important contributor to understanding organizational activities in different cultural contexts (Hofstede et al., 2010).

The six dimensions Hofstede defines are: Power Distance, Individualism, Motivation toward Achievement and Success, Uncertainty Avoidance, Long Term Orientation, and Indulgence (Hofstede et al., 2010).

Power distance

Power distance is about how much a society accepts the distribution of power - that is, how much people accept that other people are in charge of themselves or others. In cultures where the power distance is high, there is often a large gap between the top management and the people working beneath them. In countries with low power distance, on the other hand, the organizational cultures are flatter. People are therefore more comfortable with open and

direct communication, also across positions in the company (Hofstede et al., 2010, pp. 53-88).

In Norway, the score is 31 out of 100. This indicates that Norwegians distribute their power with a mindset of equality and that they have a lower power distance. This indicates that Norwegians value having the same opportunities and justice for everyone. In work relations, this shows that subordinates and superiors are considered to be equal and that the hierarchy is created as a formality to serve as conformity and give clarity to organizational activities (Hofstede et al., 2010, pp. 53-88). Specific characteristics of Norway can be demonstrated by the fact that education is free and there is a low variety in salaries. In Norway, decision-making is also another part where lower power distance shines through. The reason for this is that, even though the leader is the one who is expected to make the final decision, employees are expected to take part in the decision-making process (Hofstede et al., 2010). America on the other hand scores 40/100. This means that America has a moderate accept of uneven power distribution. This refer to a society where there is a certain level of hierarchy and accept of authority, even though some sense of involvement and contributions are expected from different people across different levels in the organization (Hofstede Insights, 2024).

Concerning innovation, more egalitarian (low power distance) structures in organizations are preferred. The reason for this is that candor, psychological safety, and incentives for personal development are appreciated by employees in such cultures and does promote innovation (Turró et al., 2013).

Individualism versus collectivism

Individualism can be looked at as a culture where people play "the game" alone, while collectivism can be looked at as a culture where individuals play "the game" together. In the former, people set relatively high demands toward managing themselves and being independent, while collectivistic cultures focus on working together and taking care of each other (Hofstede et al., 2010). Norway scores pretty high on individualism. The self is valued highly, and people generally focus on themselves. This also means that people's opinions are valued and expressed by society. In the context of business, employees often want to work for more than just a salary, and therefore personal ambitions and goals are just as important as external incentives. Work activities are often arranged such that the tasks fit with the employee's self-interest as well as the organizational goals and ambitions. The relationship is

thus seen as a transaction between the principal and agent. Therefore, both poor quality of work and better offers from competitors are socially acceptable reasons to end the employment relationship (Hofstede Insight, 2024; Hofstede et al., 2010). America score 60, which mean that Americans finds a balance between individualism and collectivism. In practice, this implies that even though they value personal autonomy and independency, there is also a significant element of cooperation and teamwork. Employees is expected to enhance and develop themselves at the same time as working toward common goals and supporting your colleagues (Hofstede Insights, 2024).

In the context of innovation, both individualism and collectivism have positive and negative effects. In the former, you might see tendencies for personal initiative and self-expression, which are important for ingenuity and innovation. The individual is often encouraged to think creatively, explore new ideas, and challenge conventional methods and approaches. Which we are going to talk about more in the next section. These are traits that promote dynamic and innovative behavior. On the other side, strongly individualistic cultures sometimes miss the opportunities collectivistic cultures have by working together, being interdependent, and making joint efforts toward their goals (Hofstede et al., 2010; Turró et al., 2013).

Motivation towards achievement and success (masculinity versus femininity)

This factor, also known as masculinity/femininity, deals with how people set goals and which types of goals are important to employees. A masculine culture is known by employees who value the possibility of acquiring higher salaries through hard work, acknowledgment for their work, the opportunity to get promoted, and having a taste for challenge. Feminine cultures rather focus on healthy work relations, working in teams, high quality of life, and security in their job (Hofstede et al., 2010, pp. 135-186).

Norway scores extremely close to the femininity part of the scale. This tells us that "Ola Nordmann" prefers a work environment that is cooperation-oriented, flexible, and supportive. It might look like the feminine part of Norwegian culture is in contrast to the individualistic part, but in reality, the factors can complement each other by promoting a balance between individual autonomy and cooperation. For example, Norwegians solve conflicts through compromise and negotiation instead of competing and fighting to win an argument. Another interesting part of the femininity part of the scale is that employees often put higher value on their free time rather than getting excited about higher salaries (Hofstede et al., 2010, pp.

135-168). America on the other hand has higher motivation toward achievement and success, which can relate to their values being based on striving to be the best they can be and the survival of the fittest principle. As a result, Americans tends to speak freely about their successes and achievements. This is shown by the mentality of "can-do", and belief that there is always a better way of solving a problem.

Uncertainty avoidance

This dimension is about how different cultures handle risk and uncertainty. Uncertainty avoidance is defined as the degree to which the members of a culture feel threatened by ambiguous and uncertain situations (Hofstede et al., 2010, p. 191). The future is unknown, and most people understand that they must submit to some degree of uncertainty. Therefore, this dimension discusses how people deal with this fact. It is important to note that uncertainty avoidance should not be confused with risk avoidance. Instead, it is more closely related to avoiding ambiguity (Hofstede et al., 2010, p. 197).

Norway scores exactly in the middle of this dimension, which implies that there is no specific preference toward uncertainty (Hofstede Insights, 2024). This illustrates a balanced relationship between uncertainty and ambiguity, meaning that Norwegians don't have a strong preference for avoiding unnecessary ambiguity, nor do they mind some ambiguity in their work environment. In decision-making processes, this balance is relevant to organizations, as they can make well-informed decisions while still being open to some level of uncertainty. In relation to innovation, this would mean that organizations have the opportunity to proceed with a creative approach while still ensuring stability (Hofstede et al., 2010, pp. 188-234).

America scores almost the same as Norway, with a score of 46. This means that the two countries are relatively similar on this scale, even though some differences might occur. For America, it indicates a fair degree of acceptance toward new ideas, innovation, and a willingness to try new or different things. They do not need strict rules, though their bureaucracy on a national level has increased in the last decades (Hofstede Insights, 2024).

Long term orientation

This principle is based on Confucianism, a philosophical orientation that focuses on personal and common morality. In the context of Hofstede's cultural dimensions, this is used to

describe whether people orient themselves toward short-term or long-term goals. Perseverance and frugality are characteristic of long-term-oriented cultures, while short-term-oriented cultures tend to be more ad-hoc in their use of resources (Hofstede et al., 2010, pp. 235-276).

Norway again scores in the middle of the scale but tends to be slightly more long-term oriented. In business, this indicates that Norwegians contextualize which orientation to use based on the situation they are facing. This is explicitly shown in how organizations handle their financial management. Norwegian companies have both a short-term focus on maintaining daily business operations and a long-term focus on preparing for the future (Hofstede et al., 2010, pp. 235-276). For example, they invest in capital, engage in currency hedging, and work on long-term projects.

America scores closely with a score of 50, which means they are neither inclined toward long-term planning nor short-term benefits. This balance suggests that American culture pragmatically integrates both perspectives, adapting strategies and decisions according to the immediate context and longer-term goals (Hofstede et al., 2010, pp. 235-276).

Indulgence versus restraint

The last dimension discusses, as the title indicates, whether the people of a culture are indulgent or restrained concerning life. The former is defined as the tendency to allow the satisfaction of fundamental and natural desires related to enjoying life and having fun. Restraint, on the other hand, reflects the conviction that such satisfaction should be dampened and regulated by strict social norms (Hofstede et al., 2010, p. 281).

Norway is relatively indifferent in this part as well, which means that they have an unclear score in this context. There are still some characteristics that are typically expected. Since Norway scores above indifference, traits such as speaking freely, trusting people around oneself, having a positive attitude toward different situations, and focusing on extroversion as a positive personal trait are common (Hofstede et al., 2010, pp. 277–298; Hofstede Insight, 2024). These traits are important to innovation as they promote psychological safety, which in turn encourages sharing ideas, tolerance for mistakes, and social comfort (Edmondson, 1999).

America is more indulgent with a score of 68. This implies that Americans attach great importance to the immediate satisfaction of their needs. In an American context, one can often hear the phrase "Work hard, play hard," which describes their mentality toward life, where both work and recreation are important and have a higher degree of engagement (Hofstede et al., 2010, pp. 277-298; Hofstede Insights, 2024).

The goal of this thesis is to identify similarities and differences in relation to innovation culture in Norway and America in association with corporate and personal life. It is therefore important to understand the cultural prejudices affecting work life in organizations that might hinder innovation. Even though some cultural prerequisites might be viewed as positive, they can make organizing innovation even more difficult. The reason for this is that literature presents cultural traits for how an organization should develop its culture but doesn't take into consideration the different prerequisites an organization has across national borders. It is therefore relevant to further discuss the cultural dimensions that promote innovation on a general scale so that the thesis can suggest possible solutions for how to manage innovation culture dynamically.

2.3 Cultural Dimensions for Innovation

Robbins & Coulter (2021) discuss seven core dimensions that companies should have in order to innovate. These seven dimensions are dynamic, which means that they can be interpreted in accordance with the prerequisites discussed in the previous section. An innovation-oriented culture is defined as a set of cultural values, norms, and objects that support innovative activities (Tian et al., 2018). These variables encourage experimentation, set creative goals, applaud both successes and failures, and celebrate mistakes (Robbins & Coulter, 2021, p. 210). The seven core cultural dimensions for innovation are:

Accept ambiguity

Accepting ambiguity is about how comfortable people and organizations are with what is unclear and uncertain. You can think of it as the difference between walking into a dark room to find out what is hiding inside or standing outside and wondering what is inside. In a world that continuously changes, it is important to build skills that support accepting ambiguity (Robbins & Coulter, 2021, p. 210).

When people are open to the unknown, it is easier to get employees to try new things even though no one is certain about the outcome. You can look at it as paving the path while you are walking. In this way, companies can encounter genius ideas that might have positive repercussions on the organization (Elsbach & Stigliani, 2018). In a culture that fosters this skill, it is okay not to have all the answers in front of you. This allows creativity to flow among the members of the organization, as no one needs to be afraid of failing (Edmondson, 1999). Each time you make a mistake or fail, it means you are on the right path toward success (D'este et al., 2012).

On the other hand, companies that produce restrictive mindsets tend to find it difficult to break out of their habits and test new things (Sandberg & Aarika-Stenroos, 2014). It can therefore become difficult for such organizations to follow the changes in the market and grow ideas that promote innovation.

To cultivate a culture that embraces uncertainty, we need leaders who not only accept ambiguity but also praise those who dare to explore the unfamiliar (Robbins & Coulter, 2021, p. 210). One of the most efficient tools leaders can use to train this capacity is brainstorming, an activity that allows all potential ideas to flow with no form of criticism, values quantity over quality, and combines and builds on the ideas proposed (Elsbach & Stigliani, 2018).

Accepting ambiguity is a core element for entrepreneurial activities and pursuing innovation, leading us to the next dimension of innovation. By embracing the uncertain and ambiguous environment, individuals are more inclined to tolerate seemingly impractical ideas and thus recognize the potential for unconventional solutions.

Tolerate the impractical

This dimension might seem counterintuitive at first, as it can appear to be a destructor of efficiency. However, it is important because it helps people, especially teams, to build further on the ideas people propose (Johnson, 2010). Tolerating the impractical is all about the ability and willingness to deal with solutions and processes that are imperfect. By accepting and working within these frames, organizations can often find new and unexpected ways to innovate (Robbins & Coulter, 2021, p. 210).

When organizations allow themselves to tolerate the impractical, they invite members to think outside the box. In this way, employees are encouraged to ask questions about how things are done (Robbins & Coulter, 2021, p. 210). This approach is not about accepting bad solutions but about acknowledging that a temporary uncomfortable or ineffective state can lead to fertile solutions.

In practice, organizations and their members will be better equipped to identify and exploit opportunities for improvement. They can find potential where others see problems. To implement this in practice, the company needs a certain degree of endurance and a positive view of challenges (Bessant & Tidd, 2015, pp. 23-24).

To promote a culture where the impractical is present does not mean that the organization should encourage inefficiency or accept mediocrity, but rather recognize that the path to innovation is often impractical and tolerate this fact. It is through facing these challenges with openness and curiosity that companies can discover new perspectives and solutions that lead to innovation. To make this happen, companies can keep external control systems low to allow the flexibility necessary to explore novel approaches and solutions.

Keep external controls minimal

To keep external controls minimal is drawn forward as a concept that explores the balance between command and freedom, a crucial factor in promoting an environment where new ideas are created (Robbins & Coulter, 2021, p. 211).

To minimize controls is not a suggestion for anarchy, but rather an acknowledgment that too much monitoring and regulation can inhibit creativity. The positive sides include trust, engagement, and motivation within the organization. Increased trust from the employer puts more responsibility on the employees (Dobni, 2008; Ghosh & Srivastava, 2021). Better engagement also enhances trust (Kostis et al., 2018), and motivation improves as a result of increased trust and independence (Edmondson, 1999). In addition to this, transaction costs will be lower due to the reduction of monitoring and regulatory activities (Jones, 2013; pp. 104-108).

The most important part of this dimension is that the members of an organization need a certain level of autonomy. That is, people need to feel they have room and permission to

explore ideas, make mistakes, and think outside conventional frames (Tian et al., 2018). In these environments, there is implied trust in the employees' skills and judgment. This produces a psychologically safe space where creativity can flow (Edmondson, 1999). Therefore, organizations can produce higher-quality innovations as coworkers are more inclined to experiment and explore new ventures without the fear of immediate setbacks or criticism (Edmondson, 2023).

It is important to note that reducing external controls is not equal to removing structure or responsibility but rather about finding the preferred balance that allows flexibility and accountability. Leaders, therefore, need to guide the employees instead of dictating. This also implies that risk is a factor in innovation, as employees will make mistakes as a result of their autonomous work environment.

Tolerate risk

Tolerance for risk is a concept that explores the willingness to take calculated chances, to try where uncertainty exists, and to understand that trying and failing is a part of the process for learning and growth (Robbins & Coulter, 2021, p. 211).

Organizations and cultures that tolerate risks understand that not all initiatives will be good, but the value of trying new things is more fulfilling than standing on steady ground. In this way, organizations can embrace the uncertainty that comes with innovation, exploit failures as an important source of learning, and use the insights to improve ideas and approaches. Therefore, organizations must help develop a growth mindset and change the view of risks from something to prevent to something necessary for innovation (Hogan & Coote, 2014).

In an organization where risks are allowed, people understand that the biggest breakthroughs are a product of a willingness to take risks. Encouragement toward experimentation and failure is, therefore, a step closer to success (D'este et al., 2012). This will again produce a group mentality where team members feel that they are allowed to speak freely and propose unorthodox ideas, and that their suggestions are heard and used without the fear that they will be used against them (Edmondson & Lei, 2014).

To support a culture that tolerates risk, leaders must lead by example. They have to acknowledge and reward attempts that lead to innovation, even though they don't lead to

immediate success. This might involve systems for recognizing creative efforts or offering support and resources to individuals who have ideas worth exploring (Edmondson & Lei, 2014).

Embracing risk implies accepting the potential for uncertainty and adverse outcomes. In this case, diversity in opinions can accelerate the quality of ideas, leading organizations to develop tolerance for conflicts and fostering an environment where diverse viewpoints contribute to constructive solutions (Robbins & Coulter, 2021, p. 211).

Tolerate conflict

This dimension acknowledges the diversity of meanings. It tells us that conflict is not only inevitable but also a great source of new ideas and improvements. Instead of avoiding conflicts, organizations should embrace this approach as an opportunity to challenge existing assumptions and stimulate creative thinking (Robbins & Coulter, 2021, p. 211).

Tolerance of conflict is not about promoting disagreement for its own sake but acknowledging that different perspectives and meanings can coexist and enrich decision-making processes. When the members of an organization feel safe enough to develop different views, they usually foster a wider portfolio of ideas, which leads to more robust and innovative solutions (Büschgens et al., 2013).

A key to efficiently handling conflicts is to establish an environment imprinted by mutual respect and openness. Edmondson & Lei (2014) show that groups with a high tolerance for conflict don't even assess conflicts as negative at all. This underscores the importance of building a strong tolerance for conflict. To achieve this, firms should develop communication skills that allow constructive dialogue while having mechanisms in place to help them resolve differences in a way that promotes cooperation and common goals (Chatman & O'Reilly, 2016).

Innovation thrives in environments where people ask questions and challenge the status quo. By encouraging diversity in opinions and ideas, and by using conflicts as a source of creative expression, organizations can find unique solutions to complex problems (Hogan & Coote, 2014). By fostering a culture of constructive conflict, an organization can find endless ways

to reach its goals. Therefore, conflict will nurture the next dimension, which is about focusing on the end rather than the means.

Focus on ends rather than means

This concept focuses on the importance of having a clear definition of what the company wishes to achieve without imposing specific frameworks for how the members should get there. By prioritizing the goals over the specific methods used to achieve them, the organization encourages creativity and flexibility in the problem-solving process. In this way, the firm can create a space where experimenting and risk-taking are allowed. Focusing on ends rather than means opens a new world where the goal justifies the use of creative and unexpected methods to achieve the desired results (Robbins & Coulter, 2021, p. 211).

This approach demands a certain level of trust and autonomy for the employees. They are given the freedom to navigate their own path towards the specified goals, with the understanding that there is no single right way to reach the targets. This will likely increase employee engagement and motivation as individuals within the company feel ownership toward the innovation.

To make this efficiently, organizations need to establish clear and inspiring goals and make them a "north star" for the projects. At the same time, companies need mechanisms to help evaluate and adjust the course to ensure that creativity and the company's visions are aligned. In this case, companies need to be able to give feedback to their employees in a manner that keeps them inspired and goal-oriented.

Provide positive feedback

Last but not least, a company needs to establish routines for giving positive feedback to its employees. This is more than just telling your co-workers that they have done a good job—it is a strategic method to encourage further creativity, engagement, and willingness to take risks. Acknowledging and celebrating contributions, regardless of their size, signals that the organization values innovative thinking and the members' efforts in exploring new ideas (Robbins & Coulter, 2021, p. 211).

Positive feedback acts as a motivator, not just for the person receiving it, but also for the team and the organization as a whole. It creates an atmosphere of optimism and opportunity, where

people feel safe to share their ideas regardless of the outcome. This kind of support is essential to maintain a constant stream of innovation, as it helps build a culture where learning and development are at the center of the organization. Additionally, it helps adjust and coordinate activities to align with the company's vision (Chatman & O'Reilly, 2016).

To make positive feedback as efficient as possible, it should be specific and related to concrete actions and contributions. This helps the receiver understand exactly what it is about their actions that are appreciated and encourages them to continue their behavior. Furthermore, this feedback must be honest and sincere to build real trust and respect (Edmondson, 1999).

Altogether, giving positive feedback is not only a practice to build morale but also a strategic approach to nurture innovation and creativity. By celebrating successes and acknowledging efforts, organizations can create a positive feedback loop that promotes continuous improvement and groundbreaking innovations.

The seven factors mentioned, altogether constitute a framework that facilitates organizations in cultivating a culture that allows innovation to blossom. In addition, they seem to create positive repercussions for the work environment by increasing engagement, morale, and trust. The dimensions discussed are interdependent and build upon each other. They are the cultural dimensions that accelerate creativity, problem-solving, effective communication, flexibility, critical thinking, and willingness to learn.

The following figure (Figure 3) summarizes the cultural dimensions of innovation suggested by Robbins & Coulter (2021):

Approach	Accept ambiguity	Tolerate the impractical	Keep external controls minimal	Tolerate risk	Tolerate conflict	Focus on ends rather than means	Provide positive feedback
Goals	Cultivate a comfortable attitude towards uncertainty and ambiguity	Develop the skills neccessary to handle imperfect solutions and processes	Minimize beuracracy, quicker decision-making and cultivate experimentation	Accept and learn from mistakes	Diverse generation of ideas	Flexibility in methods and approaches to innovation	Supportive and motivating environment
Outcome	Create new ideas and suggestions that are not otherwise clear.	Merge impractical ideas to create successfull products	Increase speed and time to market	Content rich and quantitative innovation	Higher quality on innovation	Flexibility in methods and tools	Increased moral and engagement
Relation to the company	Builds a culture and capacity to navigate in complex and volatile environments	Build a culture for visionary thinking and challenge existing solutions	Empower employees, increase motivation and give room for autonomy	Build a culture that foster resilient employees and growth mentality	Culture for candor and informed descision-making	Building a culture for strategic thinking and outcome-oriented planning	A culture that value and acknowledge innovative contributions. Retains and attract talent

(figure 3: Dimensions of organization culture and their effects on innovation based on the concepts from Robbins & Coulter (2021)).

In reality, it might not be as simple to see all the cultural dimensions for innovation present in an innovative organization. This thesis aims to analyze two of the most innovative companies in America and Norway, with the intention of understanding how these companies can learn from and adapt innovation strategies within their respective contexts. By doing so, this thesis aims to bridge theories with practical application.

2.4 Contextual dimensions affecting the innovation culture

Dobni (2008) defines innovative culture as a multi-dimensional concept that includes the intention to innovate, the infrastructure to support innovation, operational-level behaviors to influence a market and value orientation, and the environment to implement innovation. This means that innovation is more than just the desire to innovate or having the right tools and processes in place; it also involves specific behaviors throughout the organization that all promote innovation. In other words, it is a holistic approach ingrained in all parts of the organization.

Intention for innovation

Intention for innovation is about setting goals or making a decision to pursue innovation. It refers to the organization's will and commitment to exploring new ideas, processes, products, or services. The intention for innovation is fundamental to organizations that wish to promote

innovation through their culture, as it is the driving force behind strategy, resource allocation, and behaviors (Dobni, 2008).

Infrastructure for innovation

Infrastructure for innovation is about the physical and organizational systems necessary to support innovation. This includes resource accessibility, processes, and systems that promote teamwork, knowledge sharing, and experimentation. It supports an innovation culture by ensuring that the organization has the necessary tools and systems to implement innovative measures (Dobni, 2008).

Market orientation for innovation

Market orientation for innovation is about meeting customer demands through innovation. This includes continuous processes that focus on gathering and analyzing market information, identifying customer needs, and using these insights to develop new products. A strong market orientation ensures that the innovations are relevant and valuable for the target group (Dobni, 2008).

Implementation context for innovation

Implementation context for innovation describes the environments and conditions that make it possible to efficiently realize and adapt innovative ideas. This includes organizational culture, support from management, and structures that allow taking risks and making mistakes. A supportive implementation context acknowledges the inherent risks of innovation and facilitates a structured approach to overcoming these challenges (Dobni, 2008).

Therefore, organizational culture is at the heart of innovation, where these four contextual dimensions all build upon and affect the innovativeness and performance outcomes in organizations (Dobni, 2008):
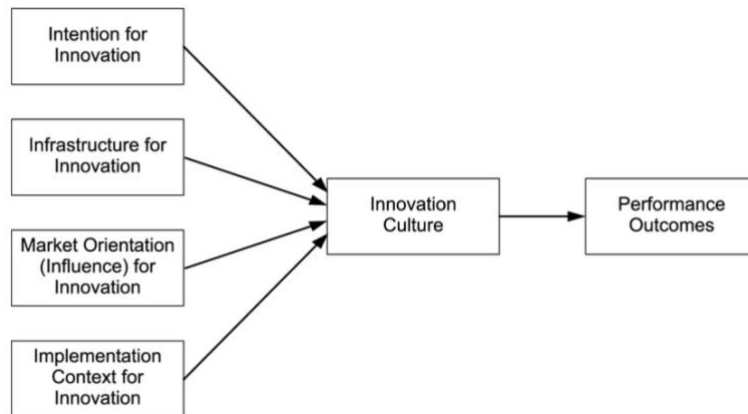
(Figure 4: contextual dimensions that build up on innovation culture (Dobni, 2008)).

2.5 Theoretical framework for innovation culture used in the thesis

We have discussed four central parts of the literature related to innovation culture. First, innovation as a process was discussed, where innovation is seen as more than a successful outcome. Innovation is also a continuous process, where the organization is expected to navigate a landscape characterized by volatility, uncertainty, complexity, and ambiguity. Therefore, the organization must learn to accept and learn from mistakes and failures to increase robustness in the innovation process (Bessant & Tidd, 2015).

Further, we discussed Hofstede's cultural dimensions to understand the different prerequisites of both selected cases, showing that organizations in different national contexts are influenced by their national cultural prerequisites (Hofstede et al., 2010; Hofstede Insights, 2024).

Then, cultural dimensions for innovation were drawn forward to understand which factors are most essential to develop and improve to ensure that organizations can become better at promoting innovation. While all seven dimensions of innovation suggested by Robbins and Coulter are interconnected, a fundamental principle dictates that the greater the presence of each dimension, the more innovative the culture becomes. However, this doesn't guarantee the company's success in innovation; rather, it signifies a strengthening of the prerequisites necessary for successful innovation (Robbins & Coulter, 2021).

Lastly, we discussed innovation culture explicitly, looking at Dobni (2008), who argued that organizational culture is at the core of innovation as it often is expressed through behaviors or activities that are linked to tangible outcomes. Therefore, innovation culture can be understood as the most important factor that contributes to enabling successful innovation in organizations (Dobni, 2008).

The convergence of the above-mentioned literatures allows us to understand which factors build upon the skills needed to innovate. Creativity, risk-taking, freedom, teamwork, value-seeking, solution-oriented thinking, communication, trust, respect, and quick decision-making are all traits or skills needed to innovate and should be communicated through a change in cultural dimensions in organizations that support these skills. Additionally, to acquire such skills through the transformation of the culture, innovative organizations should also focus on rejecting negatively associated skills like rigidity, control, predictability, and stability (Dobni, 2008; Robbins & Coulter, 2021; Bessant & Tidd, 2015; Jones, 2013; Hofstede et al., 2010).

To understand the dimensions of innovation, our suggested theoretical model is summarized in Figure 5 below. Dobni (2008) presents four dimensions of contextuality in innovation, while Hofstede's theory of cultural dimensions adds to the context by taking cultural prerequisites into account (Hofstede et al., 2010; Hofstede Insights, 2024). The organization's culture, which is influenced by the contextual dimensions for innovation, should then focus on developing skills that consider the seven dimensions of Robbins & Coulter (2021). In this way, organizations that wish to innovate or are already known as innovative can increase their performance outcomes.

Our suggested model starts with five dimensions for building the infrastructure for an innovation culture by looking at Dobni's (2008) contextual dimensions for innovation and Hofstede et al.'s (2010) cultural prerequisites. Organizations can also work toward creating and sustaining an innovation culture by adopting the seven principles for stimulating innovation suggested by Robbins and Coulter (2021). In this way, companies can increase their performance outcomes. Although Dobni (2008), Hofstede et al. (2010), and Robbins & Coulter (2021) have suggested the guidelines and principles of innovation culture, there is still a lack of a holistic applicable framework for organizations to directly work towards building the skills needed for the development of an innovation culture. Therefore, further

research is needed, and this study will focus on revealing the variables and skillsets needed and how these innovation cultural variables and skillsets make sense in varied contextual and cultural perspectives to increase the innovation capabilities in modern organizations.
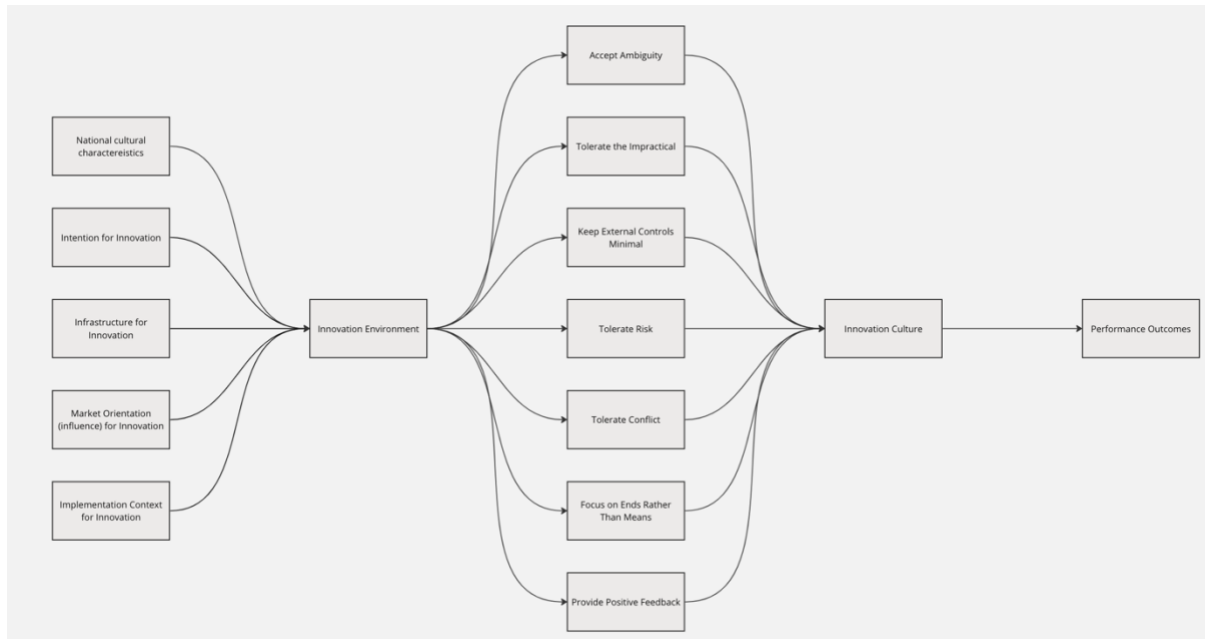
(Figure 5: A framework for innovation culture adopted from Dobni (2008), Robbins & Coulter, (2021) and Hofstede et al. (2010)).

3.0 Research Design: Methodology and data collection strategy

With regard to academic research, methods represent the fundamental approach toward collecting, analyzing, and interpreting data. This also includes scientific and philosophical principles (Tranøy, 2019). In this chapter, we have presented an in-depth methodological framework for this study, including the research approach, research design, and data collection techniques that have been used to achieve the goal of the study.

The research process of this study is structured around a four-phase model proposed by Christoffersen et al. (2010). In the preliminary phase, the researcher focused on generating the theme, ideas, and general brainstorming. This laid the foundation to explore relevant literature, formulate research questions, define the purpose of the study, and prepare a research design. In the second phase, the focus was directed toward methodological

arrangements, including the choice of informants and collection of empirical data. Thirdly, we delved into data processing in the form of reducing data, ensuring quality, and analyzing and interpreting the findings. Finally, we have presented the data and main findings systematically, and conclusions have been drawn based on our findings. A visual representation of the research process is provided below to offer a clear and understandable illustration of this study's methodological structure (Figure 6):
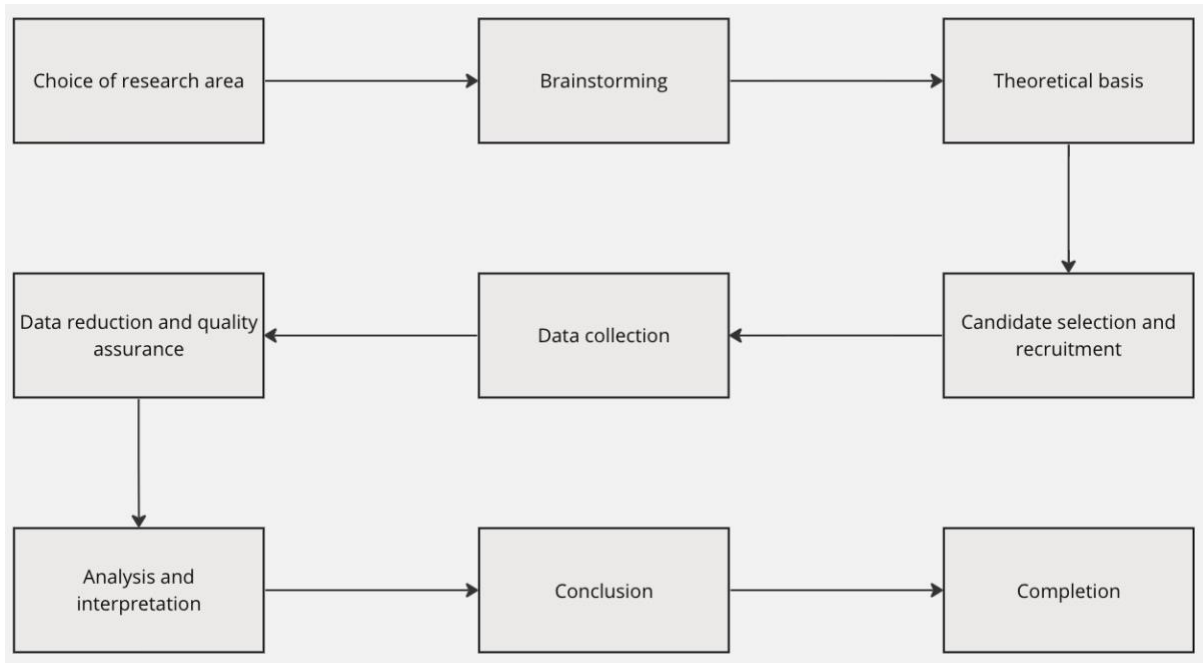
(Figure 6: Description of the research process)

Furthermore, this chapter has provided a thorough explanation of the choice of methodology and its processes to ensure the reliability and validity of the research work carried out. Through the clear and structured presentation of the research methodology, the reader will be able to gain insights into how the goal of this study is achieved.

3.1 research approach

3.1.1 Ontology and Epistemology

In this study, the ontological foundation is a nominalistic understanding of reality, where the assumption is that reality is created by humans and is subjectively perceived. This point of view is especially relevant to exploring social phenomena, like organizational culture and innovation, where perceptions and constructions of reality can vary considerably between

different individuals or groups. A nominalistic perspective acknowledges this diversity and enables a deeper understanding of how innovation is constructed and perceived within organizations without searching for an objective truth regarding the phenomenon (Easterby-Smith et al., 2021, pp. 72-76).

Epistemologically, the study is based on a constructivist approach, which sees knowledge as a product of social interaction and cultural conventions. This approach emphasizes that the understanding of a phenomenon is shaped by human experiences and perspectives and that there is therefore no universal truth. Constructivism supports the use of qualitative research methods, such as in-depth interviews and observations, to capture the rich and varied ways in which innovation is perceived and practiced within the chosen organizations (Easterby-Smith et al., 2021, pp. 77-84).

The coupling of a nominalist ontology and a constructivist epistemology underlines the study's focus on individual and collective perceptions as the source of knowledge about innovation and organizational culture. This choice reflects an understanding that in order to truly explore and understand how organizational culture affects innovation ability at Netflix and Tomra, the research must recognize and value the diversity of perceptions and constructions of innovation. By doing this, the study establishes a solid foundation for a deep and nuanced analysis of the organizational cultural phenomena that either promote or inhibit innovation (Easterby-Smith et al., 2021, pp. 72-84).

3.1.2 Methodological approach

Based on the ontological and epistemological understanding, it is argued that a qualitative method is most appropriate for this study. This approach emphasizes insight, understanding, and interpretation of people's experiences, opinions, and the social construction of reality. By applying qualitative methods such as in-depth interviews, observations, and analysis of text, the aim is to achieve a deeper understanding of the underlying social phenomena being studied in order to map success criteria for building an innovation culture (Easterby-Smith et al., 2021, pp. 194-195; Askheim & Grennes, 2019, pp. 12-13).

Qualitative methods differ from quantitative ones in that they do not primarily focus on numerical data, but rather seek to explore and interpret the complexity and nuances of human

experiences (Easterby-Smith et al., 2021, p. 310). As such, they are particularly suitable for investigating subjective perceptions and the constructed nature of reality, in line with the study's nominalist ontology and constructivist epistemology (Easterby-Smith et al., 2021, pp. 188-189). This makes qualitative methods ideal for exploring how innovation is perceived and manifested within the specific organizational cultures of Netflix and Tomra.

The choice of a qualitative method reflects a desire to approach the objects of study in a way that allows an in-depth understanding of how innovation is experienced, understood, and practiced by individuals within these organizations (Easterby-Smith et al., 2021). By focusing on qualitative data gathered through interviews, observations, and text analysis, the study aims to uncover the rich, detailed, and often complex layers of meaning that surround innovation processes and cultures. By doing this, the study contributes to a deeper and more nuanced understanding of organizational culture for innovation, which is of great importance for both academic theory and practical application.

3.1.3 Research logic

In this study, the choice of research logic is crucial to ensure that the approach to data collection and analysis is consistent with the ontological and epistemological starting point. The literature on research presents three main approaches/logics: deductive, inductive, and abductive. The deductive approach involves the application of general theories to explain specific phenomena, while an inductive approach focuses on observing specific phenomena in order to develop general theories. The abductive approach, on the other hand, combines elements from both deductive and inductive logic to explain phenomena (Easterby-Smith et al., 2021, p. 267).

For this thesis, an inductive approach has been chosen, as the goal is to explore and identify patterns in the data that can illuminate and explain how organizational culture affects the ability to innovate within Netflix and Tomra (Easterby-Smith et al., 2021, p. 267). This choice supports a deeper understanding of specific social phenomena through detailed observations and analyses, which is in line with the constructivist epistemology and nominalist ontology on which the study rests.

By applying an inductive research logic, a process is created where theories and hypotheses can be developed based on empirical data. This promotes the possibility of discovering new insights and understandings that are not necessarily predicted by existing theories, which is particularly valuable when exploring complex and multifaceted phenomena such as organizational culture for innovation. By converging and analyzing the data with openness to new patterns, one strengthens the basis for generating hypotheses and theories that can contribute to new knowledge in the field, while at the same time opening room for action and learning opportunities for the organizations being studied (Easterby-Smith et al., 2021, pp. 263-269; Yin, 2018, pp. 167-168).

To summarize, this study uses a nominalist ontology and constructivist epistemology to gain deep insight into the innovation culture phenomenon within different contexts such as Norway and the USA. A qualitative method is also used to explore the participants' perspectives, with an inductive approach for theory building based on patterns derived from collected data. This qualitative approach for conducting research supports a methodology that ensures a comprehensive understanding of organizational culture and innovation at Netflix and Tomra.

3.2 Research design

The core of research design lies in the decisions about what is to be explored, as well as the methods of exploration, while considering the researcher's identity, the research context, and the overall goals of the study. It serves as a detailed plan, often formulated before data collection begins, that describes and justifies the choices of data sources, collection methods, and analytical approaches. This involves a well-thought-out process where both the methods for where and how data is collected, as well as how this data will later be analyzed to address the research questions, are carefully planned. A well-developed research design clarifies how each phase of the research process contributes to a deeper understanding of the investigated phenomenon, in line with the aims of the scientific investigation (Easterby-Smith, 2021, p. 102; Yin, 2018, pp. 25-27).

3.2.1 Exploratory design

Gripsrud et al. (2021) highlight three distinct research designs: exploratory, descriptive, and causal, to emphasize the importance of structure and clarity in the research process, which is essential for raising the quality of scientific work. This study uses an exploratory design, which is particularly suitable for delving into and exploring the chosen research field. Given that the research issue in question—the influence of organizational culture on innovation—is relatively less explored in existing literature, this requires an approach that lays down a thorough exploration and interpretation in order to understand the issue as completely as possible (Gripsrud et al., 2021, pp. 68-69).

The choice of an exploratory design is strategic in order to uncover aspects of organizational culture that could otherwise remain undiscovered. This design allows the researcher to achieve a deeper insight into and understanding of the studied phenomenon (Gripsrud et al., 2021). Furthermore, this choice complements an inductive research approach, which enables a detailed analysis, interpretation, and understanding of collected data, thus laying the foundation for the systematic categorization of the findings.

3.2.2 Retrospective approach

In this study, the aim is to investigate which aspects of organizational culture promote innovation. An ideal method for this could be to use a longitudinal approach, which involves a detailed study of the organizational culture's development over time. This would allow a thorough analysis of the culture's characteristics and the identification of specific cultural factors that stimulate innovation (Easterby-Smith et al., 2021, p. 129). However, due to the project's timeframe and scope, such an approach is not feasible. Therefore, a retrospective approach is chosen for this study. Focusing on the history of organizations through the perceptions of members allows an analysis of past events that have shaped organizational culture and their impact on innovation. This method provides the opportunity to obtain data that reveals consistent patterns in the organizations' approaches to innovation.

3.2.3 Phenomenological design

The choice of a phenomenological design for this study is strategic in enabling a thorough exploration of the human experiences and perceptions that underlie organizational culture and its impact on innovation (Askheim & Grennes, 2019, pp. 69-70). Phenomenology, with its

core focus on subjective experience, offers a unique gateway to understanding how individuals within Tomra and Netflix perceive and experience innovation processes and culture. By applying a phenomenological design, the spotlight is intensified on the participants' lived experiences and how these experiences help shape the understanding of innovation within their organizational context.

This design is particularly valuable because it recognizes that the essence of a phenomenon— in this case, the role of organizational culture in promoting innovation—cannot be fully understood through external observations alone, but requires a deep dive into the individual's world of work experience. It allows the researcher to uncover the often complex and multidimensional perspectives that shape innovation, from the individual's understanding of cultural values and norms to how these are internalized and manifested in daily actions and decision-making processes (Askheim & Grennes, 2019, pp. 69-70).

Through in-depth interviews and analysis of personal narratives, a phenomenological design provides the opportunity not only to observe what happens but also to interpret why it happens and how it is experienced by those involved. This contributes to a richer and more nuanced understanding of the dynamics of organizational culture and its critical role in supporting or hindering innovation. By concentrating on the participants' descriptions and reflections, the study aims to identify the underlying principles that drive innovative behavior and thinking within these organizations.

3.2.4 Comparative case study

A comparative case study approach is used in this thesis as part of the overall research strategy, a choice that reflects the need to explore complex social phenomena within their real context. Case studies allow for an in-depth analysis of a specific phenomenon—in this case, how the organizational culture of Netflix and Tomra affects innovation. Yin (2018) emphasizes that case studies are particularly useful when the distinction between the phenomenon and the context is not clear, making them ideal for understanding the intricate dynamics that characterize the role of organizational culture in promoting innovation.

By choosing a comparative case study approach, also called a multiple case study, the study aims to explore and compare the unique aspects of each company's culture. This design is not

only useful for preserving a holistic picture of reality, but it also contributes to a better understanding of how different organizational environments support or constrain innovative behavior. The advantages of such an approach include depth and context, where one gets the opportunity to explore each company's unique context and gain insight into the specific cultural and organizational factors that promote or inhibit innovation. Researchers also get the opportunity to systematically compare the case units in order to identify consistent patterns and needs that impact the ability to innovate. This further makes it possible to generate theories by offering empirical evidence that can support, challenge, or extend the existing understanding of organizational culture and innovation (Yin, 2018, pp. 54-62).

In order to carry out this research strategy effectively, it is important to define the criteria for comparison by clarifying which elements of the organizational culture will be analyzed and how these are expected to affect innovation capacity. It is also essential to collect data systematically, which will be discussed further in the subchapter of data collection. This systematic approach ensures that the data collected is comparable and reliable.

Through a methodical and well-considered application of the comparative case study approach, this study positions itself to deliver valuable insights into the relationship between organizational culture and innovation. The aim is to contribute to both theoretical understanding and practical recommendations for management and the development of an innovation culture.

In summing up, this study uses a combination of exploratory, retrospective, phenomenological, and comparative case study designs to investigate in depth the connection between organizational culture and innovation at Netflix and Tomra. By integrating these methods, we have achieved a rich understanding of how cultural factors promote or hinder innovation. This multifaceted approach reinforces the study's robustness, contributes to both theoretical insight and practical application, and ensures that the research thoroughly addresses the set research questions.

3.3 Data collection

The data collection process is critical to ensuring the validity and relevance of our study on organizational culture for innovation in companies like Netflix and Tomra. This process involves a strategic combination of different methods to collect in-depth and diverse data, which is essential for achieving a comprehensive understanding of the research topic. By integrating techniques such as interviews, document analysis, and observation, we can capture multiple aspects of organizational culture and its impact on innovation. This multifaceted data collection approach enables a rich and nuanced analysis, stimulates the development of new theories, and provides a basis for testing and revising existing theoretical frameworks, in line with Easterby-Smith (2021, p. 70). The collection and combination of data from these different sources contribute to a deeper and more accurate understanding of how innovation capacity is influenced and shaped within each organization.

3.3.1 Primary data

Primary data is data obtained directly from the source. There are many different forms of primary data, and this thesis focuses on interviews, even though some observations were also conducted. Interviews constitute an essential method of data collection in case studies, and in-depth interviews offer a unique opportunity to engage directly with individuals within the scope of the study (Yin, 2018, p. 118). An in-depth interview involves the researcher and respondent sitting down together for a conversation that explores the chosen topic in depth (Easterby-Smith, 2021, pp. 195-196). The purpose of in-depth interviews is to delve into the respondents' motives, attitudes, and experiences related to their working environment, as well as to understand the effects of any measures that have been implemented (Askheim & Grennes, 2019, pp. 87-88). Given the retrospective nature of the study, in-depth interviews are particularly valuable as they provide insight into the informants' thoughts and ideas about the phenomenon from a historical perspective.

In-depth interviews

In this study, semi-structured in-depth interviews were conducted, using an interview guide with open, guiding questions to help maintain a structured but flexible flow of conversation (see appendix 2). The semi-structured approach enabled adaptation and in-depth understanding by allowing deviations from the guide based on the course of the conversation.

This promoted an adaptive interview form, where unforeseen findings could be explored, and the researcher remained neutral to preserve the integrity of the study (Yin, 2018, pp. 84-85).

The interviews were planned to last between 30 and 60 minutes to balance consideration for the respondents' time and the need for comprehensive insight. The interview guide included time limits for each question to ensure efficiency and focus while allowing room for respondents' contributions to shape the conversation. By setting clear time frames, a focused dialogue was encouraged, while allowing flexibility for deeper exploration where relevant.

Observation

Observation involves research where the researcher observes the participants of the study in a specific setting (Easterby-Smith, 2021, p. 239). There are several roles a researcher can take when carrying out observation as a method, but in this study, it takes the form of "observer-as-participant." This means that the researcher engaged with the field being researched passively. This involved keeping a relative distance from the field and minimizing the influence on the field, while at the same time, there was room to ask questions (Easterby-Smith, 2021, p. 239). The reason for this approach was that the interviews were carried out in real-time by visiting the headquarters of Tomra in Eastern Norway. In this context, it was possible to observe parts of the organization in person. While the task did not primarily focus on observation, certain events provided valuable insights for the study and were therefore included.

Documentation

In case study research, researchers use documentation and archival records as sources of evidence (Yin, 2018, p. 113). In relation to Netflix, we have used documentation and archival records as sources of our data. Despite extensive efforts to arrange face-to-face interviews with people at Netflix headquarters, our request was declined. There was no one willing to participate in the study without permission from their HR department.

However, there are benefits of using documentation and archival records such as providing stability as the documents can be reviewed repeatedly. They are unobtrusive and make it unbiased as the data is not created as a part of the study. Since the documents are public, it also gives us the possibility to get specific data about the phenomenon. It also adds a dimension of broadness, where the data can be covered from a holistic perspective (Yin,

2018, p. 114). Typical data common from documents are agendas, announcements, recorded meetings, administrative documents, reports, related studies, videos, and/or other recorded data (Yin, 2018, p. 115). For this study, the documentation used were podcasts and interviews of key informants from the Netflix administration. The data were processed the same way as the interviews from Tomra were processed, which means that the interviews have been transcribed and used to draw patterns in the data.

3.3.2 Secondary data

Secondary data, which includes information obtained from existing materials not primarily collected for research purposes, forms an essential part of this thesis database. Various sources, such as company reports, websites, archives, online videos, newspaper articles, books, and blogs, offer rich insights related to the study's topic. Data from these sources were collected to supplement primary data, bringing valuable depth and context to the analysis. A key strength of secondary data is its efficiency and potentially high quality, although it requires thorough quality assurance to ensure data reliability (Easterby-Smith et al., 2021, p. 190).

For this study, secondary data were carefully selected to support the research questions and the topic. Particularly important are documents from Netflix, such as their Culture Deck and Reed Hastings' book "No Rules Rules," which provided an in-depth understanding of the company's organizational culture and its effect on the performance of employees. Although I tried hard to get interviewees from Netflix, based on their official guidelines and rules, it was not possible to collect primary data by conducting interviews, as they unfortunately rejected my proposal to participate in the study at the end of February 2024. Thus, information from the company's websites as well as statements and views of key officials conveyed through online videos and podcasts gave us insight into the cultural aspects of Netflix.

To ensure the reliability and validity of data, I talked unofficially with several employees of Netflix. These conversations took place "off-record" as their guidelines prohibit them from participating in the study. At the same time, these "unofficial" interviews helped to validate the information that is communicated through Netflix's website and social channels. Even though those information sources might not be sufficient in relation to this research, they still helped highlight which parts of the organizational culture are real and valuable, which are

not, which have changed, and which have been constant throughout the company's innovation journey.

3.3.3 Selection of Informants

As Yin (2021, p. 239) points out, the ideal in a study is to be able to reveal the identity of both the organization and the individual participants to give depth and authenticity to the research. However, this must be balanced against ethical considerations and the need to protect the privacy of those involved. In order to safeguard the informants' objectivity and ensure an impartial approach to our respondents, the identities of those interviewed are kept anonymous. This choice reflects a careful assessment of how best to approach the truth while respecting the informants' rights and privacy (Yin, 2018, p. 239).

Selection of informants took place in collaboration with Tomra, based on the company's recommendations. Through the use of the snowball method, participants were selected via existing networks and connections within Tomra. One negative effect of using this method for sampling was that the organization might select respondents who were in favor of putting the best possible light on the company (Easterby-Smith, 2021, p. 201). Even so, Tomra mentioned that this study might enhance their organizational culture and therefore the selection of interviewees would be made in a way that would ensure the purpose of the case study. For the sake of the participants' privacy, the researcher decided not to make their identities public, and pseudonyms were used to preserve anonymity (See appendix 1). This aspect, together with further ethical considerations, will be discussed in the section on ethics and privacy, emphasizing the importance of responsible research practice.

3.3.4 Interview guide

The interview guide was designed according to relevant literature on the topics of organizational culture and innovation. The purpose of the interview guide is to determine how to establish organizational culture as efficiently as possible to accelerate the innovation capacity of Norwegian companies. The questions were divided into four distinct and natural categories intended to systematically facilitate a natural conversation. The first phase of the interview dealt with demographic variables to understand the diversity and background of the respondents. In this way, the researcher gained an understanding of where the respondents came from and what might have influenced their perception and experience of the

organization's culture and innovation. Furthermore, time was prioritized to talk specifically about the organizational culture in the company to define which features are important for the organization, which could later be used to understand which features support innovation and which features hinder innovation. The topic of innovation was then addressed. The respondents' perceptions of creative contribution were explored, as well as relating them to their culture. Finally the interview was concluded with the opportunity for additional comments and a conclusion. In addition, two bonus rounds were proposed for the interviewees willing to take the time to answer them. These questions were related to cooperation and reward systems but were not used, as they were covered naturally in the conversations (see Appendix 2).

Before the actual interviews were conducted, test interviews were performed to ensure that the interview guide met the expected standards for empirical evidence collection. The test interviews were conducted on master's degree students from both innovation and management, as well as master's in science of business. These students have both knowledge of the areas being investigated and knowledge of how an in-depth interview should take place. This process allowed us to exclude non-relevant questions, redefine questions to make the interviews as exploratory as possible, and gain further insight into the subject area. Several changes were made after this, demonstrating that the test interviews made a positive difference.

To ensure the interviews are conducted in a way that accurately measures what they are intended to measure, our suggested theoretical framework has been used in the creation of the interview guide. The works of Dobni (2008), Robbins & Coulter (2021), and Hofstede et al. (2010) were utilized to prepare the interview guide, allowing for an understanding of the barriers and opportunities of innovation culture within the Norwegian national context. Lastly, Bessant & Tidd (2015) was used to understand the innovation process. All questions were designed to reflect the organizational culture within Tomra, how their innovation processes are perceived, how innovation is integrated into the informants' everyday work life, and general reflections on organizational culture and innovation. Support words were added throughout the interview guide to help the respondents discuss the relevant variables during the interview.

3.4 Validity and Reliability

3.4.1 Validity

Validity is a criterion for data quality in science. In this thesis, we separate validity into construct validity, internal validity, and external validity. Construct validity is about the degree to which a tool actually measures what it is supposed to measure (Yin, 2018, p. 42). To ensure construct validity, there are mainly two things one can do: use multiple sources for the empirical evidence and let the key informants revise the draft of the study (Yin, 2018, p. 43). In this way, they get the chance to challenge the study's key findings to enhance the accuracy of the findings, or they can provide further evidence by sharing information that might be lost in the interview (Yin, 2018, p. 241). Internal validity is about establishing causal relationships in the data that is collected. This mainly applies to explanatory or causal studies (Yin, 2018, p. 42), which is why there will be no focus on discussing this further. External validity refers to whether the researcher is able to show that the findings of a study can be generalizable or not (Yin, 2018, p. 42). For case studies, it can be problematic to the extent that it is hard to generalize qualitative data. At the same time, there are a few ways to strengthen external validity. One should focus on "how" or "why" questions in relation to the study, instead of mapping the phenomenon (Yin, 2018, pp. 45-46). It is therefore beneficial to ask such questions in the interview to strengthen the external validity and thus understand how and why they organize their culture to improve innovation (see appendix 2).

To enhance the paper's construct validity, two main strategies were adopted. First, multiple interviews with people from various sectors of Tomra provided a comprehensive view of how the organization integrates culture with innovation. Second, for Netflix, where direct access to primary sources is unavailable, a variety of secondary resources will strengthen the evidence base. Additionally, the draft was reviewed by Tomra and respondents to ensure the accuracy of the information presented regarding organizational culture and innovation.

Several challenges to external validity arise in the study. Participant bias is a concern, as organizations may choose employees who portray them positively, potentially stifling criticism (Easterby-Smith et al., 2021, p. 110). To mitigate bias, participant identities are anonymized, although the company's name remains prominent, possibly affecting validity. Additionally, the applicability of Netflix's insights may not be generalizable in a Norwegian

context, complicating the study's broader relevance (Easterby-Smith et al., 2021, p. 110). However, comparing the companies aims to contextualize the findings within Norway, acknowledging that not all results may be directly applicable.

3.4.2 Reliability

Reliability is used to denote consistency or stability in measurements. It demonstrates that the operations of a study can be repeated with the same results (Yin, 2018, p. 42). The goal of reliability is to minimize errors and biases (Yin, 2018, p. 46). To ensure reliability, there must be full transparency in how the research is conducted, as you can read in this chapter. In this way, it is possible to replicate the study in future research by conducting the study in the exact same manner as it has been done here and still end up with the same results (Yin, 2018, p. 46).

In relation to reliability, it is also relevant to discuss replication logic. This refers to whether an experiment can be duplicated and is especially relevant for multiple case studies. To have high-quality replication logic, it would be natural to recreate the findings by conducting multiple experiments (Yin, 2018, p. 55). Optimally, it would have been beneficial to conduct multiple experiments. However, the time frame and scope of the thesis make this impossible.

Lastly, reflexivity refers to the researcher's positionality in the study. It is therefore important to be conscious and attentive to how information is woven together when creating new knowledge. How the researcher interprets the data will influence the outcome of the research (Easterby-Smith et al., 2021, p. 154). To say that the researcher is unbiased is merely fiction. In all kinds of studies, the interpretation and understanding of a phenomenon will be influenced by the researcher's prejudices. For this study, the same applies. I, the researcher, am biased regarding the phenomenon itself. The reason for studying it is because I find it interesting and relevant to how people organize culture today, and I believe this research can help Norwegian companies become more robust when facing international competition on certain levels. Still, there are multiple ways to ensure that the findings become as objective as possible. Firstly, being an outsider enhances the quality of the data collection (Easterby-Smith et al., 2021, p. 254). Interviewing and analyzing companies with which I have no affiliations with, allows me to remain unbiased toward their practices, which aids in setting

clear objectives. Additionally, I am open to the possibility that my theory might not hold up, which means the findings of this study could turn out differently than expected.

3.5 Ethics and Privacy

When conducting research, it should be conducted in an ethical manner. Avoiding bias is, as discussed, one of the issues related to research ethics (Yin, 2018, pp. 86-87). There are multiple facets of research ethics and the privacy of people involved in the research that a researcher should be aware of and take into account when conducting the research.

To do so, I took utmost caution not to plagiarize or falsify any information (Yin, 2018, p. 87; Easterby-Smith et al., 2021, p. 173). This was ensured through transparency in the research process, as well as HVL having its own ethical guidelines related to plagiarism checks. I am therefore honest and confident about the originality of my research work and take responsibility for the information used in this thesis. Other ways I ensure ethical research is by keeping up to date with related research, as you will see in the literature list at the end of the thesis. Furthermore, I spend enough time reading related literature from various scholars regarding the issues of this study. Even though I don't use them all in my thesis, they have helped to conceptualize initial ideas relating to the latest trends. It is also worth mentioning that through my research, I have followed ethical practices by striving for the credibility of data, understanding respondents' concerns, and maintaining transparency in conducting the overall research.

In addition, this thesis follows the ethical research principles suggested by Bell and Bryman (2007, as quoted in Easterby-Smith et al., 2021, p. 173), which are shown in the following table:

TABLE 5.2	Key principles in research ethics	
1	Ensuring that **no harm** comes to participants	*Protection of research participants*
2	Respecting the **dignity** of research participants	
3	Ensuring a fully **informed consent** of research participants	
4	Protecting the **privacy** of research participants	
5	Ensuring the **confidentiality** of research data	
6	Protecting the **anonymity** of individuals or organizations	
7	**Avoiding deception** about the nature or aims of the research	*Protection of integrity of research community*
8	**Declaring affiliations**, funding sources and conflicts of interest	
9	**Communicating research honestly** and transparently	
10	**Avoiding misleading** or false reporting of research findings	

Source: adapted from Bell and Bryman, 2007

(Figure 7: Key principles in research ethics (Bell & Bryman as quoted in Easterby-Smith et al., 2021, p. 173).

Furthermore, informants were informed in advance about the contents of the interview guide so that they could understand what would be asked during the interview. Here, we used the guidelines from Easterby-Smith et al. (2021, p. 175) for conducting interviews by providing a brief description beforehand of the project, an overview of the methods used for collecting the data, and the opportunity to discuss potential issues regarding the study.

4.0 Empirical description of Netflix and Tomra

As discussed earlier, this is a comparative study of two different organizations located in two different contexts, namely Norway and the USA. These two organizations also operate in different sectors and geographical locations, under different cultural traits. At the same time, they have a common aspect, especially in their organizational cultures that support innovation. In this chapter, it is therefore appropriate to give overview of these two companies, specifically to identify which cultural values and practices are the most important issues. This is because that will provide an understanding of the companies under scrutiny.

4.1 Netflix's organization culture

Netflix was founded in 1997 by Reed Hastings and Marc Randolph. It is an American streaming and media company that has helped revolutionize the way the human species watches TV series and movies. It started out as a DVD rental company in 1997 and evolved

into a streaming platform in 2007, which now has millions of subscribers around the world. Their innovation has made it possible for people to watch unlimited TV series and movies in exchange for a monthly fee. As a pioneer in digital content, Netflix continues to invest in both local and international productions and keeps expanding its offerings to satisfy an increasingly global audience (Netflix, 2024a).

There are plenty of data available both on Netflix's website and online, so a review of secondary data has been made in this chapter. The purpose is to map the basic conditions that have facilitated Netflix's organizational culture known as "freedom and responsibility." Netflix presents three basic assumptions that form the basis of their progressive innovation model. Three basic conditions upon which its organizational culture was built are talent density, openness, and the elimination of control systems. One thing that is also important in relation to Netflix's organizational culture is that those who abuse the principle of freedom in the workplace are in the danger zone of getting fired. This does not happen often, but when it does, Netflix must set examples that show there is zero tolerance for the misuse of the freedom that employees deserve. Hastings & Meyer (2020) referred to their dress code as an analogy, where they mentioned that employees can wear exactly what they want in the workplace, yet no one is allowed to turn up naked! Although Netflix is known as one of the most innovative companies in the world, only future research can test different variables to prove that it is really one of the most innovative organizations. Another remarkable aspect of Netflix's success stories lies in the philosophy that talented and responsible people work in the organization. People who can tolerate being given responsibility and freedom without violating these norms are welcome in the organization. Netflix's cultural disposition is shown in the figure below.
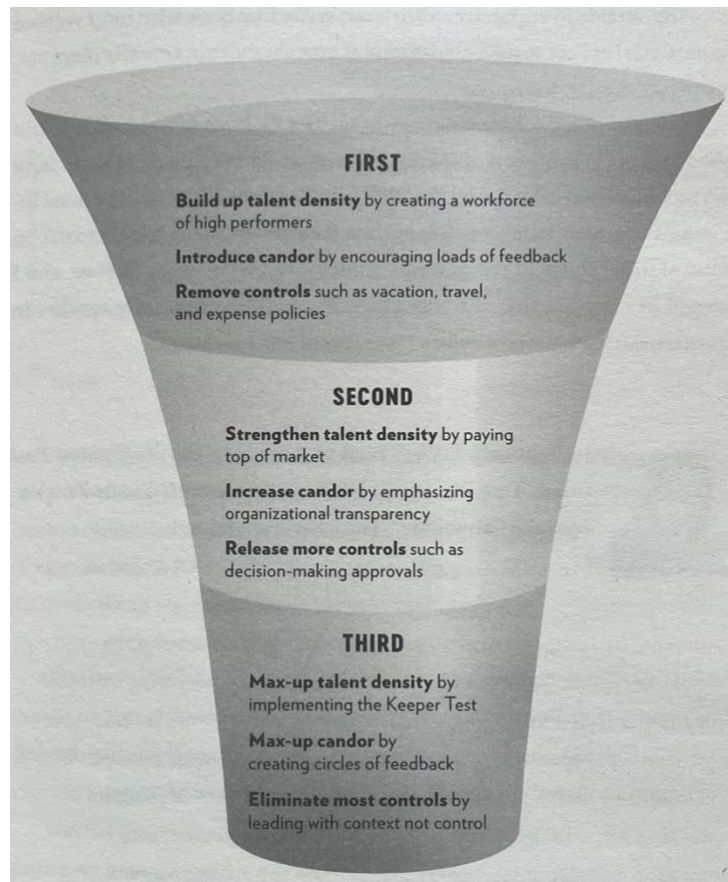
(Figure 8: Netflix cultural disposition (Hastings & Meyer, 2020)).

4.1.1 Building Talent Density

Talent density is the concentration of talented people within an organization. Netflix identified this phenomenon in 2001 when they had to fire 33% of the employees in the organization due to their low performance. In fact, the management decided to fire the 40 worst-performing employees, were only 80 employees remained. Initially, Reed Hastings thought that this would hurt the work morale of employees, but the opposite happened. According to Hastings, the office flourished like never before. The reason for this was that the talent density was ensured and greater. Although fewer employees remained in the company, the average talent was higher than before. Netflix has since vowed to choose its employees carefully, precisely to preserve a high average of talent. For Hastings, a higher number of people in an organization has nothing to do with the quality of the products it produces, but rather that the talent density is more important. Thus, Netflix's hiring philosophy recognizes that talent density trumps the quantity of the work fleet (Hastings & Meyer, 2020, Chapter 1; McCord, 2014).

4.1.2 Introducing candor

Netflix use the term "candor" to describe openness. It is an honest form of openness where one refers to the quality of being open, honest, and sincere in one's communication and behavior (Netflix, 2024b). The philosophy behind this is that; what is left untold harms the organization. The employees are therefore encouraged to be open and direct in all areas of the organization, whether to their team, their manager, or other people in and around the company. However, it should not be done without conditions (McCord, 2014). Netflix has therefore developed guidelines for how to give honest and sincere feedback. Those who give feedback must always aim to assist those who receive the feedback; at the same time, it must be possible to act on the feedback. Those who receive the feedback should value the feedback, even if they disagree. They then have to make a choice themselves whether they want to accept or reject the feedback. This can at times be uncomfortable, both for the person giving and the person receiving feedback, but there is a consensus in the organization that employees become more talented when they practice candor (Hastings & Meyer, 2020, Chapter 2).

4.1.3 Removing control systems

Netflix has been using minimal to no bureaucratic control over human resources management in the organization. For example, the first three control systems that management proposed to remove includes: vacation policy, approval of travel, and expense reports (Hastings & Meyer, 2020, p. 39). Employees are also encouraged to take as much vacation as needed, and their vacation payments are higher compared to other organizations in the country. These policies are put in place so that employees get the space they need to think creatively and innovate. To show that it is permissible to take vacation, management acts as practical examples and takes a lot of vacation themselves (Hastings & Meyer, 2020, Chapter 3a). When it comes to travel and expense reports, the organization indicates that the employees themselves, with discretion, understand which guidelines should be followed. The philosophy behind eliminating these control systems is that employees lose opportunities if they have to stick to given rules when each travel and spending situation is different. Although it has had negative consequences such as spending resources poorly or having employees abusing the rules, it has also yielded positive results that outweigh the negatives on many occasions (Hastings & Meyer, 2020, Chapter 3b; McCord, 2014).

4.1.4 Pay top of market

In order to keep and attract the most talented people, Netflix proposes to pay the employees more than what the market offers. This is in accordance with the talent density philosophy, where two exemplary employees can produce higher quality products than five ordinary employees. Paying the two talented employees each one million (2 million in total) a year can therefore be more reasonable than paying five ordinary employees 500,000 a year (2.5 million in total). At the same time, those two talented employees can produce higher-quality products, which also leads to higher turnover (Hastings & Meyer, 2020, Chapter 4; McCord, 2014).

4.1.5 Open the books

Opening the books refers to an organization's ability to be transparent with its employees (Netflix, 2024b). This also applies to extremely sensitive information. The philosophy behind this policy is that, by sharing secrets, you make the recipient feel self-confident and loyal towards the company. This include information such as reorganization of the company, notifying employees if they are in danger of losing their jobs or sensitive stock information which in turn can imprison the whistleblower. In such cases, employees are made aware of the consequences of sharing this type of information, and especially the consequences of abusing this form of information. Nevertheless, Netflix believes that this philosophy will create a sense of responsibility and trust within the organization, which in turn creates positive ripple effects for the company (Hastings & Meyer, 2020, Chapter 5; McCord, 2014).

4.1.6 Removing decision-making approvals

This policy is seen as the most effective initiative for innovation at Netflix. The reason for this is that it gives employees the freedom to implement the ideas they believe will promote innovation. Netflix therefore teaches its employees not to seek confirmation from their managers, but to trust themselves and make well-informed decisions. At the same time, employees do not make decisions unconditionally. They should discuss ideas with their colleagues and think out loud in their teams, but ultimately, they make the decisions they believe will bring positive results. The feedback guidelines of the company reinforce this policy, allowing real and honest information to flow when discussing new ideas. To make its employees more capable, Netflix also provides training on how to innovate through a cycle of four steps: a) employees must socialize the idea, b) test the idea, c) take a chance on the idea,

and d) if an employee comes up with a successful product, then the company celebrate it. If someone makes a mistake, they still shine a light on the mistake, precisely to help others understand what has gone wrong and how to avoid similar ones in the future (Hastings & Meyer, 2020, Chapter 6).

4.1.7 Keeper test

This is the final step in maximizing talent density. It is about identifying the most important employees in the organization and deciding who should remain. Sometimes Netflix has to make the difficult choice to fire a great employee to hire an exceptional one (McCord, 2014). To understand what Netflix means by this, we need to understand how the company is conceptualized. It cannot be seen as a family (as many organizations do), but rather as a sports team. In the sports world, you don't get to keep your place on the team if you are not good enough or if there is someone better. This is also how it works on the Netflix team. It may sound strict or something that fosters an overly performance-based environment, but it turns out to have the opposite effect. According to Hastings, in several cases, employees themselves have realized that they should be replaced on their own. This happened as soon as they understood that they stopped learning or excelling. In this way, the employees who were fired or left their jobs also got the opportunity to challenge themselves in other roles to become better in the company or elsewhere. It is therefore a win-win situation for both Netflix and its employees. The employees are well-informed when they enter the organization and thus avoid unexpected surprises. It should be noted that Netflix is losing or firing fewer employees than the average in America. For example, the "Human Capital Benchmarking Report" revealed that in the USA, the average voluntary resignation is on average 12%, while involuntary departure is 6%, which corresponds to a turnover rate of 18% a year. In relation to Netflix, on the other hand, voluntary resignation is 3-4% per year, and involuntary termination is 8%, which indicates an annual turnover of 11-12% (Hastings & Meyer, 2020, Chapter 7).

4.1.8 A circle of feedback

Netflix has introduced a 360-degree feedback process in both written and verbal forms. The purpose is for employees to evaluate each other in internal teams and across areas of expertise to make each other better (Netflix, 2024b). In traditional organizations, it is relatively common to have an annual employee evaluation. Netflix, on the other hand,

believes that this should happen openly and honestly between each member of the organization. In this way, you practice candor, learn from each other's mistakes, and eliminate gossip and rumors that go behind each other's backs. Overall, this process help make the employees better (Hastings & Meyer, 2020, Chapter 8).

4.1.9 Lead with context

Finally, Netflix follows the philosophy of leading with context. This strategy can only be implemented if an organization is successful in maximizing talent density and transparency, and its employees have acquired a certain degree of responsibility. As Netflix is keen to uphold and maintain these elements in place, managers give employees context rather than instructions when guiding them. They believe that there are multiple ways of achieving organizational goals, and it puts the power to do so in the hands of employees. In this way, the employees get the trust, context, and information they need to make independent and good decisions (Hastings & Meyer, 2020, Chapter 9; McCord, 2014).

4.2 Tomra's organization culture

Tomra is a Norwegian company founded in a small shed in 1972 by the brothers Petter and Tore Planke. They specialize in solutions for recycling and resource management, having invented a reverse vending machine at the request of a local grocer who wanted a machine that could collect empty bottles. Their technology has since expanded to adjacent markets where they now also operate within food, mining, waste, and metal recycling. Through their technology, they help reduce waste and increase recycling. They continue to expand globally, and their innovations play a key role in addressing modern challenges related to waste and resource scarcity, making them an important part of the green economy (Tomra, 2024d).

According to Tomra's website, it builds its organizational culture on three foundational values: innovation, passion, and responsibility. These values support how the company conducts business and makes decisions. The management also help the organization by inspiring employees, as well as customers and other stakeholders. Together, these values create confidence and conviction, positioning the company as a leader in the industries it serves. Additionally, the company is keen to ensure that these values are present and practiced throughout the entire organization (Tomra, 2024a). The website also mentions: "inspire one another through teamwork and build on each other's differences, strengths, and

expertise. We can be ourselves and thrive on the diversity of our culture. We respect and care about each other. We have fun and celebrate our achievements together" (Tomra, 2024a). There are multiple indicators that show Tomra is actively pursuing innovation activities, both in terms of new product innovation and in streamlining existing processes. For example, data from the last six months of 2023 has shown record-high turnovers and improvements in gross margins, which indicate continuous improvement in efficiency and the company's efforts toward technology and service innovations (Tomra, 2023). It also demonstrated the organization's ability to act quickly when faced with potential threats. It is reported that in the third quarter of 2023, the company experienced a cyber-attack which it quickly addressed by identifying the problem and reacting effectively. Although there were high costs involved in fixing the problem, their survival still shows a lot of resilience, abilities that come in handy when working with innovation. Furthermore, it has shown capability and willingness to innovate through operations (Tomra, 2024c). For example, last quarter in 2023, they implemented a restructuring program for the food division with the target of improving profitability and efficiency (Tomra, 2023). In addition, Tomra has investments in emerging and new markets, as well as in technology sectors, with the goal of increasing its position in countries like Romania, Hungary, and the Netherlands (Tomra, 2024b).

The company's above-mentioned activities, along with others relating to innovation, show that Tomra deserves to be identified as one of the most innovative companies in Norway (Innomag, 2023). Its overall organizational values support an innovative culture. The following discussion highlights the overall values of the company as stated above

4.2.1 Innovation

Innovation is the first and foremost goal of Tomra. By focusing on the value of innovation, the company aims to come up with creative solutions to solve today's challenges and shape a better future. As stated on its website, Tomra encourages and promotes trying, learning, and sharing knowledge (Tomra, 2024a). We shall discuss this further in the next chapter, but it is one of the driving forces for creating an innovation-oriented organization. Furthermore, it is mentioned on their website that Tomra "embraces change by pushing boundaries and challenging the status quo to advance and continuously improve" (Tomra, 2024a).

4.2.2 Passion

Like Netflix, Tomra shares the belief that people perform their best when they are passionate about their work. Therefore, passion is one of Tomra's building blocks for sustaining a well-performing organization by fostering new ideas and innovation. They inspire employees to work together in teams, considering each other's differences, strengths, and competencies. By valuing diversity in the organization, Tomra creates a space where employees can thrive in the work environment. They also encourage employees to respect and care about each other, and to have fun and celebrate their accomplishments together (Tomra, 2024a).

4.2.3 Responsibility

Another remarkable value that Tomra nurtures is the responsibility taken by individual employees. This is also expressed in their mission statement, which mentions that each and every one is responsible for making a difference for their customers, clients, society, and the planet. Therefore, Tomra promises to fulfill its commitments in ethical and trustworthy ways, as well as to act sustainably in every move (Tomra, 2024a).

5.0 Discussion

In this chapter, we have discussed the collected data as elaborately as possible. Our discussion is based on data and opinions expressed by participants, which helps us to identify the most interrelated themes. From the perspective of our data, it is clear that organizational culture and its relation to innovation are strongly linked. Our data revealed several cultural codes relating to innovation in the organizations under investigation. These are: values, freedom, failure, openness, change, cross-functional teams, inclusion, talent, passion, hiring processes, control mechanisms, goal setting, velocity, respect, focus, feedback, autonomy, pride, rules, information sharing, idea generation, and transparency.

Our codes was then used to identify five main topics that can help organizations understand how to efficiently build an innovation-oriented culture. These five topics are: defining a set of values that promote innovation, giving trust and autonomy to employees within the firm, building a fleet of development-oriented employees, promoting openness and honesty, and developing a mindset among employees to accept failure and learn from it. These five topics

were later replaced by five superior codes representing the themes: "Values," "Empowerment," "Development Orientation," "Candor," and "Edify."

All five superior codes mentioned above are especially relevant when a culture promotes innovation at different levels of an organization, as stated in the theory chapter (Chapter 2). In the following section, these topics will be presented based on the interview subjects' thoughts and opinions regarding the connection between organizational culture and innovation.

The data collected from Tomra is presented without including the demographic information of respondents in order to preserve their anonymity. The reason is that demographic information could make them recognizable. Therefore, I have assigned the respondents different numbers, starting from 1 to 9. Meanwhile, the respondents from Netflix will be referred to with their real names or designations, as this information is accessible and available online.

5.1 Setting Values

Most companies have a set of values in their business plan, and many choose to communicate these values among their employees, customers, and other stakeholders as a strategy for survival and to gain a competitive advantage in the market. However, some firms tend to neglect their values and forget to abide by them. For Tomra and Netflix, the values form the basis of their organizational culture and practices, especially regarding innovation. During our research, it was observed that both Tomra and Netflix place great importance on choosing and defining organizational values that promote and fulfill their innovation aspirations. This also relates to our theory mentioned in Chapter Two, where Bessant & Tidd (2015) put forth "entrepreneurial goals and context" as a foundation for the innovation process. Organizations can achieve their goals and objectives by implementing values, i.e., principles and standards of behavior of employees related to innovation, which helps organizations develop further. Dobni (2008) also mentioned that the expression of intention for innovation needs to be accompanied by setting goals and principles for standard behavior of employees to pursue innovation.

Netflix and Tomra have different sets of values relating to innovation, considering the nature of their distinct businesses, even though some similarities can be drawn between them. Netflix's basic values are communicated in the company's core principles of talent density, candor, and eliminating control systems. Tomra, on the other hand, has set innovation, passion, and responsibility as its core values. One important thing to notice about the two companies is that their core values are not only goals or new ideals they promote, but practical guidelines for employees to follow. through everyday decisions and strategies, they emphasize the importance of having a solid value foundation that actively promotes and supports innovative thinking, as stated by one of our respondents.

"As innovation is an established value, there is an expectation when you walk in the door that we will be innovative." - TMR6

5.1.1 Investing in the values

To ensure that the values become a living and breathing part of an organization, it requires a certain investment of resources. This can include both material and non-material investments. In relation to our two companies, they spend financial resources on activities related to team building, training programs, and the development of internal processes. However, there is also evidence that they have patience for investments like accepting failures and having patience in the process of innovation, as Netflix encourages its employees to fail and learn. Respondent TMR3 says that Tomra spends a lot of money on the culture, and that it seems to be worth it. TMR2 follows this up by explaining that when a company devotes time, money, and other resources to build a culture and invest in people, the employees also feel more appreciated and excited about working for the company. The same respondent claimed that "people feel more appreciated at Tomra than at other places." The management of Netflix shares the same view about investment in the development of an innovation culture starting from its inception. As the former Co-CEO and founder of Netflix, Reed Hastings, explains that most companies in Silicon Valley focus on vesting, i.e., giving people "golden handcuffs" with the intention of creating a compensation level high enough to attract talent. Netflix and its top management rather focus on investing in their culture with the intention of making people love their work and feel good about innovating. He also claims that investing in an incredible work environment has made it attractive for high-performing people to work

at Netflix, and therefore, they don't need to tempt talented people by vesting (Hastings, 2022b).

5.1.2 Operationalize the values

To ensure that the company's values are actually are matched with the declared goals of the organization, it requires translating complex and abstract terms into concrete actions and procedures which one can understand and implement easily in the organization. This is usually done by communicating and implementing the values into all systems and processes. According to Sarandos (2021), companies that make values a part of their daily operations, make them a living and breathing dimension. TMR6 support Sarandos and express the importance for operationalizing the values by referring to their sustainability focus as one of the "killer values" at Tomra, and that most employees feel engaged by being a part of "the green wave". Even though sustainability is not expressed explicitly in their set of values, it still is a facet of responsibility. To operationalize sustainability, Tomra has set goals toward collecting 500 billion bottles in one year. Even though they only managed to collect 5 billion bottles so far this year, it still motivates the employees to work toward a greener world (interview: TMR6). Another respondent, TMR2, finishes the discussion by explaining that "Tomra is the only employer they have worked for where they actually talk about the values, instead of being a gimmick it's easy to make fun of".

5.1.3 Management anchoring.

To invest in and operationalize the values, there is also a need for the management and owners to support the values. As mentioned earlier, it is not sufficient to preach the values, but there is a need to abide by them in actions and decisions. This cannot be done without support from the top. The management should therefore proceed as role models with the task of demonstrating and practicing the values through their own actions. By leading by example, leaders can inspire and motivate their teams to adopt the same practices. In this context, leaders need to be visible, available, and consistent in supporting organizational values.

TMR6 starts by explaining that "it is important to have anchorage at the top when initiating innovation at every level. The values must be communicated properly, embedded in the goals, visualized, the opportunity space must be communicated, and they must be implemented into the budget." Another respondent explained further that "this is the case in

Tomra, and it has been like this for a long time, all the way back from being a family company until today when it is a large international one" (interview: TMR5). To understand what would happen if the management did not support the development of cultural values in the company, TMR2 gave an example from their previous work experience: "I witnessed colleagues receive unrealistic plans for personal development and when they failed to meet the requirements, they were pushed out of the company with a final package." The same respondent further added, "This behavior created an environment where the employees felt nervous about receiving the same fate, which inhibited the employees from being the best versions of themselves at work." TMR7 continued by telling that the board at Tomra continually seeks more innovation, which has led to three ventures within the company. These ventures are working with clean sheets and increasing innovation. Therefore, support and engagement from the top management are necessary when it comes to operationalizing the values.

«I recall one of my former lecturer telling my class that if organizations truly want to become innovative, there is a generation of top management that needs to die» . - TMR6

Relating to Netflix, both top management and investors expect a high degree of innovation, which is a core activity of the firm. Hastings explains that this philosophy applies not only to management but also to the investors and owners of the company. This is exemplified by pointing out that a company gets the investors it deserves if it can promote long-term values for innovation. Such a company will attract investors who appreciate innovation-oriented values. Indeed, a company can influence its stakeholders by signaling what it stands for in terms of innovation. Hastings opined that this focus is the main reason why Netflix is able to innovate at the level they do (Hastings, 2022a).

5.1.4 Evolving values

Companies should view values as dynamic elements that require continuous development as society and markets are in a never-ending environment of change. This includes regularly evaluating and revising values to ensure they remain relevant and efficient as times change. It is important to mention that Netflix and Tomra have different views on what dynamic values should look like in practice.

Ted Sarandos, co-CEO of Netflix, mentions that he often receives questions about how he preserves the innovation culture. In response, he explains that a company should never try to preserve its organizational culture but should instead develop it further to become better than it was in previous years (Sarandos, 2021). Therefore, Netflix has made change a part of their culture to challenge what used to work. Spencer Neumann (2022) further explains that humans who build great things need to live their values each day for them to flourish. He therefore argued that employees need to change and develop themselves in order to keep in touch with the times. For Neumann, it is a difficult and hard thing to do, but with the right people and the right values, it will be rewarding and fun.

«I've been doing this for over 20 years at Netflix. I've never had two years that feel the same. So it really feels new all the time.» - Ted Sarandos

Tomra has another view on this. TMR6 identified evolving values as something that falls between the network-oriented and corporate culture: "We are in the middle phase between being a network-oriented culture and a more corporate one." TMR3 add that "Tomra is about to reach a certain size where it feels more impersonal than it has been before. The main reason for this is that it is hard to know everyone when you hit a certain size." The respondent therefore opined that it is important not to stumble upon their own feet when evolving the culture. Tomra still manages to find the balance by focusing on and keeping the core values for innovation while preserving the existing culture. TMR1 believed that this correlates with being a Norwegian company, as the Norwegian work culture in general is known for being a congenial work environment. Exemplifying this claim, the same respondent mentioned that both the Chinese and Australian branches spent little to no time incorporating the offices with the Norwegian work style.

5.2 Empowerment

Empowerment in an organization refers to giving employees the freedom and responsibility to lead their own projects and make decisions. This creates a work environment where employees feel valued and recognize that their actions and decisions have a direct impact on the organization's success. According to our discussions with interviewees, empowerment is seen as a powerful motivator for most respondents. It was reported that the atmosphere was

perceived as more energetic and engaging among employees who had a greater degree of autonomy in their work at Tomra.

Our findings are aligned with Bessant and Tidd's (2015) emphasis on how empowering employees not only fosters their ability to identify opportunities but also enhances engagement and job satisfaction. This approach is particularly effective in individualistic societies (Hofstede et al., 2010), where autonomy and personal initiatives are motivators and thereby support a culture conducive to innovation.

5.2.1 Freedom and Responsibility

Giving freedom and responsibility to employees is clearly the most discussed cultural trait throughout the study. However, it appears slightly different between the two companies. Netflix proclaims in its values that it aims to eliminate all control systems to maximize employees' freedom. Tomra, on the other hand, promotes this differently by advocating the values of passion and responsibility. The majority of the interviewees reported that it is generally flexible and that there is freedom, while some parts of their work, as well as the larger innovation processes, are subject to some involvement of higher-level authority or bureaucracy. At the same time, it promotes security among the employees. However, it is not always practical to allow enormous freedom to employees. Greg Peters, co-CEO of Netflix, mentioned that one is often tempted to tell others what to do. He specifies that this is a simple and incorrect way to achieve targets. The reason for this is that micromanaging tends to favor immediate benefits and risks. For him, this issue arises from two biases: leaders should not assume they have superior knowledge over the specific contexts in which employees operate, as those closest to the situation are often the most informed, and unnecessary intervention undermines the company's aim to foster independent innovation and decision-making. Such intervention not only erodes empowerment but also deprives employees of increasing their skills (Peters, 2019).

The situation in Tomra is quite similar, though there are a few minor differences. TMR1 explained that "one can do as they wish as long as they ensure they are present when needed. This trust is what provides freedom and the ability to work from wherever and however they want." The same respondent further stated that "when one comes up with an idea in the company, it is supported by being provided with resources to develop it. The implementation

process begins by setting up a cost center where one can demonstrate what they have spent their time on, and their future plans." TMR5 agreed with the opinion of TMR1 by adding that "a certain degree of formality is necessary to ensure that the work fits into the company's vision." Additionally, TMR5 explained that "upon first joining the Tomra team, employees can rejoice because they are now part of an organization where they could genuinely change things by bringing ideas and testing them out." TMR9, however, mentioned that sometimes permission is needed to go big within their specific tasks. At the same time, they opined that "when there are many different ideas, it is good to validate them with others before making a bigger move."

Innovation occurs at different levels in Tomra. At the higher and more formal level, work involves a larger structure and is comparatively more bureaucratic. At the informal level, however, one has the freedom to test and try out new ideas. For example, TMR6 mentioned: "the innovation processes in Tomra are somewhat invisible, and no one is ultimately responsible for innovation. It happens more in the product development processes and where there is an opportunity to have free rein. It is somewhat similar to the 'tight-loose' principle (referring to Christensen's book 'The Innovator's Dilemma') about being strict on what effect one aims to achieve but flexible on the implementation" (interview: TMR6). In fact, in Tomra, employees have the freedom to put in extra effort if something engages them, with opportunities to do overtime to work on their initiatives, as stated by TMR8.

Why do innovation efforts need to be understood differently compared to Netflix? It is because of the specific Norwegian context that has consequences for working life within Norwegian business organizations. TMR7 explained: "There is generally more freedom in Norway to promote innovation, whereas in countries like Germany, there is more structure in driving innovations." TMR5 added that Tomra's Norwegian identity helped to create and maintain such a culture as they often prioritize stakeholder values over pure profit maximization (interview: TMR5). Nevertheless, TMR8 noted that such an organizational culture is not only applicable to Norwegian firms but can be used in other contexts if the people have the right mindset towards self-improvement and continuous learning. This is evident as Tomra employees working at other offices around the world easily adapt to the same organizational culture. This is also something that TMR3 has commented on from the perspective of their previous work experience. For TMR3, When they worked in a company of foreign origin, employees were advised to look at Norwegian branch, how they operate,

and take inspiration from their more effective, open, and flatter organizations (interview: TMR3).

5.2.2 Engagement

Freedom and responsibility also appear to support employee engagement. They seem to be a driving force for creating synergies in teams, especially in companies that work with innovation. TMR6 highlighted, "there is a very jovial, open, and inclusive environment in the company. At the same time, people are very curious, eager to learn, and generally open to change. This is expressed by their love of being social together and celebrating things together." TMR2 explained further: "If someone is interested in something or engaged with something, it is well received in Tomra. They are given the freedom to carry out initiatives and ideas. This happens despite the management style being a bit bureaucratic" (interview: TMR2). For TMR9, "Things still work well, even if one might have a demanding boss. The reason for this is that most people are very flexible and good at creating a positive team atmosphere. The fact that everyone gets along well and complements each other's personalities and work experiences lays the foundation for a pleasant and productive work environment. Translated into the meaning of engagement, giving freedom and responsibility to employees seems to increase the engagement through free reins" (interview: TMR9).

"I think the passion for learning something new is really important, because when you try to do innovation, you have to go through a lot of documentation or technical notes where you have to learn new things and try to implement it and understand it in depth." – TMR8

5.2.3 Involving Employees in decision making

Involving employees in decision-making processes is a key element in empowerment. This includes not only daily operational decisions but also those that affect the organization's future course and strategy. For example, TMR1 mentioned that Tomra's values influence the company's efficiency. The fewer people you have to go through to get something done, the more efficient you can be. Decisions made at the lower levels in the organization allow goals to be reached faster. Tomra believes in this philosophy, which is why it has managed to secure the position it has now. The management trusts that employees know what they are talking about and gives them the confidence to make decisions quickly (interview: TMR1). The same respondent revealed further: "It can be challenging, as one often has to come up

with things to do on their own. A result of having a lot of responsibility and authority in each role. At the same time, management emphasizes that it is healthy in terms of getting employees to think for themselves in all roles." For TMR9, Tomra has made it easier for employees to take bigger risks. From its inception until now, Tomra has been giving more opportunities to employees to "go big" by assigning more responsibility over time. Hastings also demonstrated this with several examples, where a flatter hierarchy in decision-making makes one more efficient in the journey towards goals. However, he notes that one may encounter mistakes and consequences when empowering employees at lower levels, but overall, it is more rewarding to distribute authority (Hastings, 2022b). Sean Krenkel further explains that his company was acquired by Netflix a few years ago, which led to the employees having the opportunity to be more active and intentional as a result of inclusivity. This has further led them to benefit when creating new products and working with innovation (Verdu, 2022).

Overall, by empowering employees, organizations create a culture that attracts and retains talent. A culture that values autonomy and accountability attract individuals who seek more than just a job; they seek a career where they can make a difference. Empowerment thus leads to deeper engagement and a stronger sense of satisfaction among employees, which goes far beyond the typical work relationship. It helps by giving everyone involved in the organization the opportunity to participate by thinking both for themselves and collectively. This is not only beneficial for the employees but also for the organization, as engaged and motivated employees are those who drive innovation and contribute to sustainable growth.

5.3 Development Orientation

A development-oriented approach in an organization focuses on the importance of continuous growth and learning for both individuals and the entire company. This concept supports the idea that, although not all employees may necessarily be the most skilled in their specific fields from the start, the willingness and ability to develop and acquire new skills are more important. Opportunities for professional and personal development also seem to support empowerment. In this way, one can contribute an additional sense of ownership and belonging among the employees. By offering continuous education, courses, and professional growth opportunities, the organization ensures that the employees are not only prepared to handle their current tasks but also remain relevant and valuable as the industry evolves.

Referring to Bessant & Tidd (2015), cultivating a workforce committed to development is critical throughout the innovation process, particularly in finding new resources and developing the venture. Acquiring necessary skills is a vital aspect of resource mobilization, often achieved through employee training. This emphasis on development should inform the balance between creativity and control in the subsequent stages of venture development. Development-oriented organizations, as Robbins & Coulter (2021) note, are adept at managing the uncertainty and ambiguity inherent in the early phases of concept and product development, where not all factors are clear. For employees inclined towards growth, this ambiguity offers a chance to explore various strategies to realize goals, prioritizing outcomes over processes and enhancing their creative and innovative capacities. Thereby, development orientation also supports both accepting ambiguity and focusing on ends rather than means.

5.3.1 Growth and learning

A key characteristic of both Tomra and Netflix is having employees who are eager to grow, and the two organizations provide the opportunity for their employees to do so. This is expressed in Netflix's HR guidelines by placing great emphasis on talent density, with the conviction that a high average talent level among employees leads to significant synergies. In such a culture, it is not just the individual's competence that is important, but also how these competences can be combined to create greater innovations and improvements across the organization. This approach promotes an environment where each employee is driven by a common goal to elevate both themselves and their colleagues through collaboration and knowledge sharing.

Unlike Netflix, which strongly focuses on talent, Tomra places greater emphasis on a development orientation as part of its cultural identity through passion. At Tomra, it is essential that employees have a mindset geared towards self-improvement and continuous learning. This aspect of development orientation is crucial to ensure that all employees, regardless of their different job experiences, can grow and adapt in line with the company's needs and the rapid changes in the market. Tomra also has thorough hiring processes that ensure employees fit well at Tomra. It is expressed that "fitting into the culture" is even more important for Tomra than skills and qualifications in the hiring process (Interview: TMR4), although skills also weigh in favor of potential new hires.

Several of our interviewees talked about the development orientation as one of the fundamental factors of innovation because it encourages employees to think beyond what exists and explore new ideas and solutions. By continuously striving for improvement, organizations like Netflix and Tomra have created a dynamic atmosphere where learning and adaptation are key elements. This is crucial in a global competitive market where technological advancements and changing consumer needs demand rapid response and flexibility. By promoting a development-oriented approach, both companies not only invest in their employees' growth but also in their own ability to remain competitive and relevant. This approach ensures that they can continue to lead and innovate in their respective industries, supported by a team that is fully equipped and committed to their own and the organization's success.

From Netflix's side, Elizabeth Stone (2024) explains that talent density is a prerequisite for how they operate internally. If you want to create a work environment where people are not prescriptive about how to solve problems, you need high talent density. Neumann (2022) follows this up by talking about the qualities that make him a good leader. Persistence and adaptability are his best skills. He is not defining it as a daily habit, but it is a behavior he values highly. He himself says that he has never been the best at any particular thing, but he has grit, determination, and perseverance. If one combines these qualities with a willingness to adjust to the circumstances, then he has what it takes to fit in at Netflix (Neumann, 2022).

Tomra, on the other hand, refers to this aspect through the value of passion. TMR8 explains that "a passion for learning something new is important in innovation processes as it often involves encountering new challenges. This is also reinforced by a strong inclusion environment, where one can quickly ask most people in the company for help if needed." They further say that this applies to the entire organization, including the offices outside of Norway. Although Tomra is comparatively smaller than Netflix, one may notice that the employees are very passionate in their work. Passion also makes it easier for TMR8 to share their work experiences with others, as they know their colleagues want to contribute to their work and excellence. TMR2 further revealed that there is a more energetic atmosphere at Tomra than in the previous work environments. This is shown through the employees having a high degree of engagement and that most people are more eager than what is expected. The majority of the interview subjects support this view, where employees no. 1, 4, 5, 6, and 7

opined that passion and engagement in the company act as a continuous driver for improvement and development for their own and the company's favor. TMR8 draws parallels from its previous workplace by stating that they previously lacked skills that made them unable to do their job effectively because the former company did not want to allocate money for them to acquire new knowledge and skills. When they joined Tomra, however, it was different, where one gets the opportunity to book hours for necessary competence development while getting paid for the hours spent completing courses (interview: TMR8).

5.3.2 Interdisciplinary teams

When working in a development-oriented organization, working in interdisciplinary teams strengthens the development of competence and ideas within the organization. Neumann (2022) explains this using an analogy to American football. He says a team doesn't work if you have 11 quarterbacks on the field, even if they might be the 11 most talented quarterbacks in the world; you need people to fill every position. Netflix is also very unconventional in its interdisciplinary approach. They have introduced something they call co-CEO, which operates with two CEOs in the company. Hastings (Hastings, 2022b) says it is a high-performance technique, but when you have two leaders who are compatible, it works very well. He explains it as one plus one equals more than two, also known as synergy.

5.3.3 Employment Strategies

The most effective way to ensure you have growth-oriented employees who are eager to learn is through the hiring processes. This is where a company can determine if new hires are a good fit for the organization and how they can contribute positively. TMR4, for example, stated that Tomra places significant emphasis on ensuring that the individuals they hire fit well within the culture. Consequently, the company conducts a thorough check that includes multiple interviews, personality tests, and other assessments to ensure a good fit. TMR1 added that it is important for Tomra to get people who fit well into the culture of the organization, rather than having people with excellent academic grades (Interview: TMR1). TMR4 further explained that this is actually one of the reasons they wanted to join Tomra, as they had heard of their excellent culture before applying. It was crucial for TMR4 to find a new job that offered a good place to work, and therefore they wanted to work for Tomra. "It makes work more enjoyable" (Interview: TMR4). Peters, from Netflix, follows up by saying that their hiring processes are comprehensive and take time. He added that before Netflix

launched their new branch in the Japanese market, they had to consider many things that needed to be in order as people had to be hired across various domains. His hiring strategies were not just about product and technology skills but also about hiring fantastic people (Peters, 2019).

Elizabeth Stone (2024) followed this up by mentioning that a big piece of talent density at Netflix happens through hiring. Netflix has been careful in choosing the people who are coming in and joining their teams, as it affects the overall aspects of the culture. She added that the company could not uphold and maintain the other aspects of their culture if they failed to start with high talent density. For Stone, "it is the means to the ends, and people need to hold themselves up to a lot of stuff that doesn't feel like natural human behavior!" Sean Krenkel also agreed that this dimension had added a lot to their company after they got acquired by Netflix. Netflix's hiring process is high standard, ensuring they don't rush into hires and instead cast a wide net. The talent acquisition team at Netflix is unmatched, actively reaching out to diverse groups to ensure they build a more inclusive team (Verdu, 2022).

5.4 Candor

Candor is important in companies that prioritize innovation and development. This concept describes an honest and direct form of communication that is not only desirable but necessary in organizations that want to be at the forefront of the innovation race. Netflix and other technology-based businesses have identified that a higher level of honesty among employees can lead to more efficient processes, better decisions, and a stronger culture of continuous improvement. Netflix has taken this seriously, and so far, it is embedded in their values. Although Tomra does not explicitly mention this, they have still colored their culture with open and honest communication.

Candor aligns with Robbins & Coulter's (2021) cultural dimensions that promote innovation by creating an environment where employees are comfortable discussing and exploring initially impractical ideas. This open expression can lead to innovative solutions through creative problem-solving. Candor is crucial for fostering an environment conducive to exploring creative solutions, facilitating both giving positive feedback and constructive criticism. This balance is vital for development-oriented employees who thrive on feedback that spurs professional growth. Moreover, a culture valuing candor is likely to handle

conflicts constructively, viewing them as opportunities to enhance creativity and develop well-rounded solutions. This approach not only motivates employees by acknowledging their efforts but also supports continuous innovation and improvement within the organization. This is thus supported by low power distance societies (Hofstede et al., 2010) as the egalitarian distribution of power can help enhance the effectiveness of candor. Leaders in these cultures are more accessible and receptive to feedback, promoting an environment where open dialogue and honesty between leaders and employees are encouraged.

5.4.1 Honest and Direct Communication

Candor in an organization helps to minimize uncertainty by ensuring that employees have clarity on where they stand and what is expected from them. This is especially important in an environment where standards are high, and goals are ambitious. By practicing candor, each employee knows exactly what works, what doesn't, and how they can improve. This helps reduce time spent on speculation and error correction.

TMR3 acknowledged that they have the opportunity to collaborate in a very flexible manner at Tomra. There are open communications where people can inform each other whether they disagree or want to support each other. This often happens in the research and development phase, where people usually sit down, get ideas, and actually test them out with input from other colleagues. TMR4 explains further that they have a very strong focus on trust. It is important for them that people can talk freely, share, and be allowed to have an opinion if they are concerned, or applaud each other for their accomplishments. The same respondent further referred to the fact that the more people trust each other, the easier it is to work together and the easier it is to come up with new ideas. This also decreases transaction costs as they don't have the need for micromanaging. Being freer is also reported to support innovation as it gives time for thought and reflection (Interview: TMR4). TMR5 supports this view by recounting a previous project that did not go as expected, where the concerns from other colleagues had helped give proper attention to the dangers of pursuing it. Being informed about the concerns their colleagues had regarding the project allowed them to prioritize their time on more important things.

Netflix has the same strategy as the Tomra employees presented, especially since candor is one of the core values of the company. Mike Verdu (2022) argued that people need to spend

time figuring out how to collaborate and what strengths and weaknesses the individual members have. This is important regardless of how talented the employees are. By being honest and direct, this process can happen more quickly. Krenkel also mentioned that some people are immediately vocal, while others are not. Through candor, they can open up to the opinions of people who otherwise might be underrepresented or who are just quiet in general (Verdu, 2022).

5.4.2 Feedback Culture

The development of employees is a natural consequence of a work environment where candor is a cornerstone. In such an environment, feedback is given openly and constructively, giving employees the opportunity to learn from experiences and discussions. This allows employees to continuously challenge themselves and develop new skills, which is indispensable in a rapidly changing technology landscape.

> *"I learn from them, they learn from me, and we get better outcomes for the business together."* - Elizabeth Stone

From the perspective of Netflix, Elizabeth Stone (2024) explains that giving good feedback is a difficult skill to master. It's especially challenging when you know someone has put a lot of effort into a project, and then you have to deliver negative feedback. Therefore, it is important to take your time figuring out how to deliver the feedback, precisely to create an atmosphere where both parties feel that they are on the same team and that they are trying to improve each other. She further explains that an open feedback culture helps to mitigate confusion and uncertainty. Netflix uses "the keeper test" as a method to determine who to keep and who not to. She says this can feel burdensome at times, while also making it easier to have tough conversations. At the same time, it encourages employees to ask their leaders how they are doing at work, which provides opportunities for improvement and certainty about their own position. Peters (2019) adds that there is always potential for improvement, and one always learns something new about which direction to take. Even though he does not discuss this in the context of feedback, it is not hard to see that a feedback culture facilitates self-improvement.

5.4.3 Speed of Decisions

Candor encourages a diversity of opinions and ideas. When all employees, regardless of their role or seniority, are encouraged to share their thoughts and ideas, discussions become enriched. This diversity of perspectives can lead to innovative solutions that might not have arisen in a less open environment. One respondent emphasized this by stating that everyone talks to each other at Tomra, regardless of position. Once an idea has been shared around the office, your colleagues will be "convinced" to pursue the opportunities (interview: TMR7).

Another critical aspect of candor is its impact on decision-making processes. In a culture where information is freely and honestly shared, decisions can be made more quickly and with greater confidence. This is because decision-makers have access to all the relevant information they need to make informed choices, which is crucial for keeping pace with the speed of the industry.

The implementation of candor requires more than just a desire for open communication; it requires structural changes and a sustained effort from management to cultivate and maintain this practice. Leaders must be paragons of candor, demonstrate the value of openness through their own actions, and actively remove barriers that hinder honest communication.

"Here, the way we innovate products, is all about quick failures, and quick changes. Just keep track of it on a piece of paper in the end of the day." – no. 5

In summary, candor is not only beneficial for the efficiency of organizational processes but is fundamental to building a culture where innovation can flourish. It creates an environment where honesty is valued and where all employees feel that they have a voice that can directly contribute to the organization's success.

5.5 Edify

The word "edify" is typically used to describe the action of instructing or improving someone morally or intellectually. When we talk about "edify" in the context of failing, it refers to the process where one learns and grows from their mistakes. In this context, the idea is that the mistakes we make, although they may be difficult or embarrassing at some points, offer valuable learning opportunities that can enlighten and enhance employees' understanding or

skills. Here, mistakes are considered an important part of the learning process, where each error contributes to personal and intellectual development. Although "edify" is not a term commonly spoken about, this concept has become increasingly central in organizational cultures that prioritize innovation. According to research conducted by Amy Edmondson (1999), who introduced the concept of psychological safety, organizations need to create an environment where employees feel safe enough to take risks and learn from the outcomes. This approach to failure is recognized as a key component in successful innovation for both Netflix and Tomra.

Edify can be contextualized within both the Norwegian and American cultural frameworks regarding their positions on uncertainty avoidance. Specifically, edify is not just about taking risks, but about taking informed risks. This aligns well with companies like Tomra and Netflix, which originate from countries that exhibit a natural balance in uncertainty avoidance (Hofstede et al., 2010). Furthermore, edify involves allocating resources to failure, which connects to Dobni's (2008) innovation infrastructure mentioned in chapter 2. This attribute can be supplemented by making companies budget for failure as a strategic approach to enhance understanding and application of the theory, thereby facilitating an environment that supports and learns from the innovation process.

5.5.1 Learning from Mistakes

Psychological safety is the foundation of a culture that learns from failure. It creates an environment where employees can innovate without fear of retaliation or stigma associated with making mistakes. As Edmondson (2019) has highlighted, this promotes the safety employees need to challenge the status quo and experiment with new ideas, which is essential in rapidly evolving industries. This concept is further elaborated by renowned figures such as Thomas Edison, who emphasized the importance of learning from failed attempts by pointing out that he did not fail but found thousands of ways that did not work. Therefore, learning is one of the most important elements in failing.

Both Tomra and Netflix have similarities regarding learning from mistakes. With reference to Tomra, TMR6 stated that out of 100 initiatives started, maybe only one would yield a return. Therefore, it is important to establish a culture where it is permissible to fail, and where failing is not seen as failure, but as learning (interview: TMR6). TMR3 further added that

they had been an entrepreneur themselves. During COVID-19, they were forced to close down their business, but they still appreciate the experience of being an entrepreneur for a few years, especially since it involved taking responsibility for everything one does, and learning while making mistakes. Meanwhile, for TMR7, "failure must be continuous. Tomra has introduced creative days where one should spend a day working on their ideas, but they say it has not led to much innovation as one day a year is too limited to come up with new innovations, and it should rather be continuous." While TMR6 pointed out that there are many factors that cause one to "fail," such as timing. In this context, they therefore emphasize that the culture is crucial as it must be permissible to fail. TMR2 further added that Tomra puts great emphasis on the willingness to promote the acceptability of making mistakes. This is particularly evidenced as leaders themselves have come forward with stories of themselves making mistakes (interview: TMR2).

"If you fail informed, it's easier to accept and fail since you at least tried your best." – TMR5

Netflix acknowledged this by saying that they learn a lot when their employees make mistakes. Sarandos (2021) stated that mistakes can be avoided by planning with 150% capacity, but if they did, it would cost them more in the long run. By making mistakes, one gets the opportunity to discover what does not work and ensure that similar things do not happen in the future. Stone also agreed that the wonderful thing about failing is that it provides an opportunity to learn a lot (Stone, 2024).

5.5.2 Resources for Failing

Implementing a culture of learning from failure requires dedicated resources and a commitment from the organization. Organizations must be willing to invest the necessary resources that allow employees to take calculated risks without fear of negative consequences. This includes time and financial resources, but also training and support systems that help employees navigate the aftermath of failures. By allocating resources for failing, organizations also ensure that they do not deplete too many of their resources. It's almost like using a reserve stock to bet on failures.

Netflix does not explicitly highlight putting resources aside specifically for failing, although it is implicitly understood that employees are allowed to spend company resources as they

would their own money. Respondents from Tomra, however, explain in more depth what it means to set aside resources for failing. For instance, TMR4 revealed that they set up a risk matrix when initiating a new project. They write down the risks and possibilities for the new projects and analyze what the consequences or outcomes might be. They also note the likelihood of these risks occurring. This way, they derive a value that can help mitigate the mistakes. The same respondent further explained that they have a lab that can be used for innovation purposes. In the lab, employees work and assist with creating, tinkering, and helping people with various ideas (interview: TMR4). TMR5 emphasized having a backup plan in case of failure so that it can be beneficial regardless. This particularly indicates a tailwind for Tomra's initiatives by which they can demonstrate a plan in case things go wrong. Thus, by being allowed to fail and use resources on "risky business," employees are also encouraged to make mistakes. Tomra, therefore, seems to have a certain degree of a structured approach to failing. TMR2 concluded by explaining that employees are allowed to step outside the frames, laws, and rules as long as they do not cross the necessary boundaries.

An effective way to manage learning from failure is to document what has been done. However, TMR7 expressed that it can be confusing for employees with too much data. They mentioned that "it would be interesting to have an organ actively working to convert data into information to ensure that mistakes are communicated effectively to others in the organization with the aim of increasing the learning effects of failures." Although this is not practiced, they believe it could be a great addition to filter out information that is not as relevant.

Building a culture that embraces learning from failure takes time and requires sustained effort. It involves developing guidelines and practices that support continuous evaluation and adjustment based on both successful initiatives and mistakes. Such a culture will not only attract creative and risk-taking talents but also help keep the organization dynamic and adaptable in the face of changes and challenges.

Overall, "Learning from Failure" represents a vital philosophy for any organization that wishes to lead in innovation. By accepting and embracing mistakes as an inevitable part of the innovation process, and by focusing on the learning and development that follow these mistakes, organizations can not only improve their current practices but also lay the groundwork for future success and growth.

5.6 Summary

In this section, we have employed an inductive approach to code the data that has been collected. The aim is to understand the innovation culture at Netflix and Tomra. Through interviews with participants from Tomra and secondary data analysis of Netflix, the researcher has identified key themes such as values, autonomy, and openness as central to fostering innovation. These themes were further consolidated into five main topics: having a set of values supporting innovation (Values), giving the employees freedom and responsibility (Empowerment), being development-oriented on both firm level and among employees (Development Orientation), being open, honest, and direct in communication (Candor), and learning from mistakes (Edify), all of which are considered critical for building an effective innovation culture.

These findings demonstrate the multifaceted relevance of our suggested theoretical framework presented in chapter 2. A foundational set of values supportive of innovation resonates with the attributes proposed by Robbins & Coulter (2021) and Dobni (2008), which facilitate an understanding of innovation intentions and help set entrepreneurial contexts. Empowerment enhances the skills necessary for recognizing opportunities (Robbins & Coulter, 2021), aligning well with individualistic societies as outlined by Hofstede et al. (2010). Development orientation plays a critical role throughout the entire innovation process, from resource acquisition to venture development, as highlighted by Bessant & Tidd (2015). This orientation also prepares individuals to navigate ambiguous situations, which are inherent to developmental processes (Robbins & Coulter, 2021). Candor supports multiple dimensions of Robbins & Coulter's (2021) dimensions of innovation, particularly in fostering tolerance for impractical ideas, providing positive feedback, and managing conflicts effectively. It is particularly effective in societies with low power distances, such as those described by Hofstede et al. (2010), facilitating a flatter organizational hierarchy and ensuring that voices across the organization are heard. Finally, the concept of edify should be integral to an innovation infrastructure that permits budgeting for errors (Dobni, 2008), a practice well-aligned with the cultural attitudes towards uncertainty in both American and Norwegian contexts (Hofstede et al., 2010).

6.0 Results

6.1 Introduction

The main purpose of this study was to examine the cultural characteristics within Netflix and Tomra to gain an understanding of how Norwegian companies can organize culture as a way of fostering innovation.

The study maps which cultural factors contribute to success in innovation work in companies and, at the same time identify the traits that can inhibit this process. The analysis is carried out through an investigation of the organizational culture of the two selected companies mentioned above. Bessant & Tidd's (2015) process model for innovation is used to decode the concept of innovation itself, while Hofstede's cultural dimensions (2024) helped to analyze the national cultures in the U.S. and Norway. Furthermore, Robbins & Coulter's (2021) dimensions for stimulating innovation through culture have been found useful to explore cultural features of Netflix and Tomra that promote innovation. Dobni's (2008) contextual dimensions have provided insight into the necessary organizational prerequisites for innovation. These theories are integrated into our suggested theoretical framework which provided a comprehensive analytical model that not only promotes the understanding of the innovation process but also how cultural aspects influence it. The framework sheds light on the innovation ecosystem, and the companies' practical contributions clarify how the theories manifest themselves in reality.

In this study, innovation is defined as a phenomenon characterized by novelty, utility, and actual application (Bessant & Tidd, 2015, pp. 1-43; Jones, 2013, pp. 388-408). Organizational culture, in turn, is defined as the basic assumptions, values, and norms shared by the organization's members (Jones, 2013, p. 201; Chatman & O'Reilly, 2016). Based on these definitions, one main research question and two sub-research questions have been formulated to investigate how organizational culture can be used as a strategic tool to promote innovation:

- Main research question: *"How can Norwegian companies use organizational culture as a tool to foster innovation?"*

- Sub research question 1: *"Which cultural traits promote or prohibit innovation and how do they foster innovation?"*
- Sub research question 2: *"What are the similar and different variables in the innovation culture of Netflix and Tomra?"*

To answer these research questions, the methodology is centered around examining the organizational culture and innovation practices in the selected companies through semi-structured interviews (see Appendix 2). Considerable time was also invested in analyzing background information about the companies to broaden the understanding of their contexts and practices. The research method includes in-depth interviews with nine employees at Tomra, a review of interviews given publicly at different times by Netflix, a systematic literature review, and observations.

This concluding chapter is divided into four sections. The first section serves as an introduction. The second section presents the most important findings from our observations and discussions and relates these to existing literature. The third section addresses the study's limitations, while the fourth and final section provides recommendations for further research.

6.2 The major findings

In order to understand how Norwegian companies can structure their organizational culture to foster innovation, one must identify the cultural characteristics that either promote or inhibit the innovation process. In this study, which focuses on Netflix and Tomra, it is also essential to analyze the similarities and differences in their cultural features to understand which variables are suitable in the Norwegian context.

As previously discussed in chapter two, organizational culture varies based on different contexts (Dobni, 2008; Hofstede, 2010 & 2024). It is therefore important to identify the basis for comparison that defines the success criteria and identify potential risk factors in developing a culture that promotes innovation in organizations.

6.2.1 Cultural traits promoting innovation

Building an innovation-oriented organizational culture is a challenging task for every company, but at the same time, it is a crucial component in a world characterized by constant

change. Both Netflix and Tomra have long recognized the importance of this and have developed unique organizational cultures that promote innovation. Despite the fact that their organizational cultures are different, there are many common characteristics that appear to be omnipresent. This supports the claim that organizational culture is one of the most effective tools for organizing innovation (Robbins & Coulter, 2021, pp. 209-210). In the following subsections, we will present the major findings of the study supported by other previous studies.

Setting Values and cultural practices to stimulate innovation

One of the key findings of this study is that a value set supporting innovation is crucial for any modern business organization. This helps convey the norms and practices that characterize a company's unique strategic goals. To foster innovation, these particular cultural norms and practices must be oriented towards innovation. This alignment is reinforced by literature such as Hogan & Coote (2014), which suggests that values influence the norms within a company, shaping behaviors that drive innovative outcomes. Our study findings suggest that it is important to align a company's values with the seven cultural dimensions described in chapter 2.3 suggested by Robbins & Coulter (2021). However, our finding shows that there is a need to modify specifically the last dimension, i.e., from 'giving positive feedback' to 'giving all possible feedback in a positive manner'. These seven dimensions are also closely interwoven and mutually dependent. For example, 'acceptance of ambiguity' allows 'impractical solutions' as employees feel safe exploring new ideas without fear of negative consequences. In addition, 'minimal use of control' systems provides more freedom for experimentation, while 'tolerance for risk' accepts failure as part of the innovation process. Furthermore, 'tolerance for conflict' can lead to fruitful discussions that drive new ideas. And 'constructive feedback', both positive and negative, ensures continuous learning and improvement. Our data indicates that a shared understanding of goals and a desire to improve together is essential. Finally, we can say that these dimensions create a dynamic and supportive culture necessary for innovation, and should be communicated through the company values.

Empowerment and focus on goals rather than means is essential for innovation.

Employee empowerment is reported to strengthen commitment, efficiency, and other important workplace factors. By providing trust and autonomy while setting clear goals,

employees are given the opportunity to work towards the goals in their own way. This supports the importance of focusing on goals rather than means, as the work process can vary among individuals. Our findings show the importance of setting clear goals, allowing employees to understand those goals and what they need to achieve while giving them the flexibility to decide how to get there. This approach fosters innovation by enabling employees to use their creativity and initiative. This is further supported by Montreuil et al. (2019) and Hogan & Coote (2014), who argue that empowering employees and granting them autonomy significantly reinforce an organization's capability for innovation.

Development orientation, accepting ambiguity and tolerating the impractical promote innovation

It is also important to have a development-oriented approach at both the company and individual levels to promote innovation. Our data reveals that working together towards continuous improvement creates positive ripple effects for companies when working with innovation. This often involves dealing with ambiguity and tolerating impractical solutions on the way to achieving goals. A development-oriented attitude makes it possible to solve problems continuously and is confirmed by Büschgens et al. (2013), who highlight the importance of adapting to changes and persistently enhancing processes through having a growth mindset. Our data further exhibit that ambiguity and impractical solutions can be avoided or mitigated by planning with the highest capacity of an organization. However, this approach will not have positive consequences for any company as it means spending more resources on problems that may not exist.

Candor and directness in communication advance innovation

Open, honest, and direct communication can reduce unnecessary uncertainty in an organization. This facilitates information sharing and diversity of contributions in discussions, enabling organizations to make well-informed decisions and mitigate risks. Our data demonstrates that this type of transparency is essential for creating value within the organizations under investigation, aligning with Edmondson & Lei's (2014) research on psychological safety. Organizations characterized by high psychological safety and candor are better positioned to excel in innovation, as they foster an environment where information is accessible to all members. It is relevant for both Norwegian and American cultures in relation to their score of around 50 on uncertainty avoidance, which means employees can

take risks while being informed. This is important for bringing new solutions to the market in a way that meets customer needs and creates economic and social value.

Edify and tolerate risk foster innovation

Learning from mistakes is also of great importance in innovative organizations. When working with innovation, it is inevitable that not all attempts will be successful. Our data indicates that it is necessary to have room for error while pursuing innovation and that this should be done in an informed way. If mistakes are not tolerated, it will demoralize employees and deter them from taking risks for creative outcomes. Our finding is also supported by other literature, as it showed the importance of accepting and learning from mistakes to achieve significant breakthroughs in innovation (D'Este et al., 2012). Tolerating risk also contributes to creating value in companies through learning effects (Bessant & Tidd, 2015, p. 23).

6.2.2 Cultural attributes prohibiting innovation

As we have identified in the previous section, the key cultural traits for building an innovation culture in organizations, it is equally important to discuss the pitfalls of cultural attributes for innovation. Organizing culture is challenging, and failures are inevitable along the way. In the following discussions, we will highlight the most prominent pitfalls of cultural attributes identified in this study. As we mentioned earlier, the most significant inhibitors of innovation in the companies under investigation are bureaucratic attitudes and procedures, lack of trust, lack of development focus, lack of candor, fear of failure, and information overload.

Lack of edify and bureaucratic attitude prohibit innovation

In a company where cost control and risk elimination are prioritized over creativity and experimentation, employees will likely focus on safety and stability rather than pursuing new and innovative ideas and solutions. The challenge in managing innovation is that some degree of control is important for organizations. The case of Tomra exhibits the need for a certain degree of control, which respondents consider necessary for maintaining existing structure and finding balance when working on new ideas, even though there is a high degree of freedom at the employee level. The function of the cost centers in Tomra is to help make informed decisions. This correlates with keeping external controls minimal—where 'minimal' is the key word. It is not about eliminating all control systems, as was found

effective for Netflix. Tomra has shown a tendency to find a balance between allowing employees a high degree of freedom and exercising some degree of control while working on new ideas, as supported by the works of Ghosh & Srivastava (2021). Norway is a low power distance society, which favors independence and disfavors excessive controls. The presence of too much bureaucracy can therefore be seen as a factor inhibiting innovation, and Norwegian organizations need to avoid the pitfalls of bureaucratization in pursuing innovation.

Micromanaging, lack of trust and lack of responsibility hinder innovation

In an organization where leaders micromanage employees and require approval for even small decisions, an environment is created where employees feel inhibited and less inclined to propose or implement new ideas, as they do not feel trusted to take their own initiative. It is further supported by literature such as Hueske & Guenther (2015), who identified managerial attitudes—like a lack of commitment or an unwillingness to embrace change—as significant barriers to innovation. Other literature states that a culture that is overly focused on control and stability can significantly hinder innovation because it limits flexibility, which is crucial for innovative activities (Büschgens et al., 2013).

Considering the high-trust culture in Norwegian society in general and in the workplace in particular, Tomra demonstrates that employees can be trusted and given freedom in line with Norwegian culture. However, this high-trust work culture, along with the comfortable work environment at Tomra, can be explained from the perspective of the Norwegian workplace conditions that are determined by third-party agreements (employer, employee, and union). This type of work agreement is absent at Netflix. In contrast, Netflix relies on talent density to build trust, and the consequences for abusing trust are comparatively severe due to the lack of a safety net, which is provided by the Norwegian welfare system and third-party work agreements. At Netflix, abusing trust can lead to job loss, making it risky to violate the trust that employees receive, whereas Norwegian workers have the security of a welfare state acting as a safety net. Therefore, micromanaging, lack of trust, and lack of responsibility will hinder innovation, which further shows that it is important to build a capacity for avoiding these dimensions.

Lack of invesment in training and professional development prevent innovation

A company that does not invest in training or professional development for its employees, and where there are no incentives to learn new skills, will have employees who feel unmotivated to develop and contribute to innovative solutions. The need to develop skills often arises from encountering ambiguous situations and impractical solutions when working with innovation. By being development-oriented, both Netflix and Tomra demonstrate a commitment to creating good working conditions for employees, aligning with the available market opportunities that the companies can exploit. Since continual growth and development are strategies of both companies, the skills associated with recognizing potential opportunities in the market are of utmost importance to them. This indicates that a conservative policy regarding investment in training and professional development of employees would inhibit innovation and reduce their competitive advantage in the market.

Fear of failure and discouragement in giving critical input suppress innovation

In a work environment where employees are afraid to express their opinions or give honest feedback due to fear of negative consequences, new ideas and critical input are suppressed. This contrasts with the theory that emphasizes creating value through learning from negative events (Edmondson, 1999). Additionally, creating value is not only about implementing a successful new product but also about preserving the learning effects throughout the process. Fear of failure undermines this by preventing valuable learning experiences. It also contradicts the principle of providing critical feedback in a positive manner. When employees are unable to express opinions and give feedback that may be crucial for innovation activities, an organization fails to develop a culture that facilitates innovation by sharing ideas freely. Innovation or new idea generation is less likely in a company where fear of expressing honest opinions and fear of failure are part of its organizational culture.

Punishment and lack of tolerance for risk and conflict restrain innovation

An organizational culture that punishes mistakes by belittling or penalizing employees who fail, instead of using mistakes as learning opportunities, leads to employees avoiding risk. This prevents them from trying out new ideas that could lead to innovative solutions. This aligns with the theory that organizations must tolerate both risk and conflict to enhance innovation capabilities (Robbins & Coulter, 2021; Montreuil et al., 2019). Our study shows that both Netflix and Tomra believe in failing and learning quickly from mistakes, which allows the companies to continuously innovate. Both companies also acknowledge that fear

of failure not only slows down the occurrence of mistakes but also minimizes the learning effects that come from failing.

Lack of structural follow-up is also highlighted by our respondents as a barrier to innovation. Without a systematic approach to documenting and learning from mistakes, valuable insights can be lost, leading to repeated errors. The negative effects that come from not documenting failures, is that less people can learn from the failures. Edmondson (2023) supports this point, referencing her previous studies which show that hospitals reporting more errors ultimately performed better, as this allowed information to flow freely. Conversely, hospitals that underreported errors appeared to make fewer mistakes but were less successful overall. At Tomra, it is reported that this issue isn't solely about inadequate reporting; it can also involve information overload. Excessive data without the ability to convert it into useful information can be as harmful as failing to learn from mistakes. Our study suggests that establishing a function dedicated to translating data into actionable insights to enhance learning in the organization is important for innovation. This strategy highlights the critical importance of learning from mistakes.

6.2.3 Similarities and differences between the research objects

Regarding similarities, both companies emphasize the importance of setting strong values as the foundation for culture and practice, particularly concerning innovation. They have been investing substantial resources in building and maintaining their culture of innovation.

Another key aspect for both companies is the emphasis on autonomy and responsibility. They prioritize giving employees freedom and responsibility, which is crucial for promoting innovation and job engagement. Empowerment is viewed by both organizations as essential for fostering innovation. Additionally, both organizations focus on talent and development through cultivating environments where employees are driven by a desire to grow and learn through their approaches to talent management and development.

A system of open and honest communication is a core component of the innovation culture that both Netflix and Tomra emphasize. This practice leads to faster and better decision-making, supported by a strong feedback culture in both companies. Moreover, both

organizations maintain a culture that acknowledges failure, recognizing its role in the innovation process.

Both companies support risk-taking, emphasizing the importance of taking informed risks and providing support to employees throughout the innovation process. This includes permitting mistakes and allocating resources to innovative projects, underscoring their commitment to fostering a culture of continuous improvement and innovation.

Regarding differences, both companies differ in terms of setting values. Although both are oriented toward innovation, Netflix focuses on talent density, candor, and eliminating control systems, while Tomra focuses on innovation, passion, and responsibility as part of their innovation strategy.

Netflix thus has a stronger focus on ends rather than means—a practice that isn't feasible for Tomra due to governmental regulations. For instance, Netflix can fire employees at will, whereas Tomra cannot practice it in the same manner due to rules and procedures in place due to the third-party collaboration system in Norway. Furthermore, the sustainability reporting system is another significant aspect of innovation that Tomra needs to take into consideration, both as a governmental requirement and as part of their corporate social responsibility; there are no such requirements for Netflix. Therefore, Netflix is in a better position compared to Tomra to put more emphasis on ends rather than means. Norwegian culture, potentially influenced by its higher score on femininity, affects workplaces by putting greater emphasis on sustainability and collective well-being. In contrast, the U.S. work cultures focus on high achievement and success, often prioritizes economic gains and market leadership over sustainability and collective well-being.

Trust is another area where differences are evident. In Norway, trust is an inherent part of the work culture, while in the U.S., it is externally enforced with the consequence of termination if trust is breached.

Another remarkable difference is the elimination of bureaucratic control systems in both organizations. Netflix seeks to eliminate all control systems, fostering a high-trust environment with minimal oversight. In contrast, Tomra provides freedom with a certain degree of hierarchy and bureaucracy to ensure that innovation-oriented activities align with

the company's vision and societal objectives, which is also seen by employees as comfortable. This structured freedom of employees supports Tomra's commitment to continuous improvement and innovation in accordance with the sustainability objective of the nation.

When it comes to development orientation, Netflix focuses on acquiring talent density, maximizing synergies through highly qualified individuals. Tomra, on the other hand, emphasizes employing people who fit within their culture more than just their talent. Important factors at Tomra are passion and continuous improvement, fostering a culture of personal growth regardless of the individual's starting point. Netflix prioritizes talent density and the benefits of having highly skilled teams, while Tomra places greater importance on nurturing a culture of passion and ongoing development.

6.3 Theoretical implications

The research presented in this thesis explains the role of the theoretical framework described in Chapter 2, examining the innovation culture at Netflix and Tomra. This framework has been instrumental in identifying key attributes that foster an organizational culture conducive to innovation. Nevertheless, the findings of this study not only reinforce existing theories but also extend them by offering a more nuanced understanding of how various cultural traits impact the innovation processes within organizations.

Firstly, the attribute commonly referred to as 'providing positive feedback' was evaluated. The study reveals that focusing solely on positive feedback may overlook the potential benefits of constructive criticism. It is found that all forms of feedback, whether positive or negative, are vital for creating a learning environment conducive to stakeholder development. Hence, this thesis proposes an enhancement to the existing theory: giving all possible feedback in a positive manner.

Secondly, the attribute of risk tolerance require further examination. The correlation between risk and the potential for failure is evident, underscoring the importance of both taking risks and learning from failures. However, the study advocates that risks and failures should be strategic rather than aimless, as not all failures yield beneficial learning opportunities. Thus,

the literature should be expanded to advocate for informed risk-taking, which ensures that organizations are well-prepared to manage potential downsides effectively.

Lastly, the focus on ends rather than means is found to vary significantly across different contexts. This thesis discusses how national cultures and legal frameworks can hinder an outcome-focused approach. For instance, Norwegian regulations and cultural attributes, such as labor laws, CSR regulations, and a cultural emphasis on sustainability, restrict Tomra's ability to prioritize outcomes over processes. Consequently, it is argued that the emphasis on outcomes must be contextualized to align with the environmental and regulatory conditions in which an organization operates.

In conclusion, this investigation contributes to the theoretical discourse by suggesting modifications to the existing framework on innovation culture, thereby providing deeper insights into the complex interplay between organizational culture and innovation.

6.4 Conclusion

From the discussion, it becomes clear that specific measures can be implemented to foster innovation through an organization's culture. In this thesis, both promoters and inhibitors of innovation have been uncovered in the two innovative organizations, Netflix and Tomra. The main goal was to uncover and answer the main research question:

"How can Norwegian companies use organizational culture as a tool to foster innovation?"

It is evident that this thesis has identified important practical variables for building an innovative organizational culture. The findings support existing theory and provide several proposals for actively transforming organizational culture towards innovation. Therefore, it is proposed that Norwegian companies can use organizational culture as a tool to accelerate innovation by establishing a set of values that support innovation (*Values)*, empowering employees (*Empowerment)*, investing in development-oriented employees (*Development-orientation*), enhancing transparency within the company (*Candor*), and encouraging a fail-fast and learn approach (*Edify*).

6.5 Limitations

This study contributes to a better understanding of how organizational culture can influence and promote innovation in companies operating in two different cultures and contexts. However, there are some limitations in relation to this research that should be acknowledged to put the findings in the right perspective and guide future research efforts.

Cultures of innovation, as defined and explored in this thesis, do not exist in large quantities on a global level. The phenomenon studied is relatively limited, new, and growing, making it an important candidate for further research. However, this type of organizing innovation management makes it challenging to identify a broad range of companies that actively practice and have developed mature innovation cultures. Although some companies have such cultures, the availability of data from these companies is limited.

Furthermore, Tomra and Netflix were selected based on their recognized innovative practices. During the course of the study, however, it became clear that several other companies could also have contributed to the innovation research. For example, companies such as Blank, Buurtzorg, RHD, Sun Hydraulics, Heiligenfeld, Morning Star, Holacracy, FAVI, ESBZ, Patagonia, AES, BSO/Origin, and Sounds True were identified. Due to the study's scope and time limits, it was not possible to extend the study to include those companies. This represents a limitation since the addition of more companies could have strengthened the study's conclusions and made the findings more generalizable.

Contact with Netflix was also a significant challenge. It took nearly a month to receive a final answer that they wouldn't participate. Despite excessive efforts through the use of the researcher's network and online mechanisms, little could be done to influence this situation. Although this was a limitation of the study, the researcher's efforts provided valuable lessons in perseverance and networking, as well as contact with several influential people within the industry.

These limitations emphasize the need for further research. Future studies should examine a wider range of companies across multiple industries to gain a deeper understanding of how different organizational cultures affect innovation. It would also be beneficial to develop a more robust method to quantify the effect of specific cultural practices on innovativeness.

This will help researchers and practitioners better understand which cultural elements most effectively promote innovation. By acknowledging these limitations, researchers can build on this work and contribute to an evolving understanding of the connection between organizational culture and innovation.

6.6 Proposals for further research

To further contribute to building and creating innovation cultures in Norway, there are several areas where additional research can help to strengthen and develop a more robust model.

It would be appropriate to quantify the data in the study to create a more measurable understanding of how cultural factors contribute to innovation. This involves identifying a number of successful innovation companies and testing the variables uncovered in this study to see if they are universal or context-dependent. For example, both Netflix and Tomra mention that they are less sensitive to risk, which suggests that companies with higher risk sensitivity, such as airlines or organizations in the oil industry, may have different results when applying these findings.

Another approach is to carry out longitudinal studies of companies that are actively working to develop their innovation culture. This would involve deeper involvement in a company over time to observe and participate in the internal development of the culture. The proposal suggests that the researcher should collaborate directly with a company that wants to implement and test the philosophy proposed in this thesis. Such an approach will allow researchers to see how the culture of innovation develops over time and how the proposed strategies affect the company's capacity for innovation.

By carrying out these research measures, one can not only confirm the validity of the identified factors but also expand the understanding of how different organizational and cultural approaches affect the ability to innovate in different sectors and business types. Such further research will be invaluable to managers and decision-makers seeking to cultivate a more innovative workplace in line with best practices identified globally.

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8.0 Appendix

Appendix 1: Interview candidates

Name	Job Title	Date/website
TMR1	Head of technical documentation	08.04.2024
TMR2	Sourcing manager	08.04.2024
TMR3	Project buyer	09.04.2024
TMR4	Project manager	09.04.2024
TMR5	Project manager	10.08.2024
TMR6	Head of design	10.08.2024
TMR7	Project manager	12.08.2024
TMR8	Electrical engineer	12.08.2024
TMR9	Senior communication manager	12.08.2024
Reed Hastings	Former Co-CEO, founder and chairman of the board	https://open.spotify.com/episode/1QfjghRAGlAa5AR3GoQiFe?si=lS822lMQTB6l39sYhTSbYQ https://www.youtube.com/watch?v=mWz9q1hC2_w&t=5s
Ted Sarandos	Co-CEO	https://www.youtube.com/watch?v=W9j9q_EdaNk&t=2s
Spencer Neumann	CFO	https://www.youtube.com/watch?app=desktop&v=nFgeSYBZvko
Mike Verdu	VP of Games	https://www.youtube.com/watch?v=f3AoWWVEUIA&t=18s
Sean Krenkel	Studio director	https://www.youtube.com/watch?v=f3AoWWVEUIA&t=18s
Elizabeth Stone	CTO	https://www.youtube.com/watch?v=2XgU6T4DalY&t=20s
Greg Peters	Co-CEO	https://www.youtube.com/watch?v=rj8It1dbpu4

Appendix 2: Interview guide

Introduction:

Hi, and welcome to interview in relation to my master thesis. Before we start, I want to thank you for taking the time meeting with me. I also sent you an information script on Friday, Have you had the chance to look at it or should I do a quick introduction of the project? therefore

Ok, so my thesis is about using OC as a tool to accelerate innovation. I come from a family of entrepreneurs, have been a part of a failed start-up, run my own company, I have a bachelor in entrepreneurship and now a master in innovation. I'm also an aspiring doctorate, and I am using this thesis as a leap toward my academic career. I'm therefore comparing Netflix and you guys to understand how we can build a more resilient innovation culture.

In this study, I'm going to ask you a series of questions to delve into your experience related to OC and innovation. I would like to specify that in this interview, no answer is wrong, and honest and candor is appreciated highly. Some of the questions might seem big, and I wish I had the time to delve deeper into certain parts of the topics, but for now we'll stick to the bigger themes. I'm therefore encouraging you to reflect on the questions, and I will give you keywords along the way so that we stay on track.

Before we start, do you have any questions?

Part 1: Introduction (5 minutes)

To kickstart the interview, could you start by telling me a little about yourself and who you are?

- Your role and responsibilities?

- How long you've been working here and some of your prior experience?

Part 2: Organizational culture (15 minutes)

1. How would you describe the organizational culture in Tomra?

   a. Can you give an example of how this culture is expressed in day-to-day work life?

2. In which ways do you mean that the OC support innovation and creativity?

3. Can you mention any specific cultural practices or traditions that you believe contribute to promoting innovation at Tomra?

   a. For example: Ambiguity, impracticality, control systems, risk, conflict, goalsetting and/or feedback?

4. In relation to your previous work experience, is there anything about the OC at Tomra that stands out in a positive way with respect to innovation work here at Tomra?

   a. Any negative notations?

5. In your opinion, how would you say national values and prejudices affect the innovation processes at Tomra?

   a. The fact that Tomra is well-marked in the world has a positive impact on the way you view innovation? (Germany, New Zealand, Belgium, California).

Part 3: Innovation practices (15 minutes)

1. Can you talk about the importance of innovation for a company like Tomra?

   a. What are the drivers and barriers for innovation at Tomra?

      i. For example: the market, the customers, social factors or other things?

2. How does Tomra implement innovation projects?

   a. Can you describe the process?

      i. Goalsetting, resource allocation, responsibility allocation, initiators?

3. In your opinion, what type of organizational structure is necessary to facilitate innovation in an organization?

   a. For example: Power distribution, Resource distribution, control mechanisms.

Part 4: End (5 minutes)

1. Is there anything else you think is important to mention that we haven't covered, especially with regard to organizational culture and innovation?

2. Do you have any closing thoughts on how organizational culture can be used more effectively as a tool to accelerate innovation?

I just want to thank you for your time and your insight into the study.

As regards the progress of the study, the assignment must be submitted on 24 May. I aim to send you a draft as soon as possible, and I hope to do this before the 5th of May. This gives you the opportunity to review the material to ensure that your contributions are correctly represented and that your answers are correctly reproduced. As mentioned earlier, your identity will be protected in the assignment through the use of a pseudonym. You will know which pseudonym has been assigned to you, so that you can easily identify and read what is written about you. Should you wish to withdraw from the study, wish to make changes to your contributions, or have other reservations, you will have plenty of time for this.

Between May 5 and the final submission date of May 24, some adjustments may be made to the assignment. However, these changes will not be of such a nature that they affect how your contribution is represented.

Bonus round:

Part 1: Interaction and communication (10 minutes)

1. How does Tora encourage cooperation and knowledge sharing across different departments and teams, and how does this support innovation?
2. In which ways does internal communication affect innovation processes?
     a. Is there openness to sharing ideas and feedback?

Part 2: Support systems and rewards (10 minutes)

1. How is innovation and creative effort rewarded or recognized in the company?
     a. What if an innovative measure fails?
2. Do you have any specific programs or initiative design to support the employees innovation efforts?