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EXPLORING CONFIDENCE: ENTREPRENEURIAL LEADERSHIP IN NEWS MEDIA ORGANISATIONS

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Abstract

Leading a news media business has never been simple, but success in today's increasingly turbulent and competitive environment requires entrepreneurial leadership distinct from other behavioural forms of leadership. This paper reflects on both entrepreneurship and leadership in order to develop a construct of entrepreneurial leadership in the context of the contemporary news media industry. Then, drawing on original data collected through the 21-question World Newsmedia Innovation Study conducted in 11 languages, it considers the relationship between the firm's entrepreneurial orientation and the perceived performance of the organisation's leadership. Findings provide insights into how entrepreneurial leaders influence perceptions of organisational culture and future success. It also suggests that news media CEOs have work to do to gain the confidence of their staff, including their executive teams.

Introduction

Leading a news media business has never been simple, but it may never have been more challenging than it is today. In a period that has been described "this moment of mind-blowing uncertainty in the evolution of journalism" (Domingo, Masip, Costera Meijer, 2014) there are few certainties.

According to a research done in Norway, it seems that newspaper management finds it hard to respond efficiently to the insecurity created by changes in the environment (Krumsvik, 2014). An UK survey among broadcasters found that although many companies are dynamic and adopt dynamic responses to changes, there are a number of firms that were struggling to adapt. According to the findings, "These companies

thought that their current capabilities were not sufficient to meet their financial objectives and that their company was adapting too slowly to change” (Oliver, 2013).

News media organisations struggling to cope in this complex and volatile environment would do well to consider recent management literature (Brown, Eisenhardt, 1998; Bettis, Hitt, 1995) that observes the growing ineffectiveness of more traditional approaches to strategy and the need for an entrepreneurial approach.

Literature

Entrepreneurship has long been recognized as a leading driver of development in local, regional, and national economies (Schumpeter, 1934) and Gupta et al (2004) note that it can also be considered critical for the ongoing success of established firms that face increased competition. For intrapreneurship to flourish in such firms, an entrepreneurial orientation is critical – firms with an entrepreneurial orientation adapt their capabilities to meet emergent competition (Ibid).

The challenges for such firms is to develop the capacity to continuously identify and exploit new opportunities. Contemporary management literature points out the competencies associated with success stable environment are not sufficient. Thus the traditional orientation towards planning, implementation and control has shifted to an emphasis on value creation through empowerment and decentralization (Osborne, Gaebler, 1992; Peters, 1992; Light, 1997).

The concept of entrepreneurial leadership draws together the notions of “entrepreneurship” (Schumpeter, 1934), “entrepreneurial orientation” (Miller, 1983; Covin, Slevin, 1988), and “entrepreneurial management” (Stevenson, 1983) with leadership. It emphasizes the need to for a strategic approach to entrepreneurship, so that the entrepreneurial initiatives can build the firm’s capacity to continuously create and appropriate value. In doing so, entrepreneurship can form a basis for competitive advantage and growth in all types.

Gupta et al (2004) note that the literature points out leaders’ need to foster four key conditions if this entrepreneurial orientation to thrive in their organisations. The first condition is the creation and effective communication of an entrepreneurial vision. The second is processes that nurture and support innovation, such as systems for rapid product design, development, and commercialization (Quinn, 1985), or systems that encourage innovation champions, allowing them to shape the success of new products and business ventures (Howell, Higgins, 1990; Shane, 1994). The third important condition is the presence of adequate processes to generate or secure resources and expertise for

entrepreneurial efforts (Daily, Dalton, 1993). The fourth condition is the capacity to facilitate continuous exploration and idea generation (Jelinek, Litterer, 1995).

Drawing on data from the 2013-14 World Newsmedia Innovation Study (Nel, Stone 2014), we set out to investigate (a) the presence of these four conditions for entrepreneurial action in news organisations worldwide (including Russia, UK, France, Portugal and Spain among others) and (b) we then consider how this might influence on how much confidence executives have in their organisations' leadership.

Method

We operationalize the construct of entrepreneurial leadership in news media organisations by identifying activities that lead to the four conditions for entrepreneurial action identified by (Gupta et al, 2004) using data from the WNIS 2013-14 survey (Nel, Stone, 2014).

Researchers from the World Newsmedia Network and the University of Central Lancashire surveyed 140 news media decision makers from November 2013 to June 2014 in 49 countries worldwide. Respondents to the 22-question survey came from the following 10 major cultural clusters of the world: Latin America, Latin Europe, Anglo, Nordic, Germanic, Eastern Europe, Southern Asia, Confucian Asia, Middle East, and Sub-Saharan Africa. Of those, 63 per cent were from developed nations and 37 per cent from developing nations, according to the the World Bank classification. Thus, both technology-saturated conditions and more varied environments, such as found across the BRICS nations (Brazil, Russia, India, China and South Africa) were represented in the study (for details on survey instrument, see Nel & Stone, 2014).

We isolated responses to the questions that identified those activities that would underpin the four conditions for entrepreneurial action. We then compared those findings with the extent to which the respondent expressed their confidence in their editorial, commercial, technology and senior management teams. The data was scrutinised using SPSS.

Findings

Year 2014 findings showed that change is on the agenda for the vast majority of news organisations (82.4 percent) - but that the fire is not burning as hot as it might. Fewer than one in four of the survey participants from 49 countries strongly agreed that there is urgency within their organisations that they must do so (23.2 percent).

Responses to the 2013-14 survey also suggested that the senior management teams in media organisations have work to do to convince

their colleagues that they are up to the challenge of successfully managing their companies, and many seem to doubt it themselves.

When asked to indicate to what extent they had confidence in the senior executive team – including top managers (owners, CEOs), along with senior editorial, commercial and IT managers – less than a quarter of respondents strongly agreed that they are able to deliver what is required to ensure their business enjoy future success. Top managers had the full confidence of just 21.7 percent of respondents, followed by editorial, 18.6 percent; IT, 14.3 percent; and commercial, 11.2 percent.

More than a third of all respondents either disagree or are neutral about the capacity of senior executives. Some may put this down to the nature of the organisations themselves, but there may well be more to it.

Of course, there's the view that the arrival of any new boss will be met by a third of the staff who will support them, a third who will doubt them and a third who need to be convinced. But these findings may indicate something more profound. After all, the respondents to this study are themselves decision makers.

While it's important for leaders to be self-reflective and questioning, when that tips over into crippling self-doubt it paralyses organisations. And this much is clear: at times like these, the industry does not need to keep drifting down the same river with an executive team too afraid to chart a new course.

Respondents are generally positive that the culture in their organisations encourage innovation, but only 14.2 percent strongly agree with that view. The starting point for overcoming doubt and fostering a culture of innovation is much the same. The leadership must have clarity about the purpose of their organisation and be able to articulate a compelling - and convincing - vision of the direction of travel.

Since this is a work in progress, the data will be further analysed in relation to the four conditions for entrepreneurial action as summarised above.

Conclusion

Whatever else senior executives need to do to transform their businesses, findings from the last World Newsmedia Innovation Study highlighted that they should not lose track of this: As a matter of urgency, the news media leaders worldwide need to reaffirm their visions of what future success will look like and articulate it in ways that convince not only their staffs, investors and other stakeholders, but also themselves. [NOTE: In our presentation, these findings will be compared with the preliminary results of 2015 survey]

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