

# The attempt to be up front despite major challenges

*Innovation in Switzerland's public service media as a contribution to society*

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## ABSTRACT

One of the core values of public service media (PSM), as described by the European Broadcast Union, is innovation. While innovation is usually written as an important contribution to society by public service broadcasting, there are only a few studies that examine how public service broadcasting organisations practice innovation management. This chapter uses a case study of the Swiss public broadcaster SRF to examine the ways in which innovation management has been practised in this organisation. Results show that SRF was able to foster innovation in terms of products, technology, and processes despite organisational inertia and various setbacks. These experiences of transforming the organisation in the direction of an innovation-promoting PSM might be its main contribution to society.

**KEYWORDS:** public service media, innovation management, organisational transformation, case study, Switzerland

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## Introduction

Public service media (PSM) face major challenges not only with respect to developing new formats for so-called digital natives, but also in respect to distribution, production processes, organisational structure, and organisational culture. Especially the viewing habits of young audiences fundamentally differ from traditional ways of using audio(visual) media. The new viewing culture is characterised by the ubiquitous presence of social media platforms as well as by mobile and non-linear use of content (Newman, 2020; Vázquez-Herrero et al., 2022). Along with this shift in media use comes a shift towards new audiovisual formats, many of which are produced by less-established providers (e.g., content creators). Furthermore, these formats are also characterised by breaking with traditional rules of television production (e.g., direct view into the camera or the use of jump-cuts). Some of these formats feature new forms of interactivity, for example, by including gaming elements, reporting on various topics from a more subjective point of view, and so on (Cunningham, 2014). For these reasons, among others, the demands to once again reinvent PSM during the last decades (Baroel & D’Haenens, 2008; Galán-Cubillo et al., 2021; Iosifidis, 2010) and to innovate its services and organisation seem to be appropriate.

The realisation of innovation is particularly challenging for public broadcasting organisations, since they are mandated to offer a contribution for the whole society. This means they must still serve existing audiences mainly using traditional (linear) PSM formats, as well as young people attracted by the new viewing culture. However, some countries restrict PSM’s online activities even though the development of new online formats is essential for reaching young audiences (Donders, 2021). At the same time, politicians, stakeholders in media, and other actors concurrently demand “innovation” in PSM organisations as a distinct contribution to society. This demand is intended to empower PSM organisations to become a role model for the national media industry, to promote growth and development, and to win back target groups that have hardly been reached so far (e.g., young audiences). In the UK, Belgium, and Switzerland, the charter or licence explicitly requests innovation from public service broadcasters (Lindmark et al., 2013).

This often-vague demand for innovation raises questions about the feasibility and management of innovations in the PSM sector. Based on a case study about organisational change in the German-speaking enterprise unit SRF as a part of Switzerland’s public broadcaster SRG SSR, in this chapter we aim to answer the following questions:

- RQ1. How does the Swiss public service media try to foster innovation within its organisation to reach young audiences?
- RQ2. To what extent can innovation of the Swiss public service media be considered a contribution to society?

## Management of innovations in public service media: Theoretical considerations

The disruptive change of the media landscape poses an immense challenge, not only for PSM, but for all media organisations. They must adopt formats, services, editorial processes, business models, and organisational structures (García-Avilés et al., 2018). Innovation is seen as “a crucial asset to the survival of the media industry” (Schmitz Weiss & Domingo, 2010: 1158). In response to the need for transformation, media organisations should thus actively develop “innovative organisational strategies to adapt to these dynamics” (Baumann, 2013: 77) by means of innovation management.

Innovation management is generally understood as “the conscious and controlled process of generating, developing/conceptualising the actual innovation (e.g., new technology) and its implementation in the company or on the market [translated]” (Schawel & Billing, 2017: 161), respectively the creation of conditions for “cooperation processes between the actors affected by (potential) technical, economic or social innovations and for linking their social practices [translated]” (Zerfaß & Möslein, 2009: 33). According to a broad understanding of innovation as “introducing something new into the socioeconomic system” (Storsul & Krumsvik, 2013: 13–14) – respectively as the implementation of a new or already existing idea that adds value to customers, a (media) organisation, or the society that allows for helping to solve an identified problem (see García-Avilés et al., 2018; Trappel, 2015)<sup>1</sup> – innovation management relates to changes in products or services, processes, (market) position, paradigms, or social life (Krumsvik et al., 2019). This means that media innovation may relate to changes in how products or services are created and delivered (Shtern et al., 2013), how services are positioned in the market (involving, e.g., marketing or packaging), or to changes in mindset, business models, and so on (e.g., not focusing on linear television but on non-linear online services).

These forms of innovation “can represent a gradual improvement, or they can embed more fundamental upgrades” (Krumsvik et al., 2019: 197). Whilst incremental innovation comprises gradual improvements, radical innovations have far-reaching consequences that may end in a disruptive turn of a whole market or field of society (García-Avilés et al., 2018; Krumsvik et al., 2019). The management of innovation is not limited to the commercial sector; it can also be implemented in the not-for-profit sector, like PSM (Krumsvik et al., 2019). However, innovation management of news media, and PSM in particular, is more challenging, since it needs to incorporate PSM’s normative purpose in the management of innovation by “maintaining a commitment to quality and high ethical standards” (Pavlik, 2013: 183).

## *Strategies of innovation management*

The way organisations manage innovation differs according to their objectives, culture, and environment. Traditionally, innovation is developed within in-house research departments. In contrast:

[Media organisations rarely have] research and development (R&D) functions or budget lines. On the contrary, they have traditionally relied upon suppliers of technology [...] to conduct R&D and come up with new ideas to stimulate the creation of adequate new media content. [Companies] manufacturing continuous creation products focus on improving their selection and packaging of content. Both activities emerge from daily operations and do not need a dedicated R&D department. (Dal Zotto & van Kranenburg, 2008: xvii)

This observation may have applied to print media, whereas audiovisual media have always had the need to develop, or at least to adapt, new formats. Within television production companies, this task was often centralised within a specialised unit located at the upper management level (Deuerling, 2016). This way of institutionalising innovation is a common feature of companies operating in industries with low market complexity or in stable markets, which television relatively was before the diffusion of online services (Baumann, 2013). It allows for fast decisions and is suitable for incremental innovations (that is, “gradual improvements”) (Storsul & Krumsvik, 2013: 17). However, this approach entails the risk of ignoring problems and ideas that exist in the organisation, especially on a lower level (Schawel & Billing, 2017). This may result in bootlegging, which is the development of innovation without official approval or allocation of resources outside current schedules (Hauschildt & Salomo, 2010).

In any case, this form of gradual innovation is no longer sufficient in today’s disruptive change in use, formats, content, and so on, triggered by digitalisation. Media companies, and PSM organisations in particular, are faced with the challenge of implementing radical innovation to fulfil their tasks and maintain their legitimacy in society (see Fehlmann, Chapter 2 in this volume). Thus, companies have come to more complex and diverse forms of institutionalising innovation within their organisations. Unlike the formation of a centralised unit, there are two other basic forms to implement innovation within the organisation.

First, innovation can be organised peripherally by one or more production or service units on a lower level. This fosters the inclusion of employees’ ideas and experience from various areas but bears the risk that management loses sight of the different activities. Therefore, some companies coordinate decentralised innovation units with a centralised unit on the higher management level or an “innovation board/team” put together with members of the

upper management level and employees from the various innovation units or teams (Deuerling, 2016).

Second, the development of innovation can be set up in “innovation incubators”, which are units operating with their own staff independently from the rest of the company and often accountable only to the top management. Such units are usually implemented if an organisation aims to develop radical or disruptive innovation. The advantages include the possibility to try out various forms of innovation without having the pressure of immediate success, preventing the daily business both from disruption and from struggles between employees promoting innovation and others who oppose it (Weber et al., 2018). Furthermore, innovation incubators can be structurally implemented in different forms: by building a new business unit with its own staff, administrative control, and so on; by setting up a new subsidiary; by setting up a new subsidiary in cooperation with another company; and by acquiring an innovative company (often a start-up) instead of developing innovations themselves (Hauschildt & Salomo, 2010). In the latter two forms, external resources are involved in the innovation process as idea providers, developers, or implementers, regardless of their organisational affiliation; thus, it’s a form of “open innovation” (Möslein, 2009: 16). This allows the possibility to include more perspectives to address problems and to expedite the innovation process by networked communication (Benkler, 2016). On the other hand, it may lead to questions about who retains control over the information disclosed and whether the organisation is able to coordinate the flow of information and use it profitably (Weber et al., 2018).

### *Innovation as a holistic transformation process*

However, implementing innovations in specialised, usually project-based units does not only have advantages. It also bears the risk that innovation does not diffuse in the organisation and that most resources are still used to produce existing products or services and that conventional ways of producing or solving problems based on existing skills, but also existing power structures, remain. By implementing innovation in incubators or similar forms first, the development of innovation and a major organisational change at the same time can be avoided. This may lead to a weakening of the organisation’s position compared with its new competitors in fast-changing markets such as the media market. To further increase a successful innovation management process, some literature suggests that the development of innovation should not remain the domain of one or some individual departments or incubators; rather, the structure and culture should be designed in such a way that the entire company is attuned to the development of innovations, thus transforming itself into an innovation-conscious or innovation-promoting organisation. Such an organisation tries to implement the development of innovation at

various levels and includes this objective in everyday decisions on budgets, projects, and so on (Hauschildt & Salomo, 2010).

Nevertheless, in most organisations, (radical) innovations are first developed in incubators and then gradually spread throughout the organisation. Among other benefits, this has the advantage that the autonomous organisation unit grows and evolves more easily with the market (Küng, 2015). Simultaneous development and implementation of innovation would slow down the process and limit the opportunities to innovate.

Innovations in general, and radical innovations in particular, require profound changes in many organisational aspects. In addition to work processes, technologies, and the employees' skills, changes usually occur in corporate goals, business models, and organisational culture. Therefore, innovation management mostly causes organisational change, at least in the medium and long term.

With this organisational change, driven by innovation, the knowledge base in an organisation also changes. This organisational knowledge is created through the interaction of perceptions and behaviours within certain organisational structures (which are specified, for example, by organisational charts, policies, procedural instructions, etc.). This form of knowledge is often understood as the basis of processes and norms stored within the organisation and manifested in organisational action. Thus, organisational learning and transformation are based on a shift in the construction of knowledge about the environment (e.g., development of the relevant market, competition, technical innovation, and customer needs), the self-perception of an organisation (objectives, values and norms, processes, formal and informal networks, etc.), and the knowledge of the individuals (expertise, experience, perception of the customers, and the market) (Miebach, 2012).

Throughout this process of organisational learning and transformation, knowledge constantly changes, and thus innovation strategies and strategic decisions can also undergo further shifts. This is often a conflictual process and by no means a linear one. There are various issues that can cause conflicts, such as violating core values or challenging accepted problem-solving methods. Especially in PSM organisations, whose identity is strongly influenced by traditional values and contemporary developments, such conflicts are probable (Lowe & Maijanen, 2019). If innovation management wants to be successful, it must address these potential issues and elements in its strategy by specific approaches. Table 12.1 shows some of these potential elements that foster either change or inertia within an organisation.

**Table 12.1** Elements fostering change or inertia within an organisation

| Elements fostering change   | Elements fostering inertia  |
|---|---|
| Creation of creative leeway and incentives for employees (e.g., by making time or financial resources available)        | Innovation violates personal core values, personal disadvantages expected (devaluation of own expertise, dismissal, restriction of power) |
| Networking of actors to motivate and support learning processes   | Innovation challenges accepted ways of problem solving  |
| Mastering ambidexterity: using existing resources to develop both incrementing and radical innovations at the same time | Lack of “error culture” and management  |
| Encouragement: making the real value of the project clear; participation  | Lack of encouragement and reward of creativity and critical thinking of individuals   |

Source: Disselkamp (2012); Hauschildt & Salomo (2010); Küng (2017); Schawel & Billing (2017); Weber et al., (2018)

### *Innovation as a challenge in public service media organisations*

Many of these theoretical assumptions about innovation management and associated challenges are also relevant in the context of PSM. Various case studies show that a variety of PSM organisations have engaged in innovation projects seeking to transform their organisational structures. One example is an anthology about PSM’s innovation activities that shows a wide variety of such projects in various countries (Túñez-López et al., 2021). Similarly, Donders’s (2021) comparison of European PSM depicts a tendency to implement different dimensions of innovation: Some focus on content-related innovations, others on process-related aspects. Somehow contrary to this result is the latest study by Direito-Rebollal and Donders (2022): Comparing PSM in three European countries, they concluded that PSM innovation strategies remain on a “technology-centric approach” that rarely encourages public participation of the citizens.

Other studies indicate the difficulties in implementing innovations within PSM organisations. Lowe and Maijanen’s (2019: 15) study on how four European PSM organisations redefined their remit in order to become more attractive to young audiences suggested that balancing “the heritage broadcasting logic and an emerging digital media logic” is a challenge for management in the context of “strategic development as a value transformation process”. In a similar vein, van Dijck and Poell (2015) pointed out that new innovative formats made for social media platforms put PSM in dilemmas between their core values and the affordances of social media platforms. Nevertheless, they also concluded that experimental formats can strengthen PSM’s mission or even set benchmarks for the industry, which may encourage replication of such formats as well as collaboration.

Yet, some studies show that organisational inertia is another obstacle for a successful implementation of innovation. For instance, Küng (2007) showed the BBC's difficulties in introducing online news due to various resistance within the organisation. Different forms of organisational inertia often arise from the fact that there are usually diverse visions within these organisations regarding the identity of PSM in the Internet era and the notions of traditional PSM values and traditional journalistic standards (e.g., Burns, 2008; Cunningham, 2015; Lowe & Maijanen, 2019).

## *Hypotheses*

Based on these theoretical considerations, we derive three hypotheses which we test on our case study on the introduction of innovation at Swiss PSM unit SRF. Considering that especially radical innovation is mostly developed in “incubators” and later overtaken in a process of organisational change that is also based on shifting perception and the knowledge base of the organisation, we make a first assumption:

H1: When SRF introduced innovation, it first did it in incubators, later by transforming the organisation.

Since some of the latest studies on innovation projects showed that PSM take a technology-centric approach, we make a second assumption:

H2: SRF mainly introduces technological innovation rather than other forms of innovation (e.g., products, processes).

As some of the mentioned studies have shown, innovation faces resistance from within the organisation, thus our third assumption:

H3: Organisational inertia is strong and hinders the introduction of innovation.

## **Methodology and case study**

In the following, the way that PSM implements innovation is analysed via a case study on Switzerland's German-language PSM unit SRF [Schweizer Radio und Fernsehen]. This case was chosen for several reasons: SRF is the biggest among the five enterprise units that are part of Switzerland's PSM organisation, SRG SSR, that produces radio, television, and digital content for each of Switzerland's language regions. This unit has also introduced the most ambitious innovation project (“SRF 2024”) of all the business units. At the same time, PSM in Switzerland are under political pressure despite being dedicated to informing and entertaining audiences in a way that contributes to social cohesion (Künzler, 2013). Especially the licence fee that makes up approximately 75 per cent of the SRG's revenues has been the subject of



controversy. In 2018, there was a referendum regarding the abolition of these fees (Tresch et al., 2018). Despite this rejection by citizens in 2018, PSM opponents have again started collecting signatures for a new referendum aimed at halving the household fee.

Media policy has responded to this development by requiring SRG SSR to make financial savings, produce more efficiently, and at the same time increase its capacity for innovation by expanding its digital offering. In the current remit of 2018, the Swiss federal government obliges PSM to achieve “a high degree of creativity and innovation through a particular willingness to take risks” (Art. 9.2), to develop “new formats characterised by a high degree of innovation concerning the creative work” (Art. 11.1), and to implement “an innovation management system” (Art. 11.2) [translated] (UVEK, 2018).

The following analysis of how innovation is fostered within the Swiss PSM organisation is based on a combination of document analysis and expert interviews. We collected and analysed different documents shedding light on the structure of the organisation and its strategies. These documents include annual reports, organigrams, websites, and strategic papers (publicly available or handed out by members of the organisation). The analysis of these documents allowed, on the one hand, the reconstruction of the organigram and its changes. On the other hand, some of the management objectives and knowledge gaps could be identified, which were subsequently taken into account when creating the questionnaire and interviewing the participants (for the method, see Karppinen & Moe, 2019).

In addition to the document analysis, we conducted 32 semistructured, half-standardised expert interviews with producers, journalists, representatives of management, and former employees of SRF and SRG SSR headquarters between 2019 and 2020.<sup>2</sup> Four of the interviewees did not work at SRF and SRG SSR anymore, and eight more have left the organisation at the time of writing. We held interviews with employees from various hierarchical levels (from “newbies” to management) who were responsible for innovation or digitalisation. In addition to focusing on innovation within the organisation, this approach allowed to take differences between the various departments into account.

The interviews were conducted by Fiona Fehlmann and Matthias Künzler, recorded with the approval of the interviewees, and afterwards transcribed. At the end of each interview, we asked for recommendations for other potential interviewees. This allowed us to identify new respondents and also identify personal networks within the organisation. This strategy of “convenience sampling” (e.g., Marschlich & Ingenhoff, 2021; Robinson, 2014) in combination with theoretical sampling turned out to be appropriate: Each interview conducted with the first two-thirds of the interviewees always produced new and sometimes surprising or contradictory findings. After that, statements were sometimes repeated or led to only a few new findings. Additionally,

during the interview phase, it became apparent that the entire organisation was undergoing a reorganisation process. This – in addition to the Covid-19 pandemic – initially hindered the analysis and planning of the interviews. Ultimately, it was a coincidence that allowed us to observe the organisation's transformation as it was happening.

The analysis of the interviews was conducted computer-assisted using MAXQDA. We derived codes both from theoretical assumptions about innovation management and inductively from the interviews as well. The quotations that appear in this article have been translated from German, French, or Italian into English, and the participants' names have been replaced with alphanumeric codes.<sup>3</sup>

## **The long and bumpy road to innovation: Strategic responses to the perceived changes of the media market**

The following analysis is divided into two parts. In this first section, we analyse the strategies SRF has adopted over the last ten years to try to implement innovations. This allows us to respond to H1 and H2. In the following section, we show how SRF has dealt with organisational inertia and test H3.

### *SRF's strategic response in the 2000s*

At the end of the 1990s and in the 2000s, the development of innovation followed the traditional approach and was mostly centralised on an upper-management level at SRF. A former manager remembered that some projects designed to introduce digital services such as websites were mandated hierarchically. A project team received the financial means for the implementation of new digital services, then it successively expanded its staff until it eventually received its own editorial department and became a division of its own (M9).

This approach resulted in some innovations but caused negative effects of hierarchical mandated innovation, as described above. Innovation was disapproved of by many employees due to two reasons. One was the lack of financial resources for developing new services: Editorial departments often had to provide for these resources which diminished their budget for daily operations, as one former manager remembered (M9). The other obstacle to innovation was the mentality within the organisation. One interviewee illustrated this with an example: He remembered how one of his colleagues developed a “puzzle radio” that allowed users to put together their own radio programme with music, news, and talk shows of the organisation (M9, confirmed by E5).

It was innovative and won an award at the Prix Europa. And the discussion at SRF was how quickly can we close it down again, because it endangers the identity of our corporate design, it endangers the identity of existing formats and profiles of the radio stations. (M9)

This integrating of a newly developed service into the corporate identity was generally a further challenge that had taken weeks or months, according to a former manager (M9).

The centralised development of innovation did not allow for incorporating ideas from employees sufficiently either. This led to the above-mentioned bootlegging, that is, the development of innovations outside the existing planning by intrinsically motivated employees. As an example, one former editor explained how they developed an online music portal for non-professional bands. This portal was intended as a kind of event that operates for only three months but turned out to be a huge success:

After three months, 4,500 bands participated, and we almost couldn't stop it. The director was upset. We then said, this is going to be a [so-called] speedboat for SRF. We added a night programme, implemented an interactive musical request programme, etcetera. [...] We were three people who accompanied the project. We also had to look for sponsors. We then launched a backstage radio with a sponsor with DAB and everything. Though at some point, the money ran out. (E5)

### *Strategic responses from 2011 onwards*

More than a decade ago, SRG SSR seemed to perceive these difficulties and became aware of an increased need for innovation, especially in order to reach young audiences. Thus, it started to intensify its activities in this field under a new director general: "The goal was to bring innovation into the organisation through the strategy. To achieve more innovation. To reach a younger target group" (M10).

Initially, an attempt was made to implement this goal through a centralised approach at the level of the national holding of the different PSM organisations in the various language regions again. An innovation team was formed, and an innovation concept was written, which then was to be applied in all business units; however, the resistance to this approach was strong. Therefore, a rather decentralised concept was chosen, as a former manager recalled (M10).

This concept combined different strategies and forms of institutionalised innovation within the organisation. On the level of the enterprise units (including SRF), new departments dealing with digitalisation and innovation were formed. Existing editorial offices were added with young staff responsible for social media, and an innovation fund was established to promote promising projects suggested by the employees. Employees were upskilled to new techniques, helping to generate ideas and to develop innovation, like Kanban-boards, design thinking, and so on.

In addition, two new business units with their own staff were set up as incubators to promote innovation within the organisation. One unit was dedi-

cated to content for young target groups, aiming to produce new online-first formats (it has indeed developed numerous new online formats – some with their own brand name). Its production methods and organisational structure differ from the rest of the organisation. Based on audience research data, the formats are dedicated to topics that are assumed to be of interest to young people (e.g., travel, sexuality, job, society, and politics). Some formats are produced in cooperation with small production companies outside of SRF, some in collaboration with young talents, influencers, and so on (partly like “funk”, the German PSM’s online-based offerings for young adults, is doing).

The other innovation unit was implemented within the technical department. It was mainly responsible for scouting new technologies, improving production processes, and developing new production facilities (e.g., a mini outside broadcast car and a portable production bag) and informing employees across the whole organisation about new technical trends and their impact on PSM (e.g., 5G). This unit also established analogue and digital tools to collect ideas (Kanban-Boards, Intranet, etc.). In the meantime, the unit has been incorporated into SRF.

### *From innovation to transformation: The “SRF 2024” strategy*

In terms of impact on the media market, SRF succeeded in developing new formats oriented towards the needs of young people, in enhancing its presence on social media and in launching new online services, such as the “PlaySuisse”-media player that offers curated PSM content in all languages spoken in Switzerland, including the corresponding language synchronisation.

However, quantitative and qualitative surveys have shown that many of these formats are unknown to young people. They are more familiar with the traditional formats they learned about through their media socialisation in the family (Autenrieth et al., 2021). One reason for this might be that the organisation’s initial focus was strongly on producing new formats and establishing new workflows. In doing so, too little attention was paid to social media distribution strategies and the associated branding strategies.

In the meantime, SRF’s and SRG’s management have become aware of this problem and have initiated appropriate measures. They have started to bundle the various online brands into so-called hub-brands to make them more visible and increase their discoverability. Furthermore, SRF plans to better advertise their content in the digital space. Search engine optimisation, social media market research, and improvements in market research are core elements, according to various managers (M1, M12, and others).

At the same time, SRG is confronted with further challenges: Funding has been declining since the federal government capped the amount of the licence fee, and advertising revenues are decreasing. This led SRF’s management to realise that it needs to tackle the various problems more fundamentally:

Thus, if it's our mission to be the media organisation for the whole society, we have to make a real effort [to reach the non-users]. [...] Especially this young target group we have to understand better. We have to think about how to reach them [...]. Concerning distribution, we have to understand the peculiarities of the channels, and then we have to build that up organisationally as well. [...] [At the same time] we had to [ask ourselves], against the background of the fee cap and the collapsing advertising revenues, how to fulfil the mission in the concession. [...] We said, we have to combine this because just saving money, you save linearly, and you don't have a perspective, and at the same time media use is changing rapidly. [...] These are several challenges, and you can't just let go. [...] We must shift [between traditional broadcasting and digital]. (M2)

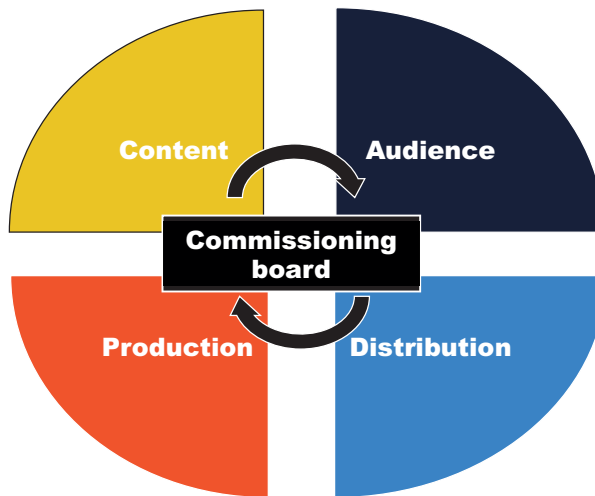
By becoming aware that a deeper transformation of the whole organisation would be necessary to become more successful in the digital market, SRF launched a project to transform the whole enterprise into an organisation strongly dedicated to digitalisation and innovation. In order to include the employees, the new strategy was developed in a (partially) participatory process by building various working groups with employees from different departments and different hierarchical levels, accompanied externally by the consulting firm Bain. Other experts were called in as needed.

By mid-2020, the strategy was communicated publicly. The new strategy aimed to introduce a new operating model that would enable “the content, distribution, and all decisions within the framework of the concession to be even better aligned with our audience [...] especially for people under 45 [translated]” (Wappler, forthcoming). In fact, this means that financial resources are shifting more from linear to digital production as funding decreases.

At the core of the new operating model is a so-called four-forces model [Vier-Kräfte-Modell]. The four forces represent four competencies important for PSM in the digital world, from the organisation's perspective: market research, distribution, production, and content (see Figure 12.1).

This four-forces model provides the basis for the development of new formats or the adoption of existing formats, services, and other innovations. A “commissioning board”, consisting of representatives from all four forces, should initiate new innovations or evaluate existing services. This interdisciplinary approach aims to promote collaboration, to enable shorter decision-making processes in a rapidly changing digital world, and to put audience needs at the centre of journalistic work. However, the journalistic sovereignty lies with the content department, which decides on and is responsible for key messages (Wappler, forthcoming). To implement the new strategy, some existing departments were dissolved and a flatter hierarchy was introduced.

**Figure 12.1** Four-forces model



*Comments:* Content competencies include responsibility for editorial content and realising interdivisional content. Audience competencies include market research and ensuring that the target audience is served according to its needs. Distribution competencies include ensuring that the target audience is reached, through both digital and linear channels, and digital marketing. Production competencies include responsibility for technical production, and differing efforts between defined standards per format or production (smart, standard, bold).

*Source:* adapted from SRF (2020) and SRF policy papers

Summing up the analysis of how the development of innovation has been managed during the last decades at SRF, H1 (when SRF introduced innovation, it first did it in incubators, later by transforming the organisation) can be mainly verified but needs differentiation. In the early years of digitalisation, innovation was introduced in the traditional centralised and hierarchical way. The introduction of specialised units dedicated to innovation (incubators) but also by setting incentives for innovation and interconnecting innovation units within the whole organisation hastened the implementation of new online formats and technologies. This phase has now been replaced by a new strategy to transform the entire organisation. Thus, the establishment of innovation incubators seems to be very important to gain experience with new production technologies and the development of online formats before transforming the whole organisation.

The whole processes depict that innovation at SRF did not only relate to technology, but strongly to products (new online formats for a young audience), services (e.g., new media player), and production methods. Thus, H2 (SRF mainly introduces technological rather than other forms of innovation) can clearly be rejected.

## Dealing with inertia

In retrospect, the portrayed phases of innovation management seem to be a consistent development; this must not hide the fact that it faced persistent resistance. The statements made in the interviews indicate that SRF's innovation process was facing many of those difficulties that appeared in other companies as well and that are described in the corresponding literature on innovation management (see Table 12.1).

Especially in an early phase, trial-and-error methods seemed to be frowned upon, according to former employees: "When it came to trying out something, the beta culture [i.e., trial-and-error culture] was missing. That was not wanted either" (E6). Such an error culture was also seen as a violation of PSM's core values: "That's why I also tried to power up this beta [culture] [...]. Then they always said: 'No, that's not possible, because public service stands for quality. And quality certainly doesn't mean beta'" (E5).

Likewise, it seems that some of the employees and the management had seen a disadvantage in innovation for themselves since it challenged existing ways of problem-solving. Especially younger editors stressed that new formats need new skills, but also partially new production norms: "The production times, the effort, the need for discussions are different [with digital formats]; community integration requires a different way of thinking. That needs its own creativity" (E3).

However, as one manager explained, the fear of changing existing workflows resulted not only from self-interest (e.g., fear of losing jobs and positions), but also out of a sense of duty towards staff: "That also has a lot to do with the sense of responsibility of our staff. You don't want to commit yourself to risky projects, you are criticised for having squandered licence fee money" (M11).

Managers responsible for innovation management were aware of this resistance and took various measures to foster innovation. They tried to encourage a creative leeway with an innovation fund that provides financial resources for innovation projects and by familiarising employees with new working methods like design-thinking in order to foster creative work (M7, M8).

Another important measure was the establishment of a network of the various actors involved in innovation:

We formed an innovation community with intrinsically motivated people who were already active in the field of innovation. They shared their experiences and approaches. That worked quite well; we realised that something was happening. And the next step after that was to "get out of the rather hidden submarine mode" and become visible across the organisation. (M10)

The exchange of experience and information within this innovation community made it possible to implement certain projects that would have otherwise

failed. One example is the creation of a so-called WeTube-Studio, “where everyone, young, old or whoever wants to produce content, has access” (E2). This idea was intended to pursue several objectives: to increase the interest of young people in PSM by offering a service, but also to scout new talents who may later work for the organisation. This idea was rejected by SRF. Due to the “inno-community” (the national innovation network), SRG’s Italian-language enterprise unit implemented this studio with great success. This success has led the other enterprise units to consider introducing it as well.

The establishment of incubators, new work processes in most departments, building a network of innovators, and so on, made it possible to introduce content-related and technical innovations to the market. However, changes within an organisation normally happen slowly, and that seems to be the case at SRF as well. This demands a high level of patience and understanding of frustrations from management and also much encouragement of those employees involved in innovation processes (see Table 12.1). Some employees in various positions indicated that they missed this encouragement:

Sometimes you just have to accept setbacks. And it takes serenity, perseverance. And that takes years. All the change stories are eternal. [...] Behind it, you need the strongest force. [...] It really needs a radical attitude [from the organisation] that really stands for the new. And that’s what I’ve missed so far, both when I worked at the private media company [XY] and now at SRG. Or I still miss it. And honestly, I see this problem at all the other companies as well. (M4)

If you work here and you realise that you are a digital person and you burn for the digital, but you are still not heard, [...] because other people with less expertise overrule you. Simply because they have been working for the organisation for a longer time. That is extremely frustrating. (M1)

This perceived lack of encouragement may have been a major shortcoming in the whole transformation process. Some innovation drivers seemed to not be able to realise their ideas within a reasonable time or felt that resistance toward these ideas were too strong. Thus, some employees and managers deeply involved in innovation decided to leave the organisation.

These results show that H3 (organisational inertia is strong and hinders the introduction of innovation) can only be partially justified. Though inertia within the organisation has been strong, according to the literature, this is to be expected (see Table 12.1). Nevertheless, it did not hinder the implementation of various innovations as already shown.

## Conclusion

In this chapter, we have asked how PSM try to encourage innovation within its organisation in order to reach young audiences and to what extent PSM’s



innovation may be a contribution to society. These research questions were analysed based on a case study on innovation management at the Swiss Public Broadcaster SRF, which produces audiovisual content for the German-speaking part of the country. The case study was methodologically based on expert interviews and document analysis.

Our study shows that SRF implemented innovation at various levels. Different from other countries, SRF has not only introduced new technologies but also developed numerous new online formats and working processes. This has also had an impact on organisational culture; for example, some of the staff have tried to implement the trial-and-error principle and have partially developed new professional norms for digital formats. However, the process to foster innovation has been challenging and has had setbacks.

Based on the analysis, we were able to identify three phases of innovation management. During the 2000s, when the organisational environment was still stable, (digital) innovations were mainly introduced hierarchically and were therefore met with rejection from many employees. At the same time, intrinsically motivated employees were bootlegging by developing innovations on their own.

About a decade ago, the development of innovation was intensified. Innovation management was decentralised but coordinated by a central department. Incubators were set up, which either started to produce new formats for young audiences or developed new technologies and work methods. In addition, various innovation management tools were also introduced, such as an innovation fund, on-the-job training in new working methods (e.g., design-thinking), or a national network of employees working on innovations.

These measures led to a major increase in new digital formats and the development of new technologies and work processes (see Lassen & Sørensen, Chapter 5 in this volume). However, the diffusion of these innovations to the audience and within the organisation was not successful: Many online formats remained unknown to young people, the intended target group. Within the organisation, there was resistance to the introduction of newly developed work processes.

These difficulties cannot just be attributed to misapplied innovation management: Almost every element and strategy of innovation management – like the creation of creative leeway and incentives for employees, networking of actors, mastering ambidexterity by partially separating the daily business from innovation developing in incubators – were applied. Only the constant encouragement of those employees ambitious in promoting digital media production seems to be missing. At the same time, the surrounding conditions worsened, especially media policy that pursued a reduction of the revenues by reducing or even abolishing the licence or household fee.

Nonetheless, the organisation managed to identify these difficulties. It realised that on the one hand, it had to save money, but on the other, it

also had to increase its efforts in distribution and brand management. The response to these challenges was a massive change in strategy: The four-forces model as the core of the new SRF 2024 strategy should allow promoting collaboration between different departments and for aligning all processes with the audience.

The future will show whether this model is successful. On the one hand, the potential for success remains intact for two reasons: first, distribution and brand management as the two weak points in the diffusion of innovative audiovisual formats are recognised; and second, in the light of declining funding, attempts are now being made to address these challenges by a major restructuring of the organisation rather than by individual measures. According to the literature about innovation management, this new strategy seems to transform SRF into an innovation-promoting organisation that tries to implement the development of innovation at all points.

On the other hand, the new strategy is also very courageous. There is a great danger of scaring away existing audiences and politicians, as initial public reactions to the new strategy show: Some critics bring forward the argument that the new strategy indulges in a “technocratic enthusiasm” that degrades the audience to “marketing objects” and damages journalistic quality (Anker, 2021). Moreover, there is in fact no guarantee that the new strategy will help bond young audiences to PSM, or to generally help the organisation continuously adapt to the rapidly changing media that are to a great extent influenced by strategies of international tech companies like Alphabet or Meta.

And this may be where Swiss PSM’s contribution to society lies: Hardly any other private media company has dared to make such a radical change and focus on innovation and a younger audience – certainly not in small states, where resources are limited and fewer risks can be taken. PSM’s focus on both innovation and a young audience may become a role model for all media, whether it succeeds or not (see Puppis & Ali, Chapter 1 in this volume). Media companies will benefit from the experience with the new strategy, both by observing which new formats are successful in the market and by getting insight into how legacy media transform under changing circumstances. These experiences will also show the extent to which young people in the digital world can be (re)connected, if at all, to PSM content.

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## Endnotes

<sup>1</sup> The introduction of something new into the market, respectively into the socioeconomic system, is the key feature of innovation allowing us to distinguish it from invention and diffusion. Different than innovation, “an invention is the original discovery of technological or social improvements” (van Kranenburg, 2017: 5). Diffusion occurs if an innovation is broadly accepted in the market, respectively society, and if other organisations try to adopt it, which often leads to further incremental innovation (see Dal Zotto & van Kranenburg, 2008).

<sup>2</sup> We conducted some more interviews in the French- and Italian-speaking parts of Switzerland. Since these units operate autonomously and have implemented other innovation strategies, we did not have the space to include it in this chapter.

<sup>3</sup> We indicate managers (from middle to the highest management) with “M” and editors and technical operators in various fields with “E”.