

Towards A Digital Culture - Newspaper Karjalainen 2019-2021

Lessons Learned from a Digital Transformation

Keywords: newsroom digitalisation, organisation culture, organisational restructuring, change management

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CONTENTS

Background.....3

About the change.....5

Organisational culture in the change process

Methods and data.....8

Results, Part I The organisational change 2021...10

First Checkpoint - Feelings before the reform

Second Checkpoint - Feelings ten months after the reform

Overall feeling

Own role in the new organization

Responsibility

Organisational structure

Best things in the reform

Results, Part II The digital transformation

2019-2021.....25

Assessment of the success

Pace of the transformation

Own skills

Digital strategy

Change of mindset and culture

Discussion.....37

Annexes 1-3

Background

Regional and local media in Finland are fighting for survival alongside the rest of the media landscape. Two big questions for the media industry in 2022, both in Finland and globally, are a viable business model and a sensible way to organise in a digital environment. The latter is an essential part of the realisation of the former. Circulation of printed newspapers has declined almost without exception over the last 15 years. Vitality and growth will have to come from elsewhere. The key path chosen is the shift from print to digital media. Karjalainen is at the forefront of regional and local media in Finland, making a systematic and comprehensive shift towards digital media.

Karjalainen is a medium-sized regional newspaper that is number one in its region and has a strong brand in people's minds. In January 2021, the total number of staff was 47. This figure included contributing editors, photographers and archives. There were 33 writing journalists.

In 2018, Karjalainen decided to shift its focus to digital, i.e. to start making media strongly online. In 2018 it created its first digital strategy and systematically started changing its operations and organisational culture. This change was seen in Karjalainen as an ambitious and wide-ranging shift in approach and culture, not just small tweaks. The transition reached full speed in 2019. Deep change will only happen if the culture of the organisation is supportive of digital transformation.

One major step - and the core focus of this report - was taken in September 2020. Karjalainen's top management started planning an organisational change in the newsroom - to build an organisation that supports better new digital doing. To push forward "digital first" thinking.

A new organisation was implemented in January 2021. The old structure was demolished. New teams and roles were created, print and digital were separated, and all positions were open for everyone to apply. The change

process was based on inclusiveness, open interaction, a culture of experimentation, and responsibility-sharing.

In addition to the planned measures, in 2020, Karjalainen's digitalisation process was also influenced by the Covid-19 pandemic, an external factor that shook the world globally.

This paper describes newspaper Karjalainen's transition process in organisational reform, which took place 2021 and assesses how the reform was received in the newsroom. It also looks at how Karjalainen succeeded in its strategic project towards digitalisation the newsroom in 2019-2021.

The documentation benefits the entire local and regional press scene in Finland and abroad, as the experience gained from the Karjalainen case both inspires and helps to design practical solutions for the press' own digital implementations. This study has been funded by Media Industry Research Foundation of Finland (Media-alan tutkimussäätiö).

Keywords: digital transformation, management, strategic change, organisational culture, digital transition of regional newspapers.



About the change

Change processes in organisations are always unique. Therefore, it is essential to understand what kind of change is involved in each organisational change. It is more important to find a suitable model for each situation than a general model that fits all cases (Dunphy & Stace 1993).

In the case of the newspaper Karjalainen, this is a strategic organisational change. A strategic organisational change is a managed and interactive change in an organisation's structure, mission, personnel, technology, or methodology to develop the business in the desired direction. (Peltonen 2015). The documentation examines how Karjalainen succeeded in its strategic organisational change in 2019-2021.

The organisational change can be divided into several distinct parts. The diamond model introduced by Harrold Leavitt in 1965 is still widely used in organisational research. According to this model, change can occur in an organisation's structure, functions, personnel, or technology or method used (Keen 1981). It is a social system in which the components are constantly interacting with each other (Keen 1981).

It is also essential to understand the reality in which change is sought within the organisation. A solid and distinctive journalistic professional identity sets requirements for change. Journalists have a strong sense of their work and profession. The major transition from traditional newspapers to online media, from print to digital, also challenges the journalistic identity. Journalists increasingly identify with journalism as a profession rather than, for example, with the media as a medium or the media company that employs them (Russo 1998).

Classical strategic management is situated in a stable, objective, and predictable reality (Mintzberg 1994, 239; Hodgkinson & Sparrow 2002, 2). Today, change processes are understood to be continuous in nature.

Constant change is a continuous evolution, not a sudden radical change. Its opposite is episodic change, a carefully planned change that significantly alters and disrupts an activity. In some respects, Karjalainen's digital transformation has elements of episodic change. For example, organisational restructuring is a powerful intervention in the old operating model, where one big move aims to bring about changes in other activities and thinking. In the main, however, Karjalainen's change can be characterised as continuous, as it does not start or end at a certain point but is an ongoing process of innovation. It continues even after the documentation.

The classical strategic management model has been replaced by a mindset of disorder, chance, and chaos in the world (and the organisation) (Stacey 2003). Complexity theory combines these world views as an emergent simultaneity of order and disorder. Several scholars share the view of organisations as complex phenomena (Dooley & Van de Ven 1999; Tsoukas & Hatch 2001; Stacey 2003; Vos 2003; Rasche 2010; Aasen 2009).

Managing the future of an organisation is wishful thinking. In the light of complexity, it is best to proceed intuitively and step-by-step in organisational decision-making rather than looking for links between causes and effects. (Stacey 2003, 228 - 229.) From an organisational theory perspective, complexity can be seen as a force for development, for example, conflict, diversity, disorder, and change. According to complexity theory, the trajectories of phenomena are unpredictable because they are interdependent (Harisalo 2009, 27-28). Uncertainty is a necessary condition for development (Stacey 2003, 227). In Karjalainen's process of change, some aspects of complexity thinking have been adopted as a starting point because development involves a strong culture of experimentation and an ethos of accepting failure.

Organisational Culture in the Change Process

Karjalainen's core idea behind the transformation process is a profound change in corporate culture towards a 'digital' way of thinking. The prevailing culture of an organisation is a significant barrier to big change. Many media digitalisation projects slow down and even fail altogether because of a focus on operational change. They are essential, but they are not considered to be enough in the face of complex change. There are concrete measures in different areas to support, condition, and result in a profound cultural change, but the media transformation needs to challenge belief systems about management and existence.

Others argue that organisational culture cannot be influenced; Geert Hofstede argues that culture is such a profoundly instinctive way of responding in thought, word, and deed that it is impossible to change the culture in a controlled manner. (Hemminki &, 2021). Others believe that profound change is possible.

In constructing the documentation framework for the Karjalainen digital revolution and outlining the changes at the cultural level, are drawn on the views of Edgan Schein (1987), a classic in the study of corporate culture, on the levels of successful **change in organisational culture**. It is examined how the change process has influenced the different levels of organisational culture.

An organisation's prevailing culture is a significant obstacle to profound change. Many media digitalisation projects slow down and even fail altogether by focusing only on operational changes. These are important, but they are not enough in the face of complex change. There are concrete measures in different areas to support, condition, and result in a profound cultural change, but the media transformation needs to challenge belief systems about management and existence. The core idea behind the

Karjalainen transformation process is precisely a profound change in corporate culture towards a "digital" way of thinking.

Schein (1987) divides the structure of organisational culture into three parts in terms of depth:

1. Visible structures, functional phenomena, and human achievements (artifacts) are the visible part of organisational culture that every organization member can easily describe.
2. Values and norms reflect what is essential to people in the organisation and work community, valued, and reflected in action. Values and norms can usually be raised to the level of awareness. It requires either a shared value reflection or a definition of values and norms in the background.
3. Core beliefs are deep-seated perceptions and beliefs that have emerged over time through the organisation's policies, views, and professional culture. They are difficult to describe and particularly difficult to change because of their self-evident nature. Over time, they have become taken for granted, and their origins and starting point may even be impossible to trace.

Methods and data

In 2019-2021, five **online surveys** on the ongoing digital transformation were conducted at Karjalainen newspaper using the Survey Monkey tool. The first survey was conducted in June 2019, the second in January 2020, the third in June 2021, the fourth in January 2021 and the fifth in October 2021. In this analysis, the organisational change is examined through the surveys conducted in January 2021 and October 2021. In addition, the first online

survey, conducted in June 2019, is used to gain a time perspective on the 2019-2021 digital transformation in Karjalainen.

The three surveys (June 2019, January 2021, October 2021) had partly identical questions. Therefore they were used in making the comparison as a tool for a deeper analysis of organisational and cultural change.

The statements in the questionnaire took the form of strongly disagree, disagree, don't know, agree, strongly agree. The surveys were sent by email to all people working in the newsroom. The detailed information of the surveys can be found in Annex 1.

Both analyses, the organisational change and the digital transformation, were supported with **theme interview rounds** implemented in connection with the online-surveys. In each interview round were interviewed 9-11 persons from the staff.

Otherwise, the documentation was carried out through participation in the planning and implementation of Karjalainen's digital transformation. In the analysis of both the organisational change and Karjalainen's digital transformation 2019-2021, an **action research approach** was used to guide the change and to gain a constructive critical grip on it, both in the implementation and in the evaluation of the results. The aim was to support, accelerate and analyse the changes.

Action research is characterised by the fact that it seeks to improve the organisation by influencing its practices. Another essential element, alongside influence, is the involvement of the researcher in the activities and in the development of the organisation.

The study also applied a **qualitative research approach** to interviews with staff and management, as well as open-ended questions in the online editorial questionnaires. In total, more than 250 comments were used to provide qualitative data.

Results, Part I - The organisational change 2021

The significant single step in Karjalainen's digital transition was restructuring the editorial work and organization. The new organisation was implemented in February 2021. The organisational review started in Karjalainen in 2019 with a reflection on the job rotation built by considering individuals' skills and aspirations. Management thought about filling different roles creatively through negotiation and motivating people. For example, Karjalainen's sports department implemented a reform in 2019, which managed to make a giant leap into the digital era by using new work arrangements.

"If you think now what has been achieved in sport, it is unimaginable,"

Managing Editor Jyrki Utriainen, 26.9.2019

In 2019, the organisational restructuring was based on making the most of natural departures, i.e., retirements or transfers to other positions in the cooperation media. It was also thought that Karjalainen would attract people whose skills would be helpful in the digital transformation. Hiring new people from outside the company was not at the heart of the strategy.

Towards the end of 2019, management started to identify development "pain points" in the organisation. The editorial team had not been integrated well enough into the work of the radio as part of the editor's daily routine, there was still room for improvement in reactions such as in unexpected news situations, and planning was plagued by looking too much only at the next day. There was also a desire for more planning in the editing process. Digitising the whole editorial process would require a major overhaul because all the contributors were up to their elbows in print: ideas, planning,

execution, delivery system... All in all, the same challenges that most other media houses wrestled with and continue to do so.

In discussion, new roles included analytics specialist, data journalist, web designer, media editor, etc. The possible structure of teams was also discussed. The leader could be a "ten," a daily producer. Management also challenged how much day-to-day management work would be needed to think seriously about digital. In reflecting on the new organisation, the editorial board sought to break free from the constraints - physical and mental - of print and think freshly about the future.

In the autumn, the management also began to think about a "Field Team" that would move quickly to keep up with events. It could be a photographer-editor pair or a media producer who could go it alone. The Editor-in-Chief wistfully recalled the dancehall Huvitörmä fire news at the beginning of the year, where half of the week's Top 10 news was Huvitörmä news. In September, the Liperi mill fire and its coverage showed that Karjalainen's news coverage could be improved. The managing editor was particularly concerned about the lack of direct broadcasts and streams.

"Someone should have a mandate to make sure that a certain number of streams are broadcast each week."

Jyrki Utriainen, Managing Editor 20.9.2020

The print was also an integral part of the issues in the reorganisation. The idea behind this was that the digital reform would change the way of print production, and here too, it was not possible to remain a prisoner of the old structure. One of the first ideas of the management already in the spring was to set up a separate printing unit to handle print. The print team's mission would be "shovelling out the next day's paper." After the organisational change workshops in autumn 2020, this thinking went on when one of the

editorial secretaries got the mandate to create different page model versions of the print to stimulate thought. As part of the organisational change, an independent print team was set up to fold print.

A big issue intrinsic to organisational change was the management of day-to-day work. In March-April 2020, the management prioritised the **editorial reorganisation** as a critical step on the road to true digital transformation. The current and previous organisations had been built for decades to produce the newspaper. Management knew that it was more challenging to let go of the old and move on to the new than to create something entirely new from scratch. In the spring discussions, the goal was to get going before the summer and complete the overhaul in 2020. Benchmarking was carried out, for example, at Kaakon Viestintä, which had undergone redundancy negotiations and was moving to a new organisation in April 2020. The starting points were very similar to those in Karjalainen: the editorial organisation had been built for the newspaper and needed to be turned digital.

In autumn 2020, Karjalainen's digital journey took a giant leap forward. A significant organisational change was started to be brought forward in a concrete way, which would serve the future work. The strategic goal was to increase the growth of digital subscriptions.

The purpose was to renew the editorial structure, job descriptions, and how the editorial team worked (=processes). It was also very much in line with the principles outlined above.

The process aimed to involve everyone from the editorial team in the design and implementation of the new organisation and operating model. The core of the reform was implemented through four 2.5-hour **workshops** in autumn 2020 facilitated by Marja Heinonen, VTT. She was the external expert and facilitator of the workshops, alongside her analysis of digital

transformation. Workshops were on 2 September, 16 September, 30 September, and 12 November 2020.

The original aim was to bring the whole editorial team physically to the same place to reflect on the issue in the workshops. Because of the Covid-19, part of the editorial team was involved in the process virtually via a Teams connection. The original schedule had to be pushed forward by four months.

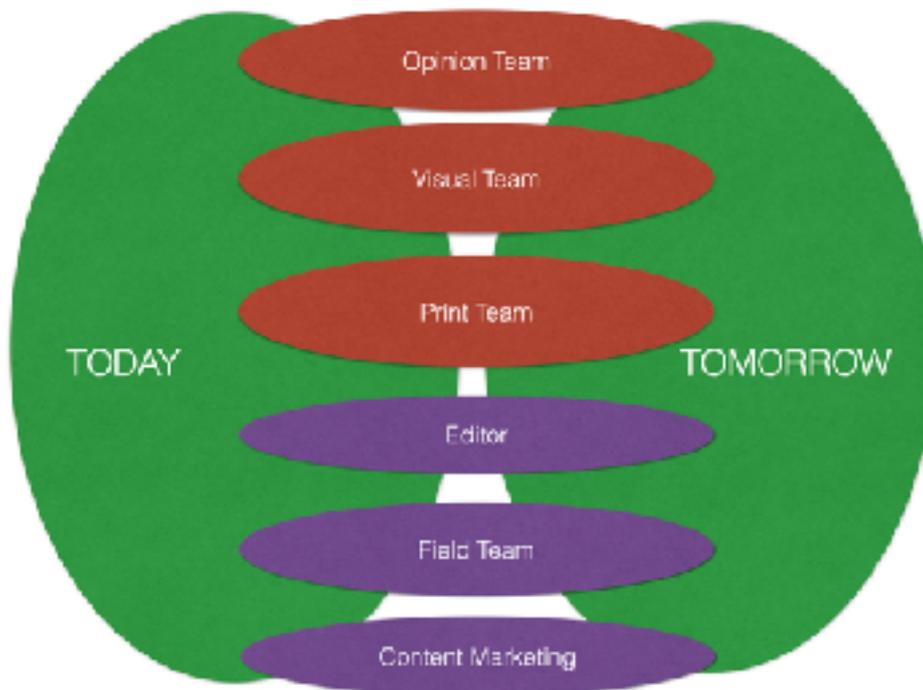
At the first workshop in September, the facilitator instructed the editorial team to work in small groups on preliminary tasks to guide their thinking towards the change. The aim was to look at different media players in Finland and abroad. A key question in the pre-assignments was: What can Karjalainen learn from this? The staff discussed the assignments in editorial meetings, Teams, and later workshops.

The second workshop focused on outlining future teams. The question for the editorial team was: What will be the effective teams in Karjalainen's editorial organisation in the future? The staff sought the answer through a facilitated process in small groups. It was complemented by reinforcing good interaction practices and promoting a flexible mindset. In addition, two questions were used to unpack the editorial pre-tasks: What can we learn from this? What would be suitable for our organisation?

The third workshop started with homework as in the previous workshop. The question addressed was the same: What can we learn from this? What would be suitable for our organisation? A separate topic was the organisation and workflow of Karjalainen. The fundamental question was, "How do you get things done every day in the digital world?". The working method was to build a prototype of a delivery organisation or part of it. The guideline was to make the "best," the "most functional," the "dream."

The definition for the prototype was: "Prototype" means the first, tangible, physical version of a product capable of being used to examine and test product forms and functions. It may be very close to the final product, or

it may be made only to test specific features [1]....prototypes are not usually delivered to customers." Group work was encouraged by reminding them of the critical issues to consider when thinking about a prototype: "a good working atmosphere," "digitalisation" and "journalistic quality."



Karjalainen's new editorial organization plan in 2021.

In the fourth workshop, the management presented an organisational model based on previous workshops and their thinking, and the editorial team worked on it using Lewin's force-field analysis. In groups, they considered the forces that promote and hinder reform in the new structure and operational model.

On the day before the fourth workshop, management had convened the heads of departments to go through the basic model of the organisational reform, i.e., what the change would mean in practice. The direction had three main points: 1) the existing departments will cease to exist, but the skills of the managers will still be needed 2) there will be no change in salaries 3) there will be some specific responsibilities, but these have not yet been

considered. The Managing Editor summarised the objective of the preliminary discussion: "Not to get too rough."

The new job titles were also discussed with the News Chiefs. The two current News Managers had also discussed the issue among themselves. They were in favour of reform, and they proposed that the title of the head of the Today team should be News Manager and the title of the head of the Tomorrow team should be Content Manager.

After the workshops, the management finalised the organisational model based on the discussion. The management announced the final model in week 48, and people could indicate the team and the position they wanted. Details of the roles and responsibilities were made public in January 2021. Then management refined the elements together between January and February 2021. Karjalainen implemented the new structure and operating model in mid-February 2021.

During spring and autumn 2021, the management made slight adjustments to the new organization. The primary focus in the changes was on the "Field Team," a team that would react quickly to news events and the editor's role. No major changes were not made between the implementation of the new organisation and the second checkpoint ten months later. At the end of 2021, the new organization has been in use for ten months



Karjalainen's new editorial organization in 2022.

First Checkpoint - Feelings before the reform

The process implemented during autumn 2020 to renew Karjalainen's organisational structure and editorial working methods was the biggest single "digital" effort in 2019-2021.

The first assessment of the reception of the reorganisation was made in January 2021, at the stage when the new organisation had been defined, but people had not yet been appointed to the new organisation. This assessment was based on informal discussions in the editorial staff, the researcher's sensing of the atmosphere, and the results of the fourth round of interviews conducted in autumn 2020. Then, 11 editorial team members were interviewed in person and asked for their views on the ongoing organisational change.

A large part of the editorial team felt that the change process worked through the workshops was successful. There was some initial scepticism, which was partly dispelled as the workshops progressed.

"I consider it a success, even if there is not yet a lot of information about what is happening."

"At first I said, 'This is what it is, two and three (workshop),' then it started to work."

"I'm sceptical."

"The process - it went well. There was a feeling at some point that the (organisational model) had been defined,."

Building the new organisation through workshops was perceived to have gone more smoothly than the management or editorial team had expected beforehand. Both sides were expecting strong resistance to change.

The first messages about the new approach after the workshops held in September - November 2020 but before the new organization's launch in February 2021 were positive. The editorial team also took the initiative. They were already joking about the new model: "X has done something in Today team." The "Field Team" was successfully tested immediately after the workshop series. External support for the development of a positive attitude towards organisational change came, for example, from the fact that the article on the "Field Team," which was immediately put into practice, was the most read on the Monday of the week following the workshop. The steadily increasing number of digital-only subscriptions and the decline in print circulation helped internalise the need for change.

"Organisational change - overall went wonderfully well, I expected resistance. The editorial team went surprisingly well."

"Still, I've had my doubts about whether this was genuine, expecting a rebellion all along, and being sure, that kind of thing will come out of absolutely rubbish things. The exciting thing is at what point people will react to it in some way."

"Last week, when the form and the organisational chart were presented, there was still no reaction. Will it hit you when you start implementing?"

"There hasn't been a lot of emotion, it means it's good."

"The practical implementation, which the reform is, seems to have been taken calmly and neutrally by the people."

The process of working out the new organisation was welcomed, in particular, because it gave the editorial team a big role, and the issues raised by the editorial team were also taken into account in the final plan. Through this involvement, the editorial team understood the different perspectives from which to view the issue.

"In that respect it has been successful in that there has been a wide range of consultation from the beginning."

"It was noted that there is no single best solution, we have to weigh up the options."

"Participation , yes it was real, this was not a performance."

"In principle, I liked the fact that delivery was involved in the design."

"We had a good discussion and a good basis for reform."

"Everyone was able to participate, now it remains to be seen how the ideas will be put into practice."

"The good thing was that they tried, at least they tried, to get everyone involved in the brainstorming...did those ideas in the end matter terribly...picked up some of the stuff, but some of the stuff that didn't come ."

At the interviews, the staff was cautious about the success of the reform, which was still in the pipeline. They wanted to give it a chance to happen. It was not criticised as bad.

"They want a Ferrari, but let's see if there's enough money just for the barn."

"There are a lot of little details that have been left open."

"You don't know yet what the impact will be or if it will be anything, it's a question mark." "The plan is good, I like the infrastructure."

Second Checkpoint - Feelings ten months after the reform

The second checkpoint for the organisational change was based on the surveys carried out in October 2021. The results of the October 2021 survey were also compared to earlier results received from previous surveys. They were supported with interviews made during the same year. By then, the new organisation had been in place for ten months.

The survey questions on the organisational change:

Overall Feeling

Karjalainen's organisational change has been successful

The organisational change has taken the newspaper too far towards the digital world

My confidence in the future of Karjalainen has been strengthened

Own role in the new organisation

I know what my role and tasks are in the editorial department

I feel that I have kept up well with the digital transformation in Karjalainen

Responsibility

It is important for me to be involved in the development of the editorial team towards a digital world

I have a big responsibility for the kind of stories that are in the magazine (both the topics and the treatment)

Organisational Structure

Karjalainen's current editorial organisation supports the digital transformation well

The current team model works well

Best things in the change

We have been most successful in our organisational change..

The analysis is divided into three sections: the overall feeling of the change, staff's role in the new organization, organisational structure. Finally, there are statements of what is best in the transition.

The analysis indicated that **the editorial staff was quite satisfied with the change process and the outcome.** The change process itself had gone relatively smoothly since the beginning and the tone had not changed during the ten months the new organization had been in operation. Said that there was a need of adjustment in the organization and work processes. The staff had kept up well with the reorganisation. Next, a more detailed analysis of these aspects in the organisational change.

Overall feeling

Most respondents considered the change successful (65%), but only 9 % did not. Almost equally many, 59% believed that the shift had helped Karjalainen move towards digitalisation. On the other hand, **the implementation of the new organization did not increase the faith in Karjalainen's future.** The statement "My confidence in the future of Karjalainen has strengthened" was asked twice. The first time was just before implementing the organisational change in January 2021 and the second

time was ten months after implementing the new organization in October 2021. In January 2021, 48% of the staff agreed with the statement. Ten months later the figure had gone slightly down to 42%. In January 2021, 39% didn't know their opinion, and in October 2021, the figure was on the same level (41%). But at the level of basic assumptions, **the faith in Karjalainen's digital future was strengthened since 2019.** It increased from the June 2019 survey's 69% to the October 2021 survey's 91%.

Own role in the new organisation

Although the new organisation was built on an entirely new team structure and had new job descriptions, 91% of respondents said they **knew their role and responsibilities in the new organisation.** (See more details in the section of Karjalainen's digital transformation 2019-2021).

The experience of working in the new organisation strengthened staff's feeling of their ability to keep up with the digital transition. When asked just before implementing the new organization and ten months after that, staff's sense of their adaptation to digital transformation had increased significantly. In January 2021, 67% agreed with the statement, "I feel that I have kept up well with the digital transformation in Karjalainen," and ten months later, the figure was 82%.

Responsibility

One of the fundamental principles of organisational change was strong editorial involvement and "empowerment" downwards. In the final survey, two statements were designed to examine how this was achieved.

The majority, 68%, felt it was essential to contribute to the development towards digital, 26% did not know. When asked about the personal responsibility of the content, 65% saw themselves as having a big responsibility for the newspaper's stories, 29% did not know. **The amount of**

responsibility perceived raised concerns among the editorial management, as the aim should be for everyone to feel responsible for the newspaper's articles. The question was raised - how can we also get the rest of the staff committed?

Organisational Structure

One management goal was achieved as **the new editorial structure supported Karjalainen's digital change better than the previous structure.**

One of the reasons for embarking on the organisational change was the criticism of the then-existing editorial organisation in the first survey in May 2019. The organisation was perceived as not supporting the digital transformation well. More than a third (33%) of respondents could not state their opinion on the statement "The current Karjalainen editorial organisation supports the digital transformation well," and as much as 28% disagreed. After the new organisation had been in place for ten months, the change in a positive direction was evident. In the last survey, 62% agreed that the



editorial structure supports digital transformation in Karjalainen. In May 2019, 38% felt this way.

The new team model was, in general, well received. When asked about the organisation's new team model, 47% answered that it worked well. In detail, some criticism went primarily to the "Today Team" and "Field Team." The new role of the editor was well received. In the open comments, people wrote, for example:

*"**Today team** is doing a good job."*

*"**Tomorrow team** has a fragmented workload and a shortage of editors."*

*"We have been careful not to slip from the new task profiles There may be a situation where the **Field team** has no meaningful work to do and there is a need elsewhere - the field team is doing nothing but nonsense."*

*"But I have been surprised at how well it has gone (**Print team**)"*

*"The role of the **editor** in particular is good, but I wish the editor had more courage."*

The print was separated from online content production in the new organization and was put together entirely by a dedicated team. **Print is still one of the pain points of organisational change.** Many people are worried that the print will erode. Print is still an issue though 50% had accepted print's current role (separated from online). Yet 18% still wanted in October 2021 to strengthen the position of print. In open responses in the same survey, the role of print emerged as a critical concern for many when asked what worries them most:

"Print being relegated to a secondary product. It should be done with the same quality as before".

"The fact that in the digital frenzy print is being forgotten. However, it is still where both subscription and advertising revenue comes from."

Best things in the reform

The editorial team was asked in open question in the October 2021 survey what was the best thing about the reform. The general tone was that **the best thing in the new organization was moving on from stagnant water**. Open responses included, e.g.:

"New jobs and learning new things. Working together."

"Breaking down old structures. New perspectives. "

"The best thing about it all is that something happens and something new is done. Hardly anyone here can predict the future and say that we're making all the right decisions."

Results, Part II - The digital transformation 2019-2021

The organisational reform described above was part of the longer digital transformation process in Karjalainen in the years 2019-2021. The transformation can be considered significant in terms of concrete measures taken, but above all because of the deep commitment of the editorial team.

The COVID-19 pandemic accelerated the adoption of digital tools and the commitment to teleworking. In 2019-2021, Karjalainen's **concrete new steps** towards digitalisation included

- a strict paywall,
- "crown jewels stories" and unique content,
- audio, and video streaming, t
- he 145-year digital archive KAIKU,
- micro-payments (also abandoned later),
- streamlining the sales organisation,
- improving management teamwork,
- reforming delivery meeting practices,
- planning to renovate physical premises,
- mobile renewal,
- the introduction of analytics
- a new organisational structure that supports digital transformation.

At the end of 2021, work was still ongoing, e.g., the website redesign.

In 2019-2021, **new practices to promote the digital transition** included applying a culture of experimentation to digital experiments and involving the editorial team in the digital transformation.

Failures include:

- The attempt to change the printing schedule.
- The lack of systematic training.

- The abandonment of micro-payments.
- Delays in technology implementation schedules
- The lack of communication.

On the communication front, management failed in mobile reform, analytics, and overall communication on the digital transformation. On the latter, the situation improved during the period under review. **The grey area of uncertainty between successes and failures** was visible in the process. Leadership was complex at times, as old behaviour patterns surfaced and concrete actions did not move forward on schedule. An utterly unforeseen surprise was the COVID-19 pandemic in spring 2020. It also contributed to the digital revolution by getting people used to working remotely.

The strategic goal was to increase the amount of digital-only subscriptions. The number of digital subscriptions was 2823 at the end of 2019. At the end of 2020, the figure was over 4000. January 14th, 2022 the figure was 5370. Print coverage was 26 441.

When examining the perceptions of Karjalainen's editors on the measures taken in the digital transformation in 2019-2021, it is noticeable that the attitude towards digital transformation has become more favourable across the staff, and the understanding of the reasons for its implementation has increased. The following section looks at the changes in attitudes and knowledge that have taken place in different sectors among the editorial staff.

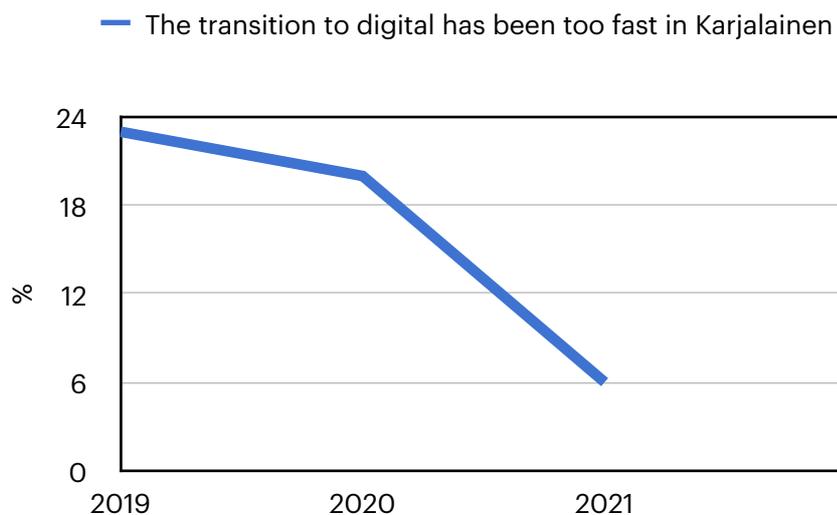
Assessment of the Success

The pace of the change

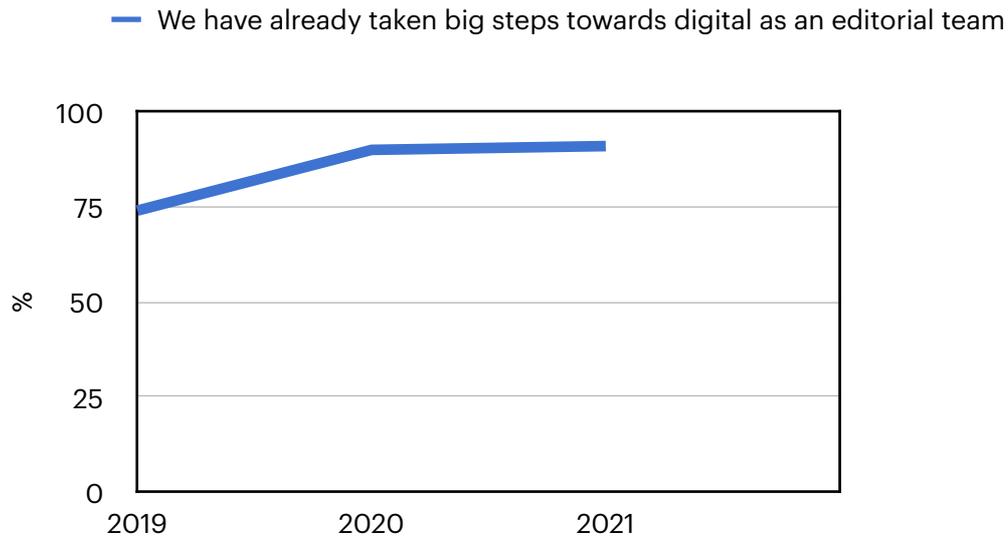
Karjalainen has taken a set of different measures to move the newspaper towards digital publishing in 2019-2021 as listed above. In this study, the success of these measures is assessed in the light of the answers to three statements in the online surveys.

The transition to digital has been too fast in Karjalainen
We have already taken big steps towards digital as an editorial team
Management is committed to digital transformation

Accepting the pace of change is an essential element in making change happen. The pace of change in Karjalainen was perceived as rapid throughout the period under review but not as too fast. In the last survey, ten months after implementing the new organisation, 68% of respondents were satisfied with the speed of transition towards digitalisation (56-53). **The pace of change also became more and more acceptable.** In the October 2021 survey, only 6 percent thought that digitalisation was too fast. In spring 2019, 23% still felt this way, and in January 2021, 20%.



The editorial staff assessed that Karjalainen had taken significant steps to go digital at a more intensive pace. In the survey in May 2019, 74% of respondents felt that Karjalainen had taken big digital steps, while in January 2021 survey, 90% felt that Karjalainen had already taken big steps. In the survey conducted after the organisational change in October 2021, the figure was equally high, 91%



The editorial staff saw management's commitment to the digital transformation of Karjalainen throughout the period under review. In the first survey 78% believed this, in January 2021 93% and in October 2021 91%. No one disagreed with the statement in any of the surveys.

Own skills

Digitalisation requires both new skills and new ways of thinking about journalism and one's work. The change in editorial staff's perceptions of their own capacity to operate in the digital world was examined through a set of statements. Some of them were only included in the October 2021 survey, and others were already included in the May 2019 and January 2021 surveys.

The first set of questions was about the relationship of the speed of the change and their perceptions of their skills:

I have sufficient skills to work in the digital environment in Karjalainen

I find digital transformation distressing from the point of view of my professional skills

I need training in these areas...(open question)

As seen in the above analysis about Karjalainen's organisational reform, the staff experienced keeping up well with the digital transformation. (See more details in the section of Karjalainen's organisational reform.)

During the three years under review, Karjalainen started to use more ways of creating content made possible by digitalisation. New features



included radio broadcasts, live streams of events, and special productions online. These all required new skills and a new attitude to production. The training was not at the heart of the digital transformation of 2019-2021 and was not systematically implemented.

The choice not to have a systematic training calendar was not entirely conscious in Karjalainen, but the management primarily focused on getting the sales pipeline in order

and implementing the organisational reform. On the other hand, the chosen approach of moving forward through individuals and the good experiences they had gained, which inspired others, also worked. The example and support of peers were important. The training sessions organised were individual, detached 'training sessions.'

Even though Karjalainen did not invest systematically in digital skills training, **the editorial staff's experience of skills also improved significantly over the three years.** In the first survey in May 2019, almost half of the editorial staff did not feel that their skills were sufficient or could not comment on their adequacy. By autumn 2021, 79% thought they had enough

skills to work in a digital environment. A similar message emerges from the answer to the question, "I find digital transformation distressing from the point of view of my professional skills." From the outset, there was no "digital anxiety" (17%), but as the digital transformation gained momentum, the level of anxiety increased to 24% in the second survey. In the post-reform survey, it was down to 3%.

At the beginning training requests focused on very concrete training, above all in technical mastery. There were also requests for training in the creation of web content. In the second survey, training needs in radio production emerged strongly. In the third, there were no new requests for training.



Digital strategy

Karjalainen's digital switchover was not based on a single written document called "strategy" or "digital strategy." In 2019, the management highlighted the digital transition milestone in the organisation in various events and documents. The most important of these is the "What success is based on - key actions in Karjalainen" document, produced in autumn 2018.

In its strategy, Karjalainen has taken digitalisation as a cornerstone. Although there was no paper entitled "Strategy" for 2019-2020, the Content Day held on 12 January 2019 identified digitalisation as the cornerstone of Karjalainen's strategy. Managing Editor Utriainen and Editor-in-Chief/ Executive Director Koivumaa confirmed this by emphasising the importance of a digital future for Karjalainen's tomorrow.

In 2019-2021, it was also examined how well the editorial team was aware of these unaccounted objectives. The analysis here is based on the results highlighted by the five statements.

I know Karjalainen's digital transformation objectives
I know what happens next in Karjalainen's digital transformation
Readers are willing to pay for Karjalainen's content online
Readership of the print newspaper is decreasing year by year

The awareness of Karjalainen's digital transformation strategy - although it was not written down as a "strategy" anywhere - increased significantly in the editorial team during 2019-2021. It was a question of knowing and internalising the previously presented strategic orientations.

The staff knew well Karjalainen's digital strategy objectives and had internalised the decline in print readership by the end of the period.

However, the transition to six-day publishing, the centrality of mobile in the change, and the possibility of paid content succeeding in Karjalainen still raised a lot of suspicion or confusion. The editorial team was also unclear about future strategy shifts.

Knowledge of the objectives of Karjalainen's digital strategy increased in 2019-2021, with 60% of respondents saying they knew the objectives in the first survey. In January 2021, 89% already recognised Karjalainen's digital goals, and by autumn, 97%, meaning that awareness had increased.

Although awareness of the targets had increased, uncertainty about the next steps in the digital transformation did not grow at the same

pace. At the beginning of the period under review, 26% did not know what was next on the digital path. It had increased to 64% before the organisational change and decreased to 38% after the organisational change.

When asked in the interviews where the weak points of Karjalainen's digital transformation implementation were, several respondents mentioned the lack of information flow. The staff saw that too little information had been provided, especially initially, but the situation had already improved considerably.

"In connection with this digital transformation, information has also been a little mixed."

"On the flow of information: I would see that the management could have opened up more about the objectives, why we are doing this, the goals we are aiming for, could have opened up more, could have eased people's uncertainty, it could be that they didn't have that to tell, has improved in the final phase."

In July 2019, 54% of respondents believed in the value of paid content, and the figure had remained almost unchanged, being 56% at the end of the research period. Interestingly, over the three years, Karjalainen's content was moved behind a strict paywall. Readership had not collapsed, and subscriber numbers had increased throughout the documentation period. However, this has not made the editorial team change its view. One explanation or partial explanation may be that the editorial management did not communicate enough the importance of the issue as part of the "big picture," as it was self-evident to them.

The decline in print readership was a reality for 85% in the first survey, with 15% undecided. Towards the end of the period under review, an increasing proportion of editors accepted the idea. By 2021, more than 90% agreed with the statement. No one disagreed with the statement in any poll.

Change of mindset and culture

Successful digital transformation is first and foremost about a successful change in organisational culture. Changes in mindset and work culture are the deepest level of change in an organisation. It is the most difficult change of all.

Cultural change requires interaction, listening to people, and "dance" between resistance and reform. You need to see or make successful guesses about moving forward firmly - and sometimes stubbornly - and when to take steps backward.

At the January 2019 Content Day, Editor-in-Chief/Executive Director Koivumaa gave a startling speech in which he opened up about his feelings and thoughts over the years. He talked about how he was ready to give up at some point. And how digitalisation had restored his faith in the future of Karjalainen.

In his speech, Koivumaa painted a bleak picture of the future, which the newspaper would end up with if they continued doing Karjalainen the way they did today. He argued why digitalisation is an opportunity - the only opportunity - also from a business perspective, where the future of every Karjalainen employee is summed up. Koivumaa also highlighted how the transition from print to digital is, first and foremost, a mental break. He pointed out how print format and emphasis were much more important to the editorial team than Karjalainen's readers.

The new organisation sought to devolve power to the authors. The management's idea was also to systematically increase staff involvement in

the development process. For example, the responsibility for the web reform was transferred to a technology expert and the responsibility for marketing and sales of digital subscriptions to a consumer sales expert. The most extensive involvement was in preparing and implementing the organisational change.

The study examined how Karjalainen managed to influence the organisational culture of the newspaper in 2019-2021, according to Schein's three levels: structures, values, basic assumptions. (See section Methods and Data).

The issues outlined in the strategy, the measures taken, and the organisational change focused primarily on the outermost layer of the cultural change - visible structures, functional phenomena, and people's performance. Norms were also challenged by pushing print "behind" digital.

A key measure of organisational culture change and the deep-level shift to digital is the online surveys conducted between 2019 and 2021. Three of them are used in this analysis, the first one in May 2019, the second one in January 2021, and the third one in September-October 2021. The questions on culture were:

Structures

It is important that the Karjalainen is published seven days a week
The current editorial organisation of Karjalainen supports the digital transformation well
Karjalainen is competitive with other media
Karjalainen's digital channels serve the needs of our subscribers well

Values

Social media is part of Karjalainen's journalism
Multimedia skills are the order of the day - it enhances the professionalism of journalists
I am committed to Karjalainen's digital transformation

Basic underlying assumptions

Karjalainen's future is digital
Digitalisation increases the opportunities for journalism
Journalists' work no longer has any value in today's society
Digitalisation is necessary
The role of print needs to be strengthened

In principle, Karjalainen's digital transformation culture was already at a reasonable level at the start, and over the last two years, it has remained there. The responses to the surveys showed only a minimum movement in the organisational culture at any level.

At the **structural level**, the belief in Karjalainen's transformation towards digitalisation stayed on the same, high level. The new editorial organisation was perceived as taking the newspaper more towards a digital future (see the analysis on the organisational reform). Already at the outset, the editorial team of Karjalainen had a strong belief in Karjalainen's competitiveness among other media.

In the last survey, more than half (57%) of the editorial staff still considered it important that the Karjalainen be published seven days a week, but this solid view at the beginning of the documentation process has weakened over the past two years. The question did not take a position in the polls on whether publication meant print or digital. Presumably, most respondents understood the question to refer to the print edition.

The belief in the competitiveness of Karjalainen with other media has not changed significantly from the good figures at the beginning of the survey. In the survey in October 2021, 77% believed in Karjalainen's competitiveness. In the first survey, 67% of respondents agreed with the statement, in the second, 89%. Similarly, the editors' belief that Karjalainen's digital channels serve subscribers well remained unchanged. (41-56-53¹)

¹ % results in surveys May 2019-January 2021-October 2021

Values and norms related to digitalisation were already positive in Karjalainen's editorial team and remained almost unchanged over the period. Mastering many tools was believed to increase the professionalism of the journalist (86-93-91²). Already in the first survey, social media was taken for granted in the work palette of almost all editorial staff, with 95 per cent agreeing that social media is part of Karjalainen's journalism. In the second survey, the figure had remained almost the same at 92 percent, in the third 94%.

Karjalainen's editorial team is highly committed to the digital revolution, and this commitment has not changed in one direction or another over the past three years. It remained on the level of 90% support.

At the level of **basic assumptions**, the faith in Karjalainen's digital future was strengthened during the period under review. In May 2019 survey, 69% believed that Karjalainen's future is digital, and in the last survey in October, the figure was already 91%. On the other hand, it is noteworthy that staff's confidence in Karjalainen's future did not strengthen after implementing a new, more digital-oriented organisation.

There was also some change in attitudes towards the role of print. However, its position remained a concern for the editorial team. This concern was reflected above all in the open-ended responses to the last questionnaire, which asked the editorial team to say what they were most worried about in terms of change (see the results of the organisational change). Otherwise, the basic assumptions remained relatively unchanged. Belief in digitalisation as a tool increasing the potential of journalism has declined a bit. In the first survey, 92% believed in that; in the last survey, 85%. In general, the staff had already internalised the necessity of digitalisation three years ago. In May 2019, 89% of the staff saw that, in January 90% and in October 94%.

^{2 2} % results in surveys May 2019-January 2021-October 2021

Discussion

First, some words about the **organisational change implemented in 2021**. The most striking feature in Karjalainen's organisational change in 2021 was the acceptance of the reform received from the staff. It is commonly known that when the organisation changes dramatically, the resistance is high. There was no significant resistance in Karjalainen during the organisation formation process or after implementing the new organization. One possible major explanation was Karjalainen's management's guiding principle in the transformation: employee involvement in change. The results of the surveys and interviews conducted after the reform confirmed this. "Honest participation, not a performance," as one Karjalainen's journalist put it in the interviews. The overall mood in the post-reform survey was very positive.

Karjalainen's management considered the staff the best expert on its work, and the editorial staff genuinely promoted the reorganisation from the outset. They were heard, but their views were included in the final outcome.

Digital transformation 2019-2021

Karjalainen's management chose openness, interaction, and employee involvement in change as guiding principles also in Karjalainen's digital transformation 2019-2021 as a whole. It also reflects the current understanding of expert management in management literature but is not very common in newspapers. Traditionally, newspapers are pretty authoritarian, top-down organisations. Still, the newspaper is an expert organisation, where the wisdom is in the authors. There is much creativity that needs to be unleashed.

The documentation of Karjalainen's digital transition 2019-2021 raises the question of the best tools to promote digital transition. The answer this three-year-long documentation and analysis gives is obvious - and boring: promote the change on many levels and accept failures every now and then. It aligns with the current management thinking reviewed at the beginning of this report.

Case Karjalainen shows that concrete steps push the transition forward if they are accompanied with open communication about the goals and actions taken, experimental culture and acceptance of failures. But as the analysis of the cultural shift in Karjalainen shows, these changes have only a limited impact on the organisational culture.

In Karjalainen, the "digital culture" was relatively high at the beginning, and this level remained through the years under review. In line with theoretical thinking, the most significant change in organisational culture occurred at the level of structures. Otherwise, there seem to be hardly any changes in the corporate culture.

The results confirm how difficult it is to change basic cultural assumptions. In some cases, this inevitably means how difficult it is to eradicate deep-seated, identity-based resistance. We must accept that there will be people left in the process whose heads will be almost impossible to turn towards digital. But this does not mean that they are bad journalists or that they devalue the profession of journalism now or in the future.

But still, Karjalainen managed to reach its primary strategic goal - to increase the amount of digital-only -subscriptions. Based on this study, I cannot define if it was because of the positive pro-digital culture, actions taken, or the open management style in Karjalainen. Probably a successful combination of them all.

ANNEX 1

How the survey was carried out- elements used

Online surveys at the editorial staff

The online surveys carried out by the editorial staff form the backbone of the analysis.

An online survey using the SurveyMonkey application, to which respondents replied via a link in their email.

The questions were statements, and respondents selected one of five options for each statement: strongly disagree, disagree, don't know, agree, strongly agree.

In total, five rounds of online surveys were conducted during the documentation of the Karjalainen digital transformation. The analysis in this report is based on the responses to the three surveys. The justification is the time distance (different year) between the surveys and the comparability of the questions (high response rate, same question structure).

June 2019, 34 questions, 39 respondents

January 2021, 40 questions, 39 respondents

October 2021, 40 questions, 34 respondents

The basic structure of the questions was similar. In addition, each questionnaire had only questions from that questionnaire. Appendix Two contains the statements used to conduct the analysis that forms the basis of this report.

Five rounds of interviews at the editorial staff

Thematic interviews conducted in the editorial staff between 2019 and 2021 were used to support the analysis. They were used to identify different ways of talking about the Karjalainen digital newspaper and to support the evaluation of the survey results.

In total, five rounds of interviews were conducted during the documentation of the Karjalainen digital transformation. Some of the interviews were conducted with the same people throughout, while others were conducted with different interviewees.

The interviews were open thematic interviews: content, Karjalainen's digital strategy, competencies, open theme

Round 1, April-May 2019 (9 interviews)

Round 2, December 2019-February 2020 (9 interviews)

Round 3, May-June 2020 and September 2020 (8 interviews).

Round 4, December 2020-January 2021 (8 interviews)

Round 5, September-October 2021 (9 interviews)

Action research in Karjalainen/Marja Heinonen

In documenting the digital journey in Karjalainen, an action research approach was used to guide the change and to gain a constructive critical grip on it, both in the implementation and in the evaluation of the implementation. The action research was carried out by VTT Marja Heinonen.

Heinonen's action research visits to the editorial office of Karjalainen:

28.-29.3.2019

8.-10.4.2019

22.-24.5.2019

25.-27.9.2019

5.-8.1.2020 2

4.-25.2.2020

1.-2.9.2020

15.-18.9.2020

29.-30.9.2020

11-12.11.2020

It is noteworthy that in 2020 and 2021 there were few visits due to the COVID-19 epidemic.

ANNEX 2

The statements from the online surveys used as a basis for the analysis in this report.

ORGANIZATIONAL CHANGE

Overall Feeling

Karjalainen's organisational change has been successful
The organisational change has taken the newspaper too far towards the digital world
My confidence in the future of Karjalainen has been strengthened

Own role in the new organisation

I know what my role and tasks are in the editorial department
I feel that I have kept up well with the digital transformation in Karjalainen

Responsibility

It is important for me to be involved in the development of the editorial team towards a digital world
I have a big responsibility for the kind of stories that are in the magazine (both the topics and the treatment)

Organisational Structure

Karjalainen's current editorial organisation supports the digital transformation well
The current team model works well

Best things in the change

We have been most successful in our organisational change..

DIGITAL TRANSITION 2019-2021

The pace of the change

The transition to digital has been too fast in Karjalainen
We have already taken big steps towards digital as an editorial team
Management is committed to digital transformation

Own skills

I have sufficient skills to work in the digital environment in Karjalainen
I find digital transformation distressing from the point of view of my professional skills
I need training in these areas...(open question)

Digital Strategy

I know Karjalainen's digital transformation objectives
I know what happens next in Karjalainen's digital transformation
Readers are willing to pay for Karjalainen's content online
Readership of the print newspaper is decreasing year by year

CHANGE IN ORGANIZATIONAL CULTURE

Structures

It is important that the Karjalainen is published seven days a week
The current editorial organisation of Karjalainen supports the digital transformation well
Karjalainen is competitive with other media
Karjalainen's digital channels serve the needs of our subscribers well

Values

Social media is part of Karjalainen's journalism
Multimedia skills are the order of the day - it enhances the professionalism of journalists
I am committed to Karjalainen's digital transformation

Basic underlying assumptions

Karjalainen's future is digital
Digitalisation increases the opportunities for journalism
Journalists' work no longer has any value in today's society
Digitalisation is necessary
The role of print needs to be strengthened

ANNEX 3

Litterature

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