Inheritance of values and software development processes as an expression of culture in spin-outs

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Arv av kulturella värden och utvecklingsprocesser i spin-outs

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Abstract

There are several established reasons why an organization chooses to launch a spin-out. Innovation and the need for new processes and values are two of those reasons. Although spin-outs may solve a mismatch in ways of working, it also introduces a complex relationship between spin-out and parent organization. Corporate culture and development processes are two of the things included in the inheritance that may follow from a parent organization to its spin-out. The purpose of this thesis was to explore the role of inheritance in the spin-out process and investigate how a spin-out organization’s culture and processes is affected by those of its parent organization. The analysis of the two case companies suggests an inheritance from the parent organization to the spin-out. This inheritance and the element of control over the spin-out, that it gives the parent organization, further causes an ambiguity within the spin-out’s culture and processes. An ambiguity that represents a mismatch between how the spin-out wants to work and what the inheritance causes it to do instead. The thesis utilizes existing literature and empirical findings to highlight the importance of management and leadership. The thesis further discusses management’s ability to, together with the rest of the organization, mitigate said ambiguities and continue to develop the spin-out’s own identity, culture and processes.

Key-words

Spin-outs, spin-out management, corporate culture, inheritance
Sammanfattning


Nyckelord

Spin-outs, spin-out management, företagskultur, arv
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1. Introduction

The introduction establishes the thesis' field of research. This section further introduces the two case companies and establishes the problematization, purpose and research question for the thesis.

1.1 Spin-out organizations

There are several reasons why a company or an academic institution would create a new company to facilitate a new business. The concept of creating a new company out of an existing organization is known as a spin-out. Examples of reasons why spin-outs are created include the need to grow and the need to increase organizational efficiency in order to increase profits (Anslinger et al., 2000). Christensen and Overdorf (2000) have suggested what can be considered one of the most commonly adapted views on why organizations create spin-outs, namely a mismatch of processes and values between the parent organization and its subsidiary. While spin-outs and other similar types of organizational restructurings have historically been considered solely a response to market pressure, the creation of spin-outs have become an increasingly popular investment option without concern for common market opinion (Anslinger et al., 2000). Although the practice of spinning out an organization have increased in popularity over the years, many of the risks associated with the practice remain. As part of the broader concept of organizational restructurings, a large proportion of spin-outs fail to reach their intended goals (Beer & Nohria, 2000).

The concept of spin-outs has, previously, mainly been used to describe the creation of new organizations from within academic institutions. However, scholars, such as Christensen and Overdorf (2002), as well as Anslinger et al., (2000) suggest that spin-outs can also be the result of organizations operating within a non-academic context. In fact, researchers such as Anslinger et al. further suggest that academic spin-outs are not a group of their own, but rather one type of organization in a wider heterogeneous group of companies, commonly referred to as spin-outs. Anslinger et al.’s take on the concept of spin-outs could potentially suggest that many of the strategies, concepts and theoretical frameworks built for the non-homogenous group of academic spin-outs could be applied to non-academic spin-outs as well (Anslinger et al., 2000).

Albeit academic, or in a different context, there is an abundance of normative literature on the topic of spin-out management. The concept of spin-out management relates to how a spin-out should be run. This literature, as presented by for example, Jagersma and van Gorp (2003, 2004) proposes a number of ways in which spin-outs should relate to and behave towards their employees, investors and perhaps mainly towards their funders, or parent organizations. The relationship between a spin-out and its parent organization, as well as how that relationship should be built to optimize the effect of the spin-out's business, is one of the major topics of established literature. Jagersma and van Gorp (2003) as well as other authors, such as Lord et al. (2002), propose that the connection between spin-out and parent should be limited. This limitation is, according to both Lord et al. and Jagersma and van Gorp, a method for mitigating the inherent need for parent organizations to control the new spin-out, something that supposedly directly inhibits the development of the spin-out (Lord et al., 2002).
1.2 Culture
One of the tools organizations use to exercise control, is corporate culture (O'Reilly, 1989). Culture is an important aspect of any organization. Not only can organizational or corporate culture be a competitive advantage on its own merit, as shown by, for example, Barney (1986) as well as Sarros et al. (2008), company culture can also be an effective incubator for specific ideas and innovations. Companies and organizations can effectively build a climate in which certain attributes, such as innovation, are more likely to occur. By effective management and formation of new methods to effectively transfer information and knowledge within the organization, a culture focused around innovation can be fostered (Sarros et al., 2008). Culture can, however, in a similar fashion be built in such a way that it does not support certain attributes. Because organizations may already have an established culture that does not support certain, desired attributes, companies face the need to create separate entities which can build new cultures to support the desired attributes (Christensen & Overdorf, 2000).

The need to create a new culture may be one of the reasons why organizations choose to spin-out part of their business. However, the foundation of new organizations and cultures is a complex topic that requires major efforts in terms of establishing the spread of information throughout the organization (Sarros et al., 2008). The distribution of information requires, not only an extensive organizational network but also an established method for transferring tacit knowledge (Goh, 2002). The establishment of a culture is, however, not something done over a day. One example of this is the research by Hatch (1993), that shows the complexity associated with the methods associated with developing a corporate culture. Truth is, culture is a complex combination of values, assumptions, symbols and artifacts that is rooted within an organization (Hatch, 1993). The complexity of culture ties together with concepts by Lord et al. as well as Jagersma and van Gorp about spin-outs and their relationship to their parent organizations. Although organizations aim to leave spin-outs to discover themselves, without intervention of the parent organization, there is always an underlying risk of the parent negatively affecting the cultural development of the spin-out.

1.3 Development processes
As part of their general culture, organizations can institute a certain set of practices or processes that help the organization determine how it should operate. This shows that development processes are one of the things that can be affected by a change in leadership or corporate culture (Sarros et al., 2008). As with different cultures, different sets of practices and processes support different types of development in regards to speed, quality and level of compatibility with legacy products. One clear example of this is the rise of agile development processes. Agile development does, rather than seeking compliance with a set of listed requirements, seek customer satisfaction. Going from the old waterfall model, where development was halted until all requirements were completed, to a new agile principle is one of the core improvements in software development over the past decades (Highsmith & Cockburn, 2001). This change in mindset and the understanding of the connection between culture and development processes creates new challenges for organizations in terms of how they, in regards to their bread and butter businesses, should approach innovation, ideas and the possibility of creating a spin-out organization.

1.4 The case of The Company and The Spin-out
The opportunity to use cultural values and development processes for organizational improvement is becoming more and more widespread. The online payments industry is one of
the sectors that have come to utilize the concept of spin-outs to develop a new type of culture and development process. With more and more shopping being done online, more pressure is put on ecommerce sites to deliver payment options that suit the user’s needs. The companies supplying these payment options are commonly known as payment service providers (PSP:s). Because of the growing numbers of competitors within the industry, PSP:s have had to become more innovative and provide more innovative solutions. In many ways, this increased growth within the PSP sector, has been a catalyst for innovation (Zhou, 2013). Companies, such as the one that henceforth will be referred to as The Company, one of Sweden’s largest commercial banks, have because of this shift launched products, that in the context of traditional banking, can be seen as highly innovative. Like many other large organizations, one of the innovations made by The Company, was developed in the form of a spin-out.

The Company is a commercial bank with a corporate culture that is well-known for being thoroughly established within the organization. The bank also has well-established requirements on low risk, rigid functionality, high security and long-terms solutions. Partly because of these attributes, many employees suggest that the general pace of development and renewal within the organization can be slow. As a response to this presumed slowness, The Company launched a spin-out, from here on forward referred to as The Spin-out. The Spin-out is the result of the growth of ecommerce and the need for new ways of doing things within The Company. Funded as a spin-out from The Company, The Spin-out acts as a PSP and illustrates how a bank, with a low tolerance for risk, attempts to take on a new generation of technology companies.

The Spin-out was created from a part of The Company responsible for leasing, branding deals and sales of a subset of the bank’s products. The process of spinning out meant that all existing customers and associated products were transferred to the new organisation. Once in this new organization, additional products were added to the organization’s product portfolio. The spin-out process further included a complete rebranding of the organization and an official separation from The Company. The Spin-out did, however, remain part of the same company group as The Company. This group, which will henceforth be referenced as The Company Group, has a number of group-wide policies, models and strategies. The models and strategies shared within The Company Group include mandatory models related to software development processes and equally mandatory templates for software implementations. The strategies shared within the group are primarily financial. The group’s financial strategy, for example, dictates how return on investment is calculated within the group and how that number affects the longevity of individual organizations.

The Spin-out did not cut the organizational ties to The Company. Figure 1a demonstrates the organizational shift from a holistic point of view. As seen in figure 1a, the process of spinning out did not give The Spin-out a separate IT-department. The Spin-out is still reliant on many of The Company’s legacy IT-systems. Although The Spin-out is now a separate organization, with its own HR department, finance department, support etc, the developers who work with The Spin-out’s new technical products are employed by The Company. The developers are, while employed by The Company, still located at The Spin-out’s premises and many have been working with the underlying technology since before the organization was officially spun-out. Not only are the developers linked together with The Spin-out geographically, developers are also expected to follow the culture and development practices used at The Spin-out.
The connection between the development teams and The Spin-out in figure 1a, is detailed in figure 1b. Figure 1b illustrates the connection between the business end of The Spin-out and the development teams, including consultants, associated with The Spin-out from The Company. The figure attempts to illustrate that the development teams working with The Spin-out’s technology adheres to agile principles and further to the methodology Scrum. The methodology is an agile, iterative and incremental project management and development method that can help development teams work faster and more efficiently towards an ever changing environment (Sutherland & Schwaber, 2011). The connection between the two organizations is officially, primarily between the development team’s Scrum-master who leads the developer’s work and the product owners who create a backlog for the developers to work through. While figure 1b may give the illusion that developers and product owners at The Spin-out are separated, they are not. Instead, product owners and developers work in cross-functional teams. The close relationship between the developers and their business counterparts is one of the unique features associated with The Spin-out that other organizations within The Company Group has yet to adopt. Through efforts such as adopting new, modern development methodologies, The Spin-out attempts to be a forerunner for new, effective principles that have yet to reach other parts of the bank. As The Spin-out develops, so will other parts of The Company Group. The development of The Spin-out, its culture and software development processes are not completed. Instead, the development of The Spin-out is a continuous process that will continue to have an impact on The Company Group.
1.5 Problem formulation
The growth of digital solutions and products has opened up a new market for financial services within a digital and highly innovative setting. The increased focus on digital solutions puts emphasis on organizational traits such as development processes, which literature such as Sarros et al. (2008) suggests constitute a subset of the larger concept of corporate culture. Historically, companies such as banks have adopted cultures that focus on risk-aversion, stability and long-term relations. As these companies attempt to adjust to the emerging focus on innovation and digital solutions, there is a clash in terms of culture and processes. While large organizations may face an inherent slowness within their culture and their development processes, new technology companies, do not. Organizations that, historically, have not focused on innovation, now try to mitigate the clash of culture and processes by creating spin-outs, a practice supported by literature such as Christensen and Overdorf (2000). The process of spinning out a new organization can, however, introduce a new set of problems. One such problem, that academic literature has yet to cover extensively, is the possibility of the new spin-out inheriting negative aspects of the parent organization’s culture and processes.

1.6 Purpose
The purpose of this thesis is to explore the role of inheritance in the spin-out process and investigate how a spin-out organization’s culture and processes is affected by those of its parent organization.

1.7 Research question
To what extent is the spin-out affected by the culture and processes of its parent organization?
2. Theoretical frame of reference

The theoretical frame of reference introduces a number of concepts, theories and models used in the analysis. The concepts, theories and models are all compared to similar research and provided with context in order to justify their usage within this thesis.

2.1 Spin-outs

2.1.1 Formation and operation of a spin-out organization

The fast paced development of technology has led to an increasing rate of new innovations and ideas. While new ideas and innovations can spring from many places, many of them originate from employees within larger organizations (Nikola, 2011). The realization and development of such ideas and innovations can take place, either within the organization, in the form of a team-based effort to realize the idea or commercialize the innovation, or outside the parent organization in a separate organization known as a spin-out. According to Christensen and Overdor (2000), the choice of development practice varies greatly between projects and depends on the parent company’s culture and processes. As figure 2 explains below, the innovation’s general fit with the parent company’s culture and processes determines which of the implementation practices a company should choose. Spin-outs are often formed when the innovation cannot be implemented in a way that matches the parent organization’s culture and processes (Christensen & Overdor, 2000). The framework for working with innovation established by Christensen and Overdor continues to serve as a springboard for other researchers within the area of disruptive technology and innovation. Researchers such as Danneels (2004) have continued to develop the underlying concepts on which the framework is built. In terms of the framework seen in figure 2, other researchers further suggest that although innovation may be one of the more common reasons for spinning out, there are other reasons for why companies initiate the formation of spin-outs. Such reasons include; redundant capacities and reducing costs. Reduction of capital requirements and risk can also be core reasons behind why a company chooses to set up a spin-out. This suggests that spin-outs are not only formed through innovation but rather by pure financial incitements and for reasons related to corporate structure (Festel, 2012).

According to Lord et al. (2002), a spin-out is separated from its parent company in that it operates on its own terms and under its own management. A common scenario is that the parent company keeps all, or most of the stock in the new spin-out. This means that the parent organization relies on the spin-out to succeed, in order to get a return on the investment associated with changing its corporate structure. Still, the likelihood of return on investment is small. Most spin-outs fail in one or more aspects and consequently does not provide a return on the investment made by the parent organization. However, by utilizing the right tools and managing techniques, a parent organization can effectively aid the spin-out in creating an environment set up for success. The act of managing a spin-out is delicate and requires a management that know the difference between doing too little, too late and over-managing (Lord et al., 2002). Other researchers, such as Jagersma and van Gorp (2003, 2004) confirm the view that the problems and risks associated with a spin-out can be mitigated by adhering to a defined set of standards. Jagersma and van Gorp' have further, set a standard for the, later expanded on, concept of spin-out management. The area also extends to research such as that
by Lockett et al. (2003) that discusses how spin-outs should strategize to effectively emerge from an academic context.

2.1.2 Academic vs. corporate spin-outs

Literature on the topic of spin-outs often refer to spin-outs generated in an academic context, such as a university. One example of this is the earlier mentioned research by Lockett et al. (2003) on spin-out strategies within an academic context. The academic spin-outs are generally seen as a homogenous category of organizations. The spin-outs are assumed to have followed a linear process, where a technology-based idea or concept from research is patented and later commercialized. This notion of how an academic spin-out company has come to be, is often based on a survival bias. The organizations and companies studied within academic literature are often the ones that have succeeded. Druilhe and Garnsey (2004) has shown that the assumed homogeneity among the academic spin-outs is in fact misleading. Their study shows a large diversity in the types of companies started as academic spin-outs. The diversity also shows in how the spin-outs came to be and how they operate to date. Further, the study also shows that the assumed homogeneity, damages academic spin-outs because it, in many instances, leads to non-individualized support (Druilhe & Garnsey, 2004).

The large variety of organizations started as academic spin-outs suggest that they are not so different from the corporate variant of spin-outs. This is supported by Festel (2012) who proposes that both academic and corporate spin-outs have their unique advantages and disadvantages. At a general level, the largest difference between the academic and the corporate spin-out is their origin. While academic spin-outs originate in an academic context, corporates do not. Although this might seem like a small difference, the origin of the spin-out affects its ability to work as a company. Because of the academic spin-outs’ origin in the academic world, they are often led by researchers who are not equipped or educated to lead an, often technology based, enterprise. As a direct opposite, corporate spin-outs are often led by highly driven, entrepreneurial managers who have experience from the business world. Consequently, staffing is key in academic spin-outs specifically, but in all spin-outs generally. Other differences between the two types, include the general approach to academic resources. While academic spin-outs often rely too intensively on academic resources, corporate spin-outs instead focus on resources from the parent organisation because of its dominant position. Further, Festel shows that corporate spin-outs surprisingly have less synergies with their parent company than academic spin-outs have with their academic homestead. This creates an interesting dynamic where corporate spin-outs potentially contribute less knowledge and rely simply on contributing with a potential future return on investment (Festel, 2012). Although there are clear differences between academic and corporate spin-outs, their similarities and their mutual goal of providing return on investment for their parent organization or institution suggests that many, albeit not all, strategies and concepts for spin-outs can be applied on both. Much like companies in general are heterogenous and can not use the same strategy, neither can academic or corporate spin-outs.

2.1.3 Spin-outs vs. Spin-offs

The difference between spin-outs, spin-offs and similar corporate concepts for splitting a company or an organization, is often defined by the context in which the terms are used. Certain sources, such as Nikolowa (2011) borrows the terminology from the financial world and argues that a spin-out is a business, started by a former parent employee, set out to compete with its parent. Nikolowa argues that a spin-off, in turn, is a fully owned subsidiary. However, other authors, such as Wright et al. (2006), who uses the concepts in an academic context, argue that
Spin-outs do not compete with their parent organizations. Spin-outs in the academic sense are often supported by public capital that, in the long term, in many cases worldwide, is also used to support the very institutions from which the spin-outs have sprung (Wright et al., 2006). Wright et al.’s view is shared by Christensen and Overdorf (2000), who in their model on implementing innovation seen in figure 2, in a strict business setting, use the term spin-out for a subsidiary. The view of a spin-out as a subsidiary that helps the parent organization realize a new business is further supported by Jagersma and van Gorp (2003), who argues that spin-outs are owned and ultimately run by the parent organization.

![Figure 2 - chart explaining when a company should form a spin-out (Christensen & Overdorf, 2002).](image)

This thesis will discuss the concept of spin-outs based on the definition; that spin-outs are organizations sprung from an idea or an invention within a larger organization, as supported by both Christensen & Overdorf (2002) as well as Jagersma and van Gorp (2003). The organization have later been introduced as its own separate entity but is still owned in part or fully by the parent company (Jagersma & van Gorp, 2003). Because of the ambiguous nature of the concepts introduced in association with this definition, the thesis will not solely focus on one concept per se, but rather discuss spin-out literature on the premise that the authors of that literature uses the same or close to same definition as used in this thesis.

### 2.2 Spin-out management

Jagersma and van Gorp (2003) suggest that spin-out management revolves around the concept of refining and managing a spin-out to allow it to reach its full potential. The concept of spin-out management is divided into two different types of spin-outs, who operate, in two different ways. While the first type, start-up spin-outs, are new businesses launched by a parent organization, the second, going concerns is a division which is later spun off into its own corporate entity. Jagersma and van Gorp further argues that the concept of spin-out management manifests itself through the uniqueness of the spin-out business model previously defined. An important aspect of this business model and of spin-out management in general, is support from the parent organization. The authors mention that a spin-out should be able to rely on support in a number of ways, namely; professional infrastructure (back office), existing network of customers and business partners, reputation and brand awareness, as well as channels of distribution. These requirements make up the foundation of success for any spin-out that wishes to utilize its parent to the fullest (Jagersma & van Gorp, 2003). Although later research, such as that by
Walters et al. (2013) have shown that support from the parental organization is not always a good thing, most researchers, including Lord et al. (2002) as well as Lockett et al. (2003) agree that spin-outs thrive when supported by their parent organization.

The research by Jagersma and van Gorp (2003) gives further insight into how a spin-out should be managed in general terms. Jagersma and van Gorp can, for example, identify a number of advantages with the spin-out business model and accompanying management style, including: that the parent company keep talented employees who might otherwise leave the company, that there is greater speed in product development and time to market and that the parent company can benefit from the spin-out contributing to the parent company’s network of customer as well as suppliers and a general base of contacts. Further, Jagersma and van Gorp also identifies a vital component of successful spin-outs, namely that a successful implementation of spin-out management results in a higher level of transparency, which makes the spin-out more attractive to future partners. This improvement is, however, reliant on that the parent company does not burden the spin-out with old performance systems or strong internal culture (Jagersma & van Gorp, 2003). The benefits with spin-outs identified by Jagersma and van Gorp has created an interest for spin-outs and the concept of spin-out management within other fields. One example of this is Festel et al. (2011) who proves a potential for increased profitability with the help of Jagersma and van Gorp’s style of spin-out management within the pharmaceutical industry.

In a broader sense it could be argued that the concept of spin-out management is also about avoiding falling into some of the traps associated with the concept. Lord et al. (2002) have identified four traps into which spin-outs often fall. Much like Jagersma and van Gorp (2003), Lord et al.’s traps are in many ways associated with the spin-out’s behaviour towards, and its relationship with, its parent organization. Lord et al. identifies that a spin-out must not be too close to the core of the parent company’s main business. Neither should the spin-out venture into an area in which it can not find a coherent business model or financial base. Lord et al. further identifies that spin-out companies should not be focused on short-term finances or funding, but instead focus on a longer term return on investment for the parent organization with a strong focus on short-term growth. Lord et al.’s strategy is close to what Jagersma and van Gorp suggests, and requires a close relationship with the parent company. Lord et al., further suggests, similarly to Jagersma and van Gorp, that it is important for the parent organization to not be too tentative but instead allow the spin-out full control (Lord et al., 2002, Jagersma & van Gorp, 2003). Further research, based on both Lord et al, as well as Jagersma and van Gorp show similar results. Veldhoven et al. (2008) showcases that the outcome of many spin-out ventures is a direct result of the communication between the spin-out and the parent organization. Vedhoven et al. has, with the help of the models established by Lord et al. As well as those established by Jagersma and van Gorp put forward a set of similar guidelines on how a spin-out can reach its full potential. The use and further establishment of Lord et al. as well as Jagersma and van Gorp’s research, directly indicates the stature of the two papers within the field.

Jagersma and van Gorp have in a further paper (2004) defined a number of spin-out activities as well as their associated advantages and disadvantages. The paper is the result of a case study of a spin-out organization and includes a graph displaying how certain activities can be managed in terms of spin-out management. Figure 3 displays the results of Jagersma and van Gorp’s case study. As can be seen in the figure, there are both advantages and disadvantages associated with spin-outs. There are however, as can also be seen in the graph, management techniques or principles that can help mitigate potential disadvantages.
<table>
<thead>
<tr>
<th>Spin-out activities</th>
<th>Single events on ad hoc basis</th>
<th>Spin-out management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td>Professional development of people.</td>
<td>Recruit, retain and develop first league human assets.</td>
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<tr>
<td></td>
<td>Retain talent.</td>
<td>Package knowledge in different ways.</td>
</tr>
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<td></td>
<td>Develop and commercialize new business ideas.</td>
<td>Establish wealth creating pillar separate from income generating business.</td>
</tr>
<tr>
<td><strong>Disadvantages</strong></td>
<td>Cultural clash between parent and spin-out.</td>
<td>Complexity of managing spin-outs.</td>
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<tr>
<td></td>
<td>Many failures, few successes (sometimes even just failures).</td>
<td>Danger of loosing mass and control.</td>
</tr>
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<td></td>
<td>Conflict of interest between new activities and consultancy services to existing clients.</td>
<td>Decrease in motivation of consultants not involved in entrepreneurial activities.</td>
</tr>
<tr>
<td><strong>Key-success factors</strong></td>
<td>Selecting manager(s) with an entrepreneurial mentality and skills to manage a spin-out.</td>
<td>Team of people inside the parent committed to establish a spin-out.</td>
</tr>
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<td></td>
<td>Relatedness to the core business.</td>
<td>Relatedness i.e., possibility of sharing resources.</td>
</tr>
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<td></td>
<td>(Lack of) structuring spin-outs.</td>
<td>Perception of customers that spin-out is valuable and their willingness to buy product or service.</td>
</tr>
<tr>
<td><strong>Lessons learned</strong></td>
<td>Spin-outs should be part of growth strategy otherwise they risk being abandoned after a failure.</td>
<td>The bigger and more established units are, the more they end up killing off new activities.</td>
</tr>
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<td></td>
<td>Innovation and corporate venturing activities suffer unrightfully under economic downturn.</td>
<td>The challenge is being serious about running spin-outs as venture activities versus treating each new venture as some kind of new department.</td>
</tr>
<tr>
<td></td>
<td>Due to cultural differences between consultants and people with a more entrepreneurial mindset, spin-outs in the service sector will rarely succeed.</td>
<td>The need to run ventures with discipline regarding investments (rather fewer strong investments than many dispersed), commitment of senior management time (for counseling and coaching) and timeframes for performance evaluation (e.g., getting out to the customers as soon as possible).</td>
</tr>
<tr>
<td></td>
<td>Relatedness to core business will increase success rate of spin-out activities.</td>
<td>Allowing time for a spin-out to become profitable with a minimum of a couple of years.</td>
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</tbody>
</table>

Figure 3 - a graph displaying the results of Jagersma and van Gorp (2004) case study.

Apart from highlighting techniques that can be used to mitigate the disadvantages of a spin-out organization, figure 3 also introduces a number of lessons learned from the specific case of Jagersma and van Gorp (2004). While the lessons learned constitute good material for further analysis, it is was figure 3 refers to as single events on an ad hoc basis that needs to be examined further. One of these single events, the potential cultural clash between a spin-out and its parent ties along with the theme of the thesis. Jagersma and van Gorp does, in relation to this single event, further argue that while previous literature have often stated that a strong relationship between parent and spin-out is bad practice, others argue that:

“a close relationship between parent and spin-out is positively related to a venture’s performance while confirming that the relationship evolves as the venture matures and the importance of managing the extremes providing autonomy and maintaining damage control at the same time” (Jagersma & van Gorp, 2004).
This ambiguity suggests that although there is an identified problem associated with the relation between parent and spin-out, there are few empirical studies on the topic. Still, there is a consensus of sorts among researchers stating that the relationship between parent organization and spin-out should be based on the parent giving counsel rather than practicing direct control. This consensus is further supported by Walter et al. (2013) whose research focuses on what effect a parent organization that works against the best interest of the spin-out, has on the development of the spin-out. Walter et al. suggests that spin-outs that have complicated relationships with their parent organization develop slower than those with a good relationship. Through their research, Walter et al. ultimately suggest that spin-outs who suffer from a strained relationship with their parent should attempt to cut the ties altogether (Walter et al., 2013).

Figure 3 and Jagersma and van Gorp (2004) further argues that there is a need for balancing the number of consultant and the number of employees in a new organization. While a new type of organization may require external competence and knowledge, Jagersma and van Gorp argues that it is important, in order to not lose entrepreneurial spirit or connections to the parent, to keep a large number of internal employees in the process. On the same topic, figure 3 mentions retention of staff as one of the advantages of a spin-out. This is, according to the authors associated with knowledge management in that a new environment, i.e. the spin-out enables employees of the parent organization to put their knowledge in a new context and consequently benefit from a supposed influx in creativity and a architectural and modular approach to innovation. Another of the key success-factor mentioned in figure 3 is the importance of selecting managers with an entrepreneurial mindset and knowledge of how to lead a spin-out organization. Jagersma and van Gorp states that the entrepreneurial managers, that a spin-out need to succeed, differs from traditional management. Entrepreneurial managers need to be more flexible and balancing the structure between existing activities and new ones. Consequently, in order to run a spin-out in accordance to the principles set out in figure 3, there is a need for management to see both the entrepreneurial possibilities as well as to utilize the support that comes from being backed by a parent organization (Jagersma & van Gorp, 2004). The understanding and support of managers, associated with this entrepreneurial mindset, is supported in whole by both Lorde et al. (2002) as well as Walter et al. (2013).

2.3 Corporate culture

2.3.1 The foundation of corporate culture

Corporate culture has, for quite some time, been known as one of the factors that make certain companies better than others. One of the studies identifying the importance of corporate culture is Barney (1986), who identified culture as the source behind many organization’s competitive advantage. A strong and valuable culture has been proved to increase a company’s financial returns (Barney, 1986). This claim is supported by among others Denison (1990) as well as Gordon and DiTomaso (1992) who both propose that there is a connection between corporate culture and short-term performance. Unlike Barney, Denison further identified a connection between corporate culture and organizational effectiveness, a notion that later research on the topic, such as that by Yilmaz and Ergun (2008) went on to research more thoroughly. Yilmaz and Ergun finds a clear distinction between the concepts of performance and efficiency and argues that efficiency is a sub-concept that is ultimately affected more by an organization’s culture. A growing stream of research within niches of the field of corporate culture, such as Yilmaz and Ergun, views culture as a principal aspect of an organization’s overall functioning. This is supported by the notion that corporate culture can affect, not only, an organization’s
financial performance, but also its choice and use of, for example, methodologies and
development processes (Iivari & Hulsman, 2007). While the concept of corporate culture, much
like the terms spin-out and spin-off, is highly ambiguous, Barney (1986) defines corporate
culture as:

“A complex set of values, beliefs, assumptions and symbols that define the way in which a firm
conducts its business”

While the definition provide little insight the differences between the culture within different
organizations, it provides a basis for how any company’s culture is structured. A culture’s
structure can be unique and consequently valuable or rare. Such rare cultures have shown to
hold superior financial performance over, what Barney (1986) refers to as competitive cultures.
In order for a company to achieve the competitive advantage Barney mentions, its culture must
meet three criteria. First, the culture must be valuable, as in enabling a firm to do things and
operate in a way that leads to high sales. Secondly, the culture must be rare, it must have
attributes and characteristics that make it stick out from other instances of corporate cultures.
Last, the culture must be imperfectly imitable, meaning that the culture cannot simply be
implemented by other companies without losing the effects received by the company at which it
is currently implemented (Barney, 1986). Much of the later research on the topic, such as that
by Denison (1990) as well as Yilmaz and Ergun (2008) bases many of its core principles on
these notions presented by Barney. The basic concept that Barney brought forward has been a
boilerplate for other researchers. One example is Sørensen (2002) who uses the notion that
corporate culture affects performance and expands on it by looking into under what
circumstances culture has those specific attributes. Through his research, Sørensen identifies
that strong-culture companies primarily have an increased advantage in stable business
environments, where there is little market variance. Sørensen also identifies that the opposite
holds and that a strong corporate culture consequently only is reliant in specific corporate and
industry settings.

Because of the difficulties associated with implementing valuable cultures, it is not advisable for
new companies to attempt to imitate them. Instead, such companies must look elsewhere to find
ways to increase their efficiency and generate higher financial performance (Barney, 1986). It is
a culture’s capability to achieve this increase in efficiency that Denison (1990) further explored
and that researchers after him have continued to study. Companies that already possess
valuable cultures should, rather than changing their culture, rely on the implementation of new
attributes within their existing culture (Barney, 1986). From this follows that management at
companies, without a strong or valuable culture, must adapt and realize that management
seldom can contribute to the culture at large (Sorros et al., 2008). If a company is able to modify
its culture in drastic ways, it is likely that imitating companies will be able to follow. If other
companies are able to copy the culture of another, the aforementioned superior financial
performance of a culture will decline (Barney, 1986).

2.3.2 A model for analyzing corporate culture
Corporate culture can be studied on several levels. The definition supplied by Barney (1986)
provides little in terms of tools that can help analyze a culture. Throughout the years, the
concept of corporate culture has developed from a notion to a complex composition of elements
that differentiate organizations and largely affect how they are run. While early models, such as
that developed by Schein (1985) offers little in terms of dynamic approaches to analyzing and
contextualizing models, later literature does just that (Hatch, 1993). Albeit Hatch argues that his
model is not yet dynamic enough, it offers insight into the complexity and functionality of
corporate culture and the attributes associated with it. Figure 4 describes a model developed by
Hatch to illustrate the components behind any corporate culture.

![Hatch's cultural dynamics model with its associated elements and processes](image)

Figure 4 - Hatch's cultural dynamics model with its associated elements and processes (Hatch, 1993).

The model offers a development of Schein’s original take on the concept of corporate culture.
Schein (1985) suggested that there are links between an organization’s artifacts, values and assumptions.
Hatch later introduced the concept of cultural dynamics which, unlike Schein, suggests that the focal point of the model are the links between the elements. In general, the model seen in figure 4 poses the question:

“How is culture constituted by assumptions, values, artifacts, symbols, and the processes that link them?” (Hatch, 1993).

The model in figure 4 has two layers to it. The first layer is the circularity of values, assumptions, artifacts and symbols. Hatch suggests that these elements are interconnected by a number of processes, namely manifestation, realization, interpretation and symbolization. The model proposed works both clockwise and counterclockwise and is continuous, meaning that states change continuously and that change can be simultaneous. Because the circular model can start at any given point, symbols can through different individual’s interpretations, which creates meaning out of experiences, become assumptions. Assumptions can in turn process its intangible features into mutual expectations on reality in the form of common values. Those values can become tangible real objects, artifacts, through realization. In turn, artifacts can through symbolization become symbols in the form of logos, slogans and the likes. The process can go both ways and consequently create different sets of tangible and intangible assets associated with the organization (Hatch, 1993).

2.3.3 Acculturation within organizations
While this thesis focuses mainly on the topic of corporate culture within spin-outs and similar
organizational structures, many models associated with corporate culture study the concept
within a different setting. Although not appropriated for the case of spin-outs, other models can
still be contextualized and appropriated to use within this thesis. One example of such a model,
developed by Nahavandi and Malekzadeh (1988) was originally appropriated for mergers and
acquisitions. The model revolves around the meeting of two cultures, or acculturation, which in
the case of The Company and The Spin-out is a highly important issue. The model, suggested
by, Nahavandi and Malekzadeh (1988) describes acculturation within organizations. The model is based on the four modes through which acculturation takes place. Figure 5 shows Nahavandi and Malekzadeh’s modified version of the model.

Figure 5 - Nahavandi and Malekzadeh’s model on acculturation in mergers and acquisitions (Nahavandi & Malekzadeh, 1988).

Figure 5 revolves around four ways in which two organizations adapt to each other and the other’s respective culture. The four ways of adaptation are integration, assimilation, separation and deculturation. Integration suggests that the merger of two corporate entities is strictly structural and that the two organizations separately maintain many of their own values. Assimilation is the opposite of integration, a unilateral process in which one of the organization’s adhere to the culture of the other organization and cease to exist as its own cultural entity. One typical example of assimilation is acquired companies that have been unsuccessful and are later acquired by a more successful company. Separation is further when a smaller part of the acquired organization chooses to stick to the acquired organization’s culture although others assimilate. If allowed, the separation will result in a sort of independent organization within the larger umbrella corporation. The last method, deculturation is based on the concept that a small group within the acquired firm removes itself from the acquired organization’s culture but still refuses to assimilate to the acquirer’s corporate culture. The result of this is often torn up organizations put in a state of acculturative stress. Which method becomes associated with a specific acculturation process depends on two characteristics, which in figure 5 are the acquired firms perceptions of the acquirer as well as the will of cultural preservation within the acquired firm. While the model, in the case of mergers and acquisitions, focuses on the characteristics of the acquiring and the acquired companies (Nahavandi & Malekzadeh, 1988), the model could potentially be contextualized into spin-out and parent organization. The model established by Nahavandi and Malekzadeh have become a baseline for further studies on the topic of acculturation. One example of such a study is that by Shenkar (2001). Shenkar goes deeper into the topic of cultural distance and identifies a number of theoretical and methodological properties that can improve the understanding of culture and the relations between them (Shenkar, 2001).

2.3.4 Corporate culture within the thesis

Although authors, such as Iivari and Hulsman (2007), Hatch (1993) and Barney (1986) differ slightly in their definition of culture, the authors share a common perception that culture is not a monolith, but rather an architectural concept built up by several, separate modules. The modules that make up a corporate culture can take the form of, for example, values, as
suggested by Barney and Hatch as well as software development processes as suggested by Iivari and Hulsman. Consequently, the thesis adheres in part to the definition of corporate culture suggested by Barney, that culture is a complex set of values, beliefs, assumptions and symbols that define the way in which a firm conducts its business. However, the thesis further adheres to the concept suggested by Iivari and Hulsman that culture is not only made up by values and symbols but also by more practical corporate specific elements such as its core development processes.

2.4 Innovation

2.4.1 The concept of innovation

Innovation is the foundation of change. As organizations strive to adapt to change, managers on all levels, albeit being capable of doing so, do very little (Christensen & Overdorf, 2000). In order for ideas and innovation to grow, in all aspects of an organization’s work, an organization or a company require both leadership and organizational culture. Although innovation is often seen as a one-dimensional concept, innovation within an organization can mean many things. In the context of an organization or a company, innovation is a climate in which ideas and new products are fostered. Innovation can be materialized in terms of innovations and products or as a general innovative culture. The three concepts of innovation, namely product innovation, innovation for the sake of innovation and cultural innovation are drastically different and call for different theories and frameworks. In order for an organization to succeed in its innovation policies and create a new more agile business climate, the company or organization, needs to adhere to processes that can develop all of the three concepts (Sarros et al., 2008). Later authors support Sarros et al.’s notion that innovation is a complex concept. Some, such as Fløysand and Jakobsen (2010), go as far as to argue that innovation can not be seen as a predictable process. The authors argue that innovation, instead, should be seen as a multilevel, spontaneous process, drastically more complex than earlier research have suggested.

2.4.2 Innovative climate

As Sarros et al. (2008) suggested above, a climate for organizational innovation is a climate that supports the development of new ideas and products. The innovative climate is instrumental in creating an innovative organization. Mentioned as one of the three dimensions of innovation within organizations above, the concept is driven by a number of attributes associated with organizations and companies who are deemed to be innovative. Figure 6 attempts to illustrate the attributes necessary to create a climate for organizational innovation. The graph, taken from Sarros et al. (2008), identifies six major attributes of organizations that, in accordance to Sarros et al., has an innovative climate. The six attributes presented in figure 6 all put requirements on management as well as individuals within the organization to, for example, articulate a clear vision and being a role model for others within the organization (Sarros et al., 2008). The wording associated with the graph and Sarros et al.’s overall work suggests that there is a single accepted view on what constitutes an innovative organization. However, other studies, such as Medina et al. (2005) propose that both the suggested attributes associated with innovative organizations as well as the definition of an innovative organization, itself is under question. Medina et al. argues that there is not one commonly accepted definition of innovation. In terms of actual attributes, the paper identifies several attributes that are not mentioned in Sarros et al.’s graph, among these; use of IT, strategic flexibility and collaboration with other organizations or companies (Medina et al., 2005).
The inability to reach a consensus regarding which cultures are innovative, and which are not is further supported by a separate definition by Tidd and Bessant (2015). Tidd and Bessant suggest that an innovative culture instead focus on taking risk and running the organization at the forefront of technology in order to find innovativeness (Tidd & Bessant, 2015). Albeit the definition of innovation is under dispute by the three groups of authors, the outcome of it is not. It could consequently be suggested that the although the theories behind it vary, the concept of innovation can be a variable depending on context, while the outcome of innovative products or services is a constant.
2.4.3 Innovative culture

Both figure 6 and figure 7 suggest a series of attributes that an organization need to possess in order to develop an innovative climate. The two figures show a clear distinction between the concepts of climate and culture. In figure 7, it is the organizational culture that supports the organization's innovative climate, not the individual, underlying attributes. Although the individual attributes do not directly affect the climate in Sarros et al.'s (2008) model, the attributes still play an important role in defining the organization's culture. The connection between corporate or organizational culture and the attributes that support an innovative climate further highlights that an organization's culture is directly responsible for the climate of the organization, innovative or not (Sarros et al., 2008). Unlike Sarros et al., previous researchers have not made this clear distinction between culture and climate. Researchers such as Zoran (2000) instead refers to climate and culture as two similar concepts that similarly affect an organization as a whole. Although Sarros et al. are somewhat unique in their approach towards the definition of climate versus that of culture, there is plenty of research on the topic of building a culture and a climate that supports innovation. Examples of such research can be found in Pervaiz (1998) who pressed the notion that being innovative requires the adoption of an innovative culture, which they, much like Sarros et al. identified as a result of a number of innovative attributes.

2.5 Knowledge transfer

Knowledge transfer is a part of knowledge management that supports the notion of a systematic approach to transfer knowledge. The concept of knowledge transfer includes acquisition, organization, restructuring, warehousing and repackaging knowledge for distribution. Although the strategy used to implement knowledge transfer may vary, the strategy has to be initiated and governed by a top-down monitoring of systems and processes to facilitate knowledge-sharing. Such top-down systems may include incentives to encourage knowledge sharing as well as the identification of important knowledge assets (Bollinger & Smith, 2007). The types of knowledge shared within an organization can be divided into tacit, personal information that is not easily codified, and explicit knowledge, that is codified and easily distributed. Explicit knowledge can often be shared through digital means such as information systems, of which one example is Lotus Notes. Apart from digital solutions, explicit knowledge is more commonly shared through documentation and structured data. The transfer of tacit knowledge is more commonplace within social environment such as meetings or other social interactions where it can be exchanged in the form of experience (Goh, 2002).

Leaders are the facilitators of knowledge transfer and also a strong influence on organizational culture. Leaders can through their influence create and support conditions in which knowledge can be transferred properly. Although leaders play a large role, managers are, in accordance to the research of Goh (2002) less important. Goh suggests that breaking down hierarchies is an enabler of knowledge transfer. Less hierarchical group set-ups such as cross-functional teams have a positive effect on the transfer of knowledge. While company structure, leaders and the attitude of management can be important to knowledge transfer, one of the most fundamental ways to ensure the effectiveness of knowledge transfer is to make sure knowledge recipients are able to receive information. Individuals and groups who work together must have similar knowledge capacities, meaning that they should be able to absorb the same knowledge, in order to work better together. This comes to show that while knowledge transfer is ultimately dependent on managerial action and implementation of specific incentives, one of the core enablers of knowledge transfer and one of the factors controlling its frequency is corporate culture (Goh, 2002). The notion that information can only be spread to those who want
information, as presented by Goh, is supported and used by many other researchers who investigate the topic of knowledge transfer. One example is Ajmal and Koskinen (2008) who identify a number of ways in which organizations can create more effective knowledge transfer. Ajmal and Koskinen further adds to the field by finding proof that organizational cultures themselves need to promote knowledge management and knowledge transfer in order for a specific individual or group to do so.

While knowledge transfer in many ways can be seen as something a company has to work for, it can also be spontaneous and part of an information flow from one party to another. As part of this, Agarwal et al. (2004) suggests that an organization’s historical knowledge can affect current events. One example of this could, according to Agarwal et al., be that experiences drawn from a certain market, shapes an organization's knowledge and affects how that organization diversifies into other markets. The same research suggests that experiences such as these as well as routines and resources, transfer from old to new organizations through the migration of employees. This further implies that prior employment affiliations influences, not only new venture formation, but also its product market strategies (Agarwal et al., 2004).

2.6 Software development processes

The software development business has gone from meeting requirement to instead targeting fulfilled customer needs. This has resulted in a transformation of the processes and tools software development teams use in order to complete their tasks. While the historical approach has been that all potential goals and requirements can be anticipated, the new methodology favors an iterative and agile approach to requirements (Highsmith & Cockburn, 2002). This change in mindset among both developers and more business oriented professions come from a larger change in society and a more strict focus on organizational culture. In fact, corporate culture has shown to be a strong influence in the selection of what development processes a company uses (Iivari & Hulsman, 2007).

Although development processes, historically have and still today look alike between systems and types of content, pressure is being put upon teams to adapt more unique development approaches that fit their specific field. This is especially true within web development, where certain unique characteristics of the web development process are poorly addressed by contentious development practices. Lowe and Henderson-Seller (2001) addresses this misalignment between conventional software development processes and the needs of web development. The problems identified by the two authors are focused around two areas, technical and organizational. Within the technical field, the differences between traditional development and web-development can be seen in the links between business model and technical architecture. While traditional software architecture have been separated, web-development is far more intertwined with the business architecture. Further, web processes are also considered more open and modularised, which is interconnected with a third point being that web faces more rapidly changing technologies than conventional software development processes. Moreover, web-development also puts more emphasis on user interfaces, focuses more on content and stand up for the increasing importance of quality attributes (Lowe & Henderson-Sellers, 2001).

The organizational area provides another set of differences between web and other types of software development. The organizational attributes of web-development include client uncertainty, meaning that the clients are not always aware of what is possible and what is not creating a high level of volatility in regard to requirements. Another attribute is changing
business requirements, where the requirements of web projects differ greatly from conventional software in that the underlying business changes more rapidly. Projects and businesses within the field of web are also far more reliant on their technology than traditional software stakeholders. Other differences between web and conventional software development include short time frames for initial delivery, a highly competitive environment, as well as a fine-grained evolution resulting in a need for highly iterative work in order to meet requirements on modernity (Lowe & Henderson-Sellers, 2001). The complexity associated with web development is supported by several other authors, including Escalona and Koch (2004) who propose that web applications require far more complex and extensive requirements than other software development methods because of the large amount of stakeholders involved. Van de Weerd et al. (2006) go beyond that and based on the complexity identified by both Lowe and Henderson-Sellers as well as Escalona and Koch build a design model to mitigate the complexity associated with web development.

All in all, the difference in requirements between conventional software development practices and those associated with web-development requires organizations to work actively to change their attitude towards certain types of development. It is especially important that organizations work on linking their business architecture with both their information architecture as well as their technological systems. By doing so, organizations can actively work to not only modernize their development processes, but also actively work to make them more efficient (Lowe & Henderson-Sellers, 2001).

2.7 Sustainability

The concept of sustainability is an ever growing field in which there is no scarcity of research. While some researchers, such as Boström (2012), focus on the development of the individual concepts of sustainability, others, such as Duic et al. (2015), focus on contextualizing the already established components of sustainability. In 2005, following the World Summit on Social Development, the United Nations (UN) established three pillars of sustainability on which to base its work. The three pillars and their respective sustainability field were economic sustainability, social sustainability and environmental sustainability (General Assembly res. 60/1, 2005). Still, the concept of sustainability is ambiguous and has in literature been interpreted in many ways. However, many including Boström, argues that it is the three pillars and the research around them, individually or together, that define the concept of sustainability. One example of such research is Duic et al. who focuses on the field of environmental sustainability and identifies a set of categories that aims to help identify and focus on specific sustainability issues (Duic et al., 2015).

Boström (2012) as well as a number of other authors, identify social sustainability as the fulfillment of basic needs, such as income, housing and self-fulfillment. This creates a basis of social sustainability that in the western world relies on employment, and the well being of employees which Boström refers to as Community capacity. Community capacity does in this context refer to the development of civil society and social capital. In general, many of the substantive aspects of social sustainability referred to by both Boström and the earlier mentioned UN resolution revolves around the capability of private organizations and corporations to provide jobs and the consequential income to cover people’s basic needs. Within this context, many authors, including Duic et al. (2015) and Boström, argues similarly that private actors must play the largest role in promoting and acting towards establishing environmental sustainability. From this, Boström, with the help of a number of researchers, draw
the conclusion that environmental and economic sustainability go hand in hand. In the western world’s financial system, the baseline for all environmental development is economical.

The community capacity, as well as the entangled pillars of environment and economics, can in this regard, according to Boström, be part of what is known as corporate social responsibility (CSR). CSR does, according to Boström (2012), incorporate all three of the sustainability pillars. Consequently, it is ultimately up to corporations to play a large role in ensuring that the development of products and services is sustainable in all three senses (Boström, 2012).
3. Empirical frame of reference

The empirical frame of reference provides initial insight into the concept of spin-outs within other sectors. By studying corporate values as an expression of culture, the empirical frame of reference highlight the concept of inheritance between a parent organization and its spin-out.

3.1 Case studies

3.1.1 Other spin-outs
Spin-outs have become a common occurrence within the business world. It is not only a common occurrence within the world of banking, ecommerce or PSPs, but a global trend that covers multiple business areas (Siegling, 2014). The connection between the concepts of company divestitures, spin-off and spin-outs creates an interesting dynamic where other industries and corporate structures provide insight into the concept of cultural inheritance. The differences and similarities between the mentioned concepts make it possible to study the phenomena without analyzing the actual spinning out. Instead, it is possible to focus on values, as an expression for culture. The notion that values are an important part of corporate culture is supported by Hatch (1993), who puts values as one of the four components of any culture. Values can come in the form of assumptions made about the organization as a whole, as well as tangible items in the forms of artifacts. The connection between an organization’s values and its corporate culture suggests that it is possible to get an insight into the inner workings of an organization’s corporate culture by looking at its organizational values. By studying these components or attributes of a culture as an expression of the culture as a whole, it is possible to gain insight into possible connections between the culture of different organizations.

By looking into other segments of the private sector, there is a possibility of seeing trends that are not apparent from looking into the two case companies. The two cases below, including two spin-outs and their parent organizations, are drastically different, but still share common ground in their corporate structure. Both pairs of parent organization and spin-out bring distinct characteristics that aims to showcase the structure and level of inheritance for that specific industry or type of organization. This information that can later be utilized to highlight certain aspects of inheritance on a more holistic level. The first pair of spin-out and parent organization, Orora and Amcor are chosen because of the similarities in products offered by the two organizations. Although academic literature, such as Jagersma and van Gorp (2004) suggest that there need to be a clear distinction between the type of operations in the two organizations, Orora and Amcor produce very similar products. The case of Orora and Amcor consequently provides an interesting take on the effects of going outside the frame of established literature. The second case of Macquarie Group and Sydney Airports present, in turn, two very different companies. The second case is an example of a type of relationship between parent and spin-out, where there are few connection between the two organizations other than ownership. Macquarie Group effectively being a venture company provides interesting insight into a set of organizations that does not match their spin-out in product or processes. This mismatch between a parent and a spin-out can potentially stimulate the notion that inheritance is independent of organizational similarities but instead relies on other factors. By looking into the stated values and documentation on corporate beliefs and/or vision for the two sets of organizations, the empirical frame of reference will attempt to identify similarities or differences within the two cases.
3.1.2 Orora and Amcor

Orora Group and Amcor are two companies that both operate within the packaging industry. More specifically, the companies specialize in packaging products into containers such as glass bottles, aluminium cans and cartons. The two companies, which were formerly merged, are as of 2013, two separate companies, where Orora has spun out of Amcor (Amcor, 2013). The spin-out springs questions regarding whether or not the two organizations still share common cultural attributes, specifically within their corporate values. By looking into the two organization’s values, potential similarities or differences can be identified and documented. Figure 8 showcases the stated and documented organizational values of the two organizations. The figure illustrates that Amcor and Orora, although they may use different words to express certain values, share many of those values. While teamwork and integrity are the best example, sharing the same keyword, Orora uses the word Passion to express an innovative approach which aligns with Amcor’s keyword. Similarly, Orora uses the keyword teamwork to commit to safety, one of the keywords of Amcor. The same goes for Orora’s keyword respect which corresponds to Amcor’s keyword social responsibility.

<table>
<thead>
<tr>
<th><strong>Safety</strong></th>
<th><strong>Teamwork</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>We take care of each other and our stakeholders</td>
<td>Safety first, one Orora, in it together</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Integrity</strong></th>
<th><strong>Passion</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>We built trust in our relationships through honest and ethical behavior</td>
<td>Courageous, innovative, responsible</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Teamwork</strong></th>
<th><strong>Respect</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>We work together to make a difference</td>
<td>For each other, for the community, for our customers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Social Responsibility</strong></th>
<th><strong>Integrity</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>We respond to the needs of our communities and the environment</td>
<td>Do what is right, true to what we stand for, true to our promise</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Innovation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>If there is a better way, we will find it together</td>
</tr>
</tbody>
</table>

Figure 8 - graph specifying organization values for Amcor and Orora (Amcor, Orora, 2017).

By putting the keywords together, the total amount of the beliefs shared by the two organizations can be estimated. By assuming that Amcor represents the original organization values, prior to Orora’s spin-out, the level of inheritance can be deducted. The measurement includes both keywords as well as descriptions of those keywords. Following the methodology above, the result is that all keywords present in Amcor is in one way or another present also within the values presented by Orora. By comparing Amcor with Orora, it can be seen that Safety is mentioned within Teamwork, integrity is directly mentioned, teamwork is also directly mentioned, social responsibility relates to passion as well as respect and innovation is found...
under the keyword passion. From this, it could be suggested that the two organizations share many values, which could possibly be because of an inheritance or common past.

3.1.3 Sydney Airports and Macquarie Group

Macquarie Group is a global financial services provider. The organisation offers services within areas such as capital markets, trading, hedging, research and retail financial services among others (Macquarie Group, 2017). Sydney Airports on the other hand is an organization created and dedicated to running Sydney’s largest airport, one of Australia’s most important pieces of infrastructure (Sydney Airport, 2017). While Sydney Airports was previously run by a specific part of Macquarie Group, the airport was spun out from the organization in 2013 (Stewart, 2013). As part of this, Sydney Airports was spun out of Macquarie Group. In the process of spinning out Sydney Airports, the two companies created new, or stuck with their already established corporate values. Similarly to the case of Amcor and Orora, the corporate values of Macquarie Group and Sydney Airports are presented in figure 9. Although figure 9 showcases that the two organizations only share one direct core value keyword, the explanation provided for each keyword suggest, much like in the case of Amcor and Orora, that the two organizations do share a set a set of mutual values. Examples of this is that the fact that Sydney Airports’ keywords Excellence corresponds with Macquarie’s explanation on Opportunity. Similarly, Sydney Airport’s Creativity and Flexibility keywords map with Macquarie’s take on Opportunity.
### Opportunity
Seek to identify opportunity and realise it for clients, community, shareholders and our people. We start with real knowledge and skill. We encourage innovation, ingenuity and entrepreneurial spirit. We support our people to achieve and succeed. We value the opportunity to be part of the Macquarie team. We realise opportunity, respect different ways of thinking and the contribution of others.

### Integrity and Openness
Acting honestly and openly to achieve corporate and social objectives.

### Accountability
We are accountable for all our actions, to our clients, our community, our shareholders and each other. We never compromise our standards. We take responsibility for our actions and everything we say and do is on record. We analyse and manage risk, and we make decisions we are proud of.

### Safety and Security
Delivering the highest level of safety and security.

### Integrity
We always act honestly and fairly. We honour our promises. We earn the trust of our clients, colleagues, community and shareholders through the quality of our work and our high ethical standards. We have the courage to speak up when we make a mistake or see something that doesn't seem right.

### Excellence
Striving to deliver and outstanding airport experience through operational efficiency, superior customer service and innovation.

### Teamwork
Fostering a collaborative and supportive work environment that values diversity.

### Creativity and Flexibility
Working with out partners to achieve superior business outcomes.

### Sustainability
Responsible growth through balancing community and environmental needs with corporate objectives.

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By starting with the Macquarie Group as a reference point, figure 9 enables a deduction on how much influence the keywords or core values of Macquarie have had on Sydney Airports. The keyword Opportunity and the corresponding description is primarily, as earlier mentioned, represented in the Creativity and Flexibility keyword of Sydney Airports. This can be deducted by stating that the keyword refers to realizing potential business outcomes. The mentioning of the importance of the team could further suggest that Macquarie’s Opportunity description
further maps to the Teamwork keyword of Sydney Airports. It could further be suggested that Excellence, as a keyword by Sydney Airport’s is also connected to Opportunity in that it focuses on achieving goals and reaching the subjective notion of success. Moreover, Macquarie’s keyword Accountability maps to Sydney Airport’s keywords Safety and Security as well as Sustainability. Safety and security, in that Macquarie are aware and careful in terms of risk and sustainability in the sense that Macquarie are proud of everything they do. Integrity is mentioned on both sides, and consequently corresponds directly. Similarly to the case of Amcor and Orora, a majority of the keywords do match.
4. Method

The method goes over the methodologies used in order to find and process the empirical data. The section presents the methods used, the reason behind using them and justifies the use of certain methods with the help of academic sources.

4.1 General research process

4.1.1 Research design

In order to fulfill the thesis’ purpose a methodology to find and process empirical data was established. The purpose, which the thesis aimed to fulfill, was to explore the role of inheritance in the spin-out process and investigate how a spin-out organization’s culture and processes is affected by those of its parent organization. Part of the methodology also aimed at answering the question; to what extent is the spin-out affected by the culture and processes of its parent organization? Through this question, the thesis aimed at creating substantial empirical data, which would ultimately fulfill the given purpose.

In order to effectively capture the ambiguous topics of corporate culture and spin-outs as well as the subjective stance of employees towards development methodologies, the thesis is written in the form of an exploratory case study. The exploratory case study helped identify an intersubjectivity, or common theme, among employees at the two case companies. An intersubjectivity from which the thesis could more easily draw conclusions. As stated by Khalfan (2004), a case study is the most suitable method for any exploratory and explanatory research because it is able to a greater extent than comparable methods capture the depth and breadth of detail on a subject’s activities. By utilizing the advantages of the case study, as identified by Khalfan, the attitudes towards the inheritance, culture and development processes within the two case companies were mapped through interviews and observations. By triangulating information from several of the sources and finding the common denominators, the information could then be analyzed. Studies point to the existence of several types of case studies, suitable for different topics. The exploratory case study aligns with the data retrieved from the later mentioned interviews with employees The Company and The Spin-out. Through this data, literature suggests that the exploratory case study can create a framework on which a set of reasoning can be built (Zainal, 2007). In this thesis, the framework was the empirical set of data. Consequently, the intersubjectivity found within the empirical data became the baseline for a solid reasoning. Because the case focuses, not only on historical events, but daily operations, the exploratory case study complemented the attributes already assigned to the thesis.

Using the exploratory case study as an outline, the thesis focused on using the theoretical frameworks and literature review from chapter two to build a substantial foundation on which the empirical findings from the case could be applied. By utilizing methodological tools such as semi-structured interviews and observation, the empirics built a foundation for a more generalizable approach. In order to add this generalizability as well as a substantial validity and reliability, the thesis, as supported by Khalfan (2004), confirmed statements from interviews as well as added additional data by studying documentation on both culture as well as development methodologies. The generalizability, reliability and validity is further supported by the inclusion of an empirical frame of reference that in practice shows the application of the theoretical connection between corporate culture and corporate values and visions. The section
also provided comparable metrics on inheritance. Given these premises, the thesis aimed to, by utilizing this methodology, answer the given research questions and fulfill its stated purpose.

4.1.2 Qualitative research
The nature of topics discussed within a thesis can define its preferred research methodology (Blomkvist & Hallin, 2015). Because this thesis and its empirics, analysis and overall results relies heavily on the subjective experience of employees at the two case companies, the thesis was deemed best defined by the less objective data and more experience based information associated with qualitative research. Subjective opinions such as impressions of culture and development methodologies were deemed best captured using interviews and participating observations, which are methods that normally constitutes the qualitative school of research (Blomkvist & Hallin, 2015). The thesis is based on deeper insights both from interviews and observations. The interviews and the data brought forward through the interviews were based on long-standing relations with employees which promoted a smaller amount of more complex data rather than larger amounts of data from simulations or a questionnaire. This method of utilizing, what is known as soft or qualitative data within a case study is supported by previous academic studies (Khalfan, 2004). Although qualitative research can be used to capture feelings and the attitudes of employees, it proposes little objective proof of a phenomenon. Instead the thesis relied on the identification of intersubjectivity and the identification of patterns within the different sources of empirical data to identify and map generalizable data.

4.2 Data collection

4.2.1 Empirical frame of reference
In order for any thesis to be an asset to the academic community at large, it must be able to display reliability, validity and generalizability. Because the thesis’ general outline of using a methodology based on a exploratory case study and semi-structured interviews did not provide these three elements, the thesis gathered empirical data from other cases to further establish its reliability. The principle of comparing a case to another is a well established methodology that increases reliability (Shahalizadeh et al., 2009).

This empirical findings gathered through the empirical frame of reference enables the thesis to take learnings and perspectives from other organizations. The empirics from the two other cases consequently constituted a learning process that enabled a comparison between the empirical findings from the thesis’ case companies with findings from other similar and dissimilar cases. This comparison helped bridge the gaps found in the empirics and create a more generalizable study of the spin-out concept. This approach provided important insight, not only into how the concept of spin-out is handled in one case, but in several. The added insight ultimately helped meet the thesis’ goal of providing a wide generalizability to its introduced concepts and methodologies.

4.2.2 Semi-structured interviews
The thesis utilizes the subjective experiences of employees and managers on the topic of cultural inheritance. By using semi-structured interviews the interviewees were free to express their feelings around the topic, but were simultaneously guided by questions that helped relate the information to that needed for the thesis. Semi-structured interviews are, in comparison to other types of data gathering proved to provide data points less associated with the official stance and instead focuses on an individual’s view on the topic matter. Mintzberg (1979) mentions that semi-structured interviews:
"...provide a controlled framework which facilitates analysis but also allows for the collection of ‘soft’ anecdotal data"

This suggests that apart from providing anecdotal evidence of how culture and development processes work, the semi-structured interviews provide valid data which can be verified through, for example, comparing the case to those introduced in the empirical frame of reference.

The semi-structured interviews were held with a number of employees, consultants and managers within both The Spin-out and The Company. The pre-existing relationship established through being onsite for a longer period of time helped convince the interviewees to participate and share relevant information. The interviews were pre-scheduled and took place in a separate room onsite. All interviews were held with persons with which the interviewer had a pre-existing professional relationship. Being as the interviewer were also a fellow employee, all of the interviewees were open and willing to share their perspectives and opinions. Because of the pre-existing relationship between interviewer and interviewee, the interviews could also go on without interruption for clarification on details associated with the company structure or the type of work carried out by the interviewee. The interview-guides associated with all interviews can be found in Appendix A.

The thesis did, in part, follow the definition and instructions on hosting semi-structured interviews presented by the US National Defence Research Institute (Harrell & Bradley, 2009). The validity of the data plays into the author's' ability to use the information and data gathered through the semi-structured interview in a correct way. By assuring the validity of the information provided, the thesis did not only gain reliability but was also able to provide better and more distinct managerial implications. These managerial implications can later be used by the case companies, but also in more generalized assumptions and suggestions. The interviews were written down and checked for validity in order to further increase reliability. The interviews further went through a process of content analysis, as suggested by among others Hsieh and Shannon (2005). This content analysis was an instrumental part of finding the aforementioned intersubjectivity. The content analysis did not primarily focus on creating quantitative data, but instead focused on effectively categorizing and dividing the information into categories appropriate for the empirical section and later the analysis of the thesis. By deconstructing the information from each interview as well as the later observations and categorizing this information it was easier to locate topics or themes that arose on more than one occasion. The content analysis was done by hand and included breaking down statements from interviewees one by one and putting them into a specific context in order to match them with other similar statements by other interviewees and sources. The categorization of the topics discussed during the interviews helped pinpoint the areas in which an intersubjectivity could be found. Content analysis, is according to Hsieh and Shannon (2005), widely used within qualitative research. The methodology can help interpret the meaning of data in order to adhere to the naturalistic paradigm. This thesis utilized the fit between the methodology of content analysis and that of qualitative studies using semi-structured interviews. By attempting to circle the advantages associated with content analysis, such as higher degrees of reliability and more detailed analysis, the thesis increases its own overall quality (Hsieh & Shannon, 2005).

The interviewees from the two case companies were selected with the intention of being able to portray multiple perspectives of the spin-out scenario and its associated problems. This ensured that the thesis did not provide a one-sided picture of the case and consequently further improved the thesis’ reliability. The semi-structured interviews were all conducted on-site, in the
language most appropriate for the interviewee. All interviewees gave their full approval to appear within the thesis and to being recorded in sound and text. Although approval was given, the thesis granted all participants anonymity within the paper in order to avoid individual repercussions for employees or managers. The thesis relied heavily on the testimonials from managers and employees at both The Company and The Spin-out and consequently sought to gain solid insight into daily operations. The thesis naturally attempted to capture the true nature of the environment in both companies and further insisted on having a critical attitude towards written statements and other types of indirect communication with company representatives.

All interviews conducted in association with this thesis also adhered to the ethical guidelines stated by Swedish research association Vetenskapsrådet (2016). This includes that all interviewees were informed of the purpose of the thesis and the terms of their participation. All interviewees were further instructed that participation is non-mandatory and that they at any time can void their participation. Following the ethical guidelines also resulted in that all participants gave their consent to being included in the thesis and its material. Interviewees were not pressured into answering any questions that they did not feel comfortable answering, nor was anything stated off the record included in the finished thesis. Further, the guidelines state that there is strict confidentiality within the project in terms of personal details. For the scope of this thesis, the rules were followed by fully and completely de-personalize all information collected in interviews and hide the identity of those behind each answer in order to protect their personal opinions. This ties together with the clause on anonymity in the former paragraph. Lastly, the ethical guidelines require that the information gathered under the scope of a thesis is only used for that specific material. The thesis did and will not further utilize the information gathered from the interviews in any way.

4.2.3 Selection of interviewees
The interviewees associated with the thesis is a strong indicator as to what results the case study as a whole can present. In order to ensure the quality of the thesis, much effort was put into selecting appropriate individuals with which to hold interviews. The importance of selecting the correct respondents is stressed in the works of Harrel and Bradley (2009). As with this thesis, Harrell and Bradley notices the importance of having specific individuals involved in the study. Based on this, the thesis was built upon interviews with both managers, consultants and employees at both case companies. Respondents were selected not only based on their position but on their relationship to the company. This means that the selection of interviewees was not based solely on their title but rather their full history within the organization, especially in regards to their history at The Company.

Semi-structured interviews were held with a variety of different profiles who all represent a certain niche of the employees at either The Company or The Spin-out. The selection was intended to satisfy demands of literature, such as Harrel and Bradley (2009) and from that increase the paper’s validity. The validity would be increased by having a selection of interviewees who could provide information good enough to be able to answer the proposed research questions. The selection of interviewees did further enhance the thesis’ reliability by actively engaging employees of the two organizations who have input and can contribute to the discussion at hand. To maximize the effectiveness of the interviews, the interviewees were further handpicked based on their background in the organization. Some of the interviewees are consultants while others are employees. Additional interviewees are former consultants who have quit consulting to go work for The Spin-out full time. This combination of attributes associated with some of the interviewees further strengthen the compatibility between the
selection and the thesis proposed by Harrel and Bradley. Figure 10 and figure 11 displays the interviewees and their their affiliations. Figure 11 describes this relation within The Company and figure 10 the same information for The Spin-out.

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Manager</th>
<th>Employee</th>
</tr>
</thead>
</table>

Figure 10 - interviews at The Spin-out and the attributes of each interviewee.

<table>
<thead>
<tr>
<th>Manager</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 8 (6 March, 2017)</td>
<td>Interview 7 (6 March, 2017)</td>
</tr>
</tbody>
</table>

Figure 11 - interviews at The Company and the attributes of each interviewee.

While The Spin-out has both consultants and employees working with development, regular employees were preferred because of their unique relationship with the culture of the company. However, in order to mitigate the consultants lack of insight into the specifics of The Company and The Spin-out's corporate culture and history, consultants were asked about their view on the development methodologies used at The Spin-out. Consultants were more specifically asked how development processes and methodologies used at The Spin-out relate to those used at other companies. From this, consultants further contributed to the area of culture by analyzing the culture of The Spin-out from their individual perspective. This approach created a more nuanced picture of the environment in general. Many of the employees, managers and consultants have worked at both The Company and at The Spin-out. This provided further insight as it allowed the interviewees to compare the two organizations and their respective qualities. While developers provided insight into how daily operations work, managers on the other hand gave insight into the development and fulfillment of culture as well as the development processes.

4.2.4 Documentation and document analysis
Apart from the data gathered through semi-structured interviews, official corporate documentation was used to provide further valuable insight into the differences between the two organizations, their culture as well as their development practices. Using documentation as part of the primary data collection was done after consulting the works of other researchers, such as Shahalizadeh et al. (2009). Documentation was throughout the writing process accessed through internal networks or provided by managers at the two case companies. Aside from bringing up new information, the documentation also provided external validation for statements and discussions taken from the aforementioned interviews. The documentation also functioned as a complementary asset, in part by showcasing potential divides between documented procedures and day to day work, and in part by describing processes in a way that more clearly describes management's intention with the specific culture or process. The type of documentation used included policy documents describing culture and general processes as well as more concrete material detailing the processes and methodologies used to develop software within both The Spin-out and The Company.
Whenever accessed, the information gathered from internal documentation were treated as primary data, similarly to information from the aforementioned interviews. The internal documentation, for example, helped specify the development methodologies of The Spin-out. In the case of The Spin-out’s development methodologies, the internal documentation provided a detailed description of how development is to be carried out within the organization. This information could be used as a first hand source within this thesis, but could also confirm and validate the information provided by interviewees and vice versa. Consequently, the document analysis proved important to multiple aspects of the thesis.

It was important in the case of The Company and The Spin-out to rely solely on primary data for looking into culture and development processes. While literature exists on the subject, and can provide a limited picture, the thesis’ unlimited access to primary data in the form of official documentation overrided the need to access secondary data. This provided the case study with both reliability and validity in comparison to other material written on the subject. Reliability in the sense that the thesis can provide unique answers and insights into the culture and development processes of The Spin-out and The Company and consequently put forward empirics and an analysis that more accurately portray the organization and its nuances. The documentation increased validity by directly corresponding the methodology used to the aforementioned research questions. However, the use of documentation may have decreased the thesis’ generalizability in that it studies the cultural aspects of a specific company. Be it as the thesis is a case study, it was difficult to avoid this problem. The problem has, consequently, to the largest extent possible been weighed out by increasing the generalizability in other areas of this research.

4.2.5 Observations
Unlike both semi-structured interviews and official documentation, observations provided valuable, unnuanced insight into daily operations otherwise unavailable. By studying everyday operations for an extended period of time, the thesis could not only provide a detailed description of the case but also provide insight into the themes and stories that surface in the workplace environment. This benefitted the thesis as a whole and the use of this type of observations is supported by researchers, such as Shahalizadeh et al. (2009). The observations in this thesis are an aggregation of unstructured observations over close to five years within the two organizations. The observations are not documented, nor in any other way filed. Instead, the observations are experiences, memories and beliefs aggregated over the course of the author’s employment within both The Spin-out and The Company. More information as to how the observations are interpreted can be found in section 4.3.

By working closely together with both management, employees and consultants, trust becomes an important factor. By relying on personal discretion and established connections, interviewees felt confident to share information related to both their own work as well as more pressing matters such as the company culture and how development practices have changed over the course of time. By utilizing observations, not only did the interviews and alike become more reliable, but more information could be gathered to provide a more detailed account of how the organization is changing. The empirical data gathered from observations include information gathered from both organizations over the course of five years. In order to comply to the greatest extent possible, with the ethical guidelines of Vetenskapsrådet (2016) the observations are stripped of all personal details and take the form of reflections from a personal standpoint as an observer.
4.3 Transparency

The aforementioned observations took the form of an employment over the course of more than four years in The Company and over nine months within The Spin-out. The author of the thesis have for the past five years worked within the organization as a trainee and seen a number of different departments both within The Company and The Spin-out. The employment and traineeship were not initiated with the intention of observing the organization at large. Instead, the employment have taken the form of a part-time job beside undergraduate and graduate studies. Although the author have not committed full-time to the employment at The Company and The Spin-out, the author have had a permanent role within the organizations. The author have for the last four months of the employment had a specific focus on finding organizational traits that can be of use within the thesis.

The observations based on this experience have not been continuously documented. As a direct consequence of this, the appendices will not contain a log of observations. Instead, it could be suggested that the observations are the subjective interpretation of the author’s observations. The observations may consequently include prejudices gathered from nearly five years within the The Company Group. Following from this, the observations do not constitute a complete interview or direct evidence. In lieu, the observations should be considered a complement to existing empirical data. The observations are to some extent the reflections of the author in response to many year’s of work within the organization. Consequently, the thesis is in many aspects built upon a personal hypothesis suggesting that there are problems associated with inheritance within the parent organization and the spin-out. This preconceived notion of a problem has influenced the observations and consequently may have affected the outcome of the thesis itself. In general, this affects both validity and reliability of the thesis negatively. The negative effects of the prejudices can primarily be traced to the research questions that have taken influence from the established hypothesis. However, the effects can also be seen in the empirical data, which in part consists of observations based on the prejudice. It is, however, the intention of the author to, by having used multiple sources and methods of empirical study, showcase that this preconceived prejudice of the studied subject is not a singleton. The author intends to show that the preconceived notion of an existing complication is instead the root of a larger and more inherent problem. Together with the semi-structured interviews and the document analysis, the observations provide the framework for an intersubjectivity that enabled a generalizable analysis and ultimately helped fulfill the thesis’ purpose as well as answer the posed research questions.

4.4 Empirics and analysis

Given the empirics found using the above mentioned methodologies such as semi-structured interviews, document analysis and observation, an analysis was conducted. In order to sort out information that can provide new insights and consequently affect the outcome of the thesis overall, the thesis assigned a methodology to go through the empirics. Based on the research by Daly et al. (1997), the gathered empirical material was analyzed using a thematic analysis which in the words of Daly et al. is defined as:

“a search for themes that emerge as being important to the description of the phenomenon”

The aforementioned content analysis and the results of that helped gather the data which could then be divided into specific themes. Themes, that highlight specific recurring pieces of empirical data in order to effectively illustrate the main problems associated with the relationship
between the two case companies. The division into themes are what constitutes the thematic analysis. Because of this, the content analysis and the thematic analysis together provide the baseline for the entire analysis of the thesis. The themes are illustrated in the empirical section by headlines that follow into the analysis. By, similarly to the content analysis, triangulating information from several sources, it became clear that certain concepts, that will be covered later, were essential parts of the identified problems within the relationship between The Company and The Spin-out. These problems are what the empirical section aims to bring forward in the form of themes.
5. Empirics

The empirics is the result of the methodology used within this thesis. It is an aggregation of all empirical data, including interviews, observations and document analysis. The empirical section forms a report of the events transpired from before, during and after the formation of The Spin-out including the attitudes and perspectives of managers and employees inside and outside the process.

5.1 Initiative

Observations throughout the close to five years spent within the two organizations, as well as interviews with employees of both organizations suggest that many employees and consultants experience a general inherent slowness in all processes within The Company. Observations suggests that there is something close to a general consensus among developers within The Company’s organization that the speed of IT development, in many regards, is slower than preferred. Albeit most employees suggest that this is part of The Company’s larger, conservative strategy, the notion itself says something about the discrepancy between The Company’s official culture, in terms of development, and how it actually operates on a daily basis. One of the interviewees from The Company suggest that the perceived inherent slowness of the organization is directly tied to The Company’s focus on risk aversion. As part of The Company’s attempt to avoid risk, one employee at The Company suggests that too much effort and time is put into investigations aimed at determining whether or not a project will have a positive return on investment before a possible implementation is discussed. A result of this is, according to the interviewee, that many employees feel a general discouragement towards new solutions and products that could ultimately help The Company achieve better results.

As a response to this slow adaptation of new technology and methodologies, around 2014, The Company launched a process that would ultimately result in The Spin-out. Several interviews suggest that the reasons behind the spin-out was to create a response to the experienced slowness and risk-aversion associated with The Company. By creating a new organization no longer associated with the perceived slowness, the new organization could build a different culture and quicker, more agile processes, including those associated with development. An interview with one of the managers at The Spin-out suggests that the development of the newly formed company’s culture was one of the highest priorities of early management. The observations make clear that early management at The Spin-out attempted to be fundamentally different from how The Company operates. By being entrepreneurial and visionary, early management wanted to make the organization stick out from its parent organization. The documentation that this thesis has taken part of suggests that The Spin-out’s software development processes were also part of this change. From the documentation, in which the development processes and methodologies are described, it becomes clear that the software development processes of The Spin-out was developed specifically for the new organization. Interviews suggest that The Spin-out, in terms of software development processes, attempted to do things very differently from how they had previously been done within The Company. Other interviewees confirms that The Spin-out attempted to be more modern and quick on their feet than The Company. The interviewee suggests that a large difference between The Company and The Spin-out is that The Spin-out has ambition to do larger things in terms of technological advancements and fulfills those ambitions. This stands in contrast to The Company, where, although some departments may have ambitions, management is more careful which results in that less is attempted and consequently less is achieved.
One of the reasons behind why the development of a culture was believed to be important, was the need to mitigate the fact that 75% of employees at what would later become Spin-Out A came from the part of The Company that The Spin-out was spun out of. The other 25% came directly from other parts of The Company. Observations suggest that, on top of the regular employees, The Spin-out employ a large number of consultants within their development teams. In some teams, as much as 75 percent is constituted by consultants. One of the interviewees suggests that the inherited employees from The Company resulted in a problematic stance towards culture within The Spin-out. While many of The Spin-out’s employees wanted to be a part of something new, they were still ingrained with the culture from The Company. This problem, according to one of the interviewees, put pressure on early management to develop a new culture to mitigate the mismatch between the employee’s expectations and the current culture.

As part of the general need for a new culture, early management initiated an internal audit. The audit was intended to be the beginning of the development process of creating a new, separate corporate culture for The Spin-out. The audit was focused around a questionnaire sent out to both employees and management of what would become The Spin-out. The questionnaire included four questions that put emphasis on the differentiation between The Spin-out and The Company. The questions and a selection of the most common responses to the questions can be seen in figure 12. Figure 12 showcases the thinking of employees and management at The Spin-out. The figure lists five of the most common answers to each question in the form of keywords or values. Although the questions can be seen as subjective, the answers show a clear understanding of the type of environment employees wish to work in and what values they want to associate with their workplace. While the questionnaire displayed here is not within its full context, the values employees associate with The Spin-out and with The Company provides insight into the construction of The Spin-out’s individual corporate culture.

<table>
<thead>
<tr>
<th>What values do you think The Spin-out should embrace internally?</th>
<th>What do you believe is the strength of our current culture?</th>
<th>What challenges are there in our current culture?</th>
<th>What differences do you see in climate between The Spin-out and The Company?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>Decentralization</td>
<td>Slowness</td>
<td>Decentralization</td>
</tr>
<tr>
<td>Happiness</td>
<td>Customer focus</td>
<td>Lack of innovation</td>
<td>Ambitious</td>
</tr>
<tr>
<td>Customer focus</td>
<td>Responsibility</td>
<td>Unclear culture</td>
<td>Quicker decisions</td>
</tr>
<tr>
<td>Creativity</td>
<td>Long term relations</td>
<td>Leadership</td>
<td>Positive climate</td>
</tr>
<tr>
<td>Ambition</td>
<td>Brand</td>
<td>Retrogressive</td>
<td>Transparency</td>
</tr>
</tbody>
</table>

Figure 12 - table demonstrating the questions and answers to The Spin-out’s initial questionnaire (The Spin-out, 2014).

Figure 12 showcases some of the differences and similarities between what values employees at The Spin-out associate with The Company and The Spin-out. One of the interviews suggests that it was, in part, these differences and similarities that encouraged early management to expand their own independent culture. The Spin-out did, shortly after the questionnaire was
sent out, initiate the development of an independent culture. The culture was to be based on five values, which The Spin-out named attributes. The five attributes were not only created with internal corporate culture in mind, but with a customer-centered approach that promoted Spin-out A’s products. The attributes were intended to promote a specific lifestyle, both internally and externally. Figure 13 makes it clear that the attributes are not a culture but instead a set of attributes that could be associated with both a product and a way of working. The attributes all begin with The Spin-out and focuses on values such as inspiration, encouragement and availability.

<table>
<thead>
<tr>
<th>The Spin-out</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Spin-out encourages me</td>
</tr>
<tr>
<td>The Spin-out are where my greatest interests are</td>
</tr>
<tr>
<td>The Spin-out gives me the feeling of having made the right choice</td>
</tr>
<tr>
<td>The Spin-out are available when I need them</td>
</tr>
<tr>
<td>The Spin-out inspires me to do things</td>
</tr>
</tbody>
</table>

Figure 13 - The Spin-out’s five attributes in culture and market targeting (The Spin-out, 2017b).

The aforementioned questionnaire also presented a number of quotes from employees and management. The quotes provide further information as to what areas of development employees and managers and The Spin-out identify in terms of culture and all types of processes. Figure 14 demonstrates comments associated to the questions presented in figure 12. As shown by figure 14 many of the employees give air to important problems within the organization. The Spin-out’s employees also pinpoint some of the more important aspects that The Spin-out need to consider when building their organization. While many of the comments point to problems or misalignments within the organization, others are positive and cast a more positive light on the situation at hand. The positiveness found relate mostly to the positive aspect of working towards creating something that is better than what is currently there. The comments associated with the questionnaire make it apparent that the influence from The Company is still strong. While not all seem to rely on the bank for culture, many commenters associate The Spin-out’s values with those of the bank. Others pinpoint the struggle The Spin-out has had to create an environment that distinguishes itself from the banks (The Spin-out, 2017b).
<table>
<thead>
<tr>
<th>What values do you think The Spin-out should embrace internally?</th>
<th>What do you believe is the strength of our current culture?</th>
<th>What challenges are there in our current culture?</th>
<th>What differences do you see in climate between The Spin-out and The Company?</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>“Being a company within the The Company Group”</td>
<td>“...there is no culture in this part of the bank.”</td>
<td>“More geared towards the future, happier, more fun to work here”</td>
</tr>
<tr>
<td>-</td>
<td>“Independency in tasks and processes as well as individuality...”</td>
<td>“Our culture is hard to define... the bank took that away but we are ready to start again.”</td>
<td>“The Company sees their employees as investments, The Spin-out sees them as exchangeable...”</td>
</tr>
<tr>
<td>-</td>
<td>“…our strengths are long term relations, stability and safety.”</td>
<td>“The challenge is to do something new, many of us are influenced by the bank’s strong culture...”</td>
<td>“…More entrepreneurial spirit within The Spin-out, the bank is standing still.”</td>
</tr>
</tbody>
</table>

Figure 14 - quotes gathered from The Spin-out’s questionnaire (The Spin-out, 2014).

Although neither the attributes, nor the quotes constitute a culture on their own, one of the interviews with a manager at The Spin-out suggests that the results of the questionnaire is the furthest The Spin-out has come in developing a true culture on paper. The current official stance is, according to one of the interviewees, that the culture is under development and will be further developed as the company matures and has a chance to become a more rigid organization.

5.2 Cultural development and stagnation

One interview suggests that The Spin-out ultimately has the ambition to create its own culture. However, the same interviewee states that The Spin-out until then has resorted to use the culture of The Company as a placeholder. Observations suggests that the lapse from the ambition to create an independent culture for The Spin-out coincided with a change of management. One interviewee suggests that part of the reason behind the lapse from the original plan was that a few employees within The Spin-out wanted to stick with The Company’s culture. Interviews suggest that the same employees suggested that the development of a new culture took up too much of management's time. Another interviewee confirms that while the previous management focused more on being visionary and create a different type of organization within the The Company Group, the new CEO has gone back to “business as usual”. This claim is supported by other employees, who confirm that The Spin-out have, since the change of CEO; shifted their focus from the end-customer, to distributors and shopkeepers. This transition, according to one of the interviewees, matches more with The Company’s traditional approach rather than with the disruptive approach The Spin-out originally took on.

One interviewee, a manager at The Spin-out, states that it is currently established that The Company’s culture is the baseline for The Spin-out’s culture as well. Consequently, The Spin-out shares the same core values as its parent organization by default. However, in regards to
this, the interviewee suggests that cultural values can never stand for themselves. The interviewee states that cultural values always require context. The interviewee further suggests that The Spin-out’s new ambition is to put the inherited values into its own specific context. The goal would then be to effectively contextualize The Company’s already established culture. The interviewee further argues that it is difficult and even wrong to assume that The Spin-out could do anything other than adopting The Company’s culture. The interviewee suggests that because many of the employees at The Spin-out have previously worked at The Company and because The Spin-out is still a part of the The Company group and its financial strategies and systems, anything other than adopting The Company’s culture would be wrong. The Spin-out instead chooses to utilize the fact that so many employees at The Spin-out know The Company’s culture by heart. Management uses their employee’s knowledge of The Company’s culture to further establish the features and attributes of The Company’s culture that can help The Spin-out achieve the same thing that it attempted to achieve by creating its own standalone culture. The statements amassed here propose a timeline displayed in Figure 15. The timeline illustrates the development of The Spin-out. The timeline shows that the spin-out has been greatly affected by the management of each period it has gone through. The Spin-out has gone from developing its own culture to focus on profitability and accept The Company’s culture as its own.

![Timeline of The Spin-out's Development](image)

Figure 15 - the stages of development for the culture and processes of The Spin-out.

The culture that The Spin-out adopted, is described thoroughly in the documentation distributed to all employees at The Company. The documentation is meant to define how The Company approaches every aspect of business and how the organization is to be led. The core attributes of The Company’s culture revolves around individuality. The basic concept is to give power and the ability of making decisions back to the individual employee. The Company promotes decentralization and individuality, which in many ways is apparent in the way that they do business. Figure 16 demonstrates The Company’s four core values, apparent in both internal documentation and on public websites associated with The Company.

<table>
<thead>
<tr>
<th>COMPANY A</th>
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<tbody>
<tr>
<td>Cooperation</td>
</tr>
<tr>
<td>Freedom</td>
</tr>
<tr>
<td>Responsibility</td>
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<tr>
<td>Long term relationships</td>
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</table>

Figure 16 - graph illustrating The Company’s four core values (The Company, 2012).
Freedom, and in particular individual or personal freedom ties together with the individual aspects of the The Company’s culture. The same can be said for responsibility. The documentation states that in order to allow its employees this freedom, employees must know the company’s values by heart. It further states that all employees should know that the company trusts in them to always do what the culture would suggest. The documentation further suggests that this is where the value of cooperation comes in. For the company to be able to function in a decentralized environment as a group of individuals, the company needs its employees to work together. Finally, in order to reap the benefits of the corporate culture and also to make sure that the culture is well established, not only within the workforce but also established with the The Company’s customers, the company works with long-term relations. Rather than focusing on short-term employments or winning customers over via deals, the company has chosen to focus on quality over quantity. Consequently, the company chooses long-term relationships with both clients and employees, which is also part of its core business plan (The Company, 2012).

Observations suggests that return on investment, or in the case of The Company, higher profitability than comparable competitors in the company’s home markets is an important aspect of The Company’s culture. The observations further suggest that The Company’s main strategy is taken directly from this cultural attribute. The company aims to reach its target by practicing lower costs and higher customer satisfaction. Consequently, much of The Company’s general strategies, including investment, originate in the aim to reach the bank’s goals. The higher profitability goal also plays into how the company organize its internal financial structure. By not using budgets, The Company has grown an internal ecosystem that promotes and ensures instant profitability on any large investments made. The concept of the ecosystem is a set of clear financial and cultural guidelines which all companies within the group must follow. The guidelines, or what is in reality a financial strategy, revolve around the concept that any organization within the The Company Group should meet a set of goals on profitability and preferably adopt many of the same cultural attributes as The Company, including risk-aversion and a long-term focus. The financial strategy revolves around the concept that every part of the organization must produce a better return on investment than the parent organization in order to keep running its operations. One interview states that the financial strategy is a deliberate way of controlling organizations within The Company Group. The interview suggests that the meaning of the strategy is to create a boundary within the company group that inhibits individual organizations from going too far off from the already staked out path.

5.3 Obstacles to performance
The fact that The Spin-out has resorted to merely contextualize the culture of its parent organization shows that the two organizations still share many things. One interview suggests that although The Spin-out has the ambition to develop its own culture, as long as it is part of the The Company group it will fall under the group’s financial strategy and consequently have to adapt to the group’s processes and strategies in order to reach the set financial goals. This puts pressure on The Spin-out to not only develop a culture that fits its innovative and forefront image but also adapt to the culture of its parent organization. One interviewee states that The Spin-out’s current, unofficial, culture is best described as a “can do”-mentality, meaning that employees are not afraid of doing what needs to be done. The interviewee suggests that although The Company and The Spin-out are similar in many aspects, The Spin-out is more eager to try new things. When faced with an obstacle, The Spin-out, at least to some extent, attempts to solve it right away. The interviewee suggests that this means that The Spin-out
faces their problems head on rather than waiting for someone else to do it, as within The Company.

While some practices, more specifically practices and processes associated with development, may be commonplace in both organizations, they are often more hidden from managers within The Company. Something as simple as solving a technical problem yourself rather than calling IT-support right away can be frowned upon within the bank. One interview says that, in The Spin-out, on the other hand, these practices are embraced and acted upon openly. However, not all interviewees think that The Spin-out lives up to its ambitions. One interviewee proposes that while the culture is to think and act freely and that the premise of The Spin-out is visionary, there is little in terms of actual results. The interviewee suggests that the current cultural status of The Spin-out is, at best, unclear. The consequence of this is that, although there is much potential in the organization as a whole, very little happens. The same interviewee continues to state that The Spin-out has inherited some core values from The Company. The interviewee suggests that the inheritance in large comes from the fact that The Company does not want to cut ties with The Spin-out and allow The Spin-out to fulfill its ambitions to be fast moving.

Although some interviewees talk of a dormant “can-do” culture within The Spin-out, much suggests that there are greater underlying problems stopping The Spin-out from performing and adhering to the standards set by the potential contextualization of The Company’s culture. One interviewee suggests that one of the reasons behind why the goals cannot currently be met is the direct inheritance from the parent organization. One of the inherited cultural attributes is, as suggested by the interviewee, a general “consensus-requirement” and the large quantity of meetings that come therewith. The interviewee, who is a previous employee at The Company suggest that this is a legacy from the The Company, that still lives on within the organization. The leftover piece of culture results in problems related to, especially, development efficiency. Observations indicate that other such, potentially problematizing, inherited attributes or connections exist. One of the connections is the fact that The Spin-out still shares internal networks and intranets in the form of Lotus Notes. Observations state that much of the information on Notes is accessible to employees in all companies that are part of the The Company Group. The shared network consequently result in a continuous exchange of information and data.

Another example of a connection observed within the organization is the training and work of managers within The Spin-out. The observations suggest that this connection is divided into three parts. The first part is that The Company recruits managers who know the internal culture by heart and are able to put it into practice in any situation. Managers are trained and encouraged to mentor employees in the culture in order to develop both their own and their employee’s understanding of it. Managers are, by doing so, effectively acting as ambassadors for the corporate culture of The Company. The mention of this mentorship is included in every job posting for manager positions and consequently well-established within The Company. The second part is the fact that all managers at The Spin-out originally come from, and have had their training at The Company. This means that The Spin-out’s managers have all previously been part of The Company’s strong drive for corporate culture. Third, employees at The Spin-out, have the same background within the culture as their managers. While managers are expected to actively brand the culture, employees are equally expected to enforce it and actively seek to learn more about it. While this might not continue to the same extent at most of The Spin-out’s departments, The Spin-out’s IT-department are still officially part of The Company. This puts the IT-department in a very specific position with requirements to still embrace the culture of The Company as their own.
5.4 Development process and systems mismatch

Interviews suggest that the connection between The Spin-out and its parent organization include a large set of legacy IT systems and connections to the The Company’s old systems. The same interviewee suggest that these software-related connections to the The Company causes major problems for The Spin-out. The problems arise because the legacy-systems suffer from the, by many within and outside the The Company perceived, slowness in terms of development. The slowness so many experience within The Company consequently blocks The Spin-out’s development process. The fact that these problems exist is supported by another interviewee who complains that The Spin-out cannot develop its own development processes or systems because of the limitations the legacy systems put on The Spin-out's development environment. This lack of space for The Spin-out to act upon hinders The Spin-out from creating the environments, development processes and systems that they need to move quicker and be the innovative company that they have the ambition to become.

The development restrictions put upon The Spin-out, are, according to documentation, expressed in other ways than the aforementioned slow legacy systems. Presented by documentation accessible within The Company is both a development model specifying how software projects are to be developed in terms of methodology (Model A) as well as a template specifying how implementations of technical solutions are to be made (Template A). The documentation on the two shows that they describe the development environment within The Company Group at highly detailed level. Model A describes the group’s established process of taking a software project from start to finish. The model includes all roles, actions and processes a development project must create and maintain in order to be approved. The model resembles a stage-gate process common in classic development methodology (Model A, 2017). Template A is a set of guidelines as to how specific technical problems are to be solved. The template includes specific implementations of common coding principles. The principles and implementations suggested by Template A does not take into account the remaining development environment nor in which context the code is to be used. One of the interviews suggests that both Model A and Template A are enforced within the entire The Company Group. Some interviews suggest that managers in both organizations share the perception that both Template A and Model A are applicable to any project, independently of what methodology or development processes are used. However, observations and other interviews suggest that many developers believe that Model A and Template A are often inapplicable, especially within fast-moving projects, such as web-development. Observations show that most employees and consultants agree and that, especially, Model A in many cases limit the pace and ways in which The Spin-out’s developers can work. Model A is consequently seen as a limiting factor that hinder the development of new processes and, for example, cross-functional teams.

The documentation go into detailed descriptions of the models. The documentation on both Model A and Template A is accessible to all developers within the organization. Model A does not specify specifically how implementations of said projects are to be made, in a technical sense. This means that, while Model A specifies roles and project stages, it does not go into what programming methods developers should use (Model A, Template A, 2017). Template A, however, does just that. According to one interviewee, Template A specifies how specific technical implementations are to be made within the The Company Group. Consequently, developers at The Company and The Spin-out are in many cases not able to select methodologies or technical solutions at their own discretion. The developers are instead limited to using the tools specified within Template A. The interviewee further suggests that the bank’s
IT-security personnel in many instances enforce the guidelines set within Template A, to systems and programs developed by The Spin-out. This has resulted in cases where The Spin-out’s developers are not allowed to run programs vital to The Spin-out’s daily operations. This type of limitations on what The Spin-out can do in terms of technology, does in accordance to the interviewee cause great stress within The Spin-out. The interviewee states that the limitations set by, both legacy systems, Template A and the general lack of adaptability and speed within The Company makes it impossible for The Spin-out to be the forerunner they want to be.

Apart from the similarities produced by the mutual models and templates enforced within the The Company Group, there are differences in how the two organizations work in terms of development processes. Documentation on the development processes, both from The Company and from The Spin-out, go into great detail on the processes of each organization. While Model A, in many cases dictate the official development processes at The Company and The Spin-out, observations and documentation say that the practices differ. One of the most striking differences, that indirectly revolves around Model A is the division between business-areas and developers. According to one of the interviewees, developers at The Spin-out work cross-functionally with the business-end and developers mutually setting the requirements. According to the same interviewee, this is not the case in The Company, where, in accordance to Model A, the two are very separated, often both geographically and in terms of processes and dynamics. This stance is supported by another interviewee and employee who agrees with the previous statement and says that one of the core components of The Spin-out is having the business-end of the company so close to the developers. The geographical and processual closeness enables the organization to dynamically adapt to any changes. The interviewee suggests that having those setting requirements be in the same team creates a more effective development environment.

5.5 Decline of development processes
While some interviewees claim that The Spin-out’s development process differ drastically from those at The Company, others claims that the advantages of The Spin-out’s approach are diminishing. One of the interviews suggests that, while there are cross-functional teams within The Spin-out and many advantages associated with that, the cross-functional teams have gradually become more disoriented and unstructured. The same interviewee who notices the decline in structure also suggests that the bank has more control over The Spin-out’s development processes. While The Spin-out focuses on many things at once, The Company has structured processes and methodologies that help developers continuously. On top of these processes, developers at The Company has a wide array of operational functions at their disposal. These operational functions help developers focus on development and leave operations to others. The interviewee suggests that due to these differences between The Spin-out and The Company, work at The Spin-out can become hectic. This is largely caused by a lack of clarity in requirements as well as a lack of clear processes in regards to how development is to finish on time. The hectic pace causes some projects to get less attention than necessary and introduces bugs to an otherwise well maintained systems.

The gradual decline of structured development processes is a recurring theme in most developer’s interviews. While the original work within The Spin-out’s development team included larger teams and more acute work, as time has passed, interviewees state that the development processes and especially the requirements made from the business end of The Spin-out has become less and less accurate. This lower level of accuracy makes it difficult for developers to
estimate how long certain features take to develop. One of the interviewees states that his previous place of employment within The Company did this better while employing the same agile methodology as The Spin-out. The lack of accuracy in time estimation does, in accordance to another interviewee cause problems in The Spin-out's choice of development methodology. Because The Spin-out uses Scrum, the interviewee states that it is becoming increasingly more difficult to keep deadlines. Because requirements are not completed when a new sprint is begun, developers can not estimate stories well enough, which further affects the overall time plan and burndown chart. This inability to follow the set plan, does in accordance to the interview, make it impossible to follow Scrum rules. This has resulted in a lot of developers wanting to change methodology, without accounting for the underlying issues.

5.6 The organization from the consultants' perspective

As a response to the problems associated with the development processes, many interviewees suggested alternative processes. Among some of the strongest advocates for new development processes were consultants. Consultants can, through their experience of processes in other organizations, contribute to finding a solution to the identified problem. One interviewee expresses that most other organizations work in very small teams, where rules and communication pathways are clearly defined before work is commenced. The interviewee suggests that the current team-structure at The Spin-out includes too many developers and stakeholders. The consultant interviewed suggests that very few organizations work in large groups because of the difficulties associated with keeping components such as communication working in larger formations. The consultant further mentions that other organizations have a very clear distinction between what consultants deliver and what is produced in-house. This is not the case at the Spin-out, where consultants are intertwined in day to day operations. Consultant are, according to the interviewee, in other organizations expected to deliver a set product and has very little communication with whoever ordered that product after the specification is completed. The interview suggests that this is dissimilar to The Spin-out, where developers work constantly towards their business counterparts.

Another consultant interviewed suggests that most organization in one way or another look very much alike. While the discussion about development methodologies in academic literature may indicate that few organizations have adapted completely to the agile manifesto and methodologies such as Scrum, the consultant suggests that all organizations working with software, independent of their field of application, works with agile and adheres to either Kanban, Scrum or an intermediate. This is supported by one of the other interviewees who suggests that almost all organizations work with a very structured approach in regards to, for example, operations. Many organizations puts time into developing a flow that allows developers to focus on delivering products rather than putting time into administrative or operative tasks. The interviewee focuses especially on operative tasks which apparently is a non-existent task for developers in most other software organization. While developers may occasionally have to help users, they are third-line support and are consequently allowed to have more focus on one type of task. Interviews at The Spin-out witness that developers are often disturbed by having to act as support or operations to satisfy the demands put up by the business end. Following this, the interviewee suggests that other organizations have their developers focus specifically on one project or product at a time. Instead of having an overview or a focus on several products and a deeper understanding of the overall system, developers in other organizations are expected to dig deep into one part of the product or into one specific product. Consequently, the interviewee suggests that developers in other organizations know
more about one specific part of the organization but less about the company or product as a whole.

According to another interviewee having developers focus on one thing can also be a negative. The interviewee suggests that other organizations have a very clear divide between developers and the rest of the organization. In detail this means that developers focus on development rather than operations or administrative tasks. Instead, the organization relies on roles such as product owner to talk to the rest of the organization and mitigate problems associated with requirements or similar business-side variables. This approach helps developers by giving them time to focus on the problems they are trained to solve, which are more than often associated with the writing of code or construction of complex algorithms. Although the official structure introduced in the introduction suggests that this is the case at The Spin-out, the interviewee argues that developers are often disturbed by other parts of the organization. However, the interviewee suggests that this very much depends on the type of work associated with the organization. While larger organizations have the resources available to divide the organization in this manner, smaller organizations might not have the resources, nor the time to create such a divide. Instead, smaller organizations need input from all roles in order to reach the organization’s goals. This means that smaller projects may be organized in a fashion that relies on everyone doing a little bit of everything, which contrasts the aforementioned focus on creating a well-structured organization where developers do nothing but write code. The interviewee further suggests that this is one of the points where organizations can differ the most. The interviewee argues that, while organizational size is a variable in deciding how the organization should work with development, culture and other affiliations such as certain development methodologies can be reasons behind why some organizations involve more people in their decision making process. The interview suggests that this is just the way the industry works. Some organizations are very including in regards to how they have their developers work, while others are not.
6. Analysis and discussion

This section provides an analysis of the empirical data based on the theoretical and empirical frames of reference. The section brings forward the most important aspects of the research and provides a discussion on how organizations can mitigate the identified problems.

6.1 Innovation in the form of a spin-out

Much suggests that innovation and ideas are vital in creating new intellectual resources for any large organization. From this follows that innovation and new ideas are a source for spin-outs in that they are what the new organization is built upon (Lord et al., 2002). Figure 2 in section 2.1.3 showcases that although innovation is important in spin-outs, there are other ways to incubate innovation than creating a spin-out. Figure 2 suggests that a spin-out is, according to Christensen and Overdorfs, the preferred method of incubating innovation when the innovation requires work that fits poorly with the organization’s values and processes (Christensen & Overdorf, 2000). By putting Christensen and Overdorfs model into the context of the case of The Company it could be suggested that the work associated with The Spin-out should have a poor fit with The Company’s values and processes.

When putting Christensen and Overdorf’s model into context, processes can be an ambiguous term. However, seeing as The Spin-out’s innovation is partly based in creating a web application, the processes, referred to in Christensen and Overdorf’s model, can be seen as the two organization’s software development processes. Christensen and Overdorf’s model can be used to effectively tell whether or not The Spin-out is most efficient in the form of a spin-out. By comparing the software development process for The Spin-out and its parent organization, the similarities and differences between the two can be established and provide an answer to whether or not the two organization’s development processes and values could be considered a poor enough fit to classify as spin-out in accordance to figure 2.

In accordance to both interviews and documentation, the two organizations’ development processes mainly differ in how they approach the division between business departments and developers. While The Spin-out put business developers and product owners in cross-functional teams, as part of a more agile and gradual development process, The Company and Model A does not. Instead, The Company has a larger focus on creating requirements beforehand and having developers work to fulfill those requirements. Another difference between the two development processes is The Spin-out’s focus on agile methodology. While Model A contributes little to the decision on what methodology to use (Model A), interviews suggest that The Spin-out’s development process is clearly focused on Scrum by, for example, having their process use terminology associated with the methodology. However, looking at The Spin-out’s development process in more detail it is evident that The Spin-out share many of The Company’s traits, especially in that The Company and The Spin-out, officially, both share Model A as their development method. One interview further claims that the lack of division between business and developers at The Spin-out is shrinking. The interview further claims that The Spin-out’s development processes are becoming more and more similar to those of The Company. This suggests that there is a mismatch between the official and unofficial development processes of The Spin-out and that there are two answers to whether or not the organization’s’ development processes fit with those of The Company. There are, however, differences that are not directly connected to development processes but still affect how the two organizations work. One of the major differences in terms of development is, according to
interviews, speed. While The Company is perceived as slow, The Spin-out tries to be more agile and consequently perceived as having a quicker development pace.

While The Spin-out, officially, does not have any unique values themselves, it is possible to compare The Spin-out’s five attributes with The Company’s values. Figure 11 displays The Spin-out’s five attributes on which they base their offer to customers as well as internal workflow. The Company’s values can be find in figure 13 and reads cooperation, freedom, responsibility and long term relationships. By comparing The Spin-out’s five attributes to the values of The Company much like for the four organizations in section 5, similarities and differences that tell whether or not the two organizations share values, can be found. In terms of direct comparison, The Spin-out’s five attributes have very little in common with The Company values. While it could be suggested that The Spin-out’s focus on encouragement and availability ties together with the attributes associated with freedom, that is a highly subjective interpretation that provides no direct proof of association. In comparison to the two cases in the empirical frame of reference, where a majority of the values or descriptions were directly connected, The Spin-out and The Company share very little in terms of organizational values. However, one of the interviews suggest that The Spin-out does not have values of their own, but instead follows those set out by The Company.

When compared, it could be suggested that The Spin-out and The Company do not share many unofficial development processes or cultural values. However, there is an underlying problem in that the two organizations at some level share both development processes and cultural values in that they are both part of the The Company Group. As suggested by one interview, The Spin-out shares the cultural views and consequently the values of The Company’s culture and as suggested, by one of the interviews, The Spin-out is also part of Model A. This suggests that Christensen and Overdorf’s model in the context of The Spin-out and The Company poses an ambiguity. An ambiguity in that The Spin-out could exist both as a functional team within The Company’s organization as well as in the form of a spin-out. The fact that The Spin-out indirectly shares both The Company’s culture and development processes suggest a strong inheritance from the parent to the spin-out and suggests an ambiguity that can create complications for The Spin-out’s future identify in terms of both culture and development processes.

6.2 Innovativeness
Although innovation is suggested to have played a large part in the creation of The Spin-out, neither The Company’s culture nor the interviews argue for a strong innovativeness within The Company. Innovation is part of the concept behind The Spin-out both officially, in accordance to interviews, and in the employee’s perception of what The Spin-out is, as showcased in figure 12. If The Spin-out is to adhere to the same culture and values as The Company, it needs to be deducted if there is in fact innovativeness in The Company’s culture. Innovation can take many forms, Sarros et al. (2008), propose that innovation comes from a distinct set of attributes in an organization’s culture. The specific attributes, as demonstrated in figure 6, includes articulated vision, fostering acceptance of goals, intellectual stimulation, provided individual support, high performance expectations and providing appropriate role models. The documentation around The Company’s culture showcase a connection to some of the attributes Sarros associated with an innovative organizational culture. One example of a connection is the fact that The Company has a very clearly articulated goal in that it wants higher profitability than comparable competitors in their home markets. This matches Sarros et al.’s (2008) attribute of having a high performance expectation. Further, The Company provide role models in the form of senior management taking the role as mentors and ambassadors for the company culture and how
The Company want their organization to function on a larger scale. The personal support to employees associated with this mentorship, mentioned in the observations, further matches Sarros et al.’s attributes of individual support, providing role models and fostering acceptance of goals. Left out of the attributes introduced by Sarros et al. (2008) is intellectual stimulation and articulated vision.

It is possible to argue that The Company’s current goal is not a high performance expectation. The Company’s goal is to have a higher profitability than comparable competitors within certain markets. The result of this formulation is that The Company can independently decide what a comparable competitor is. Consequently, there is a question raised whether or not this attribute is met. Similarly, while it is difficult to define intellectual stimulation, there is little to suggest that The Company do things on an intellectual level that other, comparable organizations, do not. In fact, interviews and observations suggest that The Company is slow in terms of technological development. This would suggest that The Company does not offer more intellectual stimulation than other comparable organizations. Much like there is ambiguity in The Spin-out's organizational definition, there is a clear ambiguity in that The Spin-out is set be innovative and still follow The Company’s culture. As can be seen above, The Company meet half of the requirements on an innovative culture as defined by Sarros et al. (2008). This would suggest that The Company lacks certain elements associated with Sarros definition of a innovative organizations, much as suggested by previous interviews.

As The Spin-out shares The Company’s culture, it too, in accordance to Sarros et al. (2008), shares The Company’s lack of certain attributes associated with an innovative climate. Little in The Spin-out’s attributes suggest a different take on culture and as stated in one of the interviews, there is nothing at The Spin-out that suggests a new culture at the moment. The lack of certain attributes common in innovative organizations within The Spin-out poses several problems. As seen in figure 12, one of goals presented by the employees and management at The Spin-out is to become more innovative. This innovation is needed in order for The Spin-out to create the type of organization they want. The innovation is also needed in order to compete with the company’s competition. However, as The Spin-out does not have a culture of their own and use The Company’s culture, which supposedly is not innovative, The Spin-out has a clear limitation on their level of innovation. A limitation that creates an ambiguity around how The Spin-out should operate. The ambiguity lies in that The Spin-out set out to be innovative, but in reality has a culture that does not promote said innovativity. Instead of creating the organization that The Spin-out wants to be, their inheritance through The Company, which is evident in the form of culture, makes it impossible for the organization to create an environment where innovation thrives. While it is possible to suggest that only using the definition of an innovative climate established by Sarros et al. (2008) is not enough to determine the level of innovativeness at The Company, interviews and observations also suggest that there is a distinct lack of innovation, especially in terms of development processes and methodology within The Company’s culture. While this may not be intentional by management, this suggested lack of innovation within The Company could potentially control The Spin-out and inhibit the organization from reaching its goals. This further suggests that The Company, through its corporate culture could control how The Spin-out works with innovation and that this control ultimately could have a negative influence on The Spin-out’s core business.
6.3 Economical factors

There are more than one way of practicing control over an organization and their processes. While The Company’s control over The Spin-out through organizational culture may be unintentional, the The Company Group’s financial strategy described in one of the interviews is a highly intentional strategy used to control the organization as a whole, including The Spin-out. The interviews describe the financial strategy as a boundary to what type of risk the organization is allowed to take. While The Spin-out’s action are not directly controlled by the strategy, the financial strategy within the The Company Group is built to influence all decisions and to mitigate risk as well as to promote risk aversion. This risk aversion is a bad fit for an organization attempting to become innovative. Especially considering that Tidd and Bessant (2015) confirms a common perception that successful innovative companies need to embrace risk. This is further established by Jagersma and van Gorp (2004) who suggests that one of the core advantages of spin-outs are their ability to build new business opportunities on top of the already established sources of revenue. Other factors speak for the long-term affiliation of the strategy adapted by the The Company Group. Considering that one of The Company’s values is long-term relations, it is possible to argue that the financial strategy is based on long-term investments rather than short-term profit. The fact that The Spin-out adheres to that long-terms relation, both with their parent organization and in terms of finances goes well together with the fact that Lord et al. (2002) suggest a general focus on long term profitability and that Jagersma and van Gorp (2003) suggest spin-outs to focus on long-term relationships with the parent organization.

There are, however, other aspects of financial strategies in regards to spin-outs. The long term financial plan suggested by Lord et al. (2002), assumes that the organization does not have to focus on creating high profits in the first few years. Instead, Lord et al. suggests that the spin-out is given time by its parent organization to grow quickly. The financial strategy of the The Company Group, as described in one interview, does not support the model proposed by Lord et al. (2002). Because the financial model is built on every part of the system producing a certain return on investment, The Spin-out is, in accordance to interviews, expected to perform better than the The Company’s overall profitability from day one. This means that The Spin-out cannot have too high costs or change its business model too drastically because of the risk associated with those actions. Taking that risk could in the worst case, for The Spin-out result in a loss profitability and consequently the support of The Company. It is consequently possible that it is, in part, because of The Company’s focus on risk aversion that The Spin-out cannot focus all its efforts on innovation.

The fact that The Spin-out is assumed to produce profit from day one could suggests that The Spin-out is a type of spin-out that exists solely in order to create profit for the parent organization. This type of spin-out, proposed by Festel (2012) is not based on innovation, but rather based on the premise that the parent organization has purely financial incentives for launching a new company. This means that while The Spin-out is expected to bring forward innovation, it is possibly not created for that specific purpose. This is comparable to the two organizations Macquarie and Sydney Airports brought forward in the empirical frame of reference. In the case presented, Macquarie, an investment firm, spun out an airport. It could be hypothesized that an investment firm spins out an airport for few other reasons than profit, something supported by the difference in how the two organizations worked with corporate values. Macquarie, similar to The Company put forward an organizational goal strictly based on creating profit, whilst Sydney Airports focused more on creating a deeper meaning. The same can be said for The Company and The Spin-out, where The Company’s ultimate goal is to have
higher profits whilst The Spin-out, with their attributes focuses more on creating a story, and a vision for its employees and customers.

The difference between The Spin-out and The Company and the similarities in that relation to the relation between Macquarie and Sydney Airports propose that there are clear differences in how organizations work with spin-out management. Lord et al. (2002) suggest that a spin-out should not be too close to the parent organization in terms of business. Whilst this is true in Macquarie’s case, The Company and The Spin-out conduct very similar types of business. Albeit there is both differences and similarities between the two cases, much suggests that The Company and The Spin-out have aspects of their relation that goes against established literature. This misalignment between literature and the case of The Company further support the aforementioned ambiguity of the relationship. Similarly to the case of Macquarie and Sydney Airports, The Company and The Spin-out have a relationship that is, to some extent, built on financial incentives. This similarity between the two cases suggests that, the inheritance spotted in terms of cultural attributes or values between Macquarie and Sydney Airports, establishes the notion that inheritance is a valid concept within a financially based spin-out.

Although some of the problems associated with the concept of a financially based spin-out may not be a direct issue for The Company and The Spin-out, the underlying complexity in the division of the business may still present a sustainability issue. The relationship between parent and spin-out is a complex structure that have can have a larger effect than that within the two organizations. The importance of sustainability can be clearly seen within the values of the organizations within the empirical frame of reference. The theories from Boström (2012) suggest that sustainability is a question of corporate responsibility. While the growth of one corporate entity is containable, it is possible that the growth of two separate entities have a larger effect on all pillars of sustainability. The concept of spin-outs aims at a drastic increase in growth, and in the case of financial spin-outs, strict economic gain, which, theoretically, could result in an increased footprint especially in terms of social and environmental sustainability. While this is not a question of larger financial schemes, the concept of spinning out a company increases the rate at which the financial system can grow. The growth of two companies versus one can affect not only economic but environmental sustainability. It is an established fact that constant financial growth in its current form is not environmentally sustainable. The theories behind the concepts of economic and environmental sustainability, which are especially intertwined according to Boström, suggest that if a company grows too big, it must also contribute through the means of CSR. With two organizations rather than one, more resources can be pooled towards community outreach and projects that help promote social, economic and environmental sustainability, especially within the communities and countries the organization’s operate within. This suggest that the problem at hand is neither directly economically, environmentally or socially unsustainable, but rather poses a general question concerning the impact of two, to a larger degree separate organizations, versus one.

6.4 Interorganizational relations
The previous chapters have established that there are clear connections between The Company and The Spin-out in terms of culture, development processes and financial strategy. These connections are the core in the relation between the two organizations. Albeit both Lord et al. (2002) and Jagersma and van Gorp (2003) suggest that parent organizations should not directly control their spin-outs, The Company influences and controls The Spin-out both intentionally and unintentionally. One of the core aspects of this control is the established inheritance of culture and development processes from The Company to The Spin-out. One of
The fundamental keys to that inheritance is knowledge transfer. Goh (2002) suggests that knowledge transfer can be digital in the form of, for example Lotus Notes. This is especially true for explicit knowledge that can be written down and passed as documentation. The observations suggest that digital tools, such as Lotus Notes are used concern-wide, meaning that The Spin-out shares the same internal network for communication and information as The Company. The shared internal network result in that many of the efforts The Company takes to enforce its culture and development processes, reach The Spin-out employees as well. The sharing of explicit knowledge between the two organizations can in many cases be a good thing. However, because the two organizations attempt to have a degree of separation, the sharing of explicit knowledge may potentially result in an unwanted transfer of culture and development processes between The Company and The Spin-out. The knowledge transfer enabled by the shared internal network could potentially transfer inherent process flaws, such as the by many experienced slowness of The Company to The Spin-out’s organization.

There is more to knowledge sharing than explicit knowledge. Tacit knowledge can also be transferred and is to some extent, according to Goh (2002) more significant. This is further supported by Agarawal et al. (2004), who propose that organizations can by themselves unintentionally transfer knowledge within the borders of the corporation. While tacit knowledge is more difficult to transfer due to it not being codified (Goh, 2002), Goh suggests that the capabilities of knowledge sharing is increased by a shared culture. As previously mentioned, The Spin-out is, according to one interview, in many ways part of The Company’s culture and uses the culture has a basic framework on which it can establish its own attributes, values and development processes. Due to the fact that The Spin-out shares culture with The Company it could be suggested that the capability of knowledge transfer between The Company and The Spin-out is increased. The increased capability of transferring tacit knowledge could combined with the need for, especially, The Spin-out’s IT-department to communicate with its counterparts at The Company result in a flow of unwanted cultural attributes from The Company to The Spin-out.

Through everyday actions such as talking to colleagues, employees exchange know-how that could be interpreted as tacit knowledge. The knowledge and general tacit information amassed by The Spin-out’s IT-department can through social interaction further spread within The Spin-out. One of the consequences from this continuous knowledge transfer is confusion within The Spin-out. The knowledge transfer may not only introduce flawed processes or cultural attributes but could also introduce an ambiguity in whether or not The Spin-out is its own entity. The two organizations are in a continuous process of sharing both tacit and explicit knowledge, about culture, values and attributes associated with the processes developed at either organization. Although they belong to the same company group, The Spin-out is actively trying to create its own identity and development processes. The development of these traits within The Spin-out may be hindered by the fact that employees take influence from how things are done at The Company. The aforementioned ambiguity in The Spin-out’s culture, identity and development processes can potentially be strengthened by the lack of boundaries between what is The Spin-out and what is The Company. This ambiguity ultimately affects both organizations and their interorganizational relations. According to Goh (2002), knowledge transfer needs to be constantly governed by management. Consequently, the ownership of the problems associated with the inherited ambiguity of The Spin-out’s culture and development processes lie within the organization’s leadership and management.
6.5 Leadership focus

Interviews suggest that The Spin-out has changed drastically in terms of leadership and management over the past years. The Spin-out was originally, when it was spun out, led by a visionary CEO who wanted to change the way things were done. The CEO was according to one of the interviews leading the company away from many of the processes and values incorporated at The Company. After the change of CEO, The Spin-out has gone back to adhering to values closer to The Company or what the interviewee referred to as “business as usual”. This change in attitude in many ways match the organization’s development in terms of culture. The Spin-out initially took many steps towards a new culture and new sets of development processes, such as charting out employee values as well as setting up its five attributes. Management has since then, according to one interview, changed their focus back to The Spin-out’s core business, as it was before it was spun out. If analyzed with Hatch’s (1993) cultural dynamics model, it is clear that The Spin-out’s initial attempt at creating a culture was incomplete. With the information gathered from the questionnaire seen in figure 12, it could be suggested that The Spin-out went from assumptions about what the organization was set out to be and attempted to manifest those assumptions with values such as the five attributes. While The Spin-out managed to create symbols such as logos and similar tangible items, there is no clear evidence of The Spin-out having artefacts. Consequently, The Spin-out went through three of Hatch’s (1993) four phases. This suggests an incomplete process that potentially could have been disturbed by a change in intent. Because of the change in management, The Spin-out did not go through a realization of its values to artifacts, but instead stopped after creating its five attributes. This led to The Spin-out avoiding the process of realization. The importance of artifacts is highlighted by Sarros et al. (2008), who describe a tight connection between artifacts and a strong culture. Thus, The Spin-out may because of its change of direction have hindered its own cultural process and itself contributed to its current cultural ambiguity.

The problems caused by the change of management at The Spin-out can be directly transferred to the findings of Jagersma and van Gorp (2004). Jagersma and van Gorp identified that one of the key success factors in a successful spin-out case is the inclusion of managers who are entrepreneurial and understand the concept of establishing a spin-out. Observations, as well as interviews, suggest that the first CEO had more entrepreneurial characteristics. Contrary to The Spin-out’s first CEO, the new management focuses on doing things as they have been done previously in the The Company. Because of the lack of current entrepreneurial influences within The Spin-out, Jagersma and van Gorp’s theories suggest that The Spin-out must gain further support within the bank internally. By gaining such support, The Spin-out could potentially continue to establish itself as a start-up rather than a functional division of The Company. This change in status would possibly decrease the organization’s ambiguity by aligning itself with the model presented by Christensen and Overdorf (2002).

One of the apparent causes of The Spin-out's cultural inheritance is that The Spin-out's employees were formerly employed by The Company. The cause is especially rooted within management. There is an inherent problem in that leaders and senior management at The Spin-out come from The Company, an organization that according to observations puts effort into making managers into ambassadors for The Company’s culture. Consequently, managers at The Spin-out will likely, intentionally or not, transfer a lot of their cultural beliefs through mentoring and decisions down to the rest of The Spin-out's employees. The importance of leaders in knowledge transfer, especially tacit knowledge such as a company culture is supported by Goh (2002). This further enhanced the cultural grasp The Company has over The Spin-out and ultimately makes it more difficult for The Spin-out to establish its own culture. The
introduction of a new culture or values within The Spin-out would highly affect managers who would have to step away from the practices established by The Company. Even if, as suggested by interviews, The Spin-out chooses to maintain The Company’s culture as a framework to build their own adaptation or contextualization on, managers would likely have to change their mentoring and decision making in order to fit in with that potential contextualization. This ties along with the rest of the analysis in terms of both leadership and cultural selection. While The Spin-out does not currently have an adopted contextualization of The Company’s culture, which ultimately creates the aforementioned ambiguity, it could be suggested that management currently does too little in order to amend this issue. It is possible that it would help The Spin-out to further develop its culture, climate and its organization if The Spin-out’s management established an ownership of the question and communicate a plan of how they intend to create clarity in The Spin-out’s situation.

6.6 Cultural differences

Although culture is connected to several of the aforementioned processes, culture as a concept itself plays a large role in the ambiguity of The Spin-out’s structure, culture and processes. The fact that The Spin-out, in accordance to the interviewees currently practices The Company’s culture can be analyzed with the help of the model presented by Nahavandi and Malekzadeh (1988). Seeing as The Spin-out has moved from attempting to create its own culture to now embracing The Company’s culture, the model can be contextualized for the case of spin-out by assuming that The Spin-out is acting as an acquired firm by the larger The Company Group. Consequently, looking at the model presented by Nahavandi and Malekzadeh, The Spin-out has moved from something much like a integration process, where the spin-out create their own specific culture alongside The Company’s already established culture, to a complete assimilation. Assimilation is, according to Nahavandi and Malekzadeh (1988) common in failing organizations. This corresponds with the fact that The Spin-out’s assimilation, according to one interview, came in times of great change. The failing organization analysis supported by Nahavandi and Malekzadeh (1988) can also be a reference to the ambiguity problems associated with The Spin-out’s culture not being properly defined.

Looking at figure 12, displaying the desires in terms of culture of employees and managers at The Spin-out, empirics suggest that employees and managers at The Spin-out are interested in creating an organization built on new values. While the creation of new values or cultural attributes goes hand in hand with the methods of separation or integration, it does not match the assimilation suggested by the spin-outs current strategy. This is further established by the fact that members of the acquired firm (in this case The Spin-out), are very much interested in its own culture, and not, according to the questionnaire in figure 12, attracted to the culture of The Company. From this, Nahavandi and Malekzadeh’s model would suggest that The Spin-out is in separation. Consequently, The Spin-out has gone from matching Nahavandi and Malekzadeh’s model with its approach to create its own unique culture, to now having a mismatch. Much like in the above mentioned Christensen and Overdorf’s model, this mismatch further establishes that there is a possible ambiguity in how The Spin-out works with culture.

6.7 Stagnation in development processes

Interviews testify that the development environment within The Spin-out is far from perfect. While the degree of critique varies, much of the dissatisfaction, as suggested by one interview, revolves around the concept of inheritance. While The Spin-out has its own IT-department in practice, its major systems are all part of The Company’s greater infrastructure. There is here, a fundamental ambiguity in that The Spin-out is meant to be something new but have to rely on
legacy systems to function. Further, the IT-department at The Spin-out is a part of The Company. Much like the aforementioned inheritance of culture, The Spin-out has developed a subsection of environments and systems that support their specific needs but still rely on The Company in terms of support and operations. One interviewee suggests that this inheritance poses both problems and opportunities. According to the interviewee, the inheritance of legacy systems results in a slower moving organization and development processes. However, the inheritance also relieves The Spin-out of having to build expensive systems related to banking. Although there are both positives and negatives about The Spin-out's development team’s affiliation with the bank, literature such as Jagersma and van Gorp (2003) strongly suggest that parent organizations should not burden spin-outs with strong internal culture or slow legacy systems. While The Spin-out have not had to build the systems themselves, one interviewee suggests that they to date have to live with the systems taking long to improve and that the systems, at times, cannot perform in a way that The Spin-out needs them to. Jagersma and van Gorp further suggest that by sharing the burden of the slow legacy systems with The Spin-out, The Company denies the spin-out many of the positive attributes associated with spin-outs in general, such as being able to act faster and attract new types of customers.

The fact that most of The Spin-out’s IT-department’s employees are former The Company employees have effects in terms of development practices. Agarwal et al. (2004) confirms that negative attributes such as an, by many experienced, slowness follows employees from one organization to another. Consequently, The Spin-out may have inherited parts of The Company’s unofficial traits associated with their development processes. Traits that does not suit The Spin-out's current position. Part of this legacy or inheritance are guidelines such as Model A and Template A; that The Spin-out, although not being a part of The Company, has to follow as members of the The Company Group. Both Model A and Template A, does according to several interviewees put limitations on what The Spin-out can achieve technically. On top of limiting the implementation of new technology, Model A, Template A and many of The Company’s other development processes reduce the speed at which The Spin-out can develop new functionality and take its product further technically. This, and the limitations mentioned in the previous paragraph, is an example of the suggested unintentional control, where The Company by burdening The Spin-out with legacy systems control at which pace they can develop their own products. This shows that it is possible that the aforementioned concept of control works for development processes similarly to how it works for culture.

In terms of Template A, documentation suggests that limitations are strictly implementational, which poses problems on it own. Because The Spin-out develops a product much different to many of The Company’s software products, the two organizations should, according to for example, Lowe and Henderson-Sellers (2001) not share common ways of working. Lowe and Henderson-Sellers has identified a number of ways in which web, which is primarily what many of The Spin-out’s digital products is focused on, should be developed differently than other types of software. While Template A, as well as Model A, has been developed to suit a type of development that the bank has supported for a number of years back, they are not, in accordance to the observations and documentation, designed specifically for web. One of the main differences identified and supported by Lowe and Henderson-Seller’s literature is the Model A-supported separation between business and development (Model A, 2017). Instead of giving developers a set of requirements, Lowe and Henderson-Seller suggest that web needs a closer interaction between the two departments. While Lowe and Henderson-Seller suggest a very agile approach to web in terms of both methodology and overall workflow, Model A is static. Consequently, The Spin-out is currently attempting to build something in a ever changing environment with static tools and development processes. While The Spin-out has cross-
functional teams, one interview suggests that things are gradually becoming less integrated and that the business side now put less effort into actively taking input from developers. The fast pace of web development, further suggested by Lowe and Henderson-Seller puts strain on the business side of The Spin-out, which both culturally and structurally from The Company may not be used to a higher tempo and a demand to be more in touch with what customers are asking for.

While this mismatch in expectations and requirements are not the fault of neither business or developers, it affects both teams. Iivari and Hulsman (2007) suggests a deeper connection between culture and development practices that may be the cause of this mismatch. The connection identified by Iivari and Hulsman which to some extent is supported by Agarwal et al. (2004), revolves around the notion that software development principles are in reality affected by the culture practiced within a specific organization. If Model A and Template A are the byproduct of The Company’s corporate culture, it is possible that they are not functional in The Spin-out’s widely different context, purposed for web development. This connection and the results of it suggests that if The Spin-out’s culture is ambiguous so will the organization’s development practices. The consequences of this could include a lack of focus in The Spin-out’s digital products that ultimately affects the end customer. It could also affect the employees in The Spin-out’s development team.

Several interviews suggest that there is a large difference between the development teams at The Company and The Spin-out. The interviews suggest that one of the major differences between the two organizations is speed and overall quickness in starting and executing projects. While one of the interviews suggests that The Company investigates their projects for too long, another interviewee suggests that The Spin-out is trying to do the opposite. Albeit its efforts, several interviewees suggest that, in comparison to other organizations, The Spin-out is still very slow in adopting new technology and making decisions. This indicates a clear inheritance on the IT side of the organization. At the same time, the cultural attributes and the fact that the two organizations share a common culture argues for another type of inheritance. Because Iivari and Hulsman (2007) suggest that culture in many ways control the development software development processes of an organization, any inheritance in the form of culture has the potential of creating an inheritance in terms of development processes. This means that there are two connections between the two organizations. The first connection is based on the premise that development practices are directly inherited from culture. The second is constituted by the assumption that a cultural attribute, such as risk aversion or perceived slowness can affect development processes unintentionally. Consequently, similarly to how The Company controls The Spin-out unintentionally through its culture, The Company controls The Spin-out’s development processes by Model A and Template A as well as its cultural attributes. These factors combined, affect how The Spin-out can develop its own systems and create competitive products in an effective way. One interviewee suggests that The Spin-out is given the opportunity to occasionally diverge from the development processes established by the The Company Group. While The Company can loosen its control over The Spin-out’s development processes formally, it is more difficult to loosen its cultural influence and consequently loosen its control over the culture’s effect on The Spin-out’s development processes.
6.8 Discussion

6.8.1 Identified problems

The analysis shows, with the help of Sorros et al. (2008), that The Company lacks certain attributes associated with cultures that promote innovativeness. As observations and interviews further establishes, The Company does not possess all attributes certain literature associate with an innovative organization. Nor does The Company possesses a culture that promotes innovation strongly. The managers and employees at The Spin-out does, in accordance to figure 12, want the direct opposite, an innovative organization that stands up for being cutting edge. Interviews further suggest that one of the core reasons behind the foundation of The Spin-out was to create a more innovative organization. Yet, the analysis continuously suggest that The Spin-out is lagging behind in terms of innovation. This mismatch between what the organizations want and what has actually happened suggest a general, underlying ambiguity in how the organization operates.

The thesis has through its interviews and observations identified that there is both intentional and unintentional inheritance from The Company to The Spin-out. The inheritance affects both culture and software development processes. Examples of this inheritance on the IT-side are the legacy systems, as well as Model A and Template A. In the rest of Spin-Out A the inheritance is visible in the direct use of The Company’s culture. In many ways, the concept of inheritance is connected to the concept of intentional and unintentional control. While The Company exercises intentional control through its financial strategy, it exercises unintentional control through the unintentional spread of its cultural attributes. The control exercised by The Company is not limited to either culture or software development processes. Instead, the control is a general mechanism that allows The Company to, unintentionally or not, effect all of The Spin-out’s actions. The literature cited in chapter two proposes that parent organizations should not meddle too much in the affairs of its spin-outs (Jagersma & van Gorp, 2004). Still, The Company has proven that it, through a number of intentional or unintentional actions, still hold influence over The Spin-out’s culture and development processes through the aforementioned methods of control. The sources of this control and how it is illustrated in the actions of both organizations, constitute a problem that can be seen as common for all spin-outs. The problem consequently requires a clear definition as well as a solution that details how spin-outs go about ensuring their parent’s control is minimized or results in a positive inheritance.

The fact that spin-outs are often based on innovation supports the suggested ambiguity in The Spin-out’s organizational structure and in its relation to The Company. The empirics show that The Spin-out adheres to both official and unofficial values and development processes. While it officially uses The Company’s culture and values, it is in reality fundamentally different from The Company. Christensen and Overdorf’s (2000) model consequently suggest that The Spin-out could be both an internal functional division and a spin-out organization. The ambiguity in these results introduce a number of problems in terms of how The Spin-out want to manage its organization in the future. The fact that The Spin-out has adopted The Company’s culture proposes a connection between culture and how The Spin-out works with innovation. While innovation is highly sought after within The Spin-out, the same cannot be said for The Company. The Company’s, by many experienced, slowness and attributes such as risk-aversion and long-term stability is a direct mismatch with the attributes literature suggests that The Spin-out needs. Consequently, both development processes and culture support the notion of a mismatch between how The Spin-out works versus how it should work. The ambiguity
potentially lies in this mismatch, illustrated by the fact that The Spin-out does not have a consistency in how it operates officially and what it has set out to achieve.

The ambiguity in how The Spin-out should work versus how it actually operates is further established by the The Company Group’s financial strategy. The ambiguity is here enforced by the concept of control that could possibly be seen as one of the fundamental underlying problems behind the ambiguity in itself. The definition of control could therefore be; an action made by the parent organization that ultimately decide how the spin-out must do something. One example is consequently that by forcing its financial strategy on The Spin-out, the The Company Group exercises control over how The Spin-out works with risk and how it focuses on innovation. The financial strategy supersedes The Spin-out’s own ambition and forces it to focus on risk-aversion and less innovation. Consequently, The Company potentially affects The Spin-out’s ability to develop attributes that employees and managers feel are important for creation of an innovative organization. By enforcing its financial strategies and exercising control over The Spin-out, The Company pushes The Spin-out further towards its roots as an internal organization and makes it difficult for the organization to develop in another direction.

Culture and development processes share a similar pattern in terms of how they are inherited. The two concepts further share how they are used by the The Company Group to intentionally or unintentionally exercise control over The Spin-out. Software development practices are in part directly connected to culture (Ilivari & Hulsman, 2007). However, development practices are also inherited directly from the culture practiced by developers and teams working on The Spin-out’s software. Consequently, any ambiguity or misalignment identified in terms of culture will to some extent also affect the development processes. If The Spin-out’s culture is not aligned with requirements on innovativity, development processes will share the same lack of innovativity. Further, the similarities from a control point of view can be derived from documentation such as Model A and Template A. The two documents dictate how The Spin-out is to build their software and manage their projects and development processes. The mismatch between the static approach suggested by Model A and Template A and the constant agility required by the web processes practiced by The Spin-out results in a similar mismatch as between The Company’s culture and The Spin-out’s requirements on innovativeness. By enforcing Model A and Template A, the The Company Group, once again, exercises a certain amount of control and push The Spin-out in a direction which could be unsuitable for their development processes or intended purpose.

The spin-out concept in itself poses a question of sustainability that overreaches the two case companies. Instead, the question of sustainability concerns the phenomenon of spin-outs in a general sense. The question lies in the impact of two organizations in terms of both social, economic and environmental sustainability versus one. While the impact in terms of economical growth can damage both markets, as well as environment, there is also a contribution in regards to social sustainability. The contribution from the organizations could also include social outreach as well as tax-implications of two organizations versus one. While the process of spinning out a new organization ultimately will affect society at large somehow, the question of whether the resulting impact on society in terms of social, environmental and economic is positive or negative can not be answered given the empirics found in this study.

6.8.2 Mitigating ambiguities and regaining control
The similarities between the problems identified with culture and those identified with development processes suggest that there is a potential mutual course of action to mitigate and
counteract the identified ambiguity. A common denominator between the two is the influence of leaders and managers. Both culture and development processes can be seen as tacit knowledge which, in accordance to Goh (2002), can and should be governed by management. Knowledge transfer is both part of the cause behind the problems, as well as part of the solution. Culture is inherited in part by social interactions such as employees meeting with their manager who still holds The Company’s values. Development processes are similarly inherited from managers and developers who enforce or stick to methods developed or learned at The Company. Consequently, the ambiguity in both culture and development processes can, through knowledge transfer, be connected to management and leadership. In accordance to Jagersma and van Gorp’s (2004) aforementioned attributes of a successful spin-out, a management that knows the inner workings of entrepreneurship and the spin-out organization plays a vital role in that success. However, an entrepreneurial management that knows the principles of spin-out management cannot solve the underlying issue of control. Still, although the management of The Spin-out cannot themselves remove The Company’s control over The Spin-out, management can act as a catalyst to support the development of development processes, culture and an identity that overrides the influence of The Company’s control. The connection between the problems with control identified at The Spin-out, inheritance through knowledge transfer and the vital role of management in a spin-out, consequently suggests that increasing The Spin-out’s management understanding of entrepreneurship and the inner-workings of a spin-out organization is perhaps a component that can help The Spin-out regain control and its identity.

The connection between different styles of management and the identified ambiguity in both culture and development processes at The Spin-out, can be seen as the baseline for an open discussion within The Spin-out’s organization. A discussion that revolves around the topic of where the organization sees itself going forward. With the influence of The Company affecting The Spin-out, there is a need for The Spin-out to create a general urgency about the topic of how the organization perceive itself versus how it is actually operating. The discussion needs to include all levels of employees to highlight issues that might not yet be identified. The ambiguity presented within this thesis represents a mismatch between the strategy and the operations, which is why it is further, important for The Spin-out to discuss its aspirations on both an internal and an external level. There is a possibility, that the relationship between the two organizations must not be altered. Instead, it is The Spin-out that must establish its own identity in order to avoid the relationship from ultimately affecting The Spin-out’s culture and development processes. There could still exists a need for a discussion between The Spin-out and The Company to find a common ground of cooperation that does not limit The Spin-out through the aspects of intentional and unintentional control mentioned earlier. The discussion must further ensure that the possible actions taken does not limit The Company in its efforts to create something new. There is a general need to address these challenges through leadership and management on all levels of the organization, both within The Spin-out and affected departments within The Company. Through such a discussion there is a possibility of creating a situation where The Spin-out can thrive as an independent organization and at the same time, together with The Company, advance its position as an innovative and structured organization. By doing so, The Spin-out can eventually establish a clear agenda of where it is heading and what it is setting out to achieve.

The above discussion is not unique to the two case companies. Instead, the ambiguities found in this case is a trap for all spin-outs. Literature supports the notion that parent organizations can affect the spin-out negatively through too much involvement. The thesis shows that too much involvement, here referred to as intentional and unintentional control, can result in an
ambiguous culture and ambiguous development processes. The thesis can consequently can be seen as a practical visualization of the negative effects of a parent organization exercising too much control. The shown negative effects of allowing the parent organization too much control over the spin-out suggests that spinning out a new organization is not an easy task. The need for an entrepreneurial and management that understands the spin-out organization is already established within literature. However, the use of that management to dissolve cultural and processual ambiguities is not. Consequently, the talking points presented as a discussion above are not only applicable within the context of this case. Instead, the discussion suggested is a response to the general identified problem with ambiguous culture and development processes as a result of a controlling parent organization. The discussion can be seen as either a preventive measure or as a direct response to, a situation where a strong culture and development processes inherited create ambiguities in regards to the spin-outs identity and what it can achieve.
7. Conclusion and recommendations

This section includes a conclusion and a brief reflection on the analysis by connects the points brought forward by the analysis with the initial purpose and research questions. The section further contains a discussion on generalizability, recommendations for the two case companies as well as recommendations for further research.

7.1 Initial purpose, research questions and results

The original purpose of the study, as established in the introductory chapter, was to explore the role of inheritance in the spin-out process and investigate how a spin-out organization’s culture and processes is affected by those of its parent organization. By first establishing the concepts of culture and software development processes, the thesis fulfills its purpose by having identified the existence of an inheritance from the parent to the spin-out. The inheritance showcases that the parent organization potentially has an effect on the spin-out. The thesis have further mapped the effect the parent organization has had on the spin-out’s culture and processes. The identification and mapping of these features further answers different aspects of the posed research question. The research question, as initially proposed, read:

To what extent is the spin-out affected by the culture and processes of its parent organization?

From the aforementioned research contained within the thesis, parts of the research question is addressed. The first part of the question is whether or not there is an effect. The empirical identification of an inheritance of culture and processes from the parent to the spin-out showcases that there, to some extent, is an effect. In the case of The Company and its spin-out, the inheritance can be seen in the corporate culture and the connected attributes such as the development processes. The inheritance becomes evident through a number of factors, including the use of the same culture as well as the use of the same models and templates associated with the software development process.

The second part of the question is how large the proven effect of the parent organization’s culture and processes is. The mapping of how the inheritance effects, in this case, The Spin-out further addresses the second part of the question By pinpointing specific problems associated with the inheritance of both culture and development processes and by showing the effects the inheritance has on the organization, the extent of the effect is displayed. In the case of The Company, the effects of the inheritance are in many cases the same effects that indicate that there is an inheritance at all. Identifying factors that exist in both organizations, in the form of cultural attributes, can help showcase the existence of an inheritance. The identification of these factors can, however, also showcase the direct effects of the inheritance. In the case of The Company and The Spin-out, the effects of the inheritance becomes especially clear in underlying cultural attributes such as a perceived slowness. The effects can, however, also be seen in the existence of more holistic problems such as the cultural ambiguity of The Spin-out and the underlying problem of control. It is through this control that The Company enforces its cultural attributes and consequently, intentionally or not, creates an inheritance that ultimately affect The Spin-out.

The pinpointing of specific problems also makes it possible to highlight areas of improvement. Highlighting areas of improvement can help the spin-out avoid negative effects of its inheritance. By identifying the underlying problems associated with The Company exercising
intentional or unintentional control over The Spin-out, it becomes clear that one of the keys to success for any spin-out is to regain the ability to practice control. In order to do so, the spin-out must get rid of the suggested ambiguity in both its culture and its development processes. The ambiguity is tightly coupled with the The Spin-out's current mismatch with established literature which suggests that another key in ensuring a positive outcome of inheritance is an entrepreneurial management who know how to handle a spin-out organization. In effect, many of the identified keys to success are suggested by earlier literature. However, by studying the case of The Company and The Spin-out in more detail, several unique features have been identified which ultimately may help future spin-outs ensure that their organization is not negatively affected by ill-fitting culture or development processes.

7.2 Generalizability

Although the thesis is tightly coupled with the attributes and specific organizational structures associated with The Company and its spin-out, the general outline of the case is not by any means unique. As suggested by the utilized literature such as Jagersma and van Gorp (2003, 2004), creating a spin-out organization is not a scarce occurrence within the business world. From this, it could be suggested that from a holistic point of view, many of the problems experienced within the two case companies, should be directly translatable to other cases. The main takeaways, the concept of cultural and processual ambiguity with the underlying problem of intentional and unintentional control, relates not only to the case companies, but to the concepts introduced by both Jagersma and van Gorp, as well as Lord et al. (2002). The previous literature on the topic heavily focuses on the relationship between the spin-out and the parent organization. The relationship between the two is essentially what the introduced concept of control is about. By focusing on the earlier established literature and looking at the case of The Company and The Spin-out as a source for learnings, the concept of ambiguity, its causes and its consequences can help other organizations and their management in their efforts to create a spin-out organization.

Apart from providing valuable insight based on the learnings received from the two case companies and their relationship, the thesis can also be seen as a general study on the effects of a strong corporate culture. The study can be seen as an example of how a strong culture affects other organizations in the vicinity of the corporation. By deconstructing the thesis and its contents, the findings in the empirical frame of reference as well as the empirics can provide valuable insight into how culture flows within a corporate group. While many employees at The Spin-out embraced the new direction of the organization, others did not. The effects of the strong corporate culture of The Company became evidently clear when its practitioners were put into a new context and asked to choose between contextualizing that culture or choose a new one. By studying the raw data and looking beyond the provided research questions and conclusions, the study and its results can be used by other organizations to deem the likelihood of a similar situation within their organization. Those organizations can then further use the information provided herewithin to analyze a possible solution to any anticipated problems.

The thesis can also, when generalized, be used as a learning experience on the topic of management’s role within spin-out organizations. The aforementioned literature by Jagersma and van Gorp (2004) suggests that management's within spin-outs must be entrepreneurial and knowledgeable about the principles of spin-out organizations. The change in management did, according to the observations presented in the empirics section, have an effect on the organization. An effect that was severe in terms of The Spin-out’s capabilities of developing a culture. The direct effects included, as seen in the empirical section, a conversion in aim. The
organization went from developing an independent internal culture to going back to adhering to the culture of The Company. The choice to go back to The Company's culture was what eventually led to some of the ambiguities mentioned in the analysis. By taking the learnings from this process out of this context, the thesis can help establish a sense of what the practical implications are of the management-related issues brought forward in earlier literature. By doing so, the thesis can help, not only spin-outs but also other new organizations understand the direct effects of a change in management and what types of problems the organization must address in order for the transition to run smoothly.

7.3 Managerial implications

The case of The Company and The Spin-out is in many regards a very specific case. Because The Company possesses a distinctive type of corporate culture and The Spin-out is connected to The Company through ownership and IT-dependencies, the case is complex. The case is therefore difficult to solve without the involvement of the executive management and organizational support of both organizations. The discussion among employees and managers within The Spin-out, suggested in the conclusion of the analysis represent this complexity and the need for both companies' management and organizations to develop a solution to the problem. Because of the connections between management and the problems identified in this thesis, any potential solution would require the full cooperation and dedication of executive staff. Consequently, any solutions proposed within this thesis is merely an attempt at further analyzing the identified problems, their causes and what could potentially be done to decrease the ambiguity and control associated with the case's two companies.

The Spin-out started out by attempting to create its own culture and establish a strong vision that included a more innovative culture and more innovative processes. Yet, through the change of management, The Spin-out lost many of these attributes and retreated to the culture and development processes of The Company. This has created an ambiguity that makes it difficult for The Spin-out to work efficiently. The close ties to the parent organization could according to Jagersma and van Gorp (2003) be an obstacle in the process of creating a successful spin-out. From this, Jagersma and van Gorp (2004) further push for the fact that a spin-out needs an entrepreneurial management that knows how to operate a spin-out and can define a suitable culture and a set of development processes to end the current ambiguities. This also entails that The Spin-out starts operating in a manner that adheres to the principles established within spin-out management literature. Through the establishment of more rigid values and development processes, The Spin-out will also become less susceptible to being controlled by its parent organization. Based on the problems identified at The Spin-out, there are a number of questions that the organization’s management and employees can ask themselves to help determine what they need to do to establish the necessary structure and definition for The Spin-out. The list below proposes a number of questions that management and organization alike could ask themselves in order to reach clear state where The Spin-out can continue to develop its culture and development processes.

1. Who owns the problems associated with ambiguity?
2. How do we communicate how we intend to solve the problem within the organization?
3. How do we define the company?
4. How do we define a clear independant culture and development processes?

The list identifies a number of questions that need to be addressed by The Spin-out's entire organization in order to, in the long term, lessen the amount of control The Company exercises.
over the organization. Firstly, The Spin-out and its employees need to address the identified problems and ask themselves who will take ownership of the ambiguity in order to actively work towards solving it. Secondly, The Spin-out need to ask how they should communicate a plan internally, in order to regain the confidence many of the interviewees suggest has been lost. The employees and managers alike must further, as part of this plan ask the question of how they define the company itself. The Spin-out needs to formulate whether or not it is part of The Company or a more independent organization that can embrace attributes that are not associated with The Company. Following that definition, The Spin-out needs to further question how it should define a clear and independent culture and its own development processes. By doing so, The Spin-out can get rid of its current ambiguity and consequently solve many of the problems connected to both culture and development processes. By questioning how it should go about defining itself, its leadership, culture and development processes, The Spin-out can grow a stronger organization that is not hindered by the bank’s controlling processes but rather embraces those structures within its internal organization.

7.4 Further studies

Many of the topics associated with and developed within this thesis are topics interesting for a wider audience. While the basic concepts utilized, such as corporate culture, innovation and knowledge transfer have been widely covered by a variety of authors, it is the contextualization of these topics that can provide interest for further study. Some of the concepts or theories studied can potentially be further developed in a different context and through that contextualization provide more detailed insights into the inner workings of that specific phenomenon.

One example of such a phenomenon is cultural inheritance. While the thesis has discussed the topic within the context of spin-outs, the topic could be taken further and examined within other types of organizational structures. Much like the concept of knowledge transfer proved an important part of the passing of culture between the parent organization and the spin-out in the case of The Company, the concept can prove to be of less, equal or higher importance in other types of organizations. Studying how culture and information flows within organizations can not only prove important for the establishment of new organization but also for the establishment of new cultures in an existing organization. Because literature such as Barney (1986) state that there is an underlying complexity in the establishment of a new culture, any insight specified for a specific type of culture can provide valuable material for managers and researchers alike.

While many of the topics introduced and studied within this thesis can be further developed, there are also topics touched upon that have been developed but require further examination. One such topic is management within spin-outs. The problems associated with the change of management within The Spin-out and the above managerial implications suggest that management and leadership plays a large role within spin-outs. Although literature such as Jagersma and van Gorp (2004) acknowledges the importance of having entrepreneurial management, the academic discourse could be further interested in establishing the baselines around how management and leadership affect spin-outs throughout the different stages of development. While much suggest that, especially, management plays a large role and is a wide topic, there are a number of sub-topics that could be developed into studies of their own. Such studies could then provide the spin-out community and managers of parental organizations with important insights.
Similarly to leadership and management, another topic spawned from the discussion around spin-outs is the topic of sustainability. The discussion around sustainability, especially economic and social, provided in the analysis, leaves out practical implications. A detailed and quantitative study on how spinning out a new company, rather than having an internal department, affects economic, social and environmental sustainability could directly affect the organizational structure of the future. By detailing how spin-outs affect the three pillars of sustainability, the landscape around and practices associated with spin-out formation could drastically change and consequently affect much of today's business world at a high level.
8. Bibliography

8.1 Academical references


8.2 Documentation


The Spin-out (2014). Questionnaire regarding culture.

Appendix A

Interview guide - Employees (including consultants) and managers at The Spin-out
1. How do you experience the culture at The Spin-out?
2. Have you previously experienced The Company’s culture?
3. What do you see as positives in terms of development at The Spin-out?
4. Have you experienced development at The Company, what did you think of that?
5. What room for improvement is there within each organization?
6. What do you think The Spin-out has inherited from The Company?
7. Do you see that inheritance (if any) in a positive way?
8. How do you think The Spin-out should differentiate themselves from The Company (if at all)?
9. What is difference in terms of development processes at The Spin-out compared to other organizations you have worked in (apart from The Company if applicable)?
10. What is difference in terms of development processes at The Company compared to other organizations you have worked in apart from The Spin-out (if applicable)?

Interview guide - Employees and managers at The Company
1. How do you experience culture at The Company?
2. What do you see as positive in terms of development at The Company?
3. What room for improvement is there in terms of development practices at The Company?
4. What room for improvement is there in terms of culture at The Company?
5. What do you know about The Spin-out?
6. How do you view The Spin-out?
7. Do you think The Company have affected The Spin-out in terms of culture or processes?