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Abstract

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Keywords: Idea competition, service innovation, innovation culture, innovation practice, case study, engineering consultancy

Creating a new innovation practice and a different innovation orientation through implementation of an idea competition tool

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Abstract: We investigate how an idea competition tool act as catalyst to create a new innovation practice and innovation orientation in an engineering consultancy company. The idea competition is used internally in the organization to collect employee ideas for internal process improvements. The case study reveals that the idea competition tool act both as a catalyst to think differently about innovation and as tool to guide the implementation of the new innovation approach through well defined roles combining fun and serious business. The idea competition tool helps to overcome existing organizational barriers by creating a strategic business architecture encouraging employees to contribute with innovative ideas that the company may develop and implement for the good of the company. The findings indicate that more and different innovation orientations may co-exist in the same organization, complementing each other, such as balancing an external customer orientation with an innovation orientation focusing on internal innovations.

INTRODUCTION

Being innovative is seen as highly important by most companies in order to stay competitive in their respective markets – also for service companies. Having a supportive innovation culture or strong innovation orientation is seen essential for how innovative a company is (Dobni, 2010). An innovation culture is in general described as a culture where risk-taking, empowerment and open communication among other factors are appreciated (Brentani & Kleinschmidt, 2004; Dobni, 2010). Chesbrough (2003) talks about a closed and an open approach to innovation. The open approach values external partnerships and inspiration whereas the closed one values control and secrecy.

In the last ten years or more the open innovation approach has received high emphasis as a way to strengthen the innovation potential. This is among other things fuelled by access to the Internet and software developments such as online collaborative functionalities and lately social media that have made interaction and community building infrastructures even easier to build and access (McAfee, 2006; Andriole, 2010). Many service companies have taken advantage of these interactive tools and used them to involve their customers in different phases of the innovation process (Nambisan, 2002, 2008; Alam and Perry, 2002; Kristensson, 2008; Scupola and Nicolajsen, 2013).

There are however only few studies investigating interactive tools for collecting ideas from employees within the company boundaries. Examples include the studies of the innovation jam in IBM (Bjelland & Wood, 2008) and organizational Wikis (Standing & Kiniti, 2011). These studies are interesting from many perspectives including knowledge management; however our

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focus is on how such tools may affect the innovation practices and the innovation orientation of an organization.

Idea competitions are one category of these interactive tools to collect ideas. The success of using idea competitions to involve external partners such as customers to come up with ideas has been widely researched (eg. Piller et al. 2005; Ogawa & Piller, 2006; Lakhani & Kanji, 2008). However we argue that there is a new and not yet researched trend of companies using such tools to collect ideas from internal company's employees.

It may be argued that these new Web 2.0 based tools carry with them an inherent approach to innovation much in line with the open innovation paradigm due to functionalities supporting open communication, participation, empowerment (Ibrahim, 2010). We investigate therefore the following research question: How may idea competition tools be used to support innovation processes in an engineering consultancy firm and can they contribute to generate a new and different innovation orientation?

To answer the research question, we conducted a case study of a consulting company's implementation of an idea competition tool by investigating the conceptualization of the tool and the changes it brought about.

The paper is structured as follows: First we describe the theoretical grounding defining service innovation, innovation culture as well as idea competitions. Then we present the method applied along with a short description of the case. This is followed by the presentation of the results, a discussion and conclusions. Finally we present the limitations of the study and input for future research.

THEORETICAL GROUNDING

In this paragraph, we present and discuss first the idea competitions and then the concept of innovation orientation and culture.

Online idea competitions

Online idea competitions allow an organization to post problems or themes online to a group of participants who may then provide input such as solutions to a given problem. These solutions may then be further elaborated by other participants or voted about online or may even be moved to another community for further evaluation and development. The winning ideas are awarded some form of a prize, and the organization may implement the idea for its own gain. According to Ebner et al (2009) and Bullinger et al (2010) the key design elements describing idea competitions are: the organizer, the timeline, incentives, problem specification, target group, composition of groups, media, evaluation criteria, idea review, idea review committee, elaboratedness, context and community functionality.

Especially the element of community functionality, which is part of Bullinger et al (2010)'s framework, is essential as it allows for open communication and interaction, thus providing possibilities for collaboration and competition, which again allow for community building (Bullinger et al, 2010). The importance of community facilities is further supported by a more recent study by Hutter et al. (2011) finding that the tension between competition and collaboration is what makes an online innovation community flourish. According to Bullinger et al. (2010) low and high cooperation orientation supports high degrees of innovativeness, whereas medium cooperation orientation results in low degree of innovativeness.

These frameworks and insights are building on research on external innovation competitions with participants such as customers, users, interest groups, university classes etc.

(e.g. Hutter et al., 2011; Boudreau et al. 2011). Little is known about whether these insights also count for internal idea competitions.

What is important to state here is that whether these online tools may support participation, open communication, empowerment (characteristics that are somewhat similar to a climate nurturing innovation according to Brentani & Kleinschmidt (2004)) depends on the configuration of the system with regard to key design elements such as eg. a democratic review process or expert based review process as well as how it is implemented. Another issue is whether the potential users accept the system and use it as it is or if it is rejected or work around are made (Doherty & Doig, 2003).

Innovation Culture and Innovation Orientation

To frame our understanding of innovation culture we first define the concept of service innovation. Service innovation is defined by Gallouj & Weinstein (1997) as any change affecting either the technologies (methods or materials) involved, the competencies (employees, organizational or client) or any part of what makes the final service. This definition allows us to investigate and describe all sorts of service innovations no matter which element or extent of change involved as long as it results in added value.

Only few researchers have worked with the concept of innovation culture and even less has worked with innovation culture in service organizations. Brentani and Kleinschmidt (2004) define a firm's innovation culture as "involving entrepreneurship, risk taking, and openness to new ideas" (p.312). The innovation culture is seen as a subculture with a style of corporate behavior valuing new ideas, change, risk and not at least failure as a necessary part of working innovatively. Also, an innovation culture is described as one nurturing a climate of openness, informal communication, involvement, thinking out of the box and adaptive to change. Whether this "subculture" is part of the organizational culture as such or only counts for innovation departments and strategic innovation is unclear.

Dobni (2010), in line with Brentani and Kleinschmidt, argues that an organization's strategy and degree of innovativeness is affected by what he coins "the innovation orientation". The innovation orientation, which is part of the organizations culture, affects the competitive strategy of the company and therefore the organizations performance (Dobni, 2010, p. 333). According to Dobni (2010) four dimensions are of importance to describe the innovation orientation of a company (see table below): the *intention* to be innovative, the *infrastructure* to support innovation, the behaviors needed to *influence* a market/value orientation and the environment to support *implementation*.

1. Innovation intention	
Innovation propensity	The degree to which the organization has a formally established – within their business model – architecture to develop and sustain innovation. This would be communicated through vision, goals, objectives, and operationalized through the business model and business processes.
Organizational constituency	Considers the level to which employees are engaged in the innovation imperative and how employees think of themselves vis-á-vis their colleagues in respect to value, equity, and contributions made within the organization.
2. Innovation infrastructure	
Organizational learning	The degree to which the training and the educational opportunities of employees are aligned with the innovation objectives.
Creativity and empowerment	Determination of the creative capacity of employees and the amount of creativity that employees are allowed to express in their work. As, it assesses the degree of empowerment held by employees, and the ability of employees to

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	improvise and enact at will.
3. Innovation influence	
Market orientation	Market sensing and contextual awareness behaviors of employees. It considers the extent to which employees generate and disseminate knowledge on customers, competitors, the industry, as well as their understanding of the value chain or cluster in which their operate
Value orientation	The degree to which employees are focused on and involved in the process to create value for customer/clients.
4. Innovation implementation	
Implementation context	The organization's ability to execute value-added ideas. It considers the ability to proactively co-align systems and processes with the changes in the competitive environment.

Table 1. Dimensions of innovation culture (Dobni, 2010)

According to Dobni a strong innovation orientation engage behaviors such as valuing risk taking, creativity, freedom, teamwork, it instills trust and respect as well as fast decision making (p. 334) very much in line with Brentani and Kleinschmidt (2004). The innovation culture definitions presented here provide a normative stand, defining the companies as having a strong or weak innovation culture/orientation with given values of what makes a strong innovation culture. However, no considerations are made in terms of differences across the organizations with respect to for example innovation and coordination needs, resources and qualifications etc. leaving questions open such as if it is positive that everybody are innovative at all times? Dobni ends up asking whether it is possible to manage strategy through designing the innovation orientation

Such question point back to an old debate within the organizational culture literature as to whether culture can be managed and how it changes. Pliskin et al. (1993) state that the organizational culture literature can be divided into two streams. The first one is descriptive and has the purpose of understanding and describing organizational culture. The second one, which has a normative approach, assumes that organizational culture can be managed, where Schein (1985) is a strong advocate. We lean towards Hatch's (1993) development of Scheins model of organizational culture. Hatch argues for a dynamic relationship. She understands organizational culture as constituted by assumptions, values, artifacts, and in addition symbols and the ongoing processes that link them. Hatch's understanding indicates that culture is changeable but that it is difficult to manage culture due to the dynamics in play including the interpretation processes going on. It may not be fully manageable and controlled and it makes more sense to argue that it can be designed for (Wenger, 1998).

This understanding is in line with the studies by Doherty and Doig (2003) and Doherty and Perry (2001) examining how new technologies may become a catalyst in transforming espoused cultural values into reality or help strengthen organizational values. These studies are however different from ours as they look at the innovation regarding a certain practice, whereas our focus is on a tool to support innovation in general. This may of course also be argued to be a practice however more open-ended and less concrete.

Markus (2004) argue that it is not the technology per se but rather the organizational set-up around the new IT which creates the changes. Markus (2004) also argues that implementation of new systems fail if there are too big differences between the IT system and the existing organizational culture.

RESEARCH METHOD

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To investigate the research question a case study was considered appropriate as we investigate a new phenomenon in a real-life context where control over the context is impossible (Yin, 1997). The main data collection method was semi-structured interviews with open-ended questions. We conducted 24 interviews. The respondents were selected on the base of their involvement in the development and implementation of the idea competition tool and concept and/or as potential participants in the idea competition.. At the beginning of the research the informants were selected by the competence manager and the director of innovation. Later snowball sampling (Goodman, 1961) was used to find users with different profiles. 15 of the interviews lasted about 1-1½ hours each, the other 9 were short interviews of approx. ½ hour. All interviews were tape recorded and transcribed. We asked about the intentions behind the implementation of such a tool, how the tool and the organizational set-up were designed and supported as well as the organizational and individual outcome and challenges.

Documentation review and field notes were complementary data collection methods including material about the roll out of the idea competition process; internal documents such as schemes to submit ideas, samples of submitted ideas, the winning ideas and criteria for idea selection. The researchers also gained access to the idea competition platform for a short period of time. The interviews are combined with the secondary material to create so-called rich descriptions (Walsham, 1995).

From the interviews and preliminary analysis of the data it became obvious that a big issue in the case was the attempt to establish an alternative innovation orientation within the organization, rather different from current innovation practices in The Company and complementary to the existing one(s). In order to analyze these challenges we use Dobni's (2010) understanding of innovation orientation. Before we move into the analysis we shortly present the case company.

The engineering consulting company

The Company (a pseudonym) is a large engineering consulting company with 1600 employees specializing in different fields including construction and design, infrastructure and transport, energy and climate, environment and water and IT and telecommunications. The Company is part of a leading engineering, design and consultancy group, headquartered and founded in Denmark. Overall, the group employs about 10,000 experts worldwide and has a strong presence in Northern Europe, Russia, India and the Middle East.

Implementing the idea competition tool

In The Company, the main source of innovation occurs, develops and is financed through consulting projects. However, it is believed that the company's employees possess a great deal of knowledge about the internal processes that could be a source of organizational efficiency and therefore the exploration of ways to capture and capitalize on such knowledge. The decision to use the idea competition tool was taken in September 2010 at a directors meeting about the company strategy for 2010. A group of eight "smart employees with drive" from across the offices in Denmark was invited to form a project group - the innovation team. Their task was to develop a sustainable concept around the idea competition tool to collect ideas from the company's employees from offices located in different Danish geographical locations.

The idea competition tool used by the company is called Idea Exchange (Idébørsen in Danish). Idea Exchange is an online idea competition with community functionalities and features of a financial stock market. For example, the invitees can each post their ideas or

comment on ideas posted by others to suggest improvements or to further develop the idea. Each employee logging into Idea Exchange is given an amount of virtual money at the beginning, which can be invested into the ideas contributed by others. At any point in time, the spot value of an idea – together with the comments that support it– is proxied by the aggregate investment positions held on it relative to all other ideas. The ideas get ranked automatically in Idea Exchange according to their spot value.

The launch of the Idea Exchange is much more than just the implementation of the Idea Exchange tool. It is a concept including such components as the strategic anchoring, the roll out plan including invitations to the employees to participate, follow up communication, deadlines, log ins, articles in the internal company newsletter, information provided on the company intranet, and information screens running commercials about Idea Exchange as well as the Innovation Day, a day for presentation of the highest ranked ideas, nomination of the winners and the strategic implementation of the winning ideas.

The design of the Idea Exchange platform and the whole concept around it may be described by the earlier presented key design variables from Ebner et al (2009) and Bullinger et al. (2010). The Company is the organizer, the employees are the participants and they participate as individuals under a user name without stating their position in the company. The context given for contribution is a call for ideas for the 2011 strategy. The top management formulated five strategic themes to guide and focus the idea generation process. In addition an online format was given to guide the form of input and ensure a medium level of problem specification and elaborateness of such input. The activities on the online Idea Exchange lasted six weeks, whereas the whole event including the off line activities follows the strategic year and a little longer, as the winning ideas were made into strategic action areas and put on the strategy plan for the following year. Three rounds of review of the posted ideas took place; the best spot value in the Idea Exchange platform, selection of wildcards by the innovation team and management group, the expert panel at the innovation day. They are described in the following paragraphs.

After the online idea posting and trading period expired, prizes were given to the ideas with the highest spot value in each theme, a prize to the best trader and a prize to the best commentator. These prizes were symbolic such as an Ipad. The highest ranked idea within each of the five themes entered into a pool of 10 ideas to be further developed for a final evaluation along with five ideas selected through an off line evaluation process where the innovation team screened the rest of the ideas (approx. 100) and selected 20 promising ideas. This screening process was based on a number of criteria developed by the Innovation Team and communicated to the company employees at the very beginning of the Idea Exchange event. The 20 selected ideas were presented to the management group selecting 5 of these ideas (Wildcards) for further development together with the 5 highest ranked ideas. A number of work hours were then allocated to the 10 idea owners and each idea owner was assigned a couple of experts to help develop the ideas and define the implementation needs.

The project culminated with the Innovation Day, where the 10 ideas were presented to an audience and three ideas for final implementation were selected. A panel made up of directors from The Company and an external expert selected the winners. The prizes consisted of the possibility to participate to an innovation course paid by the company and the "honor and satisfaction" of getting the idea implemented. The incentives to participate in the competition are both intrinsic such as recognition and extrinsic such as tangible gifts as the iPad. However it is clear from the interviews that the most important incentive is the implementation of your idea and thus an intrinsic reward of having influence.

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In the first round of the idea competition, the online employee participation (in one way or another) was between 40-50 % of the employees in The Company and 100 ideas. Most were just trading ideas, fewer were commenting and ever fewer posted ideas.

THE IDEA COMPETITION TOOL AND INNOVATION ORIENTATION

In the following we analyze the intentions and outcome regarding the idea competition "Idea Exchange" in The Company.

Innovation intention

According to Dobni there is a need of "a formally established architecture to develop and sustain innovation". The whole concept of the Idea Competition with its anchoring in the company strategy both with regard to the themes as well as the fact that the winning ideas were put on the strategic plan for the following year is a way to ensure formality and business alignment in The Company.

Getting access to more and also different ideas for internal innovation is voiced as the primary intention for implementing the idea competition tool. An assumption is that all employees possess insight into The Company's internal processes and therefore might have some ideas on how The Company may do better. This is in contrast with the existing innovation culture as the respondents (employees) state that having your ideas heard, developed and implemented is not easy due to the fact that the leaders often act as "gatekeepers". The online idea competition is recognized as a way to overcome these barriers also by the employees as one of the main advantage of idea competition is that it shortcuts the distance between high level positions and low level positions in the corporate system. Likewise the idea competition is perceived by the employees as a recurrent "architecture" to support employee driven innovations which otherwise might be extremely difficult to get through the system and get support for.

Regarding the level of engagement of employees – there is an intention to reach out and make it easy for all employees to participate. The possibilities to take on different roles are a way to appreciate any kind of engagement and acknowledging other roles in the innovation process than just providing ideas. All employees should feel invited no matter if they are used to take part in innovation or not.

This approach is reported to be different than how innovation normally works in The Company. In general the respondents describe innovation as an activity mainly done by a few resource strong employees that know the system very well.

However, despite the idea of all employees as potential idea contributors some employees are reluctant to participate to the idea competition, some argue that they feel the quality level of their potential contributions are not being good enough. Also, no time resources are allocated to the employees to participate and therefore again it becomes a "con amore" and the more "enthusiastic rather than the crowd" kind of process as emphasized by an Innovation Team member. This is a way to limit the participation. It may constrain the number of ideas for good and bad. However some of the employees also argue that not everybody is tuned towards innovation in general and that kind of idea competition in particular.

Innovation infrastructure

There are no particular qualifications needed to participate in the Idea Exchange event except being an employee. The Idea Exchange platform is considered rather intuitive and in it-self guiding the sort of contributions wanted. Rather than asking for fix and ready ideas, the

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possibility for having the promising ideas further developed with help of organizational experts can be seen as a way to ensure the qualifications needed rather than educating people in developing and writing up business ideas.

On the other hand it may be argued that the constituency of the different roles is a way to create a learning opportunity to create a more widespread innovation awareness in The Company. The employees are lured into the Idea Exchange as dealers taking part in this "funny" non-risking part of the Idea Exchange event. Getting them into the Idea Exchange platform is a way to get them exposed to the innovation process, which may make them learn from the ideas of others and create awareness and confidence about what innovation can be. The next step is commenting and then posing ideas, which of course demands more. Positing ideas and commenting exposes the employee, his ideas and understandings to the rest of the company.

Most of the participants have contributed as dealers. Two respondents had entered the online Idea Exchange but did not even participate as dealers. One of them questions the ease to use the system. Many of the informants describe that they used almost an hour the first time to understand the Idea Exchange concept. One argues it is due to too much text and a lack of overview.

Negative learning also occurred. An employee explains that the first time he thought it was really funny and contributed with three ideas. Some of his ideas got selected for further development, but afterwards nothing happened. Again it turns out that feedback is crucial and difficult. Quite an effort was given to provide feedback both within the system but also directly from the innovation team to all idea contributors. Earlier efforts alike were especially criticized for the lack of feedback. However despite the good intentions the direct but "unsettled" feedback also seems to create problems regarding future motivation. The second time the idea competition took place within the company, this employee prioritized only to play the game for the fun of it arguing that time constraints were crucial.

Creativity and empowerment
The visibility, the commenting and especially the ranking through the stock exchange functionality provides for transparency and a kind of democracy in the innovation process not at least with regard to the ranking of the ideas. The idea competition gives each employee a voice to bring up ideas, comment on any ideas and thereby influence the process. It provides for open communication across the organization regarding ideas, values etc.

The group of employees also has a common voice that competes with the one of management regarding qualifying ideas for further development. The online functionality provided thus provides for a more open and democratic approach to innovation than what is usually seen in The Company.

Worries about what this ranking might bring up front, made the Innovation Team and Management combine the online selection with a management based decision of another five ideas. Likewise management was given the final word when nominating the finalist. There is thus some opening up and letting go of some control by enhancing the transparency and support a more open communication process. However management is still in control. The argument for doing this was a concern that empowerment could be argued to compromise the need of strategic anchoring of innovation with the business goal. Some of the respondents indicate that lobbyism is at stake. The employees' trade and support ideas of people they know, ideas in their areas as well as funny less serious ideas, rather that the best idea regarding internal innovation. As a consequence not all the highly ranked ideas qualify for organizational innovations. Likewise a

friendly internal competition between departments is reported, which again may be argued against the use of the online ranking system to identify the best idea.

Innovation influence

The whole idea and outcome of the Idea Exchange event is to make the employees contribute with ideas that may help to improve the organizational processes based on their working experiences. Posting ideas is a way to disseminate ideas and knowledge about challenges and solutions developed. Having the Idea Exchange event is a way to encourage employees to share their ideas about new ways to create value for the company and the customers. The Idea Exchange seems to be strong in supporting communication about innovations as employees often discuss the idea competition as well as ideas contributed, which may be of interest to their own part of the business.

Innovation implementation

The ideas shared through the Idea Exchange platform may result in implementation in at least three different ways. First it is built into the concept that the winning ideas are implemented. Management promises this and the whole idea competition is build up to make input for the coming strategy. Secondly the Innovation Team uses the Idea Exchange platform as an idea archive and talks about it as an incubator. Thirdly an informal implementation process may happen when employees in The Company learn about ideas and experiences of others take contact and implement these in their own parts of the company.

DISCUSSION & CONCLUSIONS

In this study we addressed the research question: "How may idea competition tools be used to support innovation processes in an engineering consultancy firm and can they contribute to generate an orientation to innovation alternative to current innovation practices?"

The answer to the research question is that if idea competitions tools and their roll out plans are designed in a way so that they contribute to establishing a new innovation practice with different values than the existing innovation orientation, then a new innovation orientation may be born. However as also mentioned by Markus practices to different to the current innovation culture might be different.

What we see in the study is that idea competitions conducted internally to the corporation might become a catalyst not only to implement espoused values but a way to understand another approach to innovation (create new espoused values) and thus become a catalyst for rethinking innovation and the innovation culture in the organization as also argued by Doherty and Doigh (2003).

The Idea Exchange platform and the whole concept around it provides an architecture with different roles such as idea contributor, commentators, dealers etc.. This makes it potentially possible for all employees to participate whether they see themselves as innovation champions or not. However what we see is that it is primarily the well known innovation champions that take on the roles as idea contributors. There is a reluctance for many of the employees to go into this roles However a bigger porportion of the employees act as dealers, this way they become exposed to the many ideas and an awareness about innovation is raised, which is new within the company, where many of the innovation processes has been black boxed.

What seems as an important element regarding the implementation is the strategic anchoring of the idea competion. Which is exactly what Dobni (2010) is arguing for. The

strategic anchoring makes it a serious attempt in the eyes of the employees and therefore worthwhile to participate.

With regard to our study three problem areas stand out using idea competions for internal innovations. One area already mentioned is the tension between the assumption that all employees having innovative ideas to contribute versus the fact that the employees are relutctant to take on some of the roles. If the explanation is cultural restrain then it might be changed but it will take time and efforts. Another reason may be that some people are not really into this businees. A third issue might be the timely issues, as it seems to take time getting started and no time is given to actually participate. Another area of tension is the control regarding the selection of the ideas to be implemented. Our data about lobbyism suggest that many interests are at play in an organization, meaning stock value doesent work properly to select the strategically best ideas. Friendly competition, social relations and fun are reasons for lobbyism. The last area of tensions is the matter of feedback. What we see in our case is that feedback is both given in the system as well as on an individual basis, what seems problematic is "unsettled status" with no follow up.

The framework of Dobni (2010) talks about a weaker or stronger innovation orientation as one common underlying approach within the company. Our study question this understanding of one unified approach. The question is how such new practices develop and if they influence the other innovation practices and the innovation orientation in the longer run or if it is possible to have a plethora of different innovation practices with different innovation orientations?

We investigate an innovation orientation with focus on collecting employees ideas for internal process innovations an innovation orientation which is seen as complementary rather than in opposition to other innovation orientations in the company such as ad hoc innovation (Gallouj & Weinstein, 1997) through customer projects.

The results of our study regarding different innovation practices with different focus' existing at the same time could be seen as a argument that the innovation orientation in a company may be stronger by combining the customer oriented approach with an internally oriented approach. Such an argument would be in opposition to the insights from Chesbroug (2003), Brentani & Kleinschmidt (2004) and Dobni (2010) who all express a preference towards external customer oriented innovation.

Limitations and future research
The study has some limitiations. First of all it is a single case study. Especially the engineering culture of the organization seems important to the handling of innovations and the competition among employees. In addition more data are needed to see what are actually the changes coming out of the implementation of the idea competition.

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