Innovation processes and the participation of employees and users

Mikko Lehtonen 12.10.2016

TU-E3120 - Human Resources in Service Operations
Don’t guess!

As proposed by the project sponsor.

As specified in the project request.

As designed by the senior analyst.

As produced by the programmers.

As installed at the user’s site.

What the user really wanted!
Participation and innovation processes
Two modes of innovation

**STI (science, technology and innovation)**
- Scientific knowledge (know-what, know-why)
- Linear, top-down, episodic, radical changes

**DUI (doing, using, interacting)**
- Experiential knowledge (know-how, know-who)
- Non-linear, based on on-the-job learning

Jensen et al., 2007
Two organisational solutions

‘Expert system’
- Innovation activities organised into separate unit
- Typical in STI: technology-based innovation
- Typical in high tech firm: technology development requires specific expertise

‘Empowerment system’
- Innovation dispersed throughout the firm: intrapreneurship encouraged
- Typical in DUI: Strategy or service encounter-based innovation
- In services, innovation integrated with service delivery - takes place in the customer interface

(Sundbo 1996)
Service innovation processes

The R&D model:
- The emergence of an idea
- The development of the idea
- Market applications

The model of rapid application:
- The emergence of an idea
- Applying the idea on the market
- Further development

The practice-driven model:
- A change in the service practice
- ‘Finding’ the idea
- Further development

Toivonen & Tuominen, 2009
Toivonen, 2010
Connecting top-down and bottom-up development

Top-Down

Bottom-up
Managing and leading the connection

How do you participate customers and employees in development?

Successful connection

How do you make managers aware of local solutions by employees and customers?
Participation and inclusion

- Who should participate?
  - Who has the relevant knowledge?
  - Who needs to be influenced?
  - Who has the ability to influence people?

- Participation – you control
- Inclusion – doing together
## How to collaborate?

<table>
<thead>
<tr>
<th>Who may offer ideas?</th>
<th>Open</th>
<th>Closed groups</th>
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<tbody>
<tr>
<td>Hierarchical</td>
<td><strong>Innovation mall</strong></td>
<td><strong>Elite circle</strong></td>
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<tr>
<td>Flat groups</td>
<td><strong>Innovation community</strong></td>
<td><strong>Consortium</strong></td>
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Who makes decisions?

(Pisano & Verganti 2008)
Exercise – making libraries better for customers
A collaboration model for a library system

- Library system
  - Infrastructure and resources – books, electronic material, library buildings, spaces, employees ...
  - Citizens, users, customers ...
  - Services – book loans, magazines, shared computers ...

- Objective: Design a collaboration model for innovation in your library system.
  - Description / drawing
  - Participation: how, who?
  - Governance: how, who?
  - Benefits & challenges

- Remember both internal and external participants!

- Your own ideas
- Discuss with pair
- Sketch a concept for the collaboration model with your pair
- Compare concepts with another pair
## Elite circle for libraries

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## Innovation mall for libraries

### Description of the collaboration model (write & draw)

### Participation – who offers ideas?

- Open

### Governance – who decides?

- Hierarchical

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## Consortium for libraries

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## Innovation community for libraries

### Description of the collaboration model (write & draw)

### Participation – who offers ideas?
- Open

### Governance – who decides?
- Flat

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Summary – success in participation
Successful co-operation (in workshops)

● Prepare opportunities to succeed for all participants.
  ○ Guidance for preparations, motivation, briefing
  ○ Clear objectives and plan for output

● Equality in participation
  ○ Commitment through participation
  ○ Form a shared understanding
  ○ Determined facilitation – keep the process going

● Reaping benefits from collaboration
  ○ Person in charge
  ○ Process results
  ○ To do –lists with responsibilities and schedules
Successful service development process

- **Timing and situating**
  - Define and agree on objectives and key things
  - Account for uncertainty and ambiguity
  - Account for external effects

- **Stepwise progress**
  - Try out drafts, document experiences
  - Document decisions and choices
  - Share outputs openly

- **Continuity in participation**
  - Enough participants
  - Person in charge
Successful organisational process

- Real needs and clarity of objectives – vision
  - Equality in participation
  - Reflect on the effects of different actors on each others’ work

- Communication and forming an understanding takes time
  - Open and facilitate discussions
  - Use the critique
  - Balance between progress and clarifying the situation

- The whole of service development
  - Make the abstract service more concrete
  - Work on it piece by piece
  - Continuous prioritisation – transparent decision-making
  - Respect the people giving ideas
Research-based material

Research-based insights into employee and user involvement – Aalto University’s projects

- [www.innovointi.fi](http://www.innovointi.fi) - innovation management in the public sector (in Finnish)
- [palveluntuotteistaminen.fi](http://www.innovointi.fi) Openness in the productisation of services (in Finnish)
- [http://atlas-research.fi/](http://atlas-research.fi/) - Atlas map for planning service co-design processes
References and further reading

Thank You!
Contact information

Mikko Lehtonen  |  M.Sc.(Tech.), M.Sc.(Econ.)  |  Consultant
Innotiimi Oy  |  Vapaalantie 2 A
01650 VANTAA, FINLAND
Mobile: +358 40 55 65 415
Email: mikko.lehtonen@innotiimi-icg.com

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