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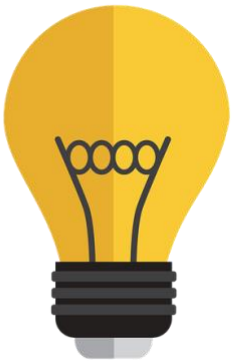

How to Develop Innovation Capability through Employees in a Large Organization

A study on how an industrial firm pursue innovation by engaging employees in activities.

Master Thesis in the Master's Program Management and Economics of Innovation

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CHALMERS UNIVERSITY OF TECHNOLOGY
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Cover:
A symbolic picture of a light bulb representing the notion of ideas. Connecting to the importance of ideas for innovation.

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Abstract

In a global market where competition is fierce a competitive advantage to leverage is key to ensure growth. Many firms rely on innovation capability as a vital resource to gain competitive advantage. As of today, several of the largest global firms, small firms and startups are by nature forced to be creative and innovative while larger firms struggle to pursue their employees' creativity. With innovation as an important factor for success in the current environment it then becomes important to find ways for large firms to increase their innovation capability. Various methods, such as different types of innovation events, workshops and presentation have been proposed as tools for large firms to leverage the competence and experience held in-house to explore new ways of working and delivering innovation to stay relevant. As of today, a consensus for how, and if, large firms can become truly innovative is lacking.

This thesis sets out to strengthen the academic perspective and bring insights for how large firms could go about to strengthen their innovation muscles. The study has been conducted in close relation to a global industrial company with a long and prominent heritage. To pursue innovation the firm has made an active decision to involve the employees at an early stage in the journey to become innovative rather than relying on managerial and structural means to invoke innovation. To support the individuals in their journey to become innovative various activities are initiated. Amongst the activities are innovation events where employees are invited to participate in new ways of working. The events are designed and carried out to inspire and support the invited employees to explore new ways of working.

From the held events it became clear that the employees appreciated and recognized the efforts. The events proved to work as a ground for networking and to drive insights and new ways of working. In-between and after the series of three events new networks were formed by the participants who enthusiastically continued to discuss and develop their ideas/concepts/solutions and taking action to move positions forward outside of the events. Insights gained from observations throughout the events indicate that the method as such could serve as a powerful mean to support innovators in an organization. The initiatives must however not be an anomaly but rather a reoccurring element amongst other activities to ensure that employees are continuously supported and embraced to pursue their creativity and allow ideas to grow into opportunities and captures.

Preface

This master thesis has been carried out during spring 2019 at the Chalmers University master's program *Management and Economics of Innovation*. The study has been conducted at Company X, the global support function for a large industrial group.

We would like to thank Company X and especially our supervisor at the organization. We would also like to thank the employees whose work the thesis group has been continuously following on a daily basis throughout the study period. Furthermore, we would like to thank various employees who have supported and brought insights to the study throughout the period. Also, we would like to express our gratitude to the interviewees from which much of the empirical findings in this thesis have been based on.

Finally, we would also like to thank Lisa Carlgren at Chalmers University for supervision and helpful feedback throughout the thesis. Thank you for enlightening us with a positive attitude throughout the thesis work.

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1. Introduction

In a global environment competition is fierce. As digitalization revolutionizes how firms operate, new entrants are constantly challenging incumbents, forcing the business landscape to evolve. To persevere in the market, firms turn to innovation to gain competitive advantage (Lawson & Samson, 2001). Large organizations often rely on well-defined operational routines for manufacturing and research and development (R&D). Projects often tend to strive for efficiency by forcing projects through a set of stages, restricting firms' ability to innovate (Bessant, Öberg, & Trifilova, 2014). Innovation entails a degree of novelty in the context in which it is introduced. Due to a relatively high aspect of novelty, innovation also entails high amounts of uncertainty (Börjesson & Elmquist, 2012).

In the fast-pace race for innovation amongst industrial giants and new entrants, large organizations often face internal structural barriers for implementing innovations (Assink, 2006). Several barriers are generalizable for larger organizations where previous knowledge sets the frame for what is considered a dominant design. These barriers often reduce the risk of the organization by providing stability but can simultaneously hinders the implementation of disruptive innovation (.ibid). Even though there are many successfully implemented innovations, few organizations have understood what is key for succeeding with innovation (Christensen, 1997). Routines with formal processes have a harmful effect for the creative environment (ibid.). Since innovation comprises complexity, novelty and uncertainty it is very challenging to manage. Entering an era of disruption calls for innovative solutions and business models independent of industry. (Guan, Yam, Mok, & Ma, 2006).

Innovation is crucial in the high-paced environment that most organizations compete in (Assink, 2006). The high degree of uncertainty makes innovation challenging to manage and many leaders find it hard despite available research on the subject. Some scholars promote the idea of innovation capabilities (O'Connor, 2008; Björkdahl & Börjesson, 2011), arguing for a system's view on the organization's "preparedness for innovation". Yet, organizations do not need generic innovation capabilities, but instead need the required capability for their specific situation. Firm-level innovation capabilities do not reflect one single capability that an organization either possess or not. Instead organizations that are consistently successful with innovation most likely have built sub-capabilities adding up to innovation capability within their firm-specific context (Lawson & Samson, 2001).

Since innovation ultimately happens at the level of individuals and teams, it is of particular interest to understand innovation capability at an individual level. Here the notion of empowerment is suggested by scholars (Maynard, Gilson & Mathieu, 2012). Shifting the traditional power balance from the manager to the employees is a key element to succeed in empowering employees (Mathieu, Gilson & Ruddy, 2006). Several positive effects are associated with empowered employees such as higher performance, increased well-being and positive attitudes (Maynard et al., 2012). An example is the emerging practice of self-managed and autonomous teams that is a popular means to shift the responsibility to employees and inject job enrichment (Mathieu et al., 2006).

Innovation is emphasized to a varying extent and with a varying focus in different industries and firms, and in particular what actions companies take to achieve innovation (Elerud-Tryde & Hooge, 2014). One such action that has become popular in many large industrial firms, is to host company-wide innovation events to generate ideas and potentially achieve other synergy effects. The purpose for running events can also be found in the involvement of stakeholders such as management who then may recognize positive effects relying on collaborative methods and innovation (Elerud-Tryde & Hooge, 2014). It is suggested that firms hosting large events need facilitation of the outcome as well as strong recognition for innovation by management if they are not to fail (Börjesson & Elerud-Tryde, 2019). Corporate structure, culture, decision-making processes and management recognition are suggested as crucial elements if firms are to succeed in throwing innovation events (Elerud-Tryde, 2016; Börjesson & Elerud-Tryde, 2019). Events can have a negative effect if not aligned with other initiatives associated to building innovation capability.

Scholars have studied how global IT as well as industrial firms have utilized the method. As of today, studies primarily focus on running large scale events focusing on generation of ideas, often facilitated through dedicated IT-platforms (Elerud-Tryde, 2016). Large scale events are often run top-down with support from top management who contribute with establishment and management of the event. Less research is available on less top-down approaches to events. It then becomes interesting to study if it is possible to run events sharing the same purpose, to develop innovation capability, but network based or open small-scale events where the individual is in focus rather than idea generation to create innovators.

Due to the absence of similar studies, inspiration from a collection of scholars is used to seek answers for whether the approach is feasible or not. Traditional theories on innovation events is used to describe effects from the events but also to explore potential risks associated with the events (Elerud-Tryde, 2016; Börjesson & Elerud-Tryde, 2019; Elerud-Tryde & Hooge, 2014). Empowerment theories are considered to seek insights for how focus on the individual, and the empowerment of them, can affect the employee in their work (Maynard et al., 2012; Mathieu et al., 2006). Innovation capability theory is also considered to describe how established theory discuss development of capability from a systems perspective. The individual perspective is however a missing element to a large extent in the innovation capability theories that instead take on a firm level perspective (Felin & Foss, 2005). Hence, it becomes interesting to seek insights for how innovation capabilities can be developed through the usage of innovation events with the perspective of the individual.

Research Questions

1. *How can large organizations empower individuals to become serial innovators?*

2. *How can small scale innovation events be designed and carried out to empower individuals to become innovation drivers?*

The study takes place at the Company X, which is a functional organization in a larger industrial firm. The organization recently added innovation to the firm's agenda by allocating a strategic priority to develop innovation capability. The strategic priority is company-wide and seeks to develop innovation capability. During a 3-year period a dedicated Core Team has

been given the task to accelerate cross-functional collaboration and pursue innovation at early stages. This study enters the company in a phase where the core team take a leap from working with establishing networks and a set of tools and frameworks to actively engaging employees in activities pursuing the objective. The focus with the priority is to initially drive innovation through the employees using a network-based approach. By focusing on the individuals, the organization intend to avoid structural and managerial hinders, empower teams and people across the organization, and catalyst the journey to become innovative. In addition to engaging the people, parallel activities to drive a systematic transformation is carried out. The thesis group is conducting their study while systematically working along the Core Team responsible to drive the strategic priority.

2. Theoretical Framework

Continuously diminishing development cycles as a consequence of blooming technical development challenge firms in many industries. As a result of the increasing competition associated with globalization and accelerated development, firms who are unable to cope risk losing their competitive advantage and thus face diminishing demand. To remain competitive, firms must rely on innovation (Dougherty and Hardy, 1996). Being a strategic decision, focus on innovation is often determined on senior management level (Klein & Sorra, 1996).

Innovation capabilities is a subject covered by many scholars presenting different perspectives to the matter. This study is based on a resource-based-view and presents theories on organizational innovation capabilities. With much literature taking a firm-level perspective additional schools including micro-foundations and empowerment was consolidated to explore innovation capabilities on an individual level. This thesis focuses on one approach determined by the studied firm being innovation events.

2.1 Firm-Level Innovation Capabilities

General capability theory help understand how well organizations are able to change and develop over time in regard to its external environment (Björkdahl & Börjesson, 2011). Innovation capability theories are central to dynamic capabilities due to the association with organizational renewal and growth and can be viewed as an organizational capability on its own (Lawson & Samson, 2001; Christensen, 1997). Teece and Pisano (1994) describe dynamic capabilities as a set of capabilities allowing the organization to create new products, new processes and reacting to changes in external environment. Christensen (1997) lists three building blocks for innovation capabilities: *Resources* consisting of tangible and intangible resources; *processes* consisting of internal activities and decision-making and *Values* that are used for guidance in the generality of decision-making. Christensen further argues that as an organization matures, their capabilities together with processes and values are routinized and becomes dependent upon each other. Furthermore, as the processes in combination with values are routinized, they become harder to change. Some authors even go as far as questioning if large organizations are incapable of developing innovation capabilities (Grant, 1996). Hence, the importance of dynamic capabilities to adapt internal competencies to cope with changes in the external market (Teece et al, 1997).

If organizations are to stay competitive and survive over longer term, a certain set of innovation capabilities are crucial (O'Connor, 2008; Björkdahl & Börjesson, 2012). Thus, firms today do not compete on the products and services offered, but instead the ability to create new ones (Lawson & Samson, 2001). The innovation capability is not a measurement of performance but rather how well prepared the organization is for development of "muscles for innovation" (Börjesson & Elmquist, 2011). There are some aggregated blockers that hinders the development in innovation capability in organizations. Implicitly affected by the capabilities for innovation, Björkdahl and Börjesson (2012) lists eight dimensions of innovation capabilities. Assink (2006) identifies five inhibitors related to innovation capabilities and Lawson and Samson (2001) lists seven building blocks for innovation capability. O'Connor (2008) lists seven elements of innovation capabilities in organizations. All the previous authors' building blocks related to innovation capabilities are visualized in the table below;

Lawson & Samson (2001)	Vision & Strategy	Harnessing the competence base	Exploration & Idea management	Organizational structure & systems	Management of technology	Culture and Climate	Organizational Intelligence	
Björkdahl & Börjesson (2011)	Strategy for innovation	Prioritization	Culture	Idea Management	External environment and linkages	Implementation	Systems and decision rules	Organizational context and Learning
O'Connor (2008)	Identifiable organizational structure	Internal and external interface mechanisms	Exploratory processes	Requisite skills	Appropriate governance and decision-making mechanisms and criteria	Appropriate performance metrics	An appropriate culture and leadership context	
Assink (2006)	Organizational rigidity	Inability to unlearn & out of sync cognition	Attitude towards risk	Innovation process management	Infrastructural problems			
Christensen (1997)	Resources	Processes	Values					

Table 2.1 Table over a collection of descriptions of innovation capability.

Furthermore, O'Connor (2008) takes a systems approach in developing innovation capabilities, where each element is interdependent with all other elements within the system. One must approach the system methodically as changes in one element will affect all other elements, and thus also the innovation system as a whole. O'Connor further argue that the need for innovation networks, proper funding and suitable reward systems are key aspects in developing innovation capabilities.

2.2 Organizing for Innovation

Decisions on developing innovation capabilities does not per se transform the firm to become innovative since implementation of new innovative ways of working can be challenging in a structure where innovation is an absent element. Implementation can fail due to several reasons such as employees not frequently engaging in activities promoting innovation (Klein & Sorra, 1996). Failure to building an innovative firm can be explained by an inability to implement an innovative environment rather than insufficient generation of innovations (Klein & Sorra, 1996). Innovation capabilities differ between firms and industries as a result of a various factors. There are however factors that typically can be associated with an inability to innovate. Company size tend to have a negative relation to product innovation which industry can suffer greatly from when disruptive technologies emerge (Dougherty & Hardy, 1996).

> *"Long-stable organizations are especially challenged by changes in technology and global competition: they must become more innovative if they are to survive, but to do so they must fundamentally change how they organize"*
>
> *(Dougherty & Hardy, 1996 pp. 1120)*

Dougherty and Hardy (1996) argues that the major cause for innovative inability can be addressed to a large firm's ability to facilitate innovation from employees. Innovations do take place at mature, large organizations as well – not necessarily indicating that the large firm have a well-developed ability to facilitate innovation. A firm's ability to reproduce innovations is of higher interest to discover. During a study of 15 large firms Dougherty and Hardy (1996) drew following conclusion;

> *"We found that most of these firms were not organized to facilitate innovation: occasionally innovation did occur, but it occurred in spite of the system, not because of it."*
> *(Dougherty & Hardy, 1996 pp. 1121)*

In the occasions where innovations manage to prevail despite surrounding organization lacking innovation facilitating expertise, the sole innovator most often is the cause of the success (Dougherty & Hardy, 1996). To succeed in an innovation-hostile environment, the innovator often operates without overview from the organization by engaging in separate, informal networks and units. Having an innovation ability relying on individuals and their informal networks and expertise becomes significantly fragile. Manager interference may suddenly disrupt the individual in their innovation work and thus diminish also the success of individual innovators (Dougherty & Hardy, 1996). To ensure long-term competitive advantage through innovations, Dougherty and Hardy (1996) argue that the individual innovator must not be responsible for the organization's innovation, but the organization need to actively promote and support innovation.

Existing guidance for how to organize for innovation to a large extent come from firms with well-developed facilitation of innovation with organizational structures supporting ideas (Dougherty & Hardy, 1996). It can therefore be argued that the descriptions lack the important perspective of firms currently lacking sufficient innovation facilitation. Without being familiar to obstacles non-innovative firms face, the ideas for how to innovate becomes irrelevant (Dougherty & Hardy, 1996).

Building well-functioning innovation management is only possible if organizations are able to combine innovation and previously established operations (Dougherty & Hardy, 1996). Investing in singular projects to establish an innovative culture is not sufficient Dougherty and Hardy (1996) argues. To overcome the issue of not facilitating innovation efficiently, organizations must disrupt power structures and decision-making processes (Dougherty & Hardy, 1996).

To overcome challenges associated with insufficient organization structure to foster innovation Dougherty and Hardy (1996) propose a short-term solution but also a more extensive 2-step long term solution focusing on disrupting the existing power balance by shifting personal network-based power to a holistic firm system-base. The short-term solutions build on strengthening the current innovators ability to operate and innovate in the innovation-hostile surrounding. To ease the sole innovator, organizations can assist by constructing networks and educating employees and decision-making stakeholders. Junior employees could then also be educated how to drive innovation using methods that currently more senior sole innovators must rely on (Dougherty & Hardy, 1996).

Making minor adjustments to promote innovation facilitation on an individual level can be efficient in a short time-perspective. If the organization however urge to transform to an organization where innovation can thrive on a long term, more extensive changes need to be made. To solve the matter, Dougherty and Hardy (1996) presents a 2-step solution. The first step relies on managers to create an organization where employees throughout the organization

recognize the purpose of innovation. Forming an organization where innovation is recognized and emphasized is resource consuming, not least in terms of time. Symbolic acts by managers to visualize commitment can catalyst the transformation. Dougherty and Hardy (1996) propose that managers should express the insignificance of cost control in relation to innovation. The second action proposed by Dougherty and Hardy (1996) touch upon strategic discussions between senior and middle managers. A correlation between non-existing communication and inability to facilitate innovation can be shown upon (Dougherty & Hardy, 1996). Senior managers have the power to inflict how lower managers and employees act on an everyday basis by involving in open discussions about strategies and innovations. As employees involve in the discussions, they tend to recognize management attention, boosting innovation.

2.3 Microfoundations

Organizations solely consist of individuals, without exceptions. This fact has previously been overlooked in strategic organization research and instead focused on structures, processes, capabilities and culture (Felin & Foss, 2005; Nooteboom & Stam, 2008). Felin and Foss (2005) discuss that the individual level is left out in capabilities-work, and research, solely focusing on the collective level and is thus responsible for many of the problems associated with the area. The authors further argue that without a base of individual-level capabilities, analysis of the organizational capabilities and routines are deemed to be 'messy'. The underlying reasoning is that previous knowledge assumes that in a collective; characteristics are randomly distributed in the different departments and thus assuming homogeneity within the organization. Path dependency could influence heterogeneity in mental activities, and thus be a factor when studying at the individualistic level of capabilities (Helfat & Peteraf, 2015). Self-selection is a factor for understanding how heterogeneity are actually located at the individual level (Helfat & Peteraf, 2015; Foss, 2011). Individuals rather self-select into certain organizations and departments rather than being randomly distributed. Helfat and Peteraf (2015) argue that individual agility may make for a stable foundation for achieving organizational capabilities in complex environments. Routines are consistently connected to capabilities in literature and are also seen correlated with firm-level performance outcome (Abell, Felin & Foss, 2008). Microfoundations provides the bridge of individual level of capabilities to the collective capability that a heterogenous group represents within an organization (Felin & Foss, 2005). Working with individual capabilities for innovation thus increases the overall innovation capabilities within a firm.

2.4 Empowerment

Organizing for innovation at a firm level is not the only path for organizations to yield innovations. Employee involvement and empowerment are perceived as a driving forces to ensure that organizations are flexible and responsive (Mathieu, Gilson & Ruddy, 2006). Employee engagement and empowerment are well known phenomena with theoretical coverage from as early as the first half of the 20th century (Lewin 1947). Empowered employees can be beneficiary for companies due to increased performance, well-being but also a more positive attitude amongst employees (Maynard, Gilson & Mathieu, 2012). A strong positive connection can be identified between empowering leadership and innovation capability. Team psychological empowerment furthermore also correlates with innovative climate (Maynard et

al., 2012), implying that empowerment – on individual as well as a on a team level – can be considered a means to build innovation capability. For innovation development on a team level, job enrichment and can often be associated to autonomous teams or self-managing groups (Mathieu et al., 2006). Although autonomous teams tend to be empowering, the need for external leaders is not eliminated. External leadership has rather been shown to be a key element in the pursuit of an empowered group (Manz & Sims, 1987). The leaders' main role is however not to cascade tasks but instead to invoke a sense of confidence in the employee. Enabling the employee to experience freedom and power (Arnold, Arad, Rhoades & Drasgow, 2000). As opposed to traditional corporations were managers' focus on everyday activities, managers are instead to enable the team to prevail by facilitating effectively (Druskat & Wheeler, 2003). Not engaging leaders can have negative effects as employees may experience lack of management commitment and a sense of desolation (Hackman, 1990).

Mathieu et al (2006) argue that there are two main conceptions for how team empowerment is achieved. The first one considers structural elements and is based on job enrichment through tweaking the power balance to enable the team or individual within the team to be authorized to take rapid decisions. With this method, management is not focal in operational decision making with the output of establishing self-managing and autonomous teams. The second conception takes a psychological perspective and recognize the authority of team members and how they are held responsible and accountable for actions. Although two different conceptions are presented by Mathieu et al (2006) to describe empowerment, they are still most highly interrelated. It is then important to understand the connection, Mathieu et al (2006) argue how structuring acts tend to invoke changes in the psychological states, together affecting empowerment. Baer & Frese (2003) argue that psychological safety and climates for initiative are key aspects to innovation performance and reaches from team-level to the focal firm.

2.5 Innovation Events

To build strong innovation capabilities, some firms rely on innovation events to spark and stimulate an innovative culture. One early example of hosting innovation events was presented by IBM who strived to leverage the competence of IBM's great number of employees (Bjelland & Wood, 2008). The idea was to host online conferences where employees globally could ideate jointly to reduce the time to market for new products and services. As a synergy effect, employees would get a channel to express ideas and by communicating with others recognize that their ideas were listened to.

Previous studies have mainly studied the notion of virtual innovation events, enabling large number of participants across different geographic areas (Elerud-Tryde, 2016). Physical events reduce the potential number of participants. (Elerud-Tryde, 2016). Through an innovation event, a channel for attention and communication between participants and sponsors can be established. Online innovation events often rely on IT platforms where internal and external participants are invited to contribute. By inviting external participants firms urge to increase innovation capability by combining knowledge (Elerud-Tryde, 2016). Internal innovation events have also emerged as popular tools to boost innovation capabilities within firms.

Running innovation events can have multiple effects. First and foremost, the event will have the main objective to produce a series of ideas that may or may not be further pursued. Idea

generation per se is however not necessarily the greatest outcome of an innovation event (Elerud-Tryde & Hooge, 2014). Strong synergy effect associated with innovation events have been recognized as incentives to perform the events than the actual ideas. Involvement of stakeholders during the generation of ideas open up for communication and a diminishing internal gap within the organization. Engaging employees in the innovation events tend to inject commitment towards innovation. Including stakeholders in the generative process improves the innovation process but to work optimally, structured methods for how to transform the generated idea to an innovation must already be established. (Elerud-Tryde & Hooge, 2014). Development of novel ideas can be achieved through the innovation event but can also work as a means to gain manager commitment (Elerud-Tryde, 2016).

Running innovation events does neither per se lead to a high generation of ideas nor manager commitment but must be performed with regards to the company culture and existing knowledge base (Elerud-Tryde, 2016). Furthermore, firms must ensure that the surrounding structure is capable of capturing and pursuing innovations generated during the events. Innovation events can also connect different elements needed to build innovation capability at a firm and hence strengthen a firm's capabilities from a systems perspective. (Börjesson & Elerud-Tryde, 2019).

2.5.1 Attention to Spur Innovation

Employees in major IT firms face abundant information whereas attention is a scarce resource (Börjesson & Elerud-Tryde, 2019). Communication of too much information tend to oppress the individual's ability to solve problems (Van Knippenberg et al., 2015). Maintaining an appropriate level of information flow then becomes a delicate, but vital, task (Börjesson & Elerud-Tryde, 2019). To build innovation a supervisor is suggested to be the facilitator of the development of capability (O'Connor, 2008). Although attention is limited by employees it is important that they experience that the company recognize participation in innovation events (Leimeister, et al., 2009). Having related innovation activities in addition to the event increases the chance that the event and associated attention have an effect to firm-level innovation capabilities.

In large organizations, innovation events are a common practice to facilitate innovation. Attention to the subject can either enhance or diminish innovation efforts depending on if there is a functioning structure in place to facilitate innovation. If not, incentives promoting innovation can either be fruitless or even destructive. Driving innovation in large organization requires a combination of elements in place, from decision-making processes to management recognition to run company-wide innovation initiatives (Börjesson & Elerud-Tryde, 2019). Attention to innovation events must be considered from two dimensions. On one hand, innovation events can be an effective method to promote innovation incentives in a firm. On the other hand, attention risks to only focus on ideas generated during the events as such, neglecting synergy effects and innovation. Scholars suggest that innovation events must be integrated with the organization's innovation work, otherwise the attention may be harmful to the innovation capability. (Börjesson & Elerud-Tryde, 2019).

3. Methodology

This section sets out to describe how the study has been performed, with an emphasis on providing a transparent description as well as critical perspectives.

3.1 Research Approach

The thesis began with defining what research area was to be covered by the thesis group. An introductory meeting between the tutor from Core Team at Company X, the tutor at Chalmers and the thesis group was arranged to achieve consensus on this matter. The Core Team had incentives to learn about innovation capabilities in regard to innovation campaigns or events, and thus it was decided that the thesis should revolve around this matter. The research focus was narrowed down further as the thesis progressed. It was at this point decided that the thesis should be of a practical manner with the thesis group actively participating with the work of Core Team at Company X on a daily basis, to prepare and set up the first "innovation event with customers". Being on site enabled the students to get a deep understanding and unique insight in Company X. The research took a participatory action research approach with close collaboration between the student duo and the research clients. Action research, as defined by Argyris, Putnam and Smith (1985) state that action research both contribute to academic literature as well as to practitioners. By involving the research clients with interest in the problem, action research provides deeper insight not obtainable by other means (Bryman & Bell, 2011).

Being present at Company X was considered an advantage for the thesis due to the organization being large and complex, in that a general understanding of the complexity could be beneficial in continuously analyzing the data collected (Guba & Lincoln, 1994). It would also provide an understanding of the transformation journey set up for a three-year period and where on that journey the study takes place. Thus, the research took an abductive approach (Dubois & Gadde, 2002). Knowledge production in social and business research can be divided into two different 'modes': *Mode 1* and *Mode 2* (Bryman & Bell, 2011). *Mode 1* refers to research on social matters that mimics scientific research with its focus on objectivity and experiments in a linear process, and with a strong emphasis on the academic contribution. *Mode 2* on the other hand, aims to also contribute to practical improvements. The process is more iterative as the findings are very connected to the context that they were derived from, and thus not as easy to replicate elsewhere. *Mode 2* also often involves several stakeholders to collectively deal with a problem, and quickly enable improvements in practice (Bryman & Bell, 2011). This research project is done in line with *Mode* 2 since it fit the purpose of the thesis and the wish of the company to include the students actively in their work. The thesis group was integrated as additional resources in the Core Team and thus, got access to the innovation network, meetings, internal documents etc., present at the organization. This led to the chance to identify interviewees, actively immersing and observing the climate and thus receive otherwise hard-to-obtain data and context (Guba & Lincoln, 1994). If the thesis group were not present at the company on an everyday basis, the same opportunities are unlikely to evolve.

3.2 Research Design and Process

In order to answer the proposed research questions the research was made with a case study design. A mixed method methodology consisting of interviews and observations of individuals in their context was used to perform the study. The process of the thesis research can be divided into four phases. During *the first phase*, the thesis group worked with and alongside the Core Team. The thesis group got access to previous material from their one year of working and got familiar with the firm's organizational and transformational aspects. The first phase consisted of contextualizing to the situation of the organization and also meant that the thesis group spent their first weeks working, physically located at the company.

After getting a sense of the climate at the company, in *the second phase* the thesis group set out to gain insight from the individuals' perspective connecting to innovation. For this, the secondary data was analyzed, and interviews were held with employees. The interviews mainly covered the individual perspective at the organization in regard to innovation but also had influences of innovation events, since it was clear that the Core Team was to arrange such an activity later in the spring. The gathered data at this point was used to form personas of the employee in key roles, which in turn, was used to plan the event. A persona is a device to display gained insights of customers and their daily good and bad experiences (Liedtka & Ogilvie, 2011). These personas can then be used as an aid to generate new ideas to improve their experience. Three personas were made, each with a brief description of the fictional character, as well as listing insights of the made-up generic person on the categories: Feels, Wants, Does and Needs.

The third phase involved designing, participating in and observing a series of innovation events that is in focus in the thesis. The thesis duo took the roles as *participant-as-observer*, partly during the event but also for the duration of the research project (Bryman & Bell, 2011). Being a participant-as-observer provide deeper insight about the individuals and their social context. However, there is also risk that as the researchers spend a longer period immersing in the organizational social setting, they start to see the world through their eyes. This is referred to as 'going native' and can negatively affect the scientific angle during data collection and analysis (ibid). Performing the qualitative study consisted of attending multiple design thinking workshops preparing the event as well as selecting, nominating and inviting the participants, performing the actual two sets of innovation events as well as follow-up interviews with individuals participating and replies to a survey after the second event. Observations and some participation from the thesis group were means to gather data during the events and four interviews gathered data after the event was over.

In *the fourth and last phase*, analysis of data was made regarding previous academic literature on the matter. However, even though the visualization is linear, the thesis group acted in an iterative manner during the research. The organization and its business connections are complex, so contextualization occurred during the whole process. The data collected was dispersed over a certain time period, and analysis followed the collected data 'chunk' before new data was collected. The figure does however visualize a simplified process which the majority of the thesis was made in the respective order.

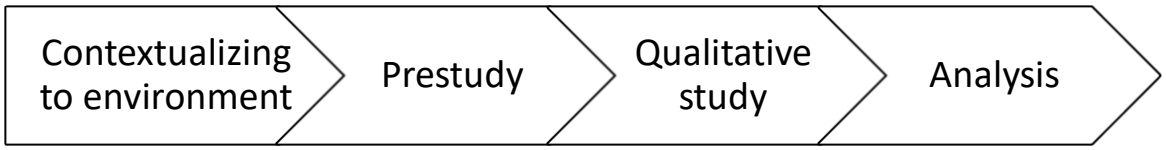

Figure: 3.1: Visualization of thesis research process

Time, in addition to resources, are constraints in every research project (Bryman & Bell, 2011). The project was staffed with two students for the duration of 20 weeks. The students acted as part of the Core Team for this duration and much time went to their daily activities to prepare and create the event but also to connect with people and current readiness. Due to reorganization and the loss of resources in Core Team with a member leaving, the students took a more active part in the activities. Keeping the same ambition and agenda throughout the period with less resources extended the lead times to the event and more time spend on setting up the event than anticipated. This provided the students with context and knowledge about the organization, but also delayed the time necessary for reading, analysis and writing up the study. Furthermore, the thesis group worked interdependently with the Core Team. The realization of the innovation event depended on the capacity on the Core Team including the thesis group (in order to help plan and execute). In addition, the thesis group depended on the innovation events as it was a chosen area to further investigate. The first innovation event was originally planned to be executed in the first half of April but was delayed to the last week of that month. Therefore, the two remaining events were also delayed and caused the thesis group to miss the third and last event in the series. Attending the last event would have contributed to the study with further empirical observations. Missing out on observations and data from the third event was however not considered as crucial considering that substantial data could be collected through the first two events.

3.3 Data collection

There are various categorizations of data, each with specific characteristics (Easterby-Smith et al., 2015). Primary data corresponds to data collected directly from the original source and contains observations, in addition to interviews. Secondary data does not come directly from the original source. The thesis group had received data from a set of seven interviews by a previous student group that had been studying the same part of the organization, and with the same company contact. Hence, that group's primary data became secondary data from the thesis group. That data allowed for easier identification of individuals to interview and the thesis group did not have to start from scratch. The secondary data was used as a foundation for formulating both validating and complementary questions.

3.3.1 Interviews

A total of eleven interviews were carried out with employees in various roles within the organization to gain a general understanding of the stakeholders for internal innovation activities and events. Interviews were held in two rounds, where the first round targeted a

diverse group of individuals to map current company context. The initial interviews were performed to collect empirical insights regarding how employees experienced the current setting. Four additional interviews were held late in the study to collect data about how the participants experienced the events and complemented by an on-line survey performed by the Core Team and Facilitator of the event. Due to the need of long-term planning, interviewees were often chosen upon availability but also with regards to their roles, focusing on interviewing representatives from several of the most common roles within the firm. The thesis group conducted the interviews before identifying and reviewing literature. With this approach the group was able to avoid bias of confirming insights and beliefs gained from reviewing literature (Gioia et al., 2013). First after analyzing the interviews, the thesis group reviewed relevant literature. As the thesis depended upon the events and work by Core Team, there was early on high amounts of uncertainty of a chosen research area would be feasible. The uncertainty also concerned whether innovation events would take place during the spring or not. Hence, additional interviews based on deeper knowledge was performed at the later stages of the project. The early interviews were of a semi-structured nature and left room for exploration for both the interviewer and the interviewee. Additionally, the post-event interviews left less room for exploration as the group sought insight related to the events.

Easterby-Smith et al. (2015) proposes a topic guide when conducting interviews. A topic guide heightens the potential of relevance from the data gathered during the interview. In preparation for the interviews the thesis group set five relevant guiding topics: *Individual & innovation, Ways of working, Structural effects, Managerial support* and *Communication*. Easterby-Smith et al. further argue that trust is essential when performing interviews, as interviewees that feel unsafe sharing sensitive information might become reluctant to share valuable information. Thus, the group took preventive measures by thoroughly explaining the purpose of the interview to the interviewee in addition to their consent to record the interview. Another reason for explaining the research area for the employees was to establish a sort of 'common language' about innovation. Whereas, if the thesis group was not to establish such a language, the interviewees could have various perception of what innovation is, complicating the interpretation of their insights. By using the internal templates (see Innovation Frameworks, Chapter 4) the thesis group was able to use the same vocabulary and perception of innovation for all interviews.

The initial sampling was assisted by the innovation driver for the Core Team and two line-managers driving innovation in their respective organization. Hence, assisting in identifying progressive coworkers. The thesis group strived to achieve a mixed composition of interviewees since the strategic priority are company-wide and meant to be a "contribution by everyone" - initiative. Hence, individuals from across multiple units, at key employee-roles and perceived as potential early adopters or with interest for innovation were of interest. The innovation driver for Core Team may have own incentives for thesis outcome and the thesis group made the judgement call that its recommendations were unbiased towards receiving specific answers. As the innovation event in study is "an early POC with customer of new ways of working", it is also important to study the event from the perspective of driving change towards the wanted position.

Quantity	Data-type	Duration (min)	Position
7	Interview (Secondary)	approx. 45-60	"4 key roles in units from both line and project organization"
7	Interview (Primary) "Current State"	60 min	"5 key roles in units from both line and project organization"
4	Interview (Primary) "Event"	30 min 60 min 30 min 45 min	"4 key roles in units from both line and project organization"
2	Observation	2 day(s) 1 day(s)	N/A N/A
20+	Conversation	N/A	Work meetings, Innovation network gatherings, Teamwork, Casual conv. with employees.
1	Survey (Secondary)	N/A	Cross-department. Event participants

Figure 3.2 - Information chart over collected data

The sampling of interviews was done on position level in relation to the position-ratio at the studied site. Hence, the sampling of interviewees relates to the distribution of work roles at the specific site. For the post-event interviews, time was scarce for the thesis group. The employees at Company X have long lead time to open slots in their calendars and the student group had to perform quicker interviews with some participants purely based on availability in both parties' schedules. With interviewees being selected based on availability, one must consider how the research quality was impacted. One could argue that the available interviewees recognized the value of the events and thus prioritized the interviews, potentially inflicting the generalizability of the provided insights.

The observations took place at the first and second innovation event. The thesis duo divided and focused specifically at different selection of groups to provide a holistic observation of the event as a whole. The casual conversations enabled the group to gain insight and confirmation of the findings of both interviews and observations as the group met with employees from different departments, functions and also from the internal client organization.

3.4 Empirical analysis and interpretation

With the abductive approach to collect and analyze data, several iterations between collection and analysis took place. Dubois and Gadde (2002) explains how the abductive approach of

‘systemic combining’ leads to a deeper understanding as data are compared to related conceptual models. The notes from interviews and observations were revisited shortly after they had been executed, and the answers that provided valuable insights were hand-picked to the report. Other valuable answers were also noted as the group made a summary of insights gained from the interview, which could be compared to other data. These comparisons enabled the thesis group to identify common themes from several data sources.

Notes were taken at every meeting and after valuable conversations with employees at the studied organization. These were also used as an input to the continuous analysis of the data gathered. In the final stages, all data sources could be analyzed on a holistic level were certain themes stood out. Revisiting the literature provided certain key inputs to this thesis as can be seen in the discussion.

3.5 Research Quality

A typical quality criterion in conventional Mode 1 research is generalizability, where the analysis must not be specific to a single company (Bryman & Bell, 2011). However, in Mode 2 research objectivity not something to strive for, and the research builds on the deep understanding of a particular context. Furthermore, Guba and Lincoln (1994) argues that one cannot simply generalize activity of humans. A more suitable, and generally acclaimed quality criteria is transferability: with a high-quality analysis, contextual understanding and description of the context, the results can be transferred and translated to other contexts. This makes the research valuable also outside of the studied context (Guba & Lincoln, 1994). The studied organization has a specific strategy for innovation and other organizations with a different contextual environment might then see other results if recreating our approach to building innovation capabilities.

One implication of mode 2 research was the risk of going native (Bryman & Bell, 2011). This implies that when a research group works very hands-on together with individuals from the studied organization they may sympathize with the subject, which risks biasing their analysis of events. The researchers would then see the world from the same perspective and experience the same problems as the closely related subject of study. Thus, going native would decrease the quality of the study as the researchers are somewhat biased in their perception, making it difficult to remain objective. This fact has posed a threat in this study since the thesis group spent a lot of time working closely with the Core Team in trying to execute the innovation events among other initiatives. The thesis group however perceives that their objectivity is intact and attempted preventive measures for this cause.

For example, the thesis group completely separated the study of the organization and Core Team with employee interviews. This was done by performing analysis of interviews and writing the report outside of the organization, to create a distance. Thus, not letting the employees weigh in on our perception of what went on in Company X. The action research approach enabled the students to confirm much of their findings with casual conversations with numerous employees from different functions and departments of the company. Thus, the thesis group has received casual inputs from a wide range of departments and employees resulting in a more holistic view. However, one must still take into account that the thesis group might subconsciously be biased towards perception of the Core Team. The related perks of

much deeper knowledge and insights (Dubois & Gadde, 2002; Bryman & Bell, 2011) are perceived to outweigh this risk.

The study sought out to study individual level of innovation capabilities. The thesis group has through literature analysis drawn correlations between individual-level and firm-level capabilities, but the organization is not the actual subject of the study. Since Company X is a large organization and this research project was done with limited time, experience and resources, the dispersion of individual heterogeneity might affect the final result. The events were a new initiative and consisted of different ways of working that the participants were not used to. Thus, one explanation of positive outcomes in terms of empowerment and energy can be related to what is often referred to as a 'honeymoon phase'. One risk is that the participants are over-enthusiastic of the perceived freedom and new tools at the start of the event-series but might tire over time. If that would be the case, a large chunk of the positive findings of this thesis could be negated, and hence, also affecting our final results. This thesis does not have the appropriate timeframe to observe such changes or add this into analysis-consideration, however a longitudinal study would mitigate this risk and would then be more suitable to more accurately answer our research questions. There is, however, nothing the thesis group could have done to prevent this risk as time is a constraint in all research projects (Bryman & Bell, 2011) and the Core Team had most control over the execution over the events.

4. Empirical Analysis

4.1 Context

This section covers the contextual data from the studied organization. The context of the organization and its current state, vision and action plan are to be presented in this section. This includes Company X's previous choices and decided path towards developing innovation capability.

4.1.1 Organization

Company X is part of a larger industrial group with several brands and businesses in multiple industries. External customers are mainly in contact with the business side of the group. Company X works as a support function to the different companies and industrial networks covered.

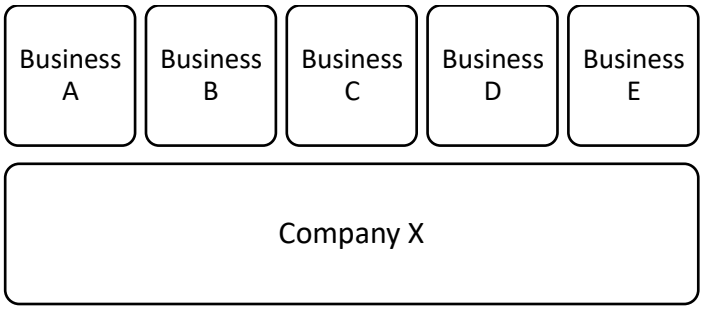

Figure 4.1 Company structure from the perspective of the studied organization Company X

To enable an agile relation to business needs, Company X is structured in business domain functions. Business domain units are responsible for the product and service portfolio towards a specific business need / business stakeholder and for operations and maintenance on running products and services. A common service organization, holding almost half of the Company X employees, populate development projects from all domains. There is a high cost- and delivery-focus in all organization.

As a highly supplier and delivery-oriented organization, Company X often carries out work far from the end users, hindering the employees to naturally achieve insights on underlying needs and be well informed of how the products and services are used. Novel ideas and creative solutions bringing new value rarely come from Company X who rather develop solutions based on requirements that the business areas bring.

As the research began, Company X made a major reorganization changing its structure, merging responsibilities for operations and development for a specific business need into one organization. For a majority of the employees in Company X the changes meant that their current unit was closed or transferred / merged with a new department. As a result of the reorganization most people were occupied with either applying to new roles, recruiting new people, closing old departments or starting-up of new units. Some of the semi-formal networks driving change across units lost their momentum and hence power during this period.

4.1.2 Transformation – a strategic priority

A few years ago, a new role for Company X was defined clarifying that the organization would transform from more of an internal supplier / cost-oriented organization to an organization ensuring that the businesses have the domain products and services needed to be successful.

A strategic change initiative to increase understanding of end-customers, business ambition and needs and to get injections and knowledge from the outer world was therefore started in Company X. The initiative was set up with a 20/80 approach – 20% of activities driven centrally, 80% driven in the different units – to promote and ensure all units taking ownership of the transformation. Coordinators from all units met monthly to share experiences, plans and achievements and to agree on common activities, communications and plans.

Innovation (with a focus on promoting a flow of ideas to solve needs and problems on the business and operation side) was to be a forth part in due time. Ambition, approach and initial plans were defined and agreed in the scope of the strategic change initiative within Company X, when the group 2017 set out six strategic priorities to drive change and value 2018-2020 for the broader community (Company X and closest partners). The first three strategic priorities concern *what* the company should do to be better positioned in the future. The three latter concern *how* the company should reach the pursued position. The "*Strategic priority: Develop innovation capability*" concerning internal innovation capability, is included in the '*how'* category. The Innovation part was therefore transferred into the new set-up.

Some initiatives have been set up centrally to accelerate efforts, but all community is expected to take ownership of driving change.

4.1.3 Innovation Capability - Future position

A target image for the year 2020 has been defined. The target image states that by the end of the period Company X and its community should be recognized as a pro-active partner that delivers innovations by collaborating across functions and units. By this time the organization has become a learning organization with a proactive approach to delivering value to its customers. By becoming a learning organization taking an insight-driven and customer centric approach, innovations will come as an aftermath. Company X wants to generate large amounts of ideas as a result of contribution by everyone. They state to want 10.000 ideas every year which of 100 will be innovations.

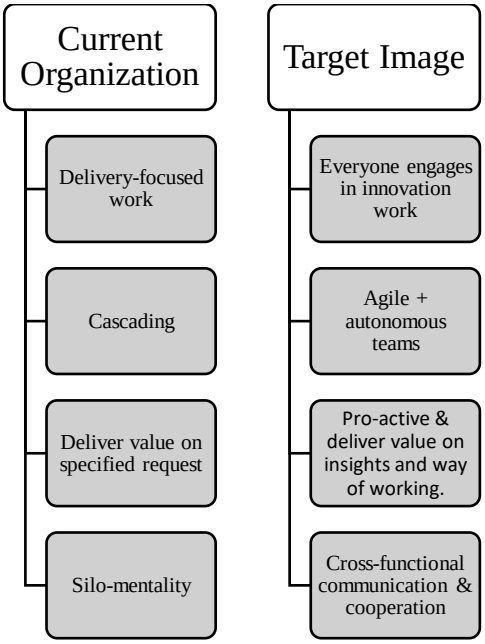

Figure 4.2 – Current organization versus target image (own figure)

In the future vision innovation is visible on the everyday work and on the agenda for all employees. Major innovation events takes place once each quarter in order to capture and sponsor great ideas, insight and competences across the functions of the organization. The structure allows smooth innovation to take place also with strategic partners. Stakeholders are satisfied by the innovation capabilities of Company X and generate speed (time-to-market) and competitive advantage.

An approach to achieve innovative solutions frame the strategic priority and how the company continuously will deliver valuable solutions:

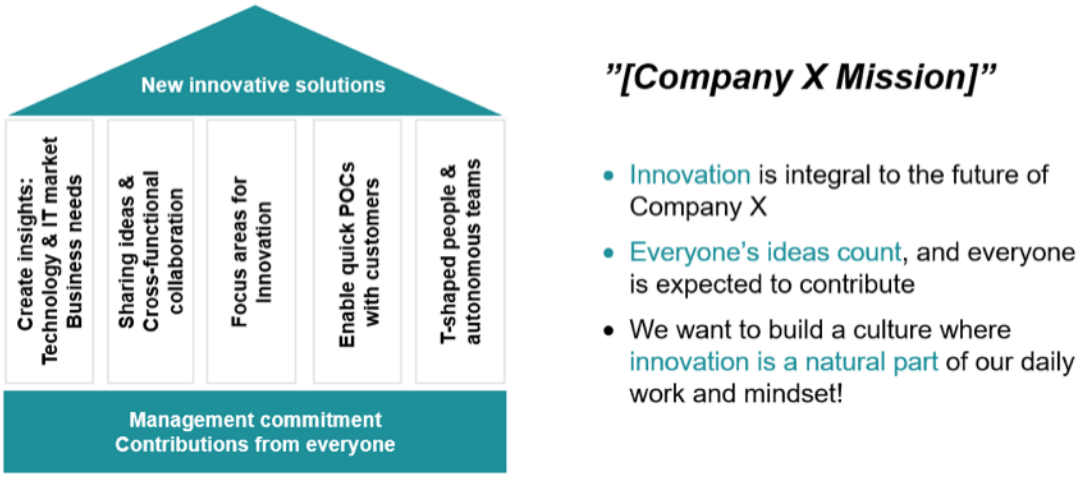

Figure 4.3 House of Innovation visualizing Company X's approach to innovative solutions

The ‘House of Innovation’ visualizes the foundation of a company-wide collaboration with the support and commitment from managers. The framework also identifies five sought after pillars to support the work to generate innovative solutions. The desired future state also consist of a vision of being truly agile with speed to market, being people-oriented in ways of working, being innovative with an outside-in approach and co-creating the business solution with user focus. The framework communicates how innovation should be part of the daily work where everyone is expected to contribute. Management commitment and contribution from everyone describes how innovation is on the agenda from management regardless of level in the organization and also how the firm should leverage its size and benefit from the many employees’ ideas. Creating insights refers to embracing the employees to observe the world as it should be rather than as it is. Sharing ideas & cross-functional collaboration emphasize how employees should share their ideas to initiate mutual collaboration and contribution. Focus areas for innovations indicates that innovations within certain areas where the firm have needs are prioritized. Enable quick POC with customers emphasize the importance of an agile process where early iterations are key. T-shaped people and autonomous teams describes how deep understanding within a field should be combined with a broader understanding and decision mandate is promoted within the organization.

4.1.5 Roadmap

The Core Team work with multiple initiatives according to the target image and approach. A recent pilot initiative of training serial innovators just finished as the thesis group began their research. The training used adaption of Adobe’s open source training kit “Kickbox” which aims to guide innovators and organizations towards efficient generation and implementation of ideas (Kickbox, 2019). The Core Team has set their eyes on hosting innovation events which will act as an arena for cross-departmental meetings to jointly share experiences and gain insights to accelerate efforts in a broader sense. Furthermore, they are part of hosting mini-presentations from within the Company X to share and spread insights and spur ideas in that manner. In conclusion, the Core Team has chosen to work on many initiatives simultaneously in parallel.

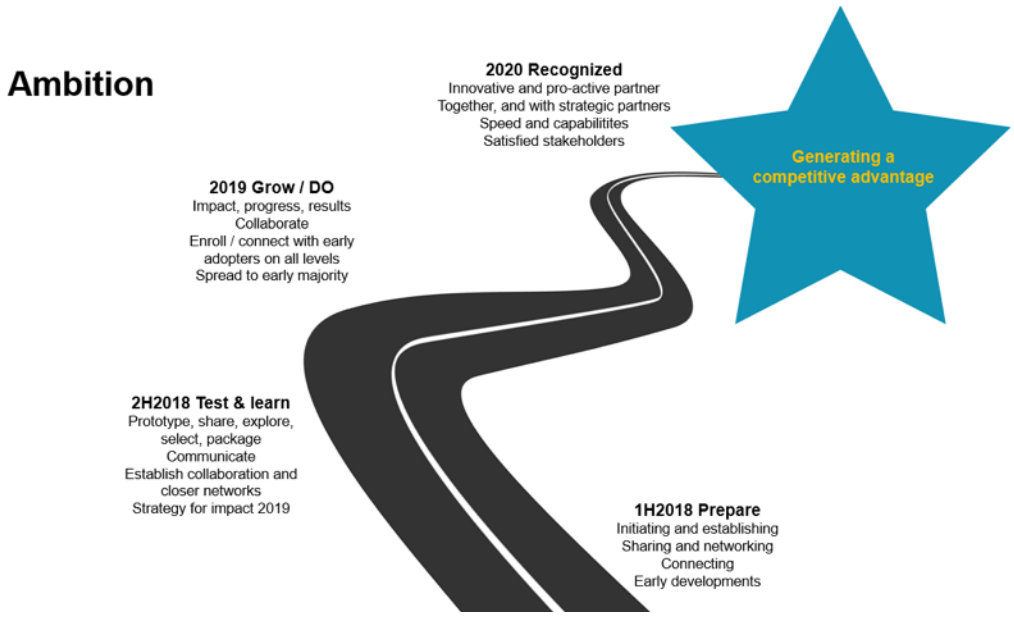

Figure 4.4 – Visualization of the phases according to the Core Team's planned journey

The ambition during the research period is to test and learn how to drive innovation events / campaign and then from this grow to impact the many, by doing real innovation campaigns and efforts on all bigger sites, and combining support to individuals, teams and leaders in learning the new. The ambitions are also to eventually bring an active sponsorship and communication effort around these events. Doing the real work together is in the core. And while doing, also driving the change in culture, behavior and skills. The studied event marked the first action of the Core Team in the "Grow/Do" phase and was thus also subject for a "Test & learn" mentality.

Emphasis is on building an innovative culture and focus on strengthening the individual innovation capability in the front end of innovation and in collaboration cross functionally. With the responsibility to drive the strategic priority network based the appointed group has decided to emphasize empowering individuals perceived as progressive to promote innovators and early adopters of new ways of working and to start a movement. As the approach to build innovation capability, the group focus on reaching and empowering a critical mass of individuals on all levels. The approach is to focus, partly, on key individuals that can be seen as early adopters and ambassadors from the experience gained and the results achieved. Efforts are focused on creating serial innovators focusing on valuable insights that can contribute to the business and thus have higher chances of being implemented. The ambition is that the efforts will have a ripple effect throughout the organization with a movement of shared ownership that eventually lead to contribution and commitment by "everyone". The employees not actively identified and selected to become innovation ambassadors are to become aware of the urgent and, by top management, outspoken need for innovation and about that we all can contribute given the right settings and enablers. With the aid of the innovation ambassadors but also information and supporting activities, the hypothesis is to reach a critical mass of innovators to gain momentum and diffusion in the Company X social system. The appointed group to drive the strategic priority consist of three individuals who carry out various activities to accelerate the transition towards the target image regarding Company X's future innovation capability. The approach is also a result of being just a small central team to drive "change by the many", focusing on accelerating efforts cross functionally and a recommendation not to start in the current structures and fora (ref. sponsor and steering committee member interviews).

To reach the target image, the Core Team has set up a series of supporting guidelines and tools to enable employees who yet are unfamiliar to grasp innovation. The master thesis entered the innovation capability journey at the start of 2019's activities to *"Grow/DO"*. Prior to the work carried out during the thesis period, focus has been on fundamental work to develop knowledge regarding the subject and build formal/informal networks to drive the change in collaboration but also to develop the scope for how the innovation theories and frameworks can become relevant for the specific organization. Many of the performed actions have had the core objective to gain knowledge of how to create innovation capability, learn from experience and what aids/tools could be used to unify a system of capabilities before acting upon the objective. The method chosen is to start small with a bottom-up, network-based approach outside the

existing silo arena, and later scale up and learn during the process. First at that point can efforts be accelerated and work with all parameters, in parallel. Innovation events are used as a means to create networks and engagement outside the employees' line roles. In the event, the employees get to work with problems "worth solving" using new (future) ways of working.

4.1.4 Strategic Priority: Develop Innovation Capability

	Work areas for impact 2019	Preparations	Roll-out 2019
Focus	**Focus areas**		DO together
	1. Area 1	50% better within 12 m	Site 1
	2. Area 2	Best experience within 12 m	Site 2
	3. Area 3	Readiness within 12-18 m	Site 3
Enablers	Direction Sponsorship	Establish leadership commitment Enroll sponsors Set up i-board and funds Prepare and anchor, align calendar	
	Leaders Teams Individuals	Coaching, tools etc. Workshops, tools Kickbox	Empower
	Self-assessment		
	Communication		

Figure 4.5 – The 2019 plan for the strategic priority to develop innovation capability

With the 2019 plan the Core Team working with the strategic priority has a high-level plan for some of the ambitions that the initiatives set of to pursue. Focus has been derived to cover three main categories in early efforts (as defined per December 2018), to increase E2E, customer experience and to further explore technologies. Enablers are key roles and tools in the plan to reach the focus areas. To pursue the new ways of working, a set of frameworks have been developed to visualize and describe how Company X work with the strategic priority.

4.1.5 Innovation frameworks

A series of models have been constructed aiming to, from the organization's perspective, build a common language, understanding and framework for the road to innovation capabilities. Employees at the firm are exposed to these models, but also to additional models both in their work environment. There are mainly four Innovation figures that the employees are exposed to. Purpose with the frameworks is to build a common language and a toolbox for employees to learn new ways of working, create a new mind-set and spread awareness of the demand for innovation from all employees. Amongst the figures is an innovation matrix;

NEW BUSINESS MODEL	**Disruptive Innovations** ***Re-imagine**, creating a new business model based on existing knowledge to address / open a new market & disrupt the businesses in place, to deliver New revenue.*	**Game changing innovations** ***Think big (what if, why not)** to create a new market using technology breakthroughs and new business models, to deliver New revenue.*
EXISTING BUSINESS MODEL	**Sustaining innovations** ***Re-engineer** to (continuously) improve existing offering and services to better address existing customer´s needs, contributing to Current revenues.*	**Radical innovations** ***Reach beyond** existing knowledge, technology to radically improve performance of existing offering and serevices to better meet existing customer´s needs, contributing to Current revenues.*
	EXISTING KNOWLEDGE	BREAKTHROUGH KNOWLEDGE

Figure 4.6 Innovation matrix

With the innovation matrix, Company X defines and categorizes the variety of innovations that is requested. The categories visualize sustaining innovations but also fully novel innovations, both in terms of new knowledge and business models. Both of which requires new novel ideas relating to business needs, technology or opportunities. As innovation is envisioned to be regarded as both top-down and bottom-up in the long run, contribution of everyone is key but also to educate management to mature in regard to innovation. First at that point can the right structures be implemented and empowerment on individual level occur throughout the organization and create a system-wide capability. Multiple dialogues, discussions and workshops, both informal and formal, have been performed around the four-field model across the organization and with both business and Company X domain units. The output has often been a common understanding of what innovation is, fruitful discussion or dialogues on what innovations that are needed / wanted / wished to engage in / ready to sponsor etc. and what the priorities for the strategic initiative should be, what time horizons and what competences/ organizations / sponsors that are needed for a certain topic. The model support sorting out both focus areas for innovations and what portfolio of innovation activities we need, what different sponsors are interested in supporting and what type of innovations are ready to take on / must take on.

Company X has also constructed a model describing 9 factors that need to be established to enable an organization's innovation capability. It offers support and guidance to develop a team's innovation capability and to drive structural change. The 9 factors are divided to three categories, each containing three factors. All factors need to be in place in order to succeed. The model is based on scientific research as well as empiric experience within the group.

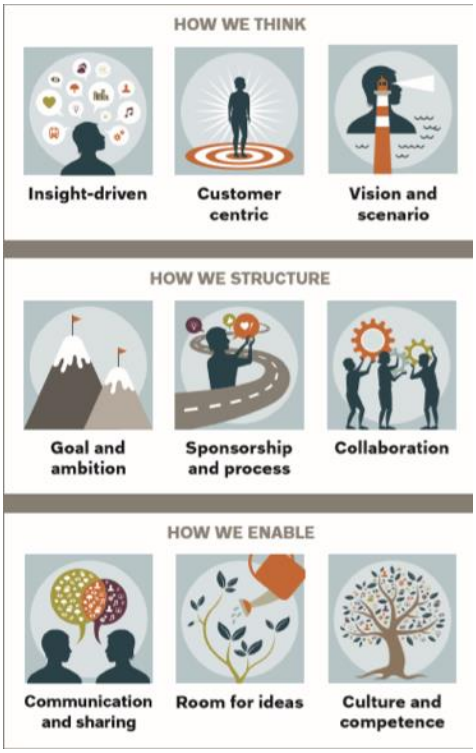

Figure 4.7 Model visualizing factors for innovation

An innovation road is used to visualize how employees within Company X are encouraged to focus on insights to grow and develop ideas, rather than directly focusing on solutions. Focus is also to, early on, examine their ideas from many dimensions and experiment to validate the need for a potential solution before it becomes costly.

Figure 4.8 Model visualizing Company X's innovation road presented to employees

The innovation road suggest how learnings and reflections should be focal rather than straight seeking answers in solutions or in technology. With the ambition to become proactive, new innovative ways of working are asked for. Ways of working that emphasize insights and prospering ideas that can become opportunities are pursued to become proactive. Rather than working in traditional waterfall models, an iterative –agile – approach is perceived as effective

means. Collaborating in sharing experiences and knowledge as well as mutual contribution to concepts and lastly solutions is also an essential element in the way forward to become an innovative organization. A toolbox of simple methods and templates that can be used in the early phases of the innovation road is also developed to be tested and shared in bigger scale.

4.2 Understanding the current culture

Several interviewees mentioned that the employees at Company X have tight schedules with meetings and deliveries in the line work visualized by the hierarchical structure. This was observable when the thesis group first started this study. The strategic priority had just carried out an initiative of building innovators through open source material from Adobe called Kickbox. The employees enrolled for the pilot was given 30-40 hours to put into their forming of an idea and attempt to elevate it within the organization. It was early indicated that the "Kickboxers" were highly passionate people with interest in innovation. Since there is little-to-no slack in their schedule, and despite being promised 30-40 hours over a period of 3 months, Kickboxers spent much of the work on their ideas outside work hours.

The degree to which the employees are bound to their line-work varies in specific thoroughness, but they are often pre-determined and with limited room for own reflection, insights or creativity. An interviewee expresses following on the matter:

> *"We are expected to only deliver on specifications, not leaving any room for proactivity and innovation."*
>
> - *Employee Company X*

The interviewees express frustration of how steered the work can be and where own creativity or knowledge are not of necessity, since they are only asked to deliver on expectations and not exceed them. However, it is not only managers responsible for project deliveries who prioritize according to the current situation as the business side have similar opinions. The organization works close to the business side of the company to whom it also delivers. Stakeholders from surrounding business areas, within the same group, express similar concerns regarding the limited resources available for innovation. By lacking ability to facilitate innovation, employees with novel ideas have left the firm to instead run external startups, without involvement of the group. In the future the start-ups may very well emerge as competitors to the group.

> *"[Name of successful startup founder] had an idea while working here and wanted to push it, spin it. He could not or would not because of structure and bureaucracy, he had to quit and then started [Startup name]. Hence, we do not lack skilled people but need to be able to support them."*
>
> - *Employee Group X*

An innovation ambassador within one of the other companies within Group X express how the group could benefit from being more proactive and facilitate novel ideas.

"If it is not included in the current project it is difficult to be allowed time to further pursue and develop own ideas"

- *Employee Company X*

The employees at Company X experiences the lack of time as a major challenge when it comes developing own ideas. From integrating and observing at the company for six months there does not seem to be a shortage of neither ideas nor passion, but the structural pressure seems to inhibit the innovativeness of the employees. Various awareness initiatives have been driven by the core team since the group was appointed. One of the members state:

"If you compare us to other firms in the industry we are lagging behind. We need to become proactive and not just put effort on continuous improvements"

- *Employee Company X*

Several interviewees describe how the organizations systems are outdated and lagging in relation to a generic company's portfolio, partly due to the previously stated tendency to only deliver on specification. Furthermore, the main cause for simply relying on continuous improvements to increase the value offering. When shown the internal 2x2 innovation matrix (*Figure 4.6)* regarding different innovation types, all interviewees stated that the organizations current state are only dealing with innovation in the first quadrant - *sustainable innovation*. This translates well into continuous improvements, where current knowledge is utilized with the current business model. Furthermore, this also aligns well with risk-minimization but works as blockers for any innovation-type in the remaining three quadrants. The expectation from related business are for the organization to act as a support function and deliver on specification, not to innovate.

"We are always trying to minimize risk and there is not much resources for anything outside the project specification."

- *Employee Company X*

Some interviewees state that some progress has been made in recent years with the aid of various initiatives. The employees at Company X still work in silos in a large and complex organization with limited interaction between departments. Due to the low level of communication, different parts of the organization simultaneously work on similar solutions.

"We are always developing the same thing simultaneously within the organization"

- *Employee Company X*

However, the interviewees mention that things are moving in the right direction and new cross-departmental communication channels are in place. Innovation was not emphasized in the Company X's agenda until recently and there has been initiatives in place with the purpose to spread awareness of innovation that appears to have had positive effect.

"We are coming from a product-orientated and silo-based organization moving towards proactiveness and innovation. But we have a long way to go before we get there."

- *Employee Company X*

4.2.1 Previous Innovation Culture at Company X

After some time of establishing informal networks and spreading awareness the organization transition is underway. The transition progress at different pace within the large organizational group, where there are some 'islands' that are progressing at a quicker pace than other parts. Employees at Company X report signs of a 'readiness to act'.

"People around here are tired of awareness initiatives. Now we need to actually start doing things and not just enlighten people about the things we will do."

- *Exployee, Company X*

Some of the interviewees have expressed that they have had enough of awareness about innovation and want to see change. Decision-makers are often mentioned as one of the barriers hindering this where many initiatives coming bottom-up of the hierarchical structure. Some interviewees state that they experience the effects of risk-minimization when their efforts often get stuck in the many decision gatekeepers needed to pass in order to realize their plans. The organization still has not settled since the reorganization with many moving parts, new departments and individuals with new positions. Thus, the interviewees agree that it is too early to see how the new organizational structure can capture innovation and opportunities and ultimately becoming more innovative. From the interviews it became evident that the recent changes in direction for the company are communicated and appreciated amongst the employees.

"There are a couple of excellent strategic initiatives that are visualized and communicated effectively, the organization is starting to move in certain directions. The communication forces people to start reflecting."

- Employee Company X

With large parts of the organization not meeting customers nor other functions of the company on a regular basis, having well defined visions is important by the individuals to see how they are contributing to the larger picture, according to the interviewees. To drive change successfully in the organization, several interviewees propose that individual characteristics should be in focus rather than solely focusing on experience and position.

"People with ideas and ambitions for change and novel solutions should be in focus until a tipping point is reached – then others will follow".

- Employee Company X

To foster a culture where innovation can blossom, employees describe how they believe that an entrepreneurial spirit should be pursued, but at the same time they struggle to see that the organization can become entrepreneurial as of today. The size of the company in combination

with characteristics of the industry cause the employees to have moderate hopes regarding the company's ability to gain an entrepreneurial spirit.

External influences can have a positive effect to the innovativeness in the firm according to the interviewees. Having external speakers and partners open up for knowledge sharing, fostering creativity and innovation. There is no consensus in what kind of external actors, e.g. other firms, academia or politicians, the employees would prefer to interact with. Mixing external and internal competencies is perceived as a refreshing and vitalizing way of working according to the interviewees. Today, the interviewees rarely interact with external partners and sometimes not even other branches of the organization. There is a consensus amongst the employees interviewed that more interaction with external partners would be insightful due to knowledge exchange but could also act as a source for inspiration in an environment where the employees rarely interact outside of their teams. Cross-functional projects and direct communication from business stakeholders are persistently requested by the interviewees, some more than others. As of now, several of the employees' experience that they are missing out on plenty of information and strategic decisions. Motivation is connected to the vision and without a clear goal and context, the interviewees express how they may struggle to see how their efforts contributes to the organizations business.

4.2.2 Moving Forward with Innovation Capabilities

With a current culture promoting silo-structured ways of working, employees at the focal organization express how they experience that external or cross-departmental interactions and impressions are much desired but most often absent elements. Furthermore, interviewees express a perceived distance between daily routines and the actual business. There are a few group wide initiatives aimed to support cross-functional collaboration and interaction within the firm. Several of the interviewees have attended and appreciated the events. These events have focused at building relations between employees and are part of the Core Teams' work to build innovation capability by focusing on the individuals. The interviewees describe the events in retrospect, using terms such as energizing, simple and fun. One interviewee expresses how current routines and ways of working scarcely allow new ideas and new interactions between people, leading to an uninspiring work environment.

> *"Interaction between people are more important than process and tools".*
> *- Employee Company X*

During the interviews it became evident that the employees are proud of their colleagues and have high beliefs in what they can achieve. There is a consensus amongst the employees that if given the opportunity to explore and learn together, great minds could achieve great things for Company X and the businesses they support. Several of the interviewees describe how they are motivated by enabling others to perform better and let their creativity blossom. Employees furthermore describe how they struggle to find an arena where their creativity can spur. Several of the interviewees recognize that they carry ideas and/or solutions that could benefit the company greatly. Without an arena or a stakeholder to present the idea or resources to develop a solution, creativity and willingness to pursue novel solutions amongst the employees diminish.

"I developed a solution that streamlined time reporting to instead of taking 4 hours a week to only take up 30 minutes, imagine what value Company X could draw from taking solutions like mine and present to a broad audience".
- Employee Company X

Several of the employees describe how they are expected by managers to only carry out core functions in their line roles as previously described. There are however exceptions where the employees are embraced to pursue their interest. One interviewee describes how their manager supports the employees to take part in study circles, based on field of interest. There is however no common guideline for managers to create study groups and initiatives relies on the sole manager's interest and beliefs in study groups. The arrangement in the study group varies. In the study group where the interviewed employee participates, employees discuss and analyze development and possible products and services based on Artificial Intelligence. The study group also carry out various tests and collect data regarding the subject. The interviewee participating in a study group about Artificial intelligence express;

"The study group consists of a homogenous group of developers and a team leader; people are the most important asset with their intellectual capital for a company. We need to start combining people with different competencies and experience and interact with each other."
- Employee Company X

Being able to participate in study groups is expressed as a well anticipated initiative by the employees who also describe how colleagues, having other managers, are not given the same opportunity. There are other initiatives around the firm with the aim to spur collaboration and create an arena for interaction, amongst the initiatives are cultural networks. Prior to the reorganization, some employees were given explicit resources in both time and capital to spend in the study groups. With the reorganization, dedicated means to the study groups disappeared as a cause of a shift of managers for the employees. Study groups were now included in the dedicated 30-40 hours of resources that the employees are given every year to further educate themselves. Running the study group would quickly use the entire pool of education-hours. Due to the lack of resources, the study group initiative that the interviewee was an active part of, was shut down.

4.2.3 A Passion for People

The interviewees describe how they are passionate about different subjects however common grounds were hard to identify. Some were passionate about continuous improvements such as small simplifications and adjustments that improve everyday life. Some became more engaged when they could be creative and think outside the box, resulting in totally novel ideas where neither the company nor any other competitors in the industry are active as of today. Others were mostly motivated by enabling and embracing stakeholders around them to pursue their passions. Although the interviewees' fields of interest and passions varied greatly, one common theme united the employees - a passion for people.

"It's the people working here that is the real inspiration. Passionate people are what make this organization prosperous."

- *Employee Company X*

Throughout the interviews, the employees constantly emphasized how colleagues were a great source of inspiration. Many of the interviewees asked for more cross-functional activities and perceived collaboration over competencies and silos insightful and motivating. A few of the interviewees were as of now actively participating in different initiatives, such as study groups, aiming to build collaboration and enabling an arena where employees get the opportunity to engage with others. The ones participating in the initiatives expressed how well appreciated and inspiring it is to be able to interact with other minds. Interviewees who currently were not active in any initiatives emphasized an urging need to engage with others. With a sparkling curiosity for colleagues around them, the interviewees not active in incentives expressed frustration over how unengaging the work environment becomes when there is limited room for interaction with other minds.

Another demonstrating example of the high dedication and passion that the employees of Company X possess is the mentioned work with Adobe's Kickbox. Here the selected Kickboxers demonstrated a lot of passion and dedication towards becoming an innovator. Despite being haunted by a packed schedule the kickboxers chased their ideas to find the next innovation for the organization. That they also did so outside of work hours shows a current problem for the organization but heightens the level of dedication presented by the Kickboxers.

4.3 Event at Company X

This section covers the work that the thesis group carried out together with the specific strategic priority at Company X. Gathered data revolving around the designing and execution of innovation event will be presented in this section.

4.3.1 Attract

To successfully host the series of innovation events the right people had to be attracted, entering the event with the right mindset. Early decision had been for the events to focus on employees who had started the journey to recognize the importance of innovation in their roles. The employees were still however yet to fully explore the notion of innovation. The events then held the purpose to ignite and support the participants in their journey to explore new ways of working together. Fundamental for the event was to ensure that the right people were able to attend. In an environment where the employees have packed schedules it can be regarded as nothing but challenging to get some of the engaged employees to dedicate several days for the events lacking direct connection to line role tasks (Appendix C).

Mapping potential participants with the informal network enabled identification of a group of interesting employees. At an early stage it became evident that the specific group of progressive individuals were highly occupied as they are active in various other initiatives, further restricting the individuals' possibility to attend. To overcome hinders and attract the right people to attend the solution was two folded. Firstly, a thoroughly designed invitation with attractive design elements and featuring a message that caught the readers interest – much like a sales material (See Appendix C). In the invitation emphasize was on conveying the reader why they specifically were important for the event. Instead of receiving a traditional invitation the employees were nominated to attend the event. Secondly, the invitation had to be delivered in a suitable way. It was perceived as preferable to have someone delivering the invitation face-to-face. Although many of the invitations were delivered personally it was not possible to deliver all invitations in the same way due to time constraints. The solution then became to invite a few of the participants over email by sending them the invitation material together with a motivation for why they were invited.

The invitation had four main ingredients that urged to interest the employees enough to ensure their participation. Firstly, the invitation gave glimpse of how future ways of working for Company X could look like. Secondly, partners who were to attend and present were presented to raise interest. Thirdly, facilitator and novel methods were presented to bring insights and interest for what the participants were to expect. Lastly, emphasis was on describing how the events intended to serve as a safe platform with likeminded for interaction, collaboration and exploration.

4.3.2 Design

The master thesis duo entered the project when the time had come for the core team to start engaging employees in innovation events. The ambition was to host various activities involving employees. Amongst them an event focusing on innovation where employees could explore and experience new ways of working and recognize how the organization could embrace innovation. It would also be a first "POC with customers", tasting the strategic priority own medicine, as defined in the frameworks and plans for a future way of working. It was also

important to evaluate if the perception from the event would be the one expected and hoped for, to help drive a "movement" in the innovation network (drivers and early adopters on all levels from across Company X's units). Design thinking methodologies was used to provide a human centric approach in the designing of the event. Since the human centric approach was fundamental both to attract participation in the current setting (no time available and lost momentum in the driver networks due to the reorganization), and to ensure the event experience. The ideation event was also to be set up in line with Innovation Road, starting with insights and creativity, selection and early exploration of ideas and the first steps developing great ideas into opportunities and first show & tell stories to test and learn how the Innovation Road (and learnings also from the Kickbox pilot) could be applied on an innovation event on big challenges. The event was also an opportunity to validate the belief that, given a thought-through design, employees from Company X are ready to work together with the business and operations side on their big challenges, needs, and ambitions. It was important to validate that the new ways of working prevent employees from too early focus on building solutions. Preparations was partly done in connection to the Vinnova research study Company X has with Chalmers and two other companies.

A concept, named "*Käftsmällen*", based on delivering a powerful message about the climate crisis and how the company reacts to the alarming reports, was designed and later proved fundamental in the events taking place at Company X. The main premise with "*Käftsmällen*" was to unite participants by starting of the events with an initial inspiring act with a powerful message. A team from product development & design team, from the core of innovation at the organization, were to carry out a presentation about the climate situation and deliver a powerful message to activate and inspire the participants to gain new insights. The presentation took a 360-degree view with a human centric approach. The view further included aspects of the generation shift, a fast transforming world in the information age and how organizations and the company businesses must adapt their offerings accordingly. Following the presentation, the participants picked one of three statements reflecting high level ambitions. Event teams were organized around their choices. This was seen as key, to enable individuals to work on topics that they are passionate about, engaged in or eager to solve. To kickstart the teamwork, the participants were supposed to interact and ideate in groups working with pre-defined cases on the theme. The cases were defined to quickly connect the "Käftsmällen" message to opportunities for business and operation and were specific enough to trigger dialogues on challenges that need collaboration across disciplines to be solved and or taken on. From this kick-start of the team collaboration, the teams proceeded into the next steps brainstorming and selecting challenges to work on, ideas to explore and evaluate and to develop "great" ideas into opportunities and prepare for next steps.

The reorganization caused uncertainties in authority for the individuals' part of the informal network that the strategic priority had established during the past year. At the early stages, the perception was that an innovation event was to be held and that participants would come from the established network and their connections as well as other interested individuals. The event was also to be organized around a topic selected and sponsored by the Business side. However, since there were uncertainties several key individuals in the network were unable to commit to

the event and recruited sponsors experienced similar difficulties in their organizations setting up and preparing the event from a selected need/opportunity on their behalf. Thus, the planning team chose to take an individual perspective and point out certain progressive colleagues that seemed suitable and promising as attendees for what we wanted to happen at the event and for the road ahead. The event would instead be sparked from insights on general challenges and needs for the company X and explore how an ideation event could help trigger innovation interest and capabilities. It was still an opportunity to test and prove several of the methods and tools that the core team wanted to spread to drive capabilities.

The interviews conducted by the thesis group was used as input to understand the target audience and what they experience in their everyday work. From these, three fictional 'personas' was constructed that represented the reality for progressive employees at Company X face in their everyday work. These were brought, in combination with the overall strategy for innovation, to a workshop with the planning team including innovation drivers from two major Company X units. Here it was decided that the best approach was to nominate employees for a heightened sense of urgency and importance than usual activities. The nomination approach was referred to "nomination á la The Academy Awards". Next step was to do identify nominees. This was also done in a work shop format where each driver got time to reflect on who to invite, why that individual, what they would bring and what is important to them / their passion and then sharing in team. In the workshop it was defined how to approach the nominees and what the message would be starting from how to attract their interest and to get their commitment to spend the time needed. It was perceived as very fruitful to the planning team to do the work in this manner and it gave energy, more of a shared ownership of the event and a sense of proudness for the people in the organization. While preparing the invitation material as part of nomination message the team realized that it needed to be fully thought of as a "selling of the idea". Not until it was a real "marketing material" with pictures, references to feelings and short crispy messages it provided the safe feeling needed to stand behind asking people to join and allocate time needed to the event.

First after a critical number of participants had been secured, the designing of content began. This was done by the Core Team, thesis group and the event facilitator. The event had to live up to the participants' expectations. To achieve this fact, the event was designed so that the participants would define and work on their selected problems, with the inspiration of "*Käftsmällen"*. In this manner, the planning team would secure that the participants could form groups based on their own interest areas and maximize the possibility of a successful event. The methodology used were Hill's, a framework developed by IBM and lead to the participants feeling that they were doing important work on important problems, which they were.

In the first part of the event the participants were encouraged to be creative and not let usual inhibitors like feasibility, cost or technological maturity influence their ideas. In order to keep the work important to society and the organization, the method of "Wedding cake, birthday cake and cupcake" were implemented. It basically enables practitioners to take a big, high-level or imaginative idea (wedding cake) and take it down to reality through zooming in at specific functions or enablers (cupcake). Thus, any idea had promise for potential future

implementation. Although implementation nor idea generation were the main goal of the event due to reasons explained on an earlier chapter – lack of sponsors recruited in beforehand - It was important from the participants' perspective to enable such possibilities. Even if the focus wasn´t the ideas in themselves or the implementation of them, but rather the insights gained from the trigger and the joint work on real challenges. In that way the hours spent would still be valuable even if the ideas as such weren´t ready to have sponsors for next steps. Initially there were plans to involve sponsors in the second event. To ensure that the events were to take place without delay although the surrounding hinders, executive managers were not included in this first pilot.

Design of the different methods used in the event were constructed with a human centric approach. Focus was on ensuring a positive experience and inspire them with new ways and working as well as fostering new networks and collaborations. The ideas generated as such were not the only objective during the outlining of the event. Tools and guidelines for ideating, developing and evaluating ideas were formed to allow the participants to explore new ways of working. Instead of jumping to solutions immediately – as the participants were used to – they were embraced to reflect and discuss insights and ideas on a higher level. Several templates were handed out to guide the participants in how to ideate and formulate problems.

Collaboration was key in the design of the events with the participants working in groups of four to five members. Throughout the events several mini presentations were performed in front of the larger group where the participants got a chance to practice presenting as well as receiving insightful feedback on their ideas and concepts. Brainstorming methods, both individually and as a group were used to spark a bulk of ideas. Later the ideas were grouped together with a following group discussion. The ideation took off with a holistic perspective to inspire the participants and open their minds rather than immediately defining Company X domain solutions. Several iterations were made, opening the ideation to later narrow down the scope. During the later parts of the event the objective was to incorporate the dimension of Company X in the concepts to connect to the business.

Participants for the campaign had to be identified. Suitable participants characterized as progressive were necessary for the core team to test the hypothesis that the power of passionate employees could drive innovation through events. A core objective was hence also to allow employees to experience how working together with the set-up as defined in the event. To identify relevant participants, established networks were used. When an appropriate number of participants had been identified, the network together mapped their personas to be able to target them individually. With insight gained about the potential participants, an invitation designed to the specific group was constructed, focusing on the mission of the event and why the specific individual was important. After the participants had been invited, the event as such was designed to fit the group. With a strong focus on empowerment of the group it became vital to ensure that the events were designed to fulfill the participant's expectations, securing that the participants felt like their time was well invested in the events and that they would do it again.

4.3.3 Conduct

Observations during the first two events (2+1 days) provided empirical insights as discussed in the following section. Opportunity to interact with the participants and ask questions throughout the events was also presented to the students. The first spontaneous reactions from one of the participants emerged during the following week. One participant returned spontaneously to the host of the event with some feedback;

"Thank you for a fantastic event, I cannot recall when I was this energized last time! So many resourceful, engaged and wise people. Hope the initiatives will lead to something good."

- *Employee Company X*

Several of the event participants were asked to reflect upon how they perceived the event. All of the interviewees were pleased with the event and brought various insight back to their line roles. Some expressed how the events presented an opportunity to take a break from the tasks in line roles and meet colleagues that they were previously unfamiliar to. Others perceived the events as an opportunity to learn new ways of working which then could be brought back to their ordinary roles. By interacting with each other, it seemed like the potential in respective colleagues was revealed to the participants which expressed how they were inspired by their respective colleagues;

"Why don't we teach each other more often? It is evident that there is a lot of knowledge within the company."

- *Employee Company X*

The liveliest and most engaging discussions concerned the development of Company X and how it was aligned to the outspoken core values of Company X combined with the urgent environmental challenges that had been presented. A sense of inconvenience had emerged amongst some of the participants and a discussion for how they could contribute blossomed. One participant reflected about previous success stories at the firm and how each breakthrough often relied upon an individual or a small team driving the progress besides ordinary responsibilities.

"Many previous successes within Company X were due to passionate drivers – what if we would not have any drivers?"

- *Employee Company X*

Participants expressed their joy over how the event turned out. When asked about the event, it became evident that an arena for cross-functional activities and networking is well anticipated by the employees. One of the participants expressed how they felt energized and inspired by connecting to people beyond their work group.

"Good with an event to meet and communicate with interesting colleagues. Otherwise we are only wandering around in old patterns and interact with the same people. It can take years before we speak with colleagues from other departments, even though they sit in the same office area."

- *Employee Company X*

By interacting with new colleagues, participants described how they were inspired by the commitment and engagement of one another. Furthermore, the participants could reflect upon their ordinary roles and how colleagues normally acted around them. There was a consensus that even though the participants acknowledged that they were surrounded by knowledgeable colleagues, engagement sometimes lacked thus the full potential of the employee is not captured – endangering both the operations of the firm and the motivations of the individual.

"We have many sleepers; they need to be awakened. There is so much knowledge and expertise in the many competent employees in the firm, they need to experience a hunger for their competence and ideas."

- *Employee Company X*

An opportunity to explore and learn emerged with the event according to the employees. Daring to fail is a well welcomed element during the activities where there was an open spirit, and everyone was embraced to speak their minds freely. Other participants emphasize the notion of networking and building innovation bottom-up initiatives. Building communities where ideas can prosper, and insights and experiences can be exchanged are believed to be key for building innovation in the firm.

Passionate people always find an outlet for their commitment, otherwise they will suffocate. We need to focus on opportunities rather than staring in to all hinders and structures limiting us. With engaged colleagues in the Group we can accomplish great things outside our appointed tasks and responsibilities.

- *Employee Company X*

With the series of events running over roughly a month, the second part of the event would take place just about three weeks after the first event and required no preparation work prior to. The time between events presented a window for reflection. Some of the participants returned to their line roles without involving any of the elements presented during their daily work. Others continued to work with the challenges formulated during the event. An informal network with two of the groups, working on similar challenges during the event, was created and the discussions from the event continued. Using a mobile messaging application, the participants continuously communicated between the first and second event. A notion of being part of an informal initiative with a purpose beyond the one faced in line roles and inclined by managers united the participants. Prior to the second event, the two groups merged into one, collaborating on coming up with a solution that would further emphasize change through informal networks. The second event started of where the first one ended. Reorganizations in the groups led to a few new constellations where the groups had been able to merge their work from the first event. Emphasis during the second event was to evaluate and develop concepts based on ideas from the first event and to prepare for engaging complementary competences and resources. Spirits were high when the second event started, even though there was no igniting message such as *Käftsmällen* during the second event.

Following the second event a survey was handed out for the participants to express how they experienced the event. A majority of the participants decided to answer the questions. The

overall feedback was very positive. The negatives mainly concerned practicalities, such as some noise disturbance from surroundings but also suggestions for how the event could have been designed in terms of allocation of time. Several participants suggested that the event should be 2+2 rather than 2+1+1 days. The positive feedback concerned several different elements and can mainly be framed to either methodologies or people as well as a combination of both. Several answers touched upon soft values and described how the participants enjoyed a positive atmosphere and energy but also how they were inspired. A lot of the answers concerned how the participants had become aware of how their surrounding colleagues spurred extensive knowledge and insightful ideas. A feeling of the power of the collective seemed to have spread in the group and one participant expressed *"Together we are a tremendous power, if you want engagement you just have to look for it because there are a lot of people just waiting for their chance"*. On a general question regarding if there is anything that the participants wondered, several of the participants asked for follow-up events. New ways of working also seemed to inspire the participants according to the survey.

5 Discussion

This thesis set out to investigate "*How can large organizations empower individuals to become serial innovators?"* and *"How can small-scale innovation events be designed and carried out to empower individuals to become innovation drivers?".* The questions will be discussed hereunder in relation to literature.

5.1 How can large organizations empower individuals to become serial innovators?

Academics are united on the notion that innovation is essential for a firm success as described by Lawson and Samson (2001), who continues by indicating that innovation is crucial for firms to persevere in fiercely competitive markets. However, within large organizations such as Company X, the justification of resources for soft values such as innovation are problematic. If the general focus and incentives is built round working in delivery roles, not only is it problematic to attract some employees to participate in activities, whilst others are willing to go outside their work and put down the effort needed to attend the events. But also, to convince management on various levels to allow resources whether it be time of employees or monetary support. This could be further problematic as the value output of innovation activities, such as the innovation event, are difficult to visualize in the short term. With innovation being a long-term commitment as suggested by Dougherty and Hardy (1996) long-term value is hard to demonstrate in the short term due to ambiguity and the fact that most contribution is put in the front end-phase, long before a project is formed.

Many scholars take a firm-level approach on innovation capabilities (O'Connor 2008; Björkdahl & Börjesson, 2011). By integrating knowledge from scholars with an individual-level approach to capability theory (Felin & Foss, 2005; Foss, 2011), one can suggest that the system elements would include an element of *individual-level capabilities* in order to gain company-wide capabilities. However, the system approach also implies that we cannot simply derive that individual capabilities for innovation, even if homogeneously dispersed throughout the organization, will provide company-wide innovation capabilities. Because one simply cannot look at the system element mechanisms individually without their contextual presence to one another (O'Connor, 2008). This indicates in practical terms for Company X, that empowering individuals could be an opportunity for developing company-wide innovation capabilities since empowered employees are associated with several elements vital for innovation capability as proposed by Maynard et al., (2012). Yet, taking a systems perspective would mean that the other elements also need to be in place or co-developed – else it is possible that other elements counteract what is achieved on an individual level through the events.

There are some risks involved as mentioned by Börjesson and Elerud-Tryde (2019), which we discuss later, but still some opportunities for the organization. By developing individual capabilities, the individuals in the organization would be 'ready' when the other elements fall into place, and thus potentially begin flexing their innovation muscles - bearing in mind that this requires the last pieces of the puzzle. By creating a platform for individuals to network and inject them with methods and insights to then pursue innovation in their roles. Dougherty and Hardy (1996) claim that one way to build short-term innovation capability can build on focusing on key individuals within a firm. They argue that by equipping and empowering

employees with tools and guidance for how to navigate in an environment missing support, the firm can support the sole innovator. Empowering employees as a path to innovation is further emphasized by Gilson and Ruddy (2006), who identify many positive synergy effects with empowerment such as a more positive attitude. Together the synergy effects could create a positive spiral, further strengthening a companywide innovation capability.

5.1.1 Empowering individuals through the creation of networks

Enabling cross-functional meetings with stakeholders from various parts of an organization can create a fundament for open communication and diminish internal gaps as pointed out by Elerud-Tryde and Hooge (2014). Forming informal networks can work as a means to bridge knowledge and enhance exchange of experience and thus foster a platform for new ideas to prosper (Elerud-Tryde & Hooge, 2014). O'Connor (2008) also mentions the importance for individuals to participate in networks dedicated to innovation. Company X has through preparation work and the held events been able to establish informal networks by connecting employees from different levels and departments. During the preparations of the events but also through various additional initiatives promoting innovation, a varied group of employees have been involved, creating a platform for networking. With the aid of both formal and informal networks the events were able to be designed and carried out with emphasize on the participants as individuals. One could even argue that without the networks the events would not have taken place. This since both identification, invitation and design of the events was to a large extent relying on collaborations that sometimes was beyond the networkers' ordinary roles. The networks became enablers for initiatives to be given space in an environment where time is scarce and delivery focus is high. Throughout the study it became evident that Dougherty and Hardy's (1996) theories on the implications of networks seemed valid.

Networks are a strong force to drive change according to Dougherty and Hardy (1996) who argue that informal networks are crucial for the innovator to succeed in an environment not supporting innovation. One could then argue that the actual work in preparing the events could be as important as the actual events to pursue the overall objective. During the cross-functional preparations for the events innovation became a topic on the agenda. Empirical observations throughout the study period confirm that the work carried out have created links between employees who were unlikely to meet and interact in their line roles. Some of the interactions initiated through the work have furthermore evolved to relations where employees have aligned their roles with mutual passions, creating new meetings with additional colleagues. The evolving networks and new links between employees are a ripple effect warm welcomed by the core team as it is fully aligned with the strategy to drive innovation bottom-up. With growing networks, opportunities to attract and empower additional early adopters open up, potentially creating a positive spiral. Dougherty and Hardy (1996) emphasize the importance of networks and also point out how it is important to support junior employees to navigate in the environment not supporting innovation.

Continuing on the notion of networks, one could argue that the events were possible to fulfill strictly due to current relations and already established networks again as Dougherty and Hardy (1996) suggests that networks are powerful tools in driving change. The company environment described throughout the report does not regularly enable employees to spend several days on

ideation events that lack direct connection to current projects. Attendance and turn-up rate to the events was despite that high. To seek answers for how employees cleared their dense schedules to be able to join the events, one could see three options or a combination: The first option is that they joined due to the personal invitation that the participants received. Where managers or other familiar colleagues asked them specifically to participate emphasizing how they were crucial with their knowledge. The second option could rely upon employees being aware and recognizing the importance of new ways of working, innovation and networking and thereby ensuring their attendance was possible. Thirdly, one could argue that the employees simply perceived the events as an opportunity to escape from their regular tasks for once – although it seems unlikely due to many participants attending the events in addition to carrying out their ordinary responsibilities. A combination of the elements is also possible, the personal relations could very well have worked as an enabler to reach through the abundant information flow employees face as described by Börjesson and Elerud-Tryde (2019). Recognition of innovation and a hunger for new ways of working could then have been a contributing factor for the employees to ensure their attendance.

5.1.2 Managerial support.

One thing consistently mentioned during our interviews was the importance of managerial support in regard to innovation which is also considered highly important by scholars (Dougherty & Hardy, 1996). Structural aspects in the hierarchy incentivize careful use of resources and waste reduction down to the individual level. Although, some managers were reluctant to the restriction in freedom this put on their employees and allowed the individual to actively participate in the event for several days. Thus, managerial support is crucial at the lower hierarchical levels and can be seen as an enabler for innovation. Dougherty and Hardy (1996) describe how symbolic acts by managers are important to drive the transformation. At Company X management is not actively involved in carrying out the strategic priority. The managers are however present at some of the activities to emphasize how Company X and Company X Group recognize the value of becoming innovative. Symbolic act such as presence at selected initiatives could with Dougherty and Hardy's (1996) theories be regarded as key elements for the employees at Company X to notice that management value innovative efforts.

An interesting situation to examine further would be to see what contributes more to team-level capabilities between managerial support for innovation versus empowered collective of individuals. Logically, individuals cannot be empowered if leaders restrict their freedom to make decision but the 'Catch 22'- situation that represents is intriguing – managers need distinct value from the time spent but the employees need time (presumably more than a single event) to demonstrate added value. On that notion, this presents a topic to be validated by further research: What enabler are deemed most important between psychologically empowered employees and innovation supporting management. Reasonably, managers have the authority to allow innovation, and thus constitutes a short-term enabler in line with the argument of Dougherty and Hardy (1996) of education of decision-makers, about the importance of innovation, will support the individual. These decision-makers can also seek to establish a suitable reward system for participation in innovation activities (O'Connor, 2008). This implies that from a classic top-down perspective, individuals should be encouraged by managers to attend the innovation activities by core team. However, as the recent

reorganization at Company X made clear, managers do get replaced with time and the new manager may regard other values more pressing within the organization. As was the case with the mentioned study groups, where suddenly the reorganization hit, and no time was allowed for such activities.

Several researchers have proposed that to catalyze innovation capability, managers can engage employees in innovation activities (Elerud-Tryde, 2016). Dougherty and Hardy (1996) argue that by supporting the sole innovator and making the rest of the employees aware of how innovation is recognized, a short-term innovation capability can be catalyzed. Company X intends with their activities to equip serial innovators with tools to pursue their ideas. Mathieu et al. (2006) furthermore emphasize how employee recognition is key to support a flexible and responsive organization. The short-term capability will then rely on a few individuals carrying the responsibility to act as innovation role models – otherwise there is a risk that other employees will be intimidated. Furthermore, to build a sustaining innovation capability where ideation and creativity can become significant elements of work, extensive managerial action is required (Dougherty & Hardy, 1996). Company X has decided to start developing innovation capability bottom up. Managers are however also a part of the ambition and are expected to also mature in their innovation journey even if emphasis currently is on the employees. Although innovation seems possible to drive bottom-up over a period of time, we argue that if innovation is going to be a lasting element throughout the organization the culture needs to change. A culture where structure and management work as an enabler for innovation rather than hinders is suggested to achieve an innovative company.

5.1.3 Driving innovation through employees

A decision to drive the efforts initially by focusing on employees was made by Company X when carrying out the strategic priorities. Management involvement however have a positive effect on awareness and insight during innovation events as proposed by Elerud-Tryde (2016). Although the priority is emphasizing employee involvement, the priority as such and various initiatives are invoked top-down. Implying that management to certain extent is involved in the development. During the planning phase of the event, the decision was made to run the event network-based. The underlying reasoning was twofold: First, the core team urged to avoid current structures in the organization, by focusing on groups of employees and isolating them from the rest of the organization, new ways of working could be explored by the employees. Secondly, the event was of a trial and error characteristic, and making it too large or involving sponsors early on would heighten the stake in the event. Any mistake would mean that the event would be tainted, and thus receive bad internal reputation. One insight could be drawn from this; in a setting of limited manager awareness, failure is not an option when trying to achieve change with a bottom-up approach.

Whether innovation can be driven bottom up through employees for firms in Company X's context is yet to fully explore. Scholars have presented methods for supporting the sole innovator in an environment not facilitating innovation. Enabling individuals or groups to innovate within the organization seems like feasible methods to ensure that innovation do exist at a firm – not necessarily implying that the organization as such have a well develop innovation capability. For the organization to develop company-wide innovation capability, we argue that

structure and management eventually must follow. This study cannot conclude that long term innovation capability can be driven through the employees for large organizations such as Company X. With given theoretical and empirical background we do however perceive that empowering the individual or group can have strong beneficiary effects as suggested by Doughtery and Hardy (1996).

5.2 How can small-scale innovation events be designed and carried out to empower individuals to become innovation drivers?

Previous literature (Elerud-Tryde, 2016) on innovation events primarily focuses on how large-scale events can be used as a mean to generate ideas and build innovation capability in firms. IBM who are one of the pioneers when it comes to hosting innovation events urged to leverage ideas from the many employees in the firm (Bjelland & Wood, 2008). Company X seeks to draw benefit from similar effects as IBM but the phase focus on piloting smaller events. Running large events requires management to recognize and prioritize the firm's ability to innovate and dedicate resources and attention to the matter according to current academia. Literature mainly focuses on effects of running large-scale events, often through online platforms (Elerud-Tryde, 2016). One could argue that the cause for running the events for many firms are to generate a vast amount of ideas based on combined knowledge during a time limited frame.

Previous studies by Elerud-Tryde and Hooge (2014) point to additional benefits as outcome of running innovation events where soft values such as reduced internal gaps and establishment of new interactions are sometimes greater reasons for hosting events than the idea generation per se. The events at Company X were designed with emphasis on bringing insights and allowing employees to explore new ways of working by fostering dialogue and learning from real company challenges. Doughtery and Hardy (1996) furthermore emphasize that combining innovation with established operations is key to build innovation capability. The events held at Company X incorporate employees in some of the most common line roles at the present firm to ensure that the innovation effort can disperse in the operations as proposed by Doughtery and Hardy (1996). In the studied Company X, the Core Team worked according to the target image (Figure 4.2) and had just entered the phase of launching activities such as the event which was a first attempt to empower the employees. The ambition was to support passionate and competent individuals within the firm to be drivers of innovation to then disperse innovation in the organization. Doughtery and Hardy (1996) argue that sole innovators must carry the innovation weight on their shoulders alone but need to receive support and from the organization. Company X intend to use the innovation events as enablers and thus support the innovators and new ways of working.

5.2.1 Event considerations

The event plans began as an ideation campaign to spark and explore ideas from insights, as a solid quantity of ideas was needed to reach a solid innovation in the end. This would in fact indicate that the function of the event was to generate ideas to improve the firm's offerings instead of developing capabilities. However, as the organization still emphasizes risk-minimization, with many decision gatekeepers, the likeliness of success can be debated. As Assink (2006) identifies this as an inhibitor for developing innovation capabilities. Keeping

the same focus on idea generation could result in a situation where the participants lose faith in the organization due to incapability to facilitate generated ideas.

Dougherty and Hardy (1996) furthermore suggests that involvement of stakeholders in events can serve as a contributing force to close internal gaps, strengthening the internal communication and enabling ideas to prosper. With the events being pilot projects Company X did not at the point consider themselves mature enough to incorporate managers. By only engaging employees, hopes were to create a more open spirit disconnected to the ordinary routines and processes. Klein and Sorra (1996) however argue that an innovative environment could be more important than the implementation of ideas as such. The events were thus designed to work as environments where the necessary environmental elements are in place. By allowing the participants to reoccurring take place in the time-framed events with inspiring environment the ambition was to disperse the ways of working in the line roles. Börjesson and Elerud-Tryde (2019) describe how facilitation of the outcome as well as decision-making processes are crucial elements for idea-generating events to be perceived as successful. However, the function of the event eventually evolved to dispersion of insights, creating interest and dialogues.

Our findings indicate that the incentives were well welcomed initiatives in a work environment where the majority of work capacity is allocated to deliveries. There was however no consensus amongst the interviewed participants about the potential positive effects of attending the event with some employees indicating that they just perceived them as breaks from ordinary tasks. Others emphasized how methods used in the events could be beneficiary in their line roles, some also recognized how the events could serve as a boost in their work since it allowed for networking and knowledge exchange amongst the participants. Having in mind that a majority of the bespoken participants expressed how they appreciated the events one could argue that the individuals who perceived the events as less beneficiary did not speak their minds. The risk cannot be excluded since not all the participants were consolidated about their experiences.

5.2.2 Execution of events

Being able to work in autonomous teams through the events working with solutions for self-formulated problems energized the participants. Autonomous teams and job enrichment are considered pillar stones in ways of working to embrace an innovative culture (Mathieu et al., 2006). Structures embracing job enrichment tend to adjust the dynamics, strengthening employee's responsibility. Mathieu et al (2006) emphasize a shift in power balance from managers to employee to empower individuals. By allowing self-managed teams and providing nothing but inspiration to spur self-formulation of problems and guidance for tools to come up with solutions, the observations during the events at Company X supports Mathieu's (2006) theory. Participants described how the days had filled them with energy. Observations throughout the events and the fact that one of the employees spontaneously returned to the host and expressed how they had not felt this level of energy since they started working for the firm further emphasize how events can be a powerful tool to empower the individual. Empowerment can then according to Maynard et al., (2012) be a powerful tool to strengthen the firm's innovation capability. Discussions during and between the events have throughout the groups been characterized by a positive spirit and covered various subjects including discussion about

how employees could pursue their creative ability and form networks to support each other. Positive attitude is proposed by Maynard et al., (2012) as an effect by letting employees work in autonomous teams. We therefore argue that the autonomous teams that the participants were allowed to work in during the events can have the same positive effects as using the method in ordinary roles.

During the events at Company X, it can be argued that the purpose of the events was not communicated in an efficient manner to attract all participants to return for the full series of event by either misinforming participants upon signing up or raising expectations to high. With wrong expectations the participants may expect that their ideas will focal throughout the events and be subject for further development after the events. As the events rather sought to embrace and empower the employees rather than pursuing their ideas there may be a mismatch in expectations versus intended purpose with the events. It can however also be argued that some of the participants who expressed that they did not see the purpose of returning did not at the time have an appropriate mindset for the purpose of the event. Efforts made to identify early adopters then becomes increasingly important. If the group would not have put in the efforts to identify progressive participants and then design the events specifically for them, one could argue that the turn-up rate for the following events could definitely had been significantly lower Again, stressing the importance of the preparatory work activities conducted by the core team.

During the second event an effort was made by the facilitator from core team to steer the concepts from the first event to align with the Company X agenda. This presents a tricky situation where the event sought after individual empowerment and autonomous teams while also wanting to pursue and generate ideas or concepts with strategic value for Company X. As autonomous teams are considered crucial for individual empowerment it is important to maintain that team aspect of autonomy whilst also conducting work that are is value adding (Mathieu et al., 2006). One can state that the wedding cake - cupcake methodology adapted during the events assisted in the keeping the teams perceived originality of the idea whilst allowing the work teams to adapt their idea towards the company agenda.

5.2.3 Event implications for participants

Elerud-Tryde and Hooge (2014) point out how participation in innovation events can spur innovative ability for the individual employee. Participants recognized the importance of working cross-functionally and meeting new people, referring to experiences where long period of times could pass without communicating with neighboring colleagues in their office space. There seem to be a consensus amongst the interviewees in the firm that Company X consists of employees with extensive knowledge, much of which is currently not utilized. The latent knowledge is believed to be awakened if employees are given means to facilitate an outlet for creativity. Employees taking on an active role to continue working with the questions raised during the events, in-between events, implies that passionate individuals have an ability to embrace each other. The sought-after ripple effect turns out to also be reachable by hosting events as participants have actively engaged a number of non-participating employees to pursue ideas born during the event.

Running successful company-wide innovation events requires that a series of organizational elements are in place (Börjesson & Elerud-Tryde, 2019). Amongst the organizational structures

required is sufficient decision-making processes and management attention. Many of the prerequisites furthermore relies on an organization throughout emphasizing innovation. For an organization where innovation currently is an absent element, the path to acquire the right conditions to successfully run events could appear as long and challenging. Although events can work as a method to build innovation, it is not risk-free according to Börjesson and Elerud-Tryde (2019). They argue that events not necessarily are effective means to develop innovation capability but can sometimes act as a prohibitive force to innovation if not executed sufficiently or being performed in environments not feasible for the initiatives.

Running events in an environment unable to take the resulting ideas further can result in disappointed employees who perceive that their creativity and ideas were not recognized by the firm (Börjesson & Elerud-Tryde, 2019). If so, innovation capability can suffer due to employees losing motivation and faith in the firm's ability to capture their ideas – the opposite to the objective. With the current environment in Company X with limited structural support it becomes vital to pay attention to the participants' perceptions to avoid disappointment. Although ideas may be difficult to implement in the business, the event facilitators must pursue other means to ensure that participants recognize the events as valuable.

Seemingly, the tiredness of no 'creative time' seem to stretch outside the participants at the event as complaints of 'lack of slack' and jammed calendars are common among the interviewees (who were not all event participants). The event was referred to as a 'safe haven for innovative work' and the dedicated members of this group chose to target the effect of structural blockers that exist. The team laid out a process for each employee to enable time for creativity and innovation in the everyday work. Seemingly, there is some frustration among the individuals about the hierarchical workstyle caused at Company X. We have through the interviews identified structure as a leading cause for the hectic and delivery-focused workstyle. The event was reported to be a mentally challenging (and exhausting). However, energetic, inspiring and motivational were words used to describe the event. Giving individuals a taste for empowerment and freedom might affect how the individuals go about their work moving forward. One must however discuss the applicability of the very same events with other groups. Since the series of events were designed for this specific group, including the theme and ways of working – the very same concept could have been unsuccessful in another setting with other individuals.

The core team's first hypothesis based on dispersion of innovation throughout the organization would be that the participants after the series of events would take on the role as ambassadors for new ways of working. Inspired, they start up their own innovation initiatives and diffuse the individual empowerment focus in their work. As some have reported, they had their most energizing time since they first started at the firm indicating that the events can serve as a powerful tool to empower the individual. Furthermore, it becomes interesting to follow-up if the everyday activities at the organization in some way were influenced by the various tools or mindset of the events. Due to the company starting their strategic priority for innovation capabilities without yet having the structure to support such activities, the outcome of them could perhaps cause repercussions as mentioned by Börjesson and Elerud-Tryde (2019).

Additionally, the early start in combination with a reorganization may indicate to the participants that it will take time before the organization is actually individualistically focused.

Some interviews indicated a demand for external influence, where they experienced that external knowledge and inspiration could benefit the organization as well as the individual. The event succeeded in delivering on both points, and hence pleasing the many on the aspect. First, a passionate internal team gave the presentation of environmental urgency. Then an external source was facilitating the event bringing expertise in innovation methods and coaching. Both parties were highly appreciated by the participants.

For the external source of influence coming from a researcher within innovation at Chalmers Technical University, the facilitator was able to bring examples of similar situations that the participants were in. Setting the rules early, also with a very personal touch, with psychological safety that the individuals are expected to let their imagine flow, and not be hindered by the any barriers of feasibility. This led to an open climate where the participants brought many explorative ideas. Baer and Frese (2003) suggest that psychological safety is highly important to achieve innovation performance on a team level. Solely working with innovation is not enough if the individuals are not safe to fully explore new ideas. During the events the integration of psychological safety contributed to a good atmosphere and open climate. One could hypothesize that the small scale of the event enabled an easier approach to achieve a higher degree of psychological safety compared to events reaching a large mass. Baer and Frese also conclude that climates that encourage individuals' initiatives positively correlates with firm level performance. Thus, we argue that the thoughtful construction of the event enabled an open climate that is suitable for innovation.

5.2.4 Continuous Efforts

Although positive effects could be recognized with the events it can be discussed if the methods could serve as a recurring method to invoke engagement. Dougherty and Hardy (1996) emphasize how singular efforts to promote innovation are incapable to establish an innovative culture. More substantial efforts are called upon by Dougherty and Hardy (1996) to drive innovative culture, mainly focusing on a tweaked power balance. One may however argue that Dougherty and Hardy (1996) take a firm level objective to develop innovation and that driving innovation bottom-up does not face same challenges. As the participants seemed energized and pleased with the events – filling them with energy, one could argue that the events created a short but vital boost for the employees. The notion of recurrent efforts should however furthermore be a vital ingredient if innovation is to be driven bottom-up as the principles at Company X suggests.

Efforts to support the sole innovators to operate in an environment not promoting innovation are proposed by Dougherty and Hardy (1996) as a fast-track to short-term innovation capability. We argue that efforts such as the events held through this project and similar activities are appropriate tools to support the innovator. Given the empirical insights implying that the participants were empowered through the events could support that events could work as a means to strengthen the innovator and thus pursue the innovation capability proposed by Dougherty and Hardy's (1996) short term solution. One could however discuss risks associated with the empowered employees returning to their line roles, lacking new ways of working after

being empowered. There could be risks with the empowered employee suddenly realizing that their surrounding environment is far from the event's environment and therefore realize that their ideas and passion is not facilitated in their ordinary roles and instead seek outside the firm to find a more creative environment (Börjesson & Elerud-Tryde, 2019).

To acquire long-term innovative ability, the organization is required to take bold actions and disrupt current power balances as proposed by Dougherty and Hardy (1996). Mathieu et al., (2006) share the same perception and emphasize a tweaked power balance from managers to empower employees. The events serve as a time limited disrupted power balance where the employees get the opportunity to form teams and work with self-selected initiatives. Injecting incentives to the employee to pursue their interests. The events are means of a strategic path to hack existing power balances and structures which Dougherty and Hardy (1996) emphasize to succeed in building innovation capability. With the events the ambition is to disrupt the current surrounding organizational environment and fundamentally develop innovation capability within Company X. Yet again it becomes interesting to study whether it is possible to bypass the managerial implications as proposed by Dougherty and Hardy (1996) and Mathieu et al., (2006) to become innovative and instead rely on the employees.

Work between the events was carried out by participants who created networks but also decided to enroll additional participants. Could maybe then the informal networks – ignited through events – potentially grow large enough to enroll a critical mass in the organization and then disperse throughout the firm? There is however an unneglectable risk that managers would interfere and shut down initiatives due to their lack of connection to the core tasks. One could argue that if managers were to shut down initiatives, they would directly work in contradiction to the strategy for which they have developed themselves.

Assuming that the organization will follow within an appropriate amount of time, psychological aspects might help us navigate the complexity of the situation as Helfat and Peteraf (2015) mentions how mental processes can reach higher results if an individual's path forces one to perform such. Thus, as the innovation event targeted complex problems, allowing own interpretation of the situation and forming own challenges, the event will most likely contribute to the participants' individual capability, later dispersed throughout the firm. The long-term continuous aspect of the activities will play a crucial role in affecting the present capability for firm-level innovation in that manner as a single event will have a minute impact with previous reasoning. The recurrence aspect also relates to Lawson and Samson (2001) who argue that integrating innovation in the regular structure circumvent problems related to not utilizing the current competence. Company X intends to continue with various efforts to continue empowering the employees but also to include larger parts of the organization. Adding the fact that tacit knowledge cannot easily be transferred between individuals or within organizations. Hence, the combination of the two can make ground for preparing individuals in new ways of working which relies on recurrent mutual practice in order to be communicated. In this case, the event works as an arena for internalizing external hard-to-get knowledge for the individuals. This would, in turn and in with a larger scale, suggest that the collective of individuals would achieve competencies for working with soft values as innovation.

The individuals attending the events may realize that they are better suited in environments where facilitation of innovation is well functioning which represents a risk in hosting the events. We identify this as a risk as people get empowered without allowing for right outlet, in form of structures, teams and communities, they might realize that they desire an environment more suited for them. In the case of the events at Company X, it is still early to say; the individuals still have the events as an outlet and the thesis does neither cover the last event nor the continuous work after the events. However, as empirical insights reveal, there are cases where people who had their own ideas for Company X decided to quit and start their own company, with the main cause of not being able to pursue their ideas internally. When the event empowers the individual and schools them to gain insights in the business environment, but the structure still are not in place to facilitate their need for an outlet, will they also leave the organization or stay put? This risk should be thoroughly considered in the case of Company X, since many interviewees pointed out the people as the main opportunity for the organization in relation to innovation. They report many employees as drivers with much passion and experience and losing them would worsen their scenario. Christensen (1997) points out individuals as a major building block for innovation. Again, Dougherty and Hardy's (1996) argument meaning that singular efforts are not sufficient to drive innovation and hence, we argue that efforts must be continuously ongoing if the initiatives should have a positive effect on the organization. The interviewees described how they were passionate and energized by the events, the group must however consider risks when the energized employee is to step back into their line role again.

5.2.5 Consequences of The Reorganization

Throughout the study, no empirical insights implied that the reorganization changed much in power structures in the short term. The notable effects of the reorganization were that of missing space and uncertainty of authority in power structures. Informal innovation ambassadors had seemingly less time outside line roles and informal agreements were thus affected when the drivers' responsibility and space in their role were lost. These relations had been established over time on the foundation of trust and many managers from the management team in the old organization were enrolled to informally support the innovation work effort. This opportunity for greatness disappeared the same day that the new organization replaced the old. For the strategic priority it also meant a loss of momentum, after almost having worked halfway through their three-year mission to lose the supporting people that has carefully been enrolled to dedicatedly work and support the journey towards innovation capability. Similarly, organizations who were prepared to dedicate resources for sponsorship events also faced reorganization.

How much the reorganization affected the research is difficult to evaluate during a short-term study, since several interviewees did not experience much change in routines from the previous structure. Furthermore, Dougherty and Hardy (1996) suggest that changes in structure in relation to innovation is a long-term strategy that requires time. Thus, any effects that contributed or hindered the development of innovation capability are also premature to conclude at this stage. Lastly, at the same time, such changes typically take far longer than the duration of the study.

5.3 Future research

As individual-level innovation capabilities are a seemingly unexplored area in comparison to the firm-level further advancement in this field would be able to provide more insights into the relationship between the two. Exploring whether driving innovation through employees is a feasible approach becomes an interesting field for future studies to take off.

The study took place during a limited time frame. Higher validity in the study could be acquired by studying the subject of empowering key employees with activities, such as innovation event amongst others, during a longer period of time. To see whether the events can change in the management and organization side of the spectrum; a longitudinal study would be of preference. By making a longitudinal study one could see if grass-root initiatives like the event could affect change in the organization. Furthermore, it would also be able to study the case of what affect empowered employees without supporting structures and similar would have on the organization. This kind of study would gain higher accuracy of what the contexts are and what would have been developed anyway versus the effects of the initiative as such. The mentioned risk of participants experiencing a 'honeymoon phase' would be negated with studies over longer periods.

Developing innovation capability by empowering selected individuals through activities and events to then rely on ripple effect was the hypothesis. The hypothesis seems to be valid on a local level – employees appear to have been empowered. The aspect of the ripple effect is still a hypothesis as the timeframe does not allow for follow-up on this matter. Further studies would be able to observe and evaluate proceeding initiatives and follow the development of the ripples. The empowered employees are also subject to study since they were meant to be ambassadors and share ownership of the change.

6 Conclusion

This thesis set out to explore how large industrial firms where current ways of working leave limited room for innovation can build innovation capability bottom-up by focusing on individuals. As a means to build innovation capability, an appointed group facilitates activities focusing on individuals and interactions between colleagues. One of the activities held to drive innovation bottom-up were innovation events where employees identified as early adopters are utilized. This chapter addresses the study's research questions.

How can large organizations empower individuals to become serial innovators?

The passionate employees desire cross-functional interactions and ways to explore their own and colleagues' expertise and creativity, initiatives focusing on the individuals are appreciated elements. Settings where employees get the opportunity to meet, interact and build networks are key to support development of innovation capabilities bottom-up. It is apparent that the activities carried out at the firm have a positive effect to the employees. Mainly by empowering the individuals and providing platforms for exploration and building networks with likeminded colleagues. Empowerment of employees appears as a viable method to build short-term innovation capability. If the priority is to succeed, the rest of the organization including management and structure eventually must follow.

How can small scale innovation events be designed and carried out to empower individuals to become innovation drivers?

Our results show that innovation events can work as a catalyst in the short-term for building innovation capability. They led to the formation of new networks, increased cross-functional communication assisting in breaking down silo-mentality-walls, and empowering individuals – all consistent with previous literature. We argue that the initiatives should be of a recurrent nature to make an impact in the organization. Our results are due to time constraints inconclusive to determine any long-term effects, which is suggested for future research.

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Appendix A – The Event

With the aid of the interviews and other empirical findings observed during the time at Company X, a four-day series of 3 events (2+1+1 days) was constructed by the core team for the company's strategic priority, the student and the university professor.

During the first event were just above 20 employees participated, emphasize was on creating an open atmosphere were ideas could blossom and the participants would feel free to contribute with their ideas and insights. After the participants had gathered, the facilitator asked the participants to pronounce some expectations for the upcoming event. As the participants had been informed to the event by colleagues and managers with assisting information brochure, the expectations varied greatly. Some participants were aware about the underlying aim of building innovation capability while others were unfamiliar to the priority but were instead curious and keen to see how the events would evolve.

"Is the focus to come up with new ideas for Company X?"

- *Employee Company X*

With the expectations noted on a notepad, the day started off with a presentation about Company X and its heritage connected to its visions and mission. Following the overview of the company came an outlook presenting emerging technologies in various fields: Käftsmäll (punch in the face). The final parts of the presentations consisted of an insightful, yet awakening, overview of emerging environmental challenges. Connecting to the challenges, the Company's current development and progress was presented and how it is aligned to the actions that must be taken according to the scientist. A sense of urgency spread through the group of people in front of the presentations as possible scenarios and facts regarding environmental challenges was presented.

After the presentation the group of participants were given the opportunity to form groups to solve cases on selected themes from the presentations. Groups were formed after every individuals' preferences when given the option to work with one of three high level ambitions. Five groups were then formed where three groups decided to focus on the first ambition, one group on the second ambition and the last group focusing on the third ambition. The case worked as a means to start building a team spirit in the groups since many of the participants were previously unfamiliar to each other. The somehow saturated mood from the presentation quickly evolved to an enthusiastic mood with the aid of a rising team spirit from solving cases together. With the cases presented, the teams were now ready to start formulating challenges, that the following series of events would build on. These were created using a template for creating aligned goals, "Hills", developed by IBM. Identifying and formulating problems furthermore served as a platform for the participants to connect due to their different perspectives – coming from different departments within the company. Remaining part of the first event mainly focused on exploring and evaluating prospect concepts to the self-formulated problems - referred to as "hills".

At the outro of the first event, participants were asked to describe how they felt with a single word. "Energized", Inspired", "Enlighted", "Happy", "Hopeful" were the most common

expressions from the participants. When speaking to participants after the event, it became evident that although the expectations were somewhat divergent prior to the event, the participants felt enlightened when leaving the first event. With the event running on a Thursday Friday, the weekend separated the event from initial collection of reflections.

The two following events were conducted in a similar setting with new perspectives. Further down the process implementation and correlation to core tasks became of increasing interest. Due to the third event taking place at an unexpectedly late time in the study, the two first events were where many insights and impressions were gathered and hence constitutes the event-fundament for this report.

Appendix B – Invitation Material

This sections includes selected parts of the invitation material. The selection was made based upon whether the parts included sensitive information revealing Company X.