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The background of the lower half of the cover features large, stylized, overlapping letters 'W' and 'I' in a light teal color, set against a darker teal background. The letters are composed of multiple semi-transparent layers, creating a sense of depth and movement.

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The European Journal of Workplace Innovation (EJWI) is an open-access, net-based, peer reviewed and English-language journal. The Journal invites research-based empirical, theoretical or synoptic articles focusing on innovation and workplace development.

The aim of the journal is:

- To develop insights into workplace innovation
- Provide case studies from Europe as well as comparative studies from other continents
- Develop and present new theories in the field of workplace innovation
- To increase international publication within the field
- To become an important publication channel for workplace innovation researches as well as the international research community.

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Editorial

Richard Ennals

Editor in Chief

The sudden Russian invasion of Ukraine in February 2022, and the influx of millions of refugees into other European countries, with major economic and social implications, has prompted fresh reflections on what it is to be “European”. This umbrella label covers citizens of many countries, with different political circumstances. We have in common our history of opposition to totalitarianism and top-down command and control. Our preference is for peace, dialogue, and bottom-up initiatives.

The *European Journal of Workplace Innovation* (EJWI) has contributors and readers around the world and takes a pluralist editorial approach. Issue 7.1 comprises articles from Europe. Issue 7.2 largely comprises articles from outside Europe.

Taking the countries represented by contributors to EJWI 7.1, Norway did not join the European Union, but is a member of NATO. The UK left the EU but continues in NATO. Sweden and Finland are members of the EU, but not of NATO. The Netherlands and Spain are members of both the EU and of NATO.

European countries, despite these different circumstances, have in common a commitment to self-determination, independence and democracy, which take varied political forms. That also affects approaches to work, employment and society, with varied national traditions of industrialisation and social partnership. There was a strong tradition of Industrial Democracy in Norway, which was not matched in the UK. The European Commission developed EU policy on Partnership for the Organisation of Work, Social Partnership and Social Dialogue. EJWI Issue 7.1 provides insights into some of the debates and reveals shared principles.

“Workplace Innovation”, with strong roots in Europe, and growing interest internationally, is increasingly a focus for workplace practice and development, as well as for theory and policy making. It has brought together previously distinct national traditions of research and practice, building an ongoing process of dialogue, in which we seek to “learn from differences”. In this issue, we do not try to provide a single precise definition of Workplace Innovation. Rather, we can identify the emergence of a common language and a set of shared concepts, which are used across borders of countries and sectors. We realise how much we have in common, as we face new global challenges.

In previous issues of EJWI, we have published accounts of a number of managed national programmes in the field of Workplace Innovation, including Sweden, Norway, Germany,

Finland and Scotland. Each provides the basis for lessons to be learned in other countries, and for possible future programmes at a European level.

In a detailed study at national level in Finland, with lessons for possible future EU funded programmes, Tuomo Alasoini reports on a major managed programme of workplace development in Finland: one of a series of such programmes in Finland. How do programmes cope when policy objectives change?

This programme is then evaluated by Steven Dhondt from the Netherlands, who argues the case for such public investments. Steven leads a number of collaborative projects in the Netherlands and in the EU Horizon Europe programme.

Perhaps the most interesting articles in this issue present particular workplace cases, and academic perspectives across Europe. They suggest that since EJWI 1.1 was published in 2015, there has been a culture change in European workplaces, which provides evidence of some positive results from a movement to develop Workplace Innovation.

Garazi Carranza, Giacomom Petrini, Begofia Sanchez and Oihane De La Rúa consider the comprehensive application of Workplace Innovation in the management of Spanish railways. There are clearly implications for transport system across Europe.

Three articles, from different Nordic countries and academic disciplines, show how the culture of Workplace Innovation provides common links and academic references, spanning previously distinct traditions.

Øystein Tønnessen explores employee creativity in coworking spaces in Norway. His systematic literature review, covering publications over 15 years, highlights synergies in recent alternative approaches. I am reminded of research in the UK on “Healthy Working Centres” in 2003, when lack of trust by managers stood in the way of developing coworking spaces. The advent of the Covid pandemic since 2020 has brought major change.

Linda Lidman, Maria Gustavsson and Anna Fogelberg Eriksson discuss approaches to managing Workplace Innovation, with three cases in the Swedish public sector. Managers in the public sector recognise that they have to learn to combine exploration and exploitation, in order to be innovative.

Salla Karima, Satu Uuslautti and Kaarina Määttä look ahead, and define the core of successful millennial leadership in Finland, through detailed interviews. The paradigm of Workplace Innovation seems to fit the needs and aspirations of young managers and business leaders. We can see how the process of culture change can continue, with a new balance between technological and organisational issues.

EJWI works in close association with the European Workplace Innovation Network (EUWIN), which links partners in ten countries in a self-financing organisation, with members from across Europe, combining researchers and practitioners.

The Discussion Forum section in this issue includes publication of the EUWIN Manifesto, authored by members of the EUWIN Board. The manifesto aims to set out a collective position, based on long and extensive practical experience, and linked to processes of policy development which is intended to set the scene for continued collaboration in Europe. Workplace Innovation is viewed as central to European policy, and a key source of European collaborative advantage in the context of the global economy. EJWI and EUWIN will welcome responses.

We recognise that there is no “one best way”, within this new paradigm of work and society, in which collaboration is valued, as well as the pursuit of competitive advantage. We have learned to respect alternative perspectives and traditions, with diverse patterns of argument. Self-determination is a shared value, operating at many levels: individuals, organisations, regions, nations and the EU. There are common frameworks, such as Socio-Technical Systems Thinking and Human-Centredness, which provide a common language and set of concepts. We have a shared humanity in difficult times: together we can hope to bring about improvement in our one fragile world.

Promoting Workplace Innovation in an Innovation Policy Context: The Case of the Finnish Liideri Programme

Tuomo Alasoini

Abstract

The wider societal impact of Workplace Innovation development programmes has typically been limited by their poor ability to scale up project outcomes and disseminate good practice. Researchers have proposed different means to address the challenges of diffusion. One of the suggested means is to strengthen the integration of programmes to industrial or innovation policy frameworks, instead of an industrial relations framework. Using the “Finnish Liideri – Business, Productivity and Joy at Work” (2012–18) programme as an object of analysis, this article examines what added value the programme’s attachment to the innovation policy context brought compared to previous Finnish programmes and to what extent this attachment helped to bring new solutions to the challenges of diffusion. The analysis shows that the Liideri programme included many new features compared to previous Finnish programmes, opening up opportunities for more holistic development work in companies. However, based on the data available, it was not possible to give a clear answer to the question of the real added value of this integration to the development of companies or compared with the results of projects funded by previous Finnish Workplace Innovation development programmes. Concerning the question on dissemination of good practice, the article concludes that, despite its large-scale and high-quality activation work, the Liideri programme did not include sufficiently efficient and innovative measures that would have enabled it to meet better the challenges of diffusion.

Keywords: Development programme, Evaluation study, Innovation diffusion, Innovation policy

Introduction

Many European countries have implemented publicly funded programmes to improve productivity and the quality of working life (QWL) by promoting new forms of work organisation or other kinds of Workplace Innovation (WI) already since the 1960s and 1970s. The programmes have been able to bring about desired changes in the companies involved, but, at the same time, their wider societal impact has typically been limited by their lesser success in scaling up project outcomes and disseminating the good practices developed in the projects to a wider range of companies (Alasoini et al., 2017). This shortcoming has been an obvious problem regarding the legitimacy of WI development programmes in the eyes of administrators of public finances and other policymakers, while the justification for publicly subsidised interventions in working life should be based on their ability to generate positive externalities (e.g., knowledge spillovers, network effects or cumulative innovations) in addition to isolated, one-off successes.

The difficulties facing the programmes in disseminating good practice and achieving wider societal impact are already partly related to the nature of WI. The diffusion of WI (or any other innovation or good practice) is not a process of mechanical transfer from one context to another, but must be understood as a process requiring local re-invention, re-creation and learning on the recipient side (Ansari et al., 2010; Kennedy & Fiss, 2009; Lillrank, 1995; Wareham & Gerrits, 1999). The more complex and abstract the innovation, the greater the need for local learning and redesign.

Over the years, researchers have proposed different means to address the challenges of diffusion. The means range from more effective use of means of communication (e.g., training, seminars, publications and good practice data banks) to better use of networks (e.g., diffusion, innovation or learning networks) and redefining the policy contexts in which the programmes are conducted (Alasoini, 2016; Brulin & Svensson, 2012; Gustavsen, 2017; Naschold, 1994). German scholar Frieder Naschold, who was involved in the evaluation of many well-known development programmes in the 1980s and 1990s, presented in 1994 a “best-practice model of national development strategies” (Naschold, 1994). The model employs six generic principles that Naschold considers crucial for the societal impact of national strategies.

One of Naschold’s key arguments is that the strategic justification for a workplace development strategy should arise primarily from macro-level industrial policy issues, rather than within the industrial relations system or research system. He claims that without an adequate link with macro-level industrial policy issues and, consequently, with the strategic development goals of companies, there is a danger that workplace development could easily remain simply a way of intervening reactively with various “corrective” measures, for instance, in the problems caused by new technologies or new business and production models. According to his line of thinking, development that originates one-sidedly from the problem settings of the industrial relations system carries the danger of producing too conservative solutions; the main problems are considered in a traditional way, from the perspectives of

structures that currently exist but are gradually disappearing. As a consequence, development may not be able to sufficiently support the emergence of new, evolving structures.

While Naschold's argument can be considered valid as such, it is possible that excessive integration of WI development programmes into industrial policy or mainstream (business- or technology-driven) innovation policy may bring new problems with it. One of them concerns the role of the social partners. As Mikkelsen (1997, p. 74–76) has pointed out, the involvement of the social partners has played an important role in strengthening the social legitimacy of WI development programmes, especially in countries and sectors where both employers and employees are highly organised. Above all, their involvement has helped to ensure that the programmes also pay attention to employees' goals and opportunities for participation in the processes of change. On the other hand, the inclusion of this democratic element in development activities, guided by problem settings of a mainstream industrial or innovation policy framework that preponderantly reflects the interests of businesses, is by no means self-evident. In fact, there is the risk of transforming WI development into only an instrument of owner- or management-driven business development. The European programme history so far shows that the industrial policy and industrial relations frameworks have intermingled with each other as policy contexts for the programmes in a variety of ways, and the programmes' attachment also to industrial policy has not as such become a silver bullet in meeting the challenges of diffusion (Alasoini, 2009; 2016).

This article takes as a starting point the interplay between the different policy areas discussed above in the context of WI development programmes. The empirical subject of the article is the "Liideri – Business, Productivity and Joy at Work" programme that was implemented in Finland in 2012–18 by the Finnish Funding Agency for Innovation (Tekes). Liideri was intended to serve as a showcase of how the promotion of WI can be combined with the new national innovation strategy adopted in Finland since 2008, based on the principle of a "broad-based innovation policy".

The article starts with an elaboration of the research questions and an explanation of the research method. This is followed by an analysis chapter divided into four sections, including an overview of the preceding Finnish programmes, a general description of the Liideri programme, a look at the programme's policy rationale and an assessment of its outcomes. In the final chapter, conclusions will be drawn.

Research questions and research method

The two research questions in the article are as follows: *First*, the article asks what added value the Liideri programme's attachment to the innovation policy context brought compared to previous Finnish WI development programmes. The *second* research question is to what extent this attachment helped to bring new solutions to the challenges of diffusion. Underlying these questions is an argument derived from Naschold's (1994) model that an

industrial or innovation policy framework forms a better starting point for programmes for meeting diffusion challenges than a strong commitment to an industrial relations framework.

Two types of analysis are used to answer the research questions. The first is a re-reading of an external evaluation study that was conducted of the Liideri programme at the commission of Business Finland (a new public organisation that was established in 2018 as a result of a merger between Tekes and a public export- and investment-promoting organisation Finpro). In 2020, according to the normal practice of Business Finland (and previously Tekes), the Liideri programme was evaluated two years after the programme ended, together with three other programmes. These four programmes had in common that they were forerunners for promoting human-centric businesses and intangible value creation in the eyes of Business Finland. The evaluation report, conducted by a Finnish consulting agency Owl Group (Oosi et al., 2020), contains a separate evaluation of each programme.

Another method for evaluating the Liideri programme and answering the research questions is the author's own subjective views as an insider. Being an "insider" means here that the author participated in the design of the programme concept, and was a member of the programme steering group until the beginning of 2018, but did not actively participate in day-to-day operations of the programme, especially in its final stages. The author was no longer employed by Business Finland at the end of the programme and was not in any way involved in the planning or implementation of the evaluation study.

Combining these two lines of inquiry, the author seeks to supplement the image produced by the external evaluation study in three ways: first, by deepening the role of the Liideri programme as part of the continuity of Finnish WI development programmes; second, by diversifying the view of Liideri as a new type of activity as part of the operation of a traditional technology and innovation funder (Tekes); and, third, by mirroring the evaluation results to previous discussions on the social impact of programmes and especially the Naschold model (see Introduction). The author is fully aware that the insider perspective carries the risk of bias. Biases may relate, for example, to emphasising one's own role in the successes of the programme, to legitimising one's own activities in the programme more generally, or to highlighting the successes of the programme at the expense of shortcomings: or, for one reason or another, the other way round. The risk of bias is likely to be reduced by the fact that the article does not seek to challenge any of the results of the evaluation study. The author's criticism of the study relates only to a certain narrowness of its question setting (for more details, see below).

Analysis

Finnish WI development programme history in the 1990s and 2000s

Finland was a latecomer compared to its Nordic neighbours in introducing WI onto the political agenda. The first serious attempt in Finland was taken by the Working Conditions Committee in 1991. The Committee that was appointed by the Ministry of Labour two years earlier, and comprised mainly representatives of different public agencies, recommended in its final report that the Ministry should launch a national programme to improve QWL in co-operation with the social partners. However, in the middle of an economic recession that plagued Finland in the early 1990s the attention of policymakers was in soaring unemployment, and the recommendation was downplayed by both the Ministry and private employers. Neither did the proposal receive unconditional support from the academic community.

However, as a response to growing tensions between employers and trade unions during the recession, the social partners prepared a joint initiative for the promotion of productivity. Their proposal led to a launch of the National Productivity Programme (NPP) in 1993. NPP became coordinated by the Ministry of Labour. During its first years of operation, NPP funded a number of applied research projects, which strengthened the belief among the social partners of the need for joint activity in meeting problems with productivity. This paved the way for broader co-operation in issues dealing with WI as well.

In 1996, the Ministry together with the social partners launched the Workplace Development Programme TYKE as part of the programme of Prime Minister Lipponen. Initially, TYKE was set for four years, but it continued for another four years as part of the programme of the second Lipponen Government. The justification for the programme, and the need to raise WI onto the political agenda, was to “fix holes” in the Finnish innovation system, which was still one-sidedly technology-oriented at the time, and to improve its social effectiveness. Between 1996 and 2003, 668 projects in all sectors of the economy were funded by the programme. A clear majority of them were development projects in which consultants and (action) researchers worked side by side with practitioners, reflecting the demand of private employers’ associations that the programme should take needs of the workplaces as its starting point. In addition to development projects that focused on the development of work processes, new forms of work organisation (e.g., teamworking) and workplace community, TYKE also sought to disseminate good practice and reinforce knowledge base of WI in Finland through network building, seminars, publications and data banks (Alasoini et al., 2005; Arnkil, 2004).

To continue the work of TYKE and NPP that had been running in parallel, the Ministry launched the new Workplace Development Programme TYKES in 2004. The new programme was initially established for six years but was later continued for an additional year. Its policy rationale and main forms of activity were basically the same as in the previous programmes,

but TYKES had more ambitious aims, a more advanced programme concept and greater financial resources. A guiding principle underlying TYKES was to evolve to a kind of social movement for scaling up WI and bringing about visible improvement in QWL in Finnish working life (Alasoini, 2004). The programme awarded funding to 1,168 projects, focusing increasingly on SMEs. It also laid more emphasis on the development of development methods, learning networks and dissemination than the TYKE programme. Especially by funding learning networks, TYKES sought to create arenas for long-term innovation collaboration between groups of workplaces and researchers.

In a great number of involved workplaces, improvements in productivity and QWL could be shown (Ramstad, 2009). On the other hand, the programme's success in disseminating good practice and evolving into a genuine social movement did not fully meet the expectations (Alasoini, 2016; Arnkil, 2008). After the programme ended, it has become obvious that more focused activities and a better integration with overall business development and innovation strategies of workplaces were needed for the future.

New opportunities for this opened in 2008, when the government adopted a new national innovation strategy for Finland under the catchword "broad-based innovation policy" (Aho et al., 2008). The new strategy's key principle was that the focus of innovation policy should be shifted increasingly to demand- and user-driven innovations and the promotion of non-technological innovations. Underlying this strategic reorientation was an observation that although the Finnish innovation policy approach could be characterised as "systematic" at the time, it was still "narrow" in the sense that its focus was firmly on technological innovation, it concentrated on advances in certain key branches and technologies, and it promoted innovation activity mainly by funding leading-edge firms and top universities and research institutes. As part of the new strategy, funding WI that improves labour productivity and QWL was added to the legal tasks of Tekes, the largest public R&D funding agency in Finland.

General description of the Liideri programme

Following the parliamentary election of 2011, a new government led by Prime Minister Katainen took office. In its programme, the government decided to draw up a National Working Life Development Strategy for Finland. The strategy was prepared by the new Ministry of Employment and the Economy, in co-operation with other ministries and the social partners (Ministry of Employment and the Economy, 2012). The Ministry established the Working Life 2020 project to promote the implementation of the strategy from the beginning of 2013. Working Life 2020 became an umbrella that sought to co-ordinate working life development activities of more than eighty public, private and non-governmental institutions (including also Tekes) with only a small budget of its own. The Sipilä Government that took office in 2015 continued the project until 2019.

As part of the Strategy, Tekes launched a new programme entitled "Liideri – Business, Productivity and Joy at Work" in 2012. The Liideri programme aimed to produce management

and organisational practices, which renew business activities and working life (Alasoini, 2012; 2015). At the beginning, the programme had two focus areas. The *first* of them was employee-involving innovation. This concept referred to active and systematic participation of employees in ideation, innovating and renewing of products and services and ways of producing them, with a view to creating new solutions that add value to customers. The *second* focus area concerned research and development on new forms of work organisation and working, as part of renewal of business activities. The programme started out with the premise that work organisations of the future will be increasingly built on principles such as decentralisation, self-management, process-orientation, customer-orientation, emergence and agility. Special emphasis was laid on organisational forms that follow the above principles and are based on the ideas of shared leadership, networking, distributed work, employee-customised solutions and innovative application of new technologies. However, a *third* focus area that was called Management 2.0 was soon added to the programme. This concept referred to management principles, processes and practices that help an organisation to promote initiative, creativity and innovation potential of personnel, with a view to achieving competitive edge based on them.

The Liideri programme also faced many other changes during its operation. The most important change occurred in 2015, when Tekes, due to severe cuts in its budget, decided to centre its R&D project funding solely on companies that seek growth from the international market, by renewing and expanding their business activities. This narrowed down considerably the number of companies eligible to Tekes funding and led to a steep decline in the number of applications submitted to the Liideri programme, since many of the companies that were funded by the programme before the change in strategy were operating and seeking growth only in the domestic market. Following the change, managing international growth became an increasingly important target for projects funded by the Liideri programme. Another important renewal that took place in accordance with the new Tekes strategy was an increased emphasis laid on the role of digital technologies in the reorganisation of work. These changes also led to a reformulation of both the programme mission and the programme vision in 2016 (Oosi et al., 2020).

Both development projects and research projects were funded in the Liideri programme. Compared with the previous TYKE and TYKES programmes, in the development projects, a closer connection between the development of management and organisational practices, on the one hand, and of products, services and business operations, on the other hand, had to be found. The Liideri programme granted funding to 267 development projects and to some fifty applied research consortium projects between 2012 and 2018, totalling about EUR 67 million of Tekes funding. The group of workplaces whose development projects could be funded was narrower than in the TYKE and TYKES programmes, as indicated above. In addition to the fact that only companies that sought growth from the international market could be funded from 2015 onwards, Tekes had a high threshold for funding development projects in public organisations. The share of industry and the construction sector of all funding awarded for development projects was 47%. Companies in the private service sector

accounted for a roughly equal share, while the share of public-sector organisations totalled less than 5%. Within industry, the metal and engineering industry accounted for a lion's share of development project funding. In private services, companies in the information and communications sector (including software development companies) were clearly ahead of other service industries with a share of 27% of all funding to development projects. The proportion of the programme's funding awarded for development projects in SMEs was about 70% of the funding awarded for development projects in total. In addition to the 267 development projects, all research consortium projects involved, alongside universities and research institutes that acted as project applicants, companies or other workplaces that had to commit to the project with a small financial input. The number of such companies was over three hundred.

The Liideri programme also sought to raise the awareness of workplace management, and to encourage them to launch development and innovation projects in keeping with the scope of the programme, and to disseminate information on the lessons of funded projects. Thematic focus areas of such activation work varied annually. Activation work mainly took the form of case descriptions on the programme web pages, arranging seminars and meeting forums for companies and organising information campaigns with different headings (Oosi et al., 2020). Of the different programme focus areas, most effort, especially at the end of the programme, was focused on how companies can manage international growth by distinguishing underlying critical success factors.

The programme steering group was a mixture of representatives of Tekes, companies, social partners and research institutions. Compared with the TYKE and TYKES programmes, especially the role of the social partners was lesser in the planning and implementation of the programme. Tekes did not have the same tradition of tripartite co-operation underlying its innovation-funding activities as the Ministry of Labour in labour policy.

Putting the principle of a broad-based innovation policy into practice

The principle of a broad-based innovation policy formed the general policy framework for the Liideri programme. The programme policy paper (Tekes, 2012) started with the assumption that Finnish companies will increasingly have to seek competitive edge in the globalising economy from innovations in their business activities. The policy paper further argued that, in the future, a growing number of such innovations will be intangible and service oriented. In generating service-oriented innovations, knowing the wishes, expectations and needs of users and customers will become increasingly important. As a result, the group of innovation actors will grow and become more versatile. The policy paper especially emphasised that employees' active role in innovation will become an increasingly important competitive factor for companies for at least three reasons:

The market will change at a faster pace. Market changes will take place faster, and they will become more difficult to predict. Being able to react to changes rapidly requires continuous

feedback from customers and users. Employees working at the customer interface have an important role in producing this information.

The economy will become networked. Due to networking and outsourcing, producing innovations will be increasingly spread out within the business field from big corporations to smaller businesses which do not have the same kind of specialised R&D personnel as larger companies. They must innovate by also encouraging their rank-and-file personnel to participate on a broad front.

The skills and competences of employees will improve. The general level of education and know-how of employees in industrial countries has improved, and companies employ more and more people with the ability to see larger entities and participate in solving even complex problems. Many employees already perform knowledge-intensive work that essentially includes problem-solving.

In addition to the fact that the starting points of the programme included a new rationale for employee participation, the programme policy paper argued that involving employees on a broader front in innovation is not possible without simultaneous renewals in management principles, processes and practices. The programme policy paper especially emphasised the role of innovation management, knowledge management, diversity management, human resource management and value management. Furthermore, according to the policy paper, participation in innovation is also an important means of improving employee well-being in an increasingly volatile working life by contributing to employees' sense of coherence, i.e., helping employees see their work as comprehensible, manageable and meaningful.

The conceptual background of the Liideri programme was a combination of diverse sources of influence. As mentioned above, from a policy perspective, Liideri represented an approach in keeping with a broad-based innovation policy, by emphasising the significance of non-technological innovations and the role of workplace communities in innovation, thus broadening the view on the group of relevant innovation actors. The idea of giving rank-and-file employees an increasingly important role in innovation was supported by simultaneous academic discussion on employee-driven innovation, a new concept originated among a circle of Nordic academics and trade unions (Høytrup et al., 2012). The debate on employee-driven innovation, in turn, had interlinkages with discussions by many contemporary leading management thinkers on the need for radically reforming the basic principles of management, and helping companies to become "innovation democracies" in the new business context. For example, the ideas presented by the US management scholar Gary Hamel that passion, creativity and initiative are now the most important human capabilities in terms of company value creation (Hamel, 2007, p. 59), was an appealing argument that was well in line with the basic starting points of the Liideri programme.

Exploring the successes and shortcomings of the Liideri programme

Making judgements of the successes and shortcomings of the Liideri programme in promoting WI is made difficult by at least three factors. *First*, unlike the TYKE and TYKES programmes, Liideri did not have a systematic built-in way to collect data on the effects of its projects as they ended. The external programme evaluation study (Oosi et al., 2020) includes some data on the projects' economic impacts but does not provide information on their broader social and human impacts, due to the study's unfortunately narrow question setting (see below). *Second*, the programme underwent many changes during its implementation, and even its mission and vision were rewritten in 2016. Should this be taken as an indication of strategic agility of the programme or, alternatively, indecision on the part of Tekes and the programme steering group about what the programme ultimately sought? *Third*, the Finnish business environment in the 2010s was more challenging for workplace development than in the 1990s and 2000s. During a long period of sluggish economic growth and volatile economic environment that plagued Finland until the end of the 2010s, the threshold for launching long-term development projects was high for many companies. Uncertainty and frequent organisational restructurings, and negotiations concerning dismissals and layoffs, made it difficult for many companies to carry out collaborative development.

In the following, the Liideri programme is explored from two perspectives. The results and conclusions of the external evaluation study are supplemented with the author's own observations and remarks of Liideri as a WI development programme, mirroring them to the previous TYKE and TYKES programmes.

The external evaluation study highlights, as a general result for all four programmes, that they had served as a means of raising awareness within the funding agencies (i.e., Finpro and Tekes) of the importance of non-technological innovation for businesses. Doing so, they had managed to bring new customers for both agencies (Oosi et al., p. 66). However, at the same time, this had also given rise to new problems, especially in innovation funding. Requirements for public funding of innovation at Tekes were originally designed from the perspective of technological product or process innovation, and they did not fit well in all cases where the object of funding was a non-technological innovation (ibid., 68).

Concerning the Liideri programme, the evaluation study states that there is evidence of plenty of concrete results, especially in the form of development projects that have led to important organisational or other kinds of changes for the involved companies and boosted their development activity. Using an econometric analysis, the study concludes that the Liideri programme has had a statistically significant positive effect on turnover and the number of employees in firms participating in the programme, when compared to a control group in a three-year time frame. However, the study did not find a statistically significant difference between the two groups in labour productivity growth or the growth of exports (ibid., p. 45–49).

The evaluation study brings up the fact that the focus of the Liideri programme shifted during its operation. The shift of focus was caused by changes that took place from outside the programme, without the programme steering group being able to influence them. The evaluators argue that strategic shifts in the programme portfolio require careful planning and communication with the programme participants. The evaluators do not comment on the appropriateness of strategic and organisational changes that took place at a fast pace in Tekes between 2012 and 2018, but they let us understand that these caused discontinuity, and led to uncertainty and anxiety among the programme implementors and other participants (ibid., p. 68–69).

Despite the above problems, the evaluation study considers that the overall quality of programme service of Liideri was high. However, as a more critical point, the study states that the programme activities focused too much on those companies, and other stakeholders, who were already somehow attached to the programme. This shortcoming was exacerbated towards the end of the programme, when the programme's support increasingly focused only on companies seeking growth in export markets and geared to their ability to manage growth in their international businesses (ibid., p. 69–70). This observation also makes the evaluators raise the question whether Business Finland, the new amalgamation with a new mission and strategy, is any more an appropriate public agency to conduct activities for promoting WI (ibid., 72).

The evaluation study deals with all the four programmes, mainly from the perspective of what was new for Tekes and Finpro, and what lessons could be learned from them for the future operations of Business Finland. In the following, the Liideri programme will be examined from another perspective, i.e., as a new phase in the chain of Finnish WI development programmes. Doing so, it is possible to distinguish six new features in which the Liideri programme differed most from the previous TYKE and TYKES programmes:

A closer link between business development and workplace development, as well as technological innovation and WI. Unlike in the cases of both TYKE and TYKES, it was possible for Liideri to support innovative development of business operations, technology, products and services, management and work organisation within the same project. There are reported case examples in Liideri, where this holistic approach has brought clear added value to companies. Unfortunately, the evaluation study does not shed much further light on this issue. Therefore, it is not possible to statistically assess the real significance of this more holistic approach's added value for a larger group of companies, or the effects of the more holistic development approach in terms of employees' opportunities for participation or their overall role in project goal setting.

A stronger focus on management reform. In the beginning of the Liideri programme, the need to renew management principles, processes and practices was, first and foremost, considered a means of promoting the initiative, creativity and innovation potential of personnel, and paving the way for employee-involving innovations. Later, with the changes in

the strategy of Tekes, management reform became an even increasingly important target area in Liideri, but now for another reason, i.e., as a prerequisite for safeguarding successful international growth. However, focusing on management reform as the *raison d'être* is a double-edged sword for any publicly funded programme. On the one hand, management affects, directly or indirectly, most things in companies, and management innovation can probably produce longer-lasting competitive advantages than any other type of innovation (Hamel, 2007). On the other hand, measuring and assessing effects of development projects with a focus on management reform (let alone management innovation) is much more difficult than in the case of more traditional development targets, such as new forms of work organisation or the work environment.

Increased emphasis on digitalisation in the renewal of business and ways of working. The TYKE and TYKES programmes did not place special emphasis on technological development as a factor for change in working life and a catalyst for WI. In the beginning of the Liideri programme, the advance of digital technology was considered as one potentially important trigger for the need to renew ways of working, but, again, with the changes in the strategy of Tekes, the role of digitalisation as a potential means of radically transforming business gained more prominence in the programme. Liideri sought co-operation with publicly funded digitalisation programmes that were run parallel in Tekes, focusing on themes such as artificial intelligence, digital business platforms, industrial internet and the fifth-generation mobile networks, in joint research calls, campaigns, events and strategy workshops. Once again, it is not possible to assess the potential added value of this strategic shift and increased programme-to-programme co-operation on programme- or project-level effects of Liideri.

A more systematic approach to integrating WI into broader transformative changes at the level of companies and ecosystems. Especially towards the end of the Liideri programme, Tekes started to increasingly bring business ecosystems to its strategic centre. Now, Business Finland has renewed its financial instruments and other services to better support, alongside individual companies, the creation and development of such ecosystems. In line with the strategic reorientation of Tekes/Business Finland, during the last two years of operation, the Liideri programme also funded a bunch of large development projects, with an eye to supporting broader transformative change of business. Evaluation data on the impacts and successes of those projects is not available.

A more instrumental view on QWL and employee participation. The Liideri programme adopted a renewed view and terminology towards QWL and employee participation. Instead of QWL, the programme talked of “joy at work”. With this change of terminology, the aim was to indicate that good QWL as such is not enough to bring about the level of initiative, creativity and engagement that is needed for a culture of employee-involving innovation to root in the workplace. The TYKE and TYKES programmes required from a project to get funding, that also employees in question can directly participate in the implementation of the project, whereas in Liideri the focus was on employees’ role in innovation as such. It is not possible to estimate, reading the evaluation study, how the ambitious targets set in the Liideri programme

concerning employees' involvement in innovation and joy at work were realised in practice. This can be considered a serious flaw in the evaluation study, as one of the special objectives of the Liideri programme and its special feature as the Tekes programme was just the promotion of employees' role in innovation and joy at work among participating employees.

A narrower focus on working life change. The Liideri programme had a narrower focus than the previous TYKE and TYKES programmes, in terms of both themes and the group of potential applicants eligible to project funding. Based on the experiences of the TYKES programme, it was evident that more targeted action for developing working life was needed in Finland for the future. In the beginning, Liideri centered on companies that were seeking growth in general, but, with a change in the strategy of Tekes, programme funding started to focus solely on companies that sought growth from the international market. As a publicly funded programme, it makes sense to target resources to an area with the greatest potential benefit to the whole economy, i.e., in this case, expanding the volume of Finnish exports. However, at the same time, targeting increasingly a smaller number of better-than-average companies carries a risk of widening the gap between companies in general. As shown by an analysis published by the OECD (Andrews et al., 2016), a productivity gap between frontier firms and other firms has been rising in recent years, indicating that the dissemination of good practices from one company to another has become increasingly arduous. This means that it may be increasingly difficult for any programme that focuses solely on the (exporting) national productivity frontier to set into motion a learning effect among a larger group of companies without an explicit, skilfully designed "gap-bridging strategy". Such a strategy would call for a comprehensive repertoire of programme instruments or, alternatively, close collaboration with other programmes and institutions specialised in dealing with follower companies. In the case of Liideri, such a strategy was missing.

Conclusions

This article sought answers especially to two questions. First, the article examined what added value attachment of the Finnish Liideri programme to a broad-based innovation policy context managed to bring about, compared to previous Finnish WI development programmes. The second question concerned to what extent this attachment helped to find new solutions to the challenges of diffusion.

The Liideri programme *did* include many new features compared to previous Finnish programmes that were made possible by the Liideri programme's new home base at Tekes. The most visible indication of this was that it was now possible to integrate parallel innovative developments in organisational, management, or other work-related practices with the development of new products, services and business operations within the same company development projects. This opened up opportunities for more holistic development work in companies and made it easier and more flexible for them to apply for public support for such innovative development projects. Many companies used this opportunity, either as part of

the Liideri programme or in other projects that were funded from outside the programme, as individual Tekes development projects or as part of some other Tekes programmes. However, as this issue was not included in the question setting of the Liideri evaluation study, it is not possible to give a clear answer to the question posed at the beginning of the article about the real added value this integration has brought to the development of companies or compared with the results of projects that were funded by previous TYKE and TYKES programmes.

Concerning the second question posed in the article, the answer is quite negative. The Liideri programme largely focused on supporting projects in individual companies, and its other programme activities did not include sufficiently strong measures that would have enabled it to support the dissemination of project results to a wider range of (even export-oriented) companies. As indicated above, overcoming the challenges of diffusion would have called for a comprehensive repertoire of instruments specially dedicated for this purpose or, alternatively, close networking with some other programmes or institutions. Being connected with the Working Life 2020 umbrella project could have been such a channel for Liideri. However, the project's home base was at the ministry level and its focus on co-ordinating activities was between networks at the level of institutions, such as public agencies, labour market organisations and different kinds of intermediate organisations, and not at the level of companies or workplaces (Valtakari & Nyman, 2019).

All in all, it is a pity that the question setting of the external evaluation study of the Liideri programme remained one-sided and narrow, leaving many important issues with little or no mention. This kind of narrowness is nothing unusual in the evaluation of publicly funded programmes. Question settings in such evaluation studies are typically linked closely with the special features of the programme in question and to the special interests of the party (in this case, Business Finland) who requested the study, not to academic interest or theory building. Studies are conducted using different conceptual frameworks, approaches and methodologies. Evaluation studies also tend to be tendered, using the cost of the study as one of the key selection criteria, which does not usually encourage innovative question setting. Consequently, the knowledge created by individual evaluation studies does not easily accumulate in an interconnected way (Alasoini, 2016). This remark also applies to the present evaluation study (Oosi et al., 2020). In fact, it is by no means possible to directly compare the study's results concerning the Liideri programme with the results provided by the previous TYKE and TYKES programmes.

Since the end of the Liideri programme, the debate on how to promote WI in Finland has come full circle. In 2008, promoting WI was integrated into the new innovation policy framework, and Tekes was given the task of also promoting WI. The Liideri evaluation study raised the question of how well the support for employee-driven innovation and management innovation fits into the increasingly business-oriented thematic portfolio of Business Finland (Oosi et al. 2020, p. 74). The social partners, not completely satisfied with their opportunities for influence in both Liideri and Working Life 2020, took again the initiative

after the programmes ended. They managed to work out a joint proposal for a new publicly funded WI development programme that became adopted by the Government of Prime Minister Rinne in 2019. The new WORK2030 programme that lasts until 2023 is coordinated by the Finnish Institute of Occupational Health and geared to promoting WI in the context of digital transformation and COVID-19. To better meet the challenges of diffusion, the focus of programme funding is not any more on the workplace or company level, but on collaborative projects between industry-level social partners and regional and thematic networks.

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The positive employment impact of the Liideri programme: A thought experiment

Steven Dhondt

Abstract

The Finnish TEKES and later Business Finland invested in the Liideri programme. This programme supported firms to improve workplaces, with the idea that better quality of work would enhance the performance of these firms. The programme was conducted in the period 2012-2018. After finalisation, an external evaluator looked at possible benefits. This evaluation showed the positive impact of the programme in general on turnover and employment. It is unclear what the programme meant for quality of work. This comment digs deeper into the employment impact. The evaluation in 2020 undervalues the societal benefit of the programme. A thought experiment is provided to prove this point. A closer look at this employment impact shows that Liideri delivered a positive return-on-investment during the programme's lifetime. Even with many issues still not understood, the evaluation shows the importance of conducting such major workplace innovation-driven initiatives.

Keywords: Workplace Innovation, evaluation research, programme management, employment impact

A positive investment decision¹

Should countries invest in programmes that support Workplace Innovation in firms? The short answer is yes. There is a positive bottom-line for countries that make these investments in improving workplaces or organisational innovation. A well-considered investment into such a topic repays itself in a short period. And we understand that you, as a reader, need the longer answer to be entirely convinced. We are focusing in this article on the Finnish Liideri programme's impacts on the stimulation of firm performance and "Joy at work". Let us take you through a set of questions to show what kind of impact such a programme as Liideri has had. Several questions help in our quest: what was the aim of this programme? What impact

¹ We want to thank Tuomo Alasoini for his comments on a first version of this article.

can we see? How do we assess the final results? Why do we think this is a significant result? And finally, can we explain why such a programme has the impact that anyone interested in Workplace Innovation would love to see. We provide a thought experiment to prove our point.

The Liideri programme in a shifting context

Our short answer is a bold statement. We derive this answer from reading the evaluation report on the completed Finnish Liideri-programme (full name: Liideri, Business, Productivity and Joy at Work Programme 2012-2018) (Business Finland, 2019; Oosi et al., 2020). Next to the fact that our Finnish colleagues are great programme managers, they also have a good practice to evaluate what they have been doing. The Liideri programme started, in fact, under the guidance of the TEKES programme, a Ministry of Employment and the Economy initiative. All such programmes were refocused in 2016 as part of the change in strategy of TEKES. In 2018 Business Finland was responsible for the finalisation of the programmes.

Besides the Liideri programme, there were also the Feelings (Creative Industry), the Luovimo and the Lifestyle programmes. The latter two mainly aimed at deploying external expert support for firms. The financial scope of these two programmes was also much smaller than Liideri and Feelings. For TEKES and Business Finland, Liideri and Feelings were unusual initiatives to support in which the focus was on intangible innovation, and they were, in a way, fairly human-centric by approach. TEKES and Business Finland are mainly focused on innovation financing and export support for firms. Business Finland positioned these new programmes as awareness-raising campaigns on the importance of non-technological innovation.

The Liideri programme stands for the Leadership programme. It focuses on Leadership in business, productivity and joy at work. The Liiderii programme started in 2012 and was finalised in 2018. At the start of the programme, the actions were very much in line with the previous quality of work programmes (TYKES-funding for organisational development) the Ministry of Labour and TEKES have managed. The programme implemented the Working Life development strategy of the Finnish government. In 2015 and 2016, the programme changed in mission and vision. The purpose of Liideri was to be a “next-generation” workplace innovation development program that represents an approach in keeping with a broad-based innovation policy, i.e., the new Finnish national innovation strategy that was adopted in 2008 (Alasoini, 2021). After that change, the programme was focused on international growth and digitalisation. The impact of Business Finland on the Liideri programme can only have been limited, since it just took over the governance of the programme in 2018, at the end of the programme. The shifts over the years came with the changes in what TEKES tried to achieve with new themes such as participation, new working methods, managing international growth and utilising digitality. The shift in strategy to international growth meant that only firms that looked at growth in the international markets were included in the programme. For the topic of Workplace Innovation, this may at first seem to be a limitation.

Still, understanding how the quality of work and productivity are connected is even more interesting. Liideri provides (some) information about the effectiveness of such a programme for international development and growth. There was some concern about this redirection in the Finnish context, because public institutions and firms focused on growth in the Finnish market were left out.

The view from the evaluators

According to the evaluators, Liideri has recorded many concrete results at the project level. The development projects led to some important (organisational) changes for the firms and pushed them along their development path. The evaluators also point out that the final adjustment of the programmes did not happen automatically. The adjustment in focus was accompanied by a decision only to allow export-oriented companies to get funding and to raise the bar for large companies to get funding. These decisions led to a decrease in the number of project applications. Somewhat euphemistically, the comment is that adaptation required careful planning and communication with programme participants.

The evaluation report by the Owl Group & MDI (Oosi et al., 2020) is intriguing. It analyses the results for four major programmes by comparing the firms' performance funded by the programmes to control firms (not funded). Liideri is only one programme in this evaluation. The report provides numbers and assessments of these numbers. For Liideri, the assessment is that there was too little data available to make a full evaluation. The impact of the programme is only visible three years after the project decision. The authors of the evaluation report were contacted to provide more data and to comment on the publication. They did not respond.

Nevertheless, there are results to be seen. The Liideri firms show faster growth in turnover than the control firms, a statistically significant result for all firms and new customers of Business Finland. The growth of the number of employees has been faster in the Liideri firms compared to the control firms. Interestingly, the development in added value per person has been similar between Liideri and the control firms. Programmes such as Liideri always lead to an increase in costs of firms at the outset. The fact that productivity did not decrease is certainly a positive message for the programme. The evaluators make the results more tangible by indicating that in 57 to 58 out of 100 cases, a funded firm grows faster than randomly selected control firms. The corresponding effect size is 61 to 62 among firms that are new customers (i.e. firms that have not received previous funding from Business Finland). Liideri would not affect the firms' export performance. Does one wonder if this was the original expectation then? Before the strategy change in 2016 and the actual implementation, the programme was mainly focused on the internal development of staff and organisation within the participating companies. These companies were focused on growth, probably mainly in Finland. Only at the end of the programme, the international impact was introduced as a goal. Apart from the fact that this focus is difficult to trace, it is also a bit "too little, too late". Besides, the impact of the last cohorts, in particular, is not yet visible.

Still, the report itself is not very conclusive on the impact of the Liideri programme itself. Probably, the authors wanted to err on the side of caution. That is, of course, wise to do, but it does leave out positive messages that should be shared. The evaluation perspective is also exclusively on individual firm benefits. What is not discussed, is the programme benefit itself. Does the programme itself show a positive return-on-investment? Can we estimate for policymakers if their investment has a positive return?

What about the societal benefits of the programme itself?

The results do help us to calculate this ROI. The programme eventually reached 267 firms. On average, these participating firms employed at least 50 persons. Our Finnish contacts indicated that the average size of the firms was actually bigger. This meant that the firms employed at least 13.500 employees at the start of the interventions. We propose to take you along in a thought experiment.

The evaluators first show that the Liideri firms have a 10% higher turnover growth above the control firms after three years. This difference persists two years after the programme. For evaluation purposes, the number of firms dropped for 'two years after project closing'. The actual number was too small to deliver sounding results. Even so, the figures do deviate in the right direction. Most of the evaluation is focused on the investment period and three years after finalising the separate projects. We can expect that there may be a "petering out effect" after the discontinuation: so without further investment, the impact of the initial investment should be lower. This is, however, the pessimistic scenario because, with workplace innovation, this should be a permanent impact (Gibbons & Henderson, 2013). The Feelings programme shows results in line with Liideri, but the statistical underpinning of positive results is less decisive for these firms. The Liideri-firms always compare better than the control firms, whatever indicator is used. These results can be seen as positive breadcrumbs for supporting programmes, but important ones for any discussion about the economic impact of such a programme.

The employment effect is also 10% above the control firms. For any person interested in Workplace Innovation, this is certainly a result that should draw attention. What does this employment effect mean? Could we assume that implementing such a programme leads to a ten per cent higher growth in employment? Maybe. Suppose we concede that the result might be less than ten per cent, mainly because of the low statistical significance of results. In that case, we can assume that we should not use a ten per cent difference with control firms, but maybe only a two to four per cent jobs growth difference to estimate the impact of this result. A simple calculation shows that with the 13.500 employees $\times 0,02$ to $0,10 = 270$ to 1350 new employees after 3 years. The figures seem to hold after two years, closing of the project. What do 270 to 1350 new employees mean? Can we get a feeling of what this represents in added value for society? And how does this relate to the initial investment by Business Finland?

If we assume that the average yearly wage cost for a Finnish employee is 40.000 €, this would mean that in year 3, we see an additional wage cost between 10,8 million to 54 million € a year. We are not completely sure what happens after three years, but it seems that the impact persists, so: 10,8 to 54 million for at least three years = 32,4 million to 162 million € in total (above control firms). Let us do this in a more precise calculation.

Let us assume that the total investment of 126,3 million € is split evenly during six years of operation (2013-18), which means that the annual investment is 21 million €. Let's also assume that the participation of firms is split evenly during six years of operation, which means that every year new firms with 2250 employees are funded. If the programme starts project funding in the year 2013 and it funds firms with 2250 employees, the extra employment growth in 2014 is 75 employees. The table shows how this works out.

Employment effects (+ number of employees)							
	Cohorts						Total employees added per year
	2013	2014	2015	2016	2017	2018	
2014	+ 75						75
2015	+ 75	+ 75					150
2016	+ 75	+ 75	+ 75				225
2017		+ 75	+ 75	+ 75			225
2018			+ 75	+ 75	+ 75		225
2019				+ 75	+ 75	+ 75	225
2020					+ 75	+ 75	150
2021						+ 75	75

Table 1. Overview of the employment effect of Liideri programme (thought experiment)

After 2021 there is no extra growth. With our assumption of an average wage cost of 40,000 €, the added value by the programme cumulates in the following way:

	Total employees added per year	Cumulative effect in personnel (number)	Extra added value generated (in million euros)	Cumulative added value generated (in million euros)
2014	75 employees	75	3 mln €	3 mln €
2015	150 employees	225	3+ 9 mln €	12 mln €
2016	225 employees	450	12+18 mln €	30 mln €
2017	225 employees	675	30+27 mln €	57 mln €
2018	225 employees	900	57+36 mln €	93 mln €
2019	225 employees	1125	93+45 mln €	138 mln €
2020	150 employees	1275	138+51 mln €	189 mln €
2021	75 employees	1350	189+54 mln €	243 mln €

Table 2. Overview of employment effect of Liideri programme (thought experiment)

Calculated in this way, the added value by the programme exceeds the level of investment during 2019. Of course, the calculation misses the point that the programme's value is dynamic and cumulates only in time. This positive cumulative trend also presupposes that the involved firms continue their development after the end of their project, and they managed to maintain the competitive edge they have gained. Still, by the end of the programme, the programme has paid itself back, and after eight years, the programme has nearly doubled the investment.

Why are these outcomes significant?

There is little evidence in the scientific literature of such Workplace Innovation projects' actual benefits for firms and societies. The final presentation and the evaluation report of Liideri provide anecdotal evidence of the impact of the intervention. It is not completely clear what the firms have done to change working procedures and what this has meant for employees. The figures show both abstract performance benefits. It would be good to understand what the other benefits are. In most evaluation studies, the stress is on the qualitative impacts such as quality of work, stakeholders' satisfaction, and the actual changes in the firms (Alasoini, 2016; Pot et al., 2021). This evaluation report does not devote any attention to these qualitative results. These results will not be documented in future publications, as far as is known. Such evaluations are, however, needed. Practitioners will want to understand what they need to change, and what they may see as actual processes after interventions.

The fact that the evaluation of the Liideri programme shows an employment effect is significant. If only the firms' performance improved, then the public investment would merely have been a tax transfer to the firms. Public money would have lowered the tax burden and improved performance. It could even be the case that Finnish tax funds were exported,

depending on if the firms had international management or ownership. The employment effect is really a local impact. These employment benefits are for the Finns and the local economy. The fact that the export performance of the firms improves (well, that is not completely clear) also helps Finland improve itself compared to the rest of the world.

Another result is that the study allows for comparisons between programmes and other public investments. It would be good to see if such organisational improvement programmes have higher societal outcomes than labour market activation programmes.

In conclusion, even with the limited information we have about Liideri, the evaluation results help programme managers develop plans for organisational change. We must remember that most programme managers arguing the importance of such programmes are stuck between a rock and a hard place. They need to argue that such (public) investment will deliver positive outcomes, but they know that actual results will take time (Alasoini, 2021). And in most cases, they do not have this time. They are pressured to show immediate results. Until this Liideri evaluation, they had no clue when such results could arise and how big they may be. The Liideri programme brings just this kind of insight: you do not have to wait for a long time to win your (public) money back.

Lessons for future programme management?

Developing and implementing a programme for the improvement of organisational structures and systems is complicated and difficult. Rodrik & Sabel (2019) advocate an open programme management approach to such an endeavour, in which stakeholder parties are able to monitor and follow activities regularly. The Finnish agencies have been able to develop and evaluate impactful programmes. The Liideri programme is evaluated as a programme with a positive impact. However, the programme's buzz is limited, and this neglects the actual benefits such a programme has. It is good to understand these benefits and to learn from the programme management that was conducted. The evaluation report only touches the surface, if we may say. Oosi et al. (2020) summarise two lessons.

The first lesson in programme management is that changing the management team comes at a cost. Programme managers and staff provide continuity. They have knowledge, networks and experience. Intervening in this leads to disruptions that can only be dealt with in the longer term. It is, therefore, all the more striking what benefits the programme ultimately delivered. The evaluation report also points out that to create impact, another, more ecosystemic approach is probably needed in the end, in which the cohesion between firms is strengthened. The programme management must respond to this cohesion, which clearly requires different competencies and different programme management actions. The guidelines of Rodrik & Sabel are helpful here.

Liideri was a continuation of a long tradition of innovation instruments to develop working life in Finland (Alasoini, 2021). Although there were many success stories for the individual firms

at the project level, changes in Tekes' strategy rendered some of the programme's original ideas obsolete. The themes presented in the evaluation report do not include those relevant to that programme. Still, based on the findings, it could be argued that support for employer-driven and management innovation is not part of public funding schemes, and does not fit into the thematic portfolio of activities of Business Finland and the Ministry of Employment and the Economy. This leads to whether this is something that the Ministry of Labour should consider and include in the development of working life and guiding public funding. Organisational innovations should be compared to other labour market activation programmes. Such a lesson is understandable, but what firms do and what impact they may have should not only be on the plate of Labour Ministries. This is the kind of silo-thinking that organisational innovation wants to address. Another suggestion could be to create inter-ministry co-operation on the different outcomes. The public benefits are important for more policymakers. Also, we must understand that most Labour Ministries have a strong focus on labour market policies and institutions. They are very reluctant to say anything about firm policies. Therefore, a collaboration between ministries would be a better option. In the meantime, the Finnish Prime Minister Marin's government launched a new WORK2000 programme that has now been in operation since the beginning of 2020. This programme is co-ordinated by the Finnish Institute of Occupational Health (FIOH) under the Ministry of Social Affairs and Health and labour market organisations' guidance. There is a lot of continuity, but also discontinuations with previous programmes.

In conclusion

Public investments in organisational innovation do lead to positive public benefits. Our assessment is, of course, limited. We are limited by the aggregated results in the Oosi-report. The best we can do is a thought experiment on the basis of the limited results that are presented. We surely want access to the data and to do more in-depth calculations. We would also need to look at the separate interventions and the impacts on the employees. These last impacts are not visible. At this moment, we only work with the results from the evaluation report. There remain many limitations to our approach. All of this is very true. But still, even if you consider all the limits to what has happened in the programme and what we can see, there is this clear positive bottom-line. It would be professional neglect if we were not to share this insight. Many countries want to understand if they should invest in improving working conditions, quality of work, and organisational innovation. The European Commission invests many European Social Fund-millions into improvements of workplaces. Guidance on how programmes could be developed to use organisational innovations such as Workplace Innovation should be on the agenda.

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Bio Statement

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RailActivation project: the adoption of Workplace Innovation in the Rail Sector

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Abstract:

The rail sector has a significant impact on European industry, hence it is important that it follows current innovative trends if it wants to stay competitive. To this end, the railway sector has to adapt to the new digital revolution that is sweeping the sector, but especially the small and medium-sized companies that are part of it, and Workplace Innovation will play a key role in this process. During the RailActivation project it has been seen that SMEs have difficulties when it comes to developing and applying innovation, but due to their size SMEs can gain the advantage of implementing innovation more quickly.

The RailActivation project aimed to help SMEs from the railway sector and provide solutions to the problems faced by companies when adapting to this new revolution, by creating an organisational mechanism that would help companies in the process of adopting Workplace Innovation. To address the aforementioned challenges, this paper develops the research model for the railway industry, based on the concept of Workplace Innovation and the needs of SMEs. In addition, a general overview of the Innovation Way methodology applied during the workshops of the RailActivation project is presented, as well as the general and specific results obtained in the companies where the Pilot Scheme was applied.

Keywords: Workplace Innovation, Rail, Innovation, open innovation, culture, collaboration & communication

Background

Rail context, RailActivation project

The rail sector is one of the most energy-efficient modes of transport and is responsible for 9% of passenger transport and 7% of freight transport (Tattini & Teter, 2020). At European level, the railway industry has a turnover of 49.2 billion euros and an annual growth rate of 2.3% until 2025 (Schwilling, 2020), which is why we can define the railway sector as a technological, efficient and sustainable sector.

The COVID-19 crisis has made digitalisation become part of the basis on which the railway sector is based, as the pandemic has shown the need to accelerate the technological and non-technological innovations developed to date. The organisational culture of companies in the railway sector must be prepared for a new industrial revolution that will bring with it a new way of adapting demand to supply, in which both technological and non-technological aspects of innovation will play a very important role.

If the railway industry wants to remain competitive during this industrial revolution, it is important that the whole industry, but especially its small and medium-sized enterprises (SMEs), accelerate their technological innovation, and for this it is not enough to apply technologies, it will also be necessary for companies to apply innovation at both organisational and employee levels.

In order to contribute to the solution of this problem the RailActivation project (<http://railactivation.eu/the-project/>) has aimed to help and provide solutions to the problem faced by companies when adapting to the new technological revolution, this is why its main objective has been to create and pilot an organisational mechanism for the railway sector that would help companies in the processes of adopting Workplace Innovation, with special emphasis on SMEs in the railway sector, in order to create an Open Innovation ecosystem. To address this objective, the specific objectives of the project have been: to study the existing tools, identify and exchange best practices; to suggest a new pilot scheme, including long-term context-based mechanisms to support the adoption of Workplace Innovation by SMEs; to test the pilot scheme; to create an inter-regional network and to raise awareness and disseminate the need for Workplace Innovation.

To address the above mentioned challenges, this paper develops the research model for the railway industry, based on the concept of Workplace Innovation and the needs of SMEs. Improving innovation services and technology development will be more important than ever, and Workplace Innovation (WI) will be a vital part of this process.

The European Commission (EC)¹ states that “to stay at the competitive edge, companies need to invest not only in technological innovation but also in non-technological practices.

¹ https://ec.europa.eu/growth/industry/policy/innovation/workplace_en

Workplace Innovation can mean many things such as a change in business structure, human resources management, relationships with clients and suppliers, or in the work environment itself. It improves motivation and working conditions for employees, which leads to increased labour productivity, innovation capability, market resilience and overall business competitiveness. All enterprises, no matter their size, can benefit from Workplace Innovation.” The European Commission considers that Workplace Innovation:

- ➔ improves performance and working lives, and encourages the creativity of employees through positive organisational changes;
- ➔ combines leadership with hands-on, practical knowledge of frontline employees;
- ➔ engages all stakeholders in the process of change;

Workplace Innovation is fuelled by open dialogue, knowledge sharing, experimentation and learning in which diverse stakeholders (who may include employees, trade unions, managers and customers) are given a voice in the creation of new and more participative ways of working (Kesselring *et al.*, 2014).

The work of the RailActivation project consortium, in close contact with companies from different sectors and sizes, has over time tested that innovation is at the top of the priority for small and medium-sized enterprises to resist the ever-changing market. In the same way, however, experiences in the field have shown that smaller companies suffer from the lack of an approach to innovation designed for their specific characteristics. Small businesses show difficulty to innovate at the same time, however, being less numerous, they benefit from the speed with which an innovation can spread within the company and quickly improve the approach to the market (Aprea *et al.*, 2010).

Another winning element for business innovation, in the operational support activities for companies, is the issue of "bottom-up innovation", i.e. the importance of involving operators and company staff to generate ideas for improvement. This type of Workplace Innovation is substantiated in the co-creation of ideas for improvement that benefits multiple points of view within the company. The operational view is in fact very often an incessant engine of ideas for improving performance and value proposition in general and even more when there is a collaborative and participatory approach to innovation in the company (Carmassi *et al.*, 2011).

The paper presents an overview of the methodology implemented and the results obtained by the RailActivation Project, which has received funding from the European Union's Horizon 2020 research and innovation program under grant agreement No 861887.

The RailActivation Pilot Scheme

The RailActivation Pilot Scheme proposed a flexible itinerary that has helped companies achieve greater competitiveness using Workplace Innovation, by means of three strategic blocks from which companies could choose to focus on all three or only on the one(s) they wanted to improve. The Scheme was developed considering the previous work done in the project, in particular, the survey and the survey results.

Based on the research conducted in the project, the following chart was selected as for our approach to WI. These elements were already part of the questionnaire that were used in the survey but have also served as the basis for the pilot scheme. Our scheme has led the companies through an itinerary to understand their situation on WI by focusing on the following three interrelated aspects shown in Figure 1:

- ➔ The employee
- ➔ The Organisation as such and the
- ➔ Approach to technological and market development

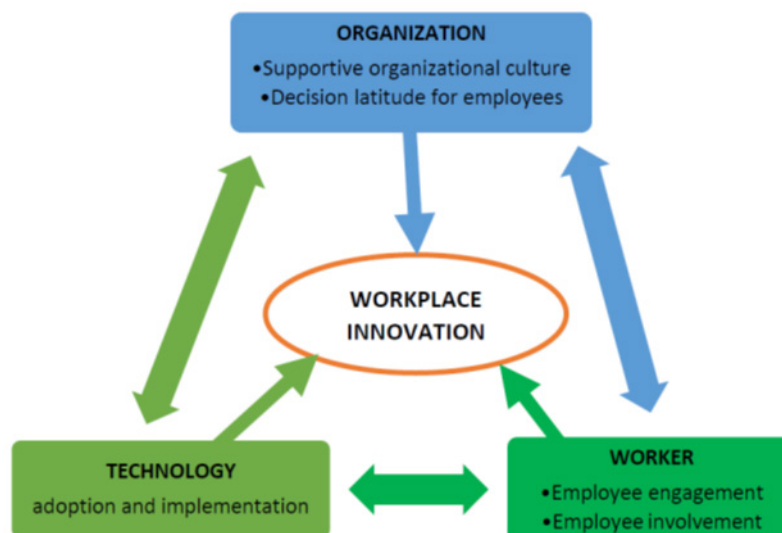


Figure 1-Workplace Innovation Scheme. Source, Project team

The Scheme was based on the following framework:

In the *Block on employees*, companies analysed and addressed aspects directly related to the employees of the company. The main objective was to see how employees felt within a company and to focus on increasing employee engagement and involvement. This block has been considered as the most relevant block by all the companies that have tested the Pilot Plan. Aspects related to the promotion of innovation culture among employees, the development of cross-functional teams, gender issues, training/career development, among others, were evaluated.

The *Block on Organisation* has been focused on those aspects implemented by the company in relation to Workplace Innovation, such as: mechanisms where employees could express and share new ideas and how to implement them; collaborative spaces, a feedback culture, a department or areas in charge of innovation, teamwork is promoted, communication and dissemination policy on innovation, etc.

The *Block on technology and market* dealt with aspects on products/services the company had introduced in the market; innovation in marketing; improvement of communication or information exchange with other companies or institutions; co-development of products/processes with other companies or institutions, sharing of objectives, possible co-operations or alliances, participation in innovation projects, etc.; proactive approach to business; new business practices to organise internal procedures; changes in the use of technology, etc.

Figure 2, presents the RailActivation Scheme Blocks that the company could select to be implemented to improve the Workplace Innovation within their company:



Figure 2-RailActivation Scheme. Source, own elaboration

Innovation Way® path

Starting from the analysis of the context of the SMEs and studying the potential causes that generate critical issues related to innovation in SMEs, QUINN created the suite of Innovation Way® workshops tested with hundreds of companies from different production sectors. The suite consists of a series of four workshops in which, through the explanation and direct application of tools scaled and refocused on the characteristics of small and medium-sized enterprises, a "toolbox" is provided to the companies intending to innovate the way of doing business (Campana & Renucci, 2012).

Through the workshops, the goal was to support the participating companies in:

- ➔ The analysis of their context (internal and external).
- ➔ The innovation of their corporate strategy.
- ➔ Aligning the vision of innovation both from a technical and commercial point of view.
- ➔ Increasing the participants' personal ability to generate new and effective innovative ideas on an ongoing and sustainable basis.

The objectives of the workshops were pursued through practical applications of the tools directly in the classroom and on the participating companies (following the Experience-Based

learning model). This occurred mainly thanks to the use of special templates which provided a complete picture of critical issues and opportunities that allowed participants to be able to take decisions immediately to improve their business.



Figure 3 -Innovation WAY® Structure

Innovation Way® promotes a type of sustainable innovation for medium-small business realities, attributable to the "Business Creativity" approach. This takes the form of workshops where the focus is on improving the business achieved through the recombination of the factors already available in the company.

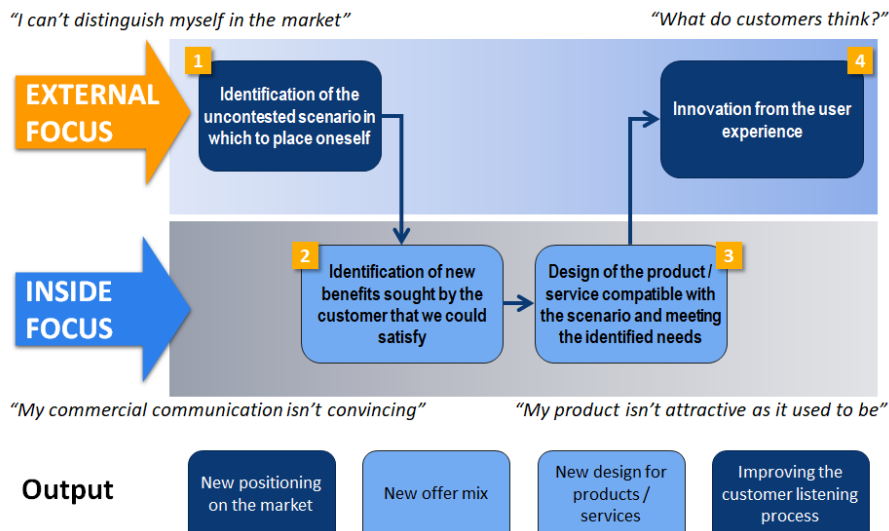


Figure 4 -Innovation Way® path

The whole structure of the workshops only has an impact if the actors involved in generating improvement ideas are at the centre of the process. This is achieved by letting the Innovation Way® participants, during the activities, constantly put themselves on the "front line" by overturning the concept of traditional training and letting the company staff present in the workshop get involved, generate ideas, give feedback and test the toolbox by using their

knowledge and experience to model each tool presented to their business needs. Each participant becomes an active part of the path and literally "learn by doing" by using the tools according to their objectives and personal background, generating innovative ideas "tailored" to their business (Petrini *et al.*, 2019).

However, Innovation Way® workshops add to the "individual" learning an additional element that generates value for the participants: the sharing and co-creation of ideas. This is done through teamwork sessions and through the shared presentation of results. This allows people with different expertise to simultaneously participate in the generation, questioning and refinement of ideas, obtaining a "finished product", the result of different points of view and often created by "multiple hands", providing a brief internal first efficacy check. To achieve this effect, the moments of practical application of the contents, which occupy about three quarters of the activity, are carried out in teams made up of "similar" companies and then shared with the rest of the participants, this makes it possible to obtain a first step of "creating participated in ideas", and a second "cross-check" step with the rest of the participants to obtain constructive feedback and further refine the idea.

RailActivation project Methodology

Within the RailActivation Pilot Scheme the idea was to test this Pilot Scheme within the project implementation, and for this it was decided to implement it on the Workshop that followed the Innovation Way® Methodology. The structure of these workshops has been a combination of theory and practice, with much more time invested in the practice and with a very clear approach towards the "learning by doing" philosophy. Some of the intended benefits of active learning were as follows: develop collaborative skills; encourage risk taking; participants' preparation; increase engagement; improve critical thinking; makes technology more powerful; spark creative thinking and foster real problem solving (Petrini, 2021).

This evaluation and testing phase corresponded to the evaluation of the RailActivation mechanisms and tools with SMEs. For this reason, meetings were organised with SMEs and testing workshops were held to confirm the pilot scheme works for rail sector, receive feedback and raise interest on the implementations.

The idea in testing the Scheme was to involve some members of the small team devoted to Workplace Innovation in the companies, if possible, to the Innovation Way Workshops. Once back in the company they could be able to spread the knowledge of the tools and methodologies learned among the other members of the company team but also among colleagues of the company supporting their adoption and increasing the possible impact in terms of Workplace Innovation. On this basis the Pilot Scheme could be fine-tuned.

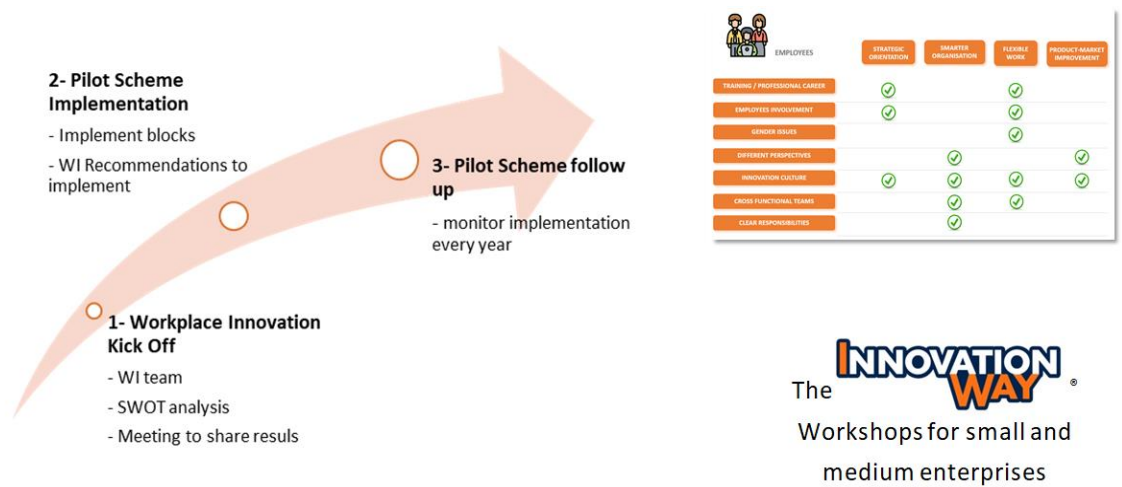


Figure 5 - Pilot test of the scheme in Innovation Way workshops

Workplace Innovation (WI) is a practice or combination of practices developed and implemented that either structurally (through division of labour) or culturally (in terms of empowerment of staff) (Oeij *et al.*, 2015)

- ➔ enable employees to participate in organisational change and renewal and hence
- ➔ improve the quality of working life and organisational performance

The combination of the four main factors makes the basis for the most effective Workplace Innovation environment:

1. Empowering jobs and self-managed teams.
2. Flexible organisational structures, people-centred management practices and streamlined systems and procedures based on trust.
3. Systematic opportunities for employee-driven improvement and innovation.
4. Co-created and distributed leadership combined with 'employee voice' in strategic decision-making.

During the Innovation Way® workshops in which the Pilot Scheme was tested, we worked on these factors:

- providing an engaging learning experience regardless of the participant's function, which encourages protagonism and proactivity;
- creating opportunities for sharing and developing a common culture of innovation;
- achieving results already in the course of classroom activities so as to give confirmation to participants on the effectiveness and applicability of the proposed methodologies.

In relation to the three steps suggested for the implementation of the Scheme and as described in Figure 1, several activities were realised correlated to the Innovation Way Workshops.

Step 1. Workplace Innovation Kick off

The initial situation of the company regarding Workplace Innovation was checked by the way of:

- Filling a specific questionnaire during the application phase;
- Realising specific distance meetings carried out directly by specialists involved in the setup of Innovation Way approach.

Outputs of this step were:

- Define with the company the composition of the team that would participate in the Workplace Innovation workshops.
- Collect the necessary information to adapt the Innovation Way methodology and tools to the characteristics of the companies.

The contents of the individual workshops were reviewed and focused on the basis of the information collected, developing new releases of templates to be used during group work and key elements for the transfer of know-how through the application of the learning-by-doing approach.

This information was synthesized in a SWOT analysis matrix structured as detailed in the next figure. The reference model has been applied to each selected company that shows the SWOT analysis of each of the companies that actually took part in the workshops elaborated according to the Pilot Scheme Methodology.

The adoption of a common model allowed to elaborate indicators with reference to four areas of attention that helped to interpret the flexibility adopted by the companies in reference to Step 2:

1. Strengths/opportunities (area of development):
2. Weaknesses/threats (area of criticality):
3. Strengths/threats (advocacy area):
4. Weaknesses/opportunities (area of improvement):

		Opportunities				Threats			
		Digital transformation	Post pandemic public investments	Open innovation networks	Distance training solutions	Entrance new competitors	Employee turnover	Digital transformation	Products / Services obsolescence
Strengths	Workplace Innovation adoption								
	Employee's autonomy								
	Employee's engagement and proactivity								
	Central role of women in the company (=>50%)								
	Equality plans implemented								
	Implementation Innovative solutions Relevant (>25%) n. Employees involved in innovation								
	Weaknesses	Initial approach to Workplace Innovation							
Reduced Employee's autonomy									
Employee's reactive approach									
No central role of women in the company (<50%)									
No equality plans implemented									
No implementation Innovative solutions Reduced (<25%) n. Employees involved in innovation									

Figure 6 - Model of SWOT analysis.

The results of the above indicators are shown in the table regarding the three editions of Innovation Way, each structured in four workshops. A high percentage of indices one and three indicate a business context on paper favourable to the WI adoption path. This can be seen in the figure below:

		EDITION I							EDITION II				EDITION III						
ID	AREAS OF ANALYSIS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Strengths/opportunities (area of development)	32%	36%	50%	54%	39%	50%	57%	68%	36%	82%	43%	39%	68%	29%	68%	25%	25%	64%
2	Weaknesses/threats (area of criticality)	43%	39%	25%	21%	36%	29%	21%	11%	39%	11%	32%	36%	11%	43%	11%	46%	46%	14%
3	Strengths/threats (advocacy area)	29%	32%	46%	50%	36%	43%	50%	61%	32%	71%	39%	36%	61%	29%	61%	25%	25%	57%
4	Weaknesses/opportunities (area of improvement)	50%	46%	25%	29%	43%	32%	25%	14%	46%	7%	39%	43%	14%	54%	14%	57%	57%	18%

Figure 7 - Comparison of SWOT analysis results

Step 2. The company will implement the Pilot Scheme and provide recommendations for action

With reference to the three blocks of the RailActivation Scheme, and the related key aspects of each of them the companies participated in the Innovation Way workshops with a flexible approach i.e.:

- involving different functions according to specific characteristic;
- participating in the most suitable workshops according to their needs.

The RailActivation Pilot Scheme flexible itinerary, where the company could check and jump on the specific block they needed to improve, has been supported by the Innovation Way Workshops for their capability, in terms of content and methods, to match the key factors of the three blocks proposed by the Pilot Scheme. The next matrix shows this conceptual matching:

Block 1: Employee	WS 01	WS 02	WS 03	WS 04	Block 2: Organisation	WS 01	WS 02	WS 03	WS 04	Block 3: Technology and market	WS 01	WS 02	WS 03	WS 04
Innovation culture among employees					Support for sharing ideas					Identify the new product/services				
Cross functional teams					Generational change					Marketing innovation				
Different perspectives					Assess new ideas from employees					Improve communication or information sharing				
Gender issues					Implement employees' ideas and suggestions in a fast and regular way					Co-Development product/ processes				
Training / Professional career					Suggest rewards to employees					Proactive approach to business				
Involve employees					Collaboration space					Benchmarking in a systematic way				
Clear responsibilities					Communication or information sharing					collaborative information sources				
					Feedback culture					New business practices				
					Records of their good work practices					Review and reformed the logistics, delivery, ..				
					Departments or areas in charge of innovation					Review the production costs strategy				
					Work Teams					Changes in the use of Technology				

Figure 8 - Matching key factors vs Workshops contents

Step 3. A follow up suggested every year

In the experimental application implemented as part of the project, outcome monitoring has been achieved through a combination of several actions:

1. provision of a follow-up questionnaire;
2. sample interviews with participants;
3. organisation of a specific webinar the 29th of June 2021 dedicated to the sharing of results and the presentation of testimonials from some of the companies involved.

RailActivation project experience of companies

Within the RailActivation project, which aimed to create and pilot a rail business and organisational mechanisms for the uptake of Workplace Innovation by SMEs in the railway sector as part of an Open Innovation ecosystem, the Innovation Way path was proposed with the following adaptations:

1. delivered in three editions in order to facilitate the participation of companies in relation to their own agendas and to activate a fine-tuning process derived from comparison between one edition and another;
2. for the same reason as indicated in the previous point, a concentrated two-day suite format was proposed;
3. the adaptation was carried out remotely via the Zoom platform, with the resulting revision of time and operational support for group work.

18 SMEs from Spain, Italy, Germany, Greece, Romania, UK, mainly manufacturing companies and solution providers for the railway network participated in the Innovation Way Workshops. The following graphical representations aids a comparative analysis of the data from the three editions as a function of the categories of participants: roles and company functions.

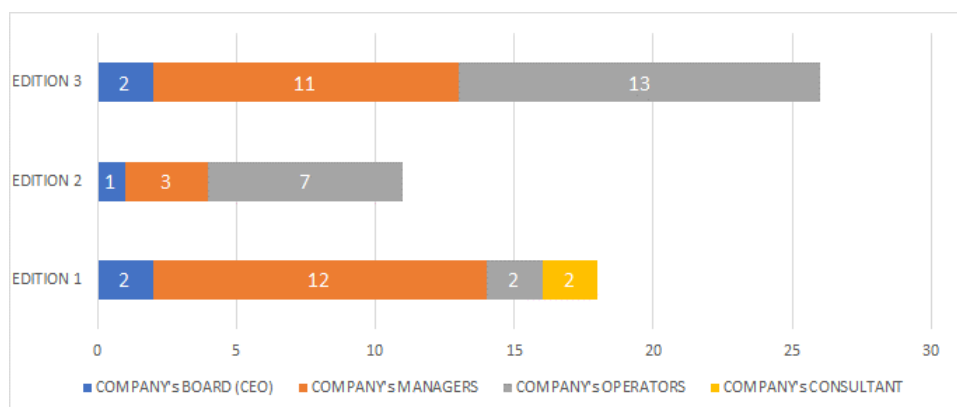


Figure 9 - Participants' Categories

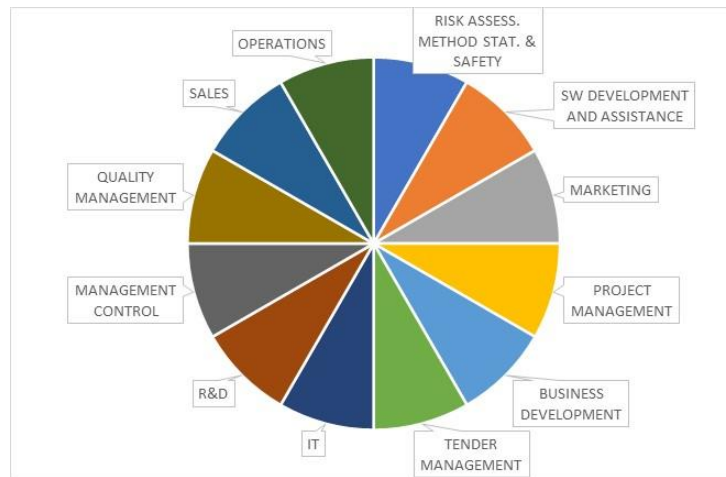


Figure 10 -Participants' functions

The proposed methodologies were introduced to the participants so that they could be understood and applied regardless of the technical background: participants could thus feel and act as protagonists of the innovation process.

The analysis of the preferences of the participants of the three editions summarized in the following figure highlights in general terms the particular interest on WS 02 (focused on Identification of new benefits sought by the customer that we could satisfy) and 03 (focused on new design for products / services). The second edition stands out for its concentration on WS 02 and 04 (Improving the customer listening process). Moreover, the first edition highlights the interest in WS 01 (New positioning on the market), consistent with the more significant involvement of executive roles, but

at the same time proposes data distributed over all four WS, again a sign of a greater ability to have a holistic view of corporate interests.

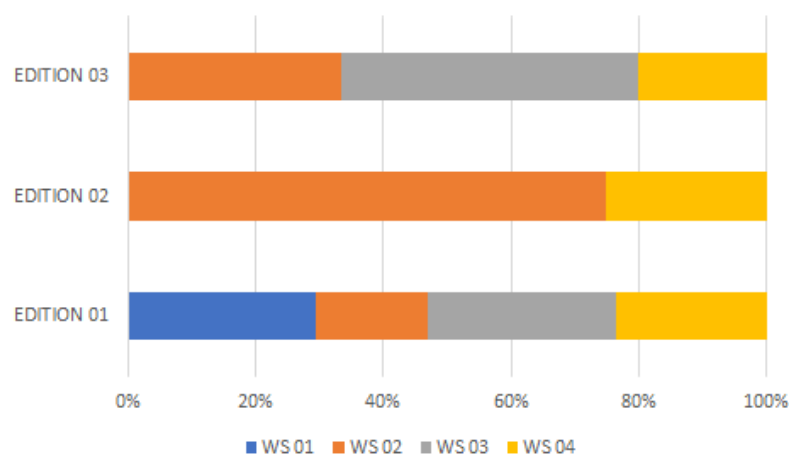


Figure 11 - WS preferred by the participants of the three editions

For those who make a product or a service it is easier to think about its features, but it is necessary to be able to communicate to the customer what benefits they can obtain from the use of that product. One of the first and most appreciated approaches also transferred to the companies participating in the workshops was precisely to learn how to speak the language of the benefits that their solutions can bring to customers. To this end, specific exercises were carried out on this subject with moments of exchange and comparison between the participants.

The analysis of data and information have confirmed that the features of Innovation Way that have enabled the adoption of Workplace Innovation have been that:

- employees of *each function can participate* with a variable level of protagonism because it is related to the aims of the different workshops,
- *each participant can contribute* to the work of the groups regardless of their role or age, particularly if the participant is part of a workgroup with colleagues,
- *the transferred methodologies can be reused* in their own work context independently,
- the methodologies *can be used in a recurring way* when a need arises,
- the various editions of the workshops show that the best results are obtained if *several business functions of the same organisation* are involved,
- innovation goes beyond the boundaries of technical functions and becomes *shared heritage*.

Four to five months after the workshops, interviews were conducted with a sample of participants, it was intended to monitor the outcomes of Innovation Way Workshops delivered during November-December 2020. It became clear that there is a direct correlation between the quality and richness of the works produced during the workshops and their capitalization as management know-how to be used in the business context. The companies that participated extemporaneously or with a reduced number of resources indicated the need for further consulting interventions to integrate the methodologies presented and tested.

The obstacles that have emerged to the acceptance of the proposed approach are the following:

- the involvement *only of technical profiles* focused on product innovation
- *reduced recognition of the value* of communication & management
- *focus on tasks* and less on getting as complete an overview as possible

In order to get to the bottom of the productivity of the participation in the workshops of the various companies in terms of adherence to the proposed innovation process, the information collected has been summarized in the following matrix. In particular, the matrix contains data relating to:

- N. WP ATTENDED

- N. PARTICIPANTS
- N. ORIGINAL OUTPUTS

Therefore, 3 indexes were calculated:

- Index 1: Average value of the three parameters
- Index 2: Ratio between the number of original outputs produced and the number of participants.
- Index 3: Normalisation of the ratio between the number of original outputs produced in relation to the number of Workshops (WP / WS) followed.

	N. WP ATTENDED	N. PARTICIPANTS	N. ORIGINAL OUTPUTS	INDEX 2 - OUTPUTS / PARTICIPANTS	INDEX 3 - OUTPUTS / PARTICIPANTS / N. WPs
I EDITION					
COMPANY 1	2	3	2	0,3	0,3
COMPANY 2	4	2	1	0,5	0,1
COMPANY 3	4	3	3	1,0	0,3
COMPANY 4	4	1	1	1,0	0,3
COMPANY 5	4	3	2	0,7	0,2
COMPANY 6	2	3	1	0,3	0,2
COMPANY 7	2	2	1	0,5	0,3
INDEX 1 - AVERAGE VALUE	3,1	2,4	1,6	0,6	0,2
II EDITION					
	N. WP ATTENDED	N. PARTICIPANTS	N. ORIGINAL OUTPUTS	INDEX 2 - OUTPUTS / PARTICIPANTS	INDEX 3 - OUTPUTS / PARTICIPANTS / N. WPs
COMPANY 8	2	2	1	0,5	0,3
COMPANY 9	4	4	4	1,0	0,3
COMPANY 10	4	1	3	3,0	0,8
COMPANY 11	4	2	4	2,0	0,5
INDEX 1 - AVERAGE VALUE	3,5	2,3	3,0	1,6	0,4
III EDITION					
	N. WP ATTENDED	N. PARTICIPANTS	N. ORIGINAL OUTPUTS	INDEX 2 - OUTPUTS / PARTICIPANTS	INDEX 3 - OUTPUTS / PARTICIPANTS / N. WPs
COMPANY 12	4	4	3	0,8	0,2
COMPANY 13	4	3	2	0,7	0,2
COMPANY 14	3	2	2	1,0	0,3
COMPANY 15	4	1	2	2,0	0,5
COMPANY 16	4	3	3	1,0	0,3
COMPANY 17	4	3	3	1,0	0,3
COMPANY 18	2	1	2	2,0	1,0
INDEX 1 - AVERAGE VALUE	3,6	2,4	2,4	1,2	0,4

Figure 12 - Productivity indexes

The first consideration we can make is that *each participating company has produced at least one original output that can be used in its own context* as proof of the effectiveness of the proposed methodologies. This is also valid for the first edition where, as anticipated, having organised the work groups to an inter-company logic could have limited the protagonism of some participant.

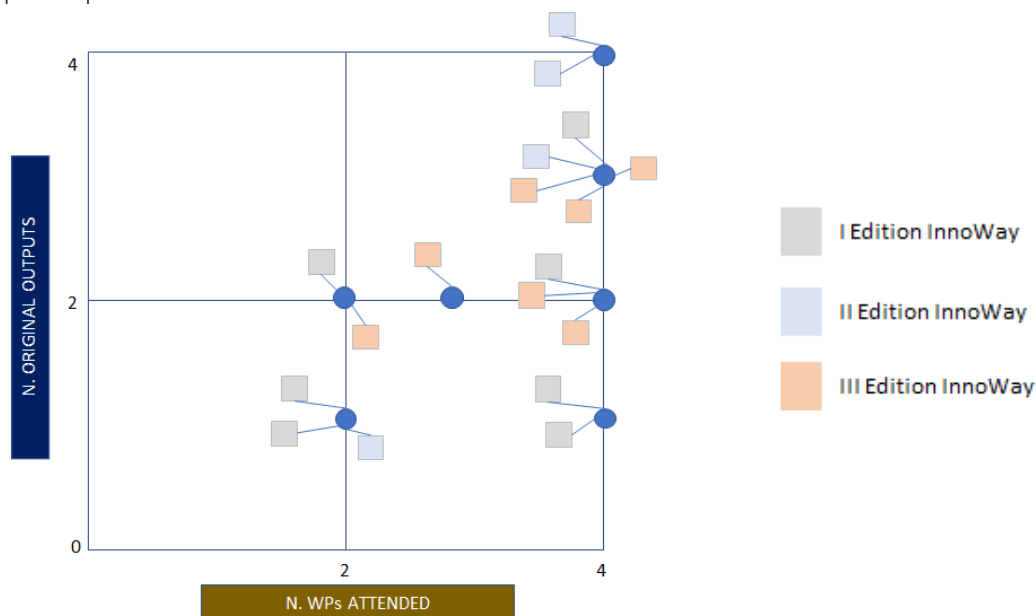


Figure 13 - Productivity map

As summarized in Figure 13, in which the participation rate is related to the number of original outputs produced by each company, the productivity of firms in Editions II and III was higher than those in Edition I (Index 2). This superiority in productivity is more limited when compared to the number of workshops attended (Index 3). In fact, it should be remembered that belonging to different functions meant that participants, particularly those with higher levels, concentrated on certain WPs. The significant results of Edition II (an average of three outputs per company) should also be interpreted in light of the lower number of participating companies (4) of which three out of four followed all the WPs.

In order to facilitate a comparative reading of the results of the three editions, the data from *Index 3 (OUTPUTS / N. PARTICIPANTS / N. WPs)* is presented on the x-axis in scatter graphs.

In the first edition (Figure 14), dispersion is lower than in the other two editions (Figure 15, 16), in which there is at least one case of firms with a very high level of productivity. Excluding these cases of best performers in II and III, the average productivity of the three editions are remarkably close.

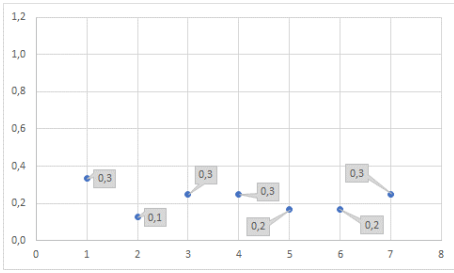


Figure 14 - EDITION I – Index 3 scatter graph

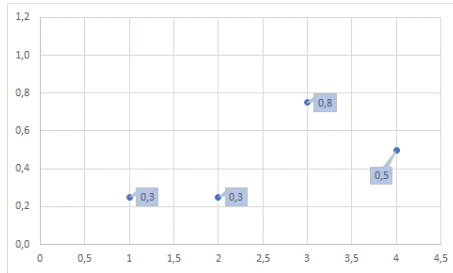


Figure 15 - EDITION II – Index 3 scatter graph

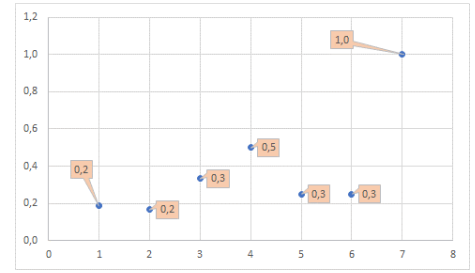


Figure 16 - EDITION III – Index 3 scatter graph

The search for correlations between the starting condition photographed through the SWOT analysis and the results obtained during the workshops has not allowed us to identify univocal causalities but rather differentiated conduct.

ID	AREAS OF ANALYSIS	EDITION I							EDITION II				EDITION III						
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Strengths/opportunities (area of development)	32%	36%	50%	54%	39%	50%	57%	68%	36%	82%	43%	39%	68%	29%	68%	25%	25%	64%
2	Weaknesses/threats (area of criticality)	43%	39%	25%	21%	36%	29%	21%	11%	39%	11%	32%	36%	11%	43%	11%	46%	46%	14%
3	Strengths/threats (advocacy area)	29%	32%	46%	50%	36%	43%	50%	61%	32%	71%	39%	36%	61%	29%	61%	25%	25%	57%
4	Weaknesses/opportunities (area of improvement)	50%	46%	25%	29%	43%	32%	25%	14%	46%	7%	39%	43%	14%	54%	14%	57%	57%	18%
	A. N. WP ATTENDED	2	4	4	4	4	2	2	2	4	4	4	4	4	4	3	4	4	2
	B. N. ORIGINAL OUTPUTS	2	1	3	1	2	1	1	1	4	3	4	3	2	2	2	3	3	2
	PRODUCTIVITY (B/A)	100%	25%	75%	25%	50%	50%	50%	50%	100%	75%	100%	75%	50%	67%	50%	75%	75%	100%

Figure 17 - Correlation between SWOT and WP results

In fact, there are cases of companies, 3, 10, 18, which, starting from a high development area ($\geq 50\%$), have a high productivity ($\geq 75\%$), a sign of the search for continuous improvement.

Another interesting category is represented by those companies that combine a low area of improvement ($\leq 50\%$) with high productivity ($\geq 75\%$). This is the case of 1, 16 and 17. With different interests, these companies take full advantage of the opportunity and bring into the company already usable results.

A third category is made up of companies that record a higher level of productivity despite the areas of analysis with an equivalent weight. 9, 11 and 12 have demonstrated a convinced participation with a cohesive team that is willing to take full advantage of the opportunity represented by the workshops.

For the remaining companies, the situation is spotty. The description of the results obtained is more complete once the analysis on the case studies is included.

The *first case study* focuses on the use of the **value curve** to define new strategic directions. The original approach of the above-mentioned companies, manufacturer of vehicle components, auxiliary components and system, is to have first approached the analysis from two distinct points of view shown in Figure 18, one from the marketing function and the other

from the technical function, to then initiate a comparison between the two points of view in order to arrive at a shared vision.

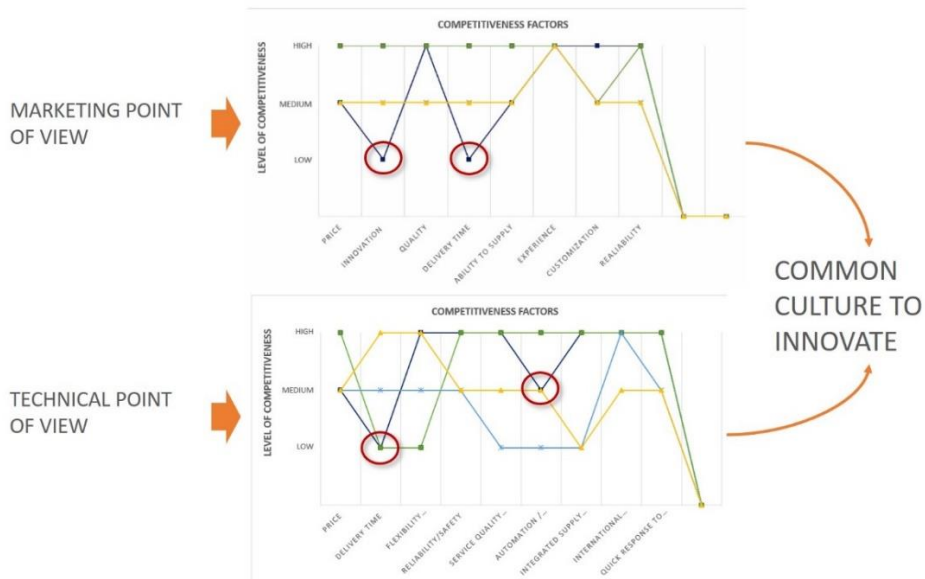


Figure 18- Market and technical analysis

The second case study is representative of the interest registered by several of the participating companies (in particular manufacturing companies) in adopting approaches and methods to improve active listening to customer needs. This translates into the adoption of methods for matching explicit and implicit needs with the requirements of the products and services offered to check gaps and strong assets.

OFFER	BENEFIT	TASK E: try to match needs and benefits list before	NEEDS	CUSTOMER
	BENEFITS THAT SATISFY THE CUSTOMER EXPLICIT NEEDS		EXPLICIT NEEDS: Needs / Wishes / Problems to be Solved	
	1. QUALITY	→	1. RESPECT SPECIFIC STANDARDS	
	2. RELIABILITY	→	2. DELIVERY TIMES	
	3. MANAGING SUPPLIERS	→	3. LOGISTICS SPECIFICATIONS	
	4. DESIGN COLLABORATION	→	4. COLLABORATION DESIGN	
	5. PROXIMITY	→	5. MANAGING SUPPLIERS	
	BENEFITS THAT SATISFY NEEDS THAT THE CUSTOMER DOES NOT SAY, BUT IMPORTANT TO HIM		HIDDEN NEEDS: Needs that the customer does not expose but that make the difference in customer satisfaction	
	1. ENGINEERING KNOW HOW (PROCESS ENGINEERING)	→	1. SOLVING UNEXPECTED PROBLEMS	
	2.	→	2. CHEAPER COST OF PRODUCTION	
	3. COST REDUCTION PROPOSALS	→	3. MANAGING SUPPLIERS	
	4. DESIGN PROBLEME SOLVING	→	4. DESIGN IMPROVEMENTS	

Figure 19 - Matching of benefits and needs

This was followed by the mapping of customer contact and listening points and the identification of hitherto neglected or unused sources of information as input sources for the

continuous improvement of their offers. In this way, the design process also draws on inputs that were hitherto the prerogative of other functions, according to a classic silos logic.

The last significant experience to be highlighted, *the third case study*, concerns the theme of product innovation. In fact, during Workshop 03 the participants were asked to apply the SCAMPER methodology to one of their products. SCAMPER is a Divergent Thinking technique to generate a large number of ideas for new products starting from their current form or function. Each letter of the acronym contains a set of "idea-trigger" questions that can be used to change the characteristics of a product in order to trigger new ideas. The results, in various cases, was the production of a large number of innovation ideas developed in a few hours as additional inputs to the design process.

SUGGESTION	IDEA-TRIGGER QUESTIONS	Apply the SCAMPER technique to your Products / Services / Facilities with the aim of identifying new solutions	SELECT PRODUCT or SERVICE or ASSET
			
Think about substituting part of the product or service or asset with something else.	<ol style="list-style-type: none"> 1) What other materials, processes, power, approaches, or forces might I substitute? 2) What could I substitute or swap to improve the product/service/asset? 3) What processes or rules could I substitute? 4) Can I use this product/service/asset elsewhere, or as a substitute for something else? 	1) Materials: carbon fiber Swap laptop with Hmi Swap contact sensors for track gauge surveying with a contactless sensor Swap power supply by alternative sources (solar...) 3) Substitute measurement procedure (static) with a continuous method	
Think about combining two or more parts of the product or service or asset to make something new or to enhance synergy.	<ol style="list-style-type: none"> 1) What mix, assortment, alloy, or ensemble might I blend? What ideas, purposes, units, or appeals might I combine? 2) What part of the product/service/asset can I combine with something else? Is there another product or service or asset I could combine this with to create a new offering? 3) Are there any companies I could collaborate with? 4) How could I combine talent and resources to create a new version of this product/service/asset? 	Add a nest for hand tools transportation Add pedals/engine Add topographic prism for total station Add remote control (drone-like) Add pantograph for contact measurement of the wires Add machine learning algorithms Add more accurate and precise geolocation system	
Think about which parts of the product or service or asset could be adapted or how you might change the nature of the product or process	<ol style="list-style-type: none"> 1) What else is like this? 2) What other idea does this suggest? 3) What might I adapt for use as a solution? 4) What might I copy? 5) Who might I emulate? 6) How could I adapt or readjust this product/service/asset to serve another purpose? 7) Is there a new trend I could embrace and adapt to? 8) What other context could I put your product/service/asset into? 	Analysis of information gathered by the cameras (artificial vision) Tunnel without tracks Monitor assets within tunnels Adapt the trolley to be pushed by other track vehicles Adapt the sensors to uncreasing operation speeds Adapt the sensors to monitor viaducts/bridges Adapt BIM Adapt to act as a "exploresr train" (before the real exploresr train)	
Think about changing part or all of the product or service or asset, or distorting it in an unusual way	<ol style="list-style-type: none"> 1) What other meaning, color, motion, sound, form, or shape might I adopt? 2) What might I add? 3) What could I add to modify this product/service/asset? 4) Are there elements of the marketing message could I modify? 5) What element of this product/service/asset could I change to be able to modify the pricing? 	Measurement system distance performance (e.g. fog) --> increase the distance of elements Modify lens/camera to take pictures at night	

Figure 20 – Questions developed at the workshops

As part of a specific webinar organized on June 29, 2021, the results achieved by the project were presented and shared with the participating companies and other stakeholders.

In this context, a space was dedicated to the testimony of three companies participating in the II and III edition of the Innovation Way Workshops who were asked to detail the benefits obtained from participation and the impact they had. Below is an extract of the three testimonies:

3.- Results
 As result we have generated new ideas/strategies that will help us by developing services/products for our customers.
 Being closer to the customers will allow us to be aware of their needs and in this way, the innovation could be even faster.

PROBLEMS	RESEARCH	RESULTS	CONCLUSIONS
1. QUALITY	1. RESPECT SPECIFIC DEMANDS	1. PROXIMITY	1. RESPECT SPECIFIC DEMANDS
2. RELIABILITY	2. DELIVERY TIMES	2. ENGINEERING KNOW HOW (PROCESS ENGINEERING)	2. DELIVERY TIMES
3. MANAGING SUPPLIERS	3. LOGISTICS SPECIFICATIONS	3. COST REDUCTION PROPOSALS	3. LOGISTICS SPECIFICATIONS
4. DESIGN COLLABORATION	4. COLLABORATION DESIGN	4. DESIGN PROBLEM SOLVING	4. COLLABORATION DESIGN
5. MANAGING SUPPLIERS	5. MANAGING SUPPLIERS	5. DESIGN IMPROVEMENTS	5. MANAGING SUPPLIERS

4.- Future
 RailActivation has been a good opportunity to learn useful techniques and methods that allow us to improve our internal workplace culture and make us a better company in our service to customers and suppliers.
 Now we are introducing in the company the culture of innovating by involving the customer. We always question with our clients what their needs are and this helps us to generate ideas and adapt them to the client.

Figure 21 - AGUI feedback

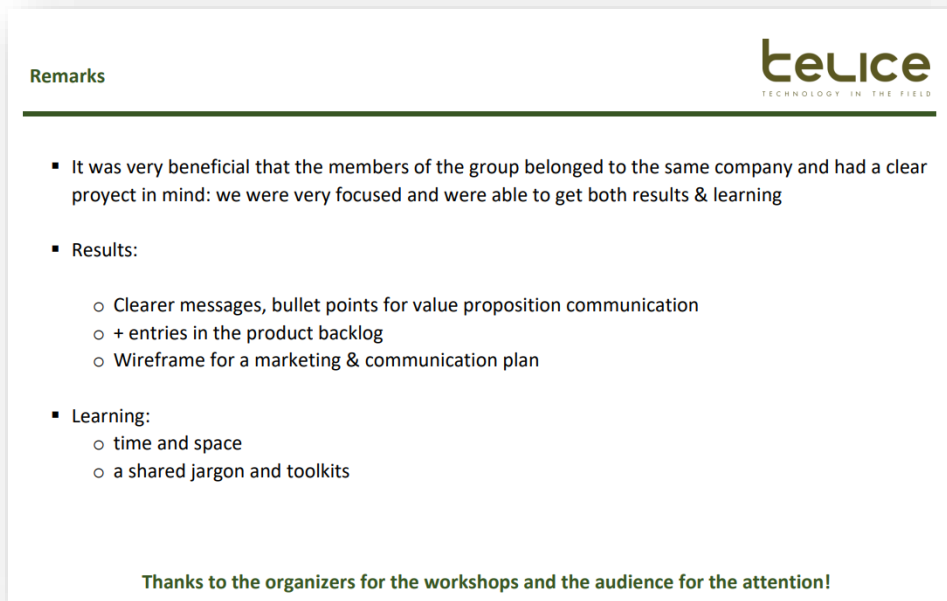


Figure 22 - TELICE feedback



Figure 23 - ELFI feedback

Conclusion

During the project it became clear that Workplace Innovation is not a concept that companies were familiar with as such, but this did not mean that they did not consider it important or that they were not applying it. Through the workshops held during the RailActivation project, the different participating SMEs have been able to develop knowledge and practices to

implement in their companies and to promote WI. It is particularly relevant for the railway sector that companies apply Workplace Innovation as this will generate more competitive companies that will contribute to the growth of the railway sector and promote a more sustainable mobility through Europe.

The Innovation Way methodology implemented in the workshops has enabled employees from different parts of the company to be part of the upcoming changes. In this way companies have been able to engage with different realities and perspectives that have enriched their culture, also a greater contact with customers has allowed them to be more aware of customer needs, so that they can innovate more easily and more quickly. RailActivation has been a great opportunity for companies to learn useful techniques and methods to improve their internal working culture, improving their ability to offer services to their customers and suppliers.

After the workshops, the companies have been applying the lessons learned in the workshops in their own companies. Since the workshops 64% of the participants have time allocated to the promotion of activities related to the culture of innovation.

A very important aspect of the workshops was the participation of staff from different departments, as the different points of view and the different experiences of each of them have enriched the workshops by being able to share them with the other participants. This is why it is important that in company's employees from different departments work together, in 84% of the participating SMEs the different areas collaborate on certain tasks.

Furthermore, the active training of employees generates companies that are constantly innovating as they are aware of the latest market trends and the available processes. 82% of the employees of the participating SMEs are encouraged by the companies to continue training. When employees know more about the tasks they carry out, they feel more confident and this is reflected in a greater contribution to the company, in the form of suggestions or comments on improvements to be made. All the participating companies encourage this aspect among their employees, allowing them to participate as far as possible in decision-making.

After analysing the results obtained, it has become clear that it is important to continue researching the subject and to promote Workplace Innovation, as this brings great benefits to companies, which in turn improve the competitiveness of the railway sector.

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Employee Creativity in Coworking Spaces: Towards a Conceptual Framework

Øystein Tønnessen

Abstract

Creative performance of knowledge workers outside the traditional office setting has become highly relevant during the COVID-19 pandemic. The pre-pandemic trend of corporate coworking: companies using coworking spaces as an alternative workplace solution, is predicted to grow further. This study aims to fill a research gap by identifying how corporate coworking may foster employee creativity, crucial to company's innovation and competitiveness. A systematic review of the coworking literature is conducted to critically evaluate employee creativity in coworking spaces. Structural, relational, and cognitive social capital along with an individual and contextual view of creativity are utilised as the theoretical foundation for analysis and synthesis. A conceptual framework is proposed for empirical examination of creative performance in a corporate coworking context. The findings suggest thirteen factors influencing creativity in corporate coworking settings. The most prominent factors identified are social interaction and knowledge sharing. Moreover, we argue that corporate coworking corresponds with key dimensions of the Workplace Innovation concept. The literature review indicates a common assumption that creativity and innovation are consistently outcomes of coworking. Nonetheless, our study highlights that fostering employee creativity in shared office environments involves a complex social process, worth closer scholarly attention. Theoretical and practical implications are discussed, and future research avenues are proposed.

Keywords: Alternative workplace solutions; Corporate coworking; Coworking spaces; Employee creativity; Knowledge sharing; Social capital theory; Workplace Innovation

Introduction

The COVID-19 pandemic has brought about ground-breaking changes in the world of work. A paradigm shift, in how, when and where knowledge work is being performed, seems to be taking place (Baert et al., 2020). Alternative workplace solutions have evolved since long before the pandemic, including the practice of employees working outside employers' spatial premises, enabled by information and communication technologies (Kojo & Nenonen, 2014; Morgan, 2004). Key drivers are globalisation, emergence of the sharing economy, and a growing need of flexibility and autonomy (Bouncken & Reuschl, 2016; Ross & Ressia, 2015; Spurk & Straub, 2020). Responding to these streams, the shared office concept of coworking spaces (CWS) has increased its popularity among entrepreneurs, freelancers, and corporates (Tremblay & Scailherez, 2020).

Simultaneously, the Workplace Innovation movement has emerged in Europe as a policy and instrumental approach (Oeij & Dhondt, 2017; Pot et al., 2016; Totterdill, 2018). The concept of Workplace Innovation (WPI) emphasises work environment factors which can enhance creativity and quality of working life, and subsequently improve organisational performance and innovation (Kibowski et al., 2019). WPI aims to reconcile the rational organisation of work driven by new technologies with the creative and serendipitous social interactions that can stimulate innovation (Totterdill, 2018). The promotion of a working culture characterised by openness and sharing of ideas (Totterdill & Exton, 2014) corresponds with the core values of the coworking movement (Capdevila, 2013).

Research on CWS is still at an early and conceptual stage (Bouncken et al., 2017) and several issues have been largely ignored (Leclercq-Vandelannoitte & Isaac, 2016). One concern is that a major part of the literature uncritically presumes that coworking improves creativity and innovation (Botsman & Rogers, 2011). Nonetheless, creative and innovative outcomes of coworking practices are insufficiently explored (Schmidt & Brinks, 2017). Moreover, the idea of CWS as communities exclusively for independents "working alone, together" (Spinuzzi, 2012) still dominates the scholarly discussion. Josef and Back (2018) argue that new user groups should lead to a more profound debate. Mature companies have recently taken interest in coworking (Fuzi et al., 2018; Orel & Almeida, 2019). In this study, corporate coworking is understood as employees working remotely from a CWS, and whose activity is done on behalf of a company based outside the CWS (Leclercq-Vandelannoitte & Isaac, 2016; Parrino, 2015). To explore the novel phenomenon of corporate coworking, the current study takes on a contextual perspective by evaluating coworking as an alternative workplace solution for stimulating creativity in organisations.

The relation between corporate coworking and employee creativity (EC) is barely studied. However, research on individual creativity in alternative work practices is important due to the digital transformation and new workplace demands in the COVID-19 era. Creativity scholars acknowledge the importance of both individual, contextual, and social factors for creativity (Amabile et al., 1996; Dul & Ceylan, 2011; Woodman et al., 1993). Moreover, WPI encourages an organisation of work that enhances the development of "soft skills" including

flexibility, collaboration, creative thinking and problem solving to meet the challenges of the 21st century (Pot et al., 2020). Corporate coworking may potentially be a way to meet these challenges.

Considering the research gap on EC in a corporate coworking context, the research question of the present study is how coworking spaces can foster employee creativity. To build a knowledge base for exploring the research question, a systematic literature review (SLR) focusing on EC in CWS is conducted. Very few thorough SLRs of the CWS literature have been conducted to date. Ivaldi (2017) includes a comprehensive review in her PhD thesis, while the coworking literature review by Gandini (2015) is related to the knowledge labour market. To our knowledge, Josef and Back (2018) present the only review specifically focusing on coworking from companies' perspective. Furthermore, literature on EC in CWS is still in its infancy and yet not systematically reviewed (Rese et al., 2020).

The rest of this paper is structured as followed: In Section 2, the research context is more thoroughly explained. Section 3 is dedicated to the theoretical background. The method and procedures are presented in Section 4. Section 5 presents the study findings, the proposed conceptual framework, and the research model. Finally, conclusions, implications, limitations, and future research directions are addressed in Section 6.

The research context

Coworking spaces (CWS)

The coworking movement arose in San Francisco in 2005, promoting shared office space for independent knowledge workers, mainly to avoid social isolation (Brown, 2017; Lumley, 2014). Coworking is initially based on the core values of openness, accessibility, sustainability, community, and collaboration (Kwiatkowski & Buczynski, 2011). CWS can be understood as a "third place" in between traditional office and home office (Oldenburg, 1989). Bouncken and Reuschl (2016, p. 322) describe CWS as office and social spaces that ease the direct personal interaction among users for social, learning, cultural and business-related interests. CWS are often distinguished by a sense of community (Garrett, 2017) where members are open to share knowledge and ideas (Rus & Orel, 2015). Typically, the sharing culture is facilitated by a community manager who connects people and promotes a vibrant and creative work environment (Cabral & Winden, 2016). CWS have seen a remarkable growth (Merkel, 2015). In 2019 there were 2,2 million coworkers spread in more than 22,400 CWS around the globe (Foertsch, 2019). Despite social distancing rules during the pandemic, CWS are expected to grow further (Appel-Meulenbroek et al., 2020).

Corporate coworking

Companies are constantly looking for new ways to learn from startups and potential clients (Fuzi et al., 2018) and to support creativity to drive innovation (Dul & Ceylan, 2011). Partnering up with CWS is one way to inject creativity and innovation into old work routines, habits and processes (Bouncken & Aslam, 2019). Consequently, an increasing number of corporations have started to integrate coworking into their business strategy (Fuzi et al., 2018). Big companies such as Google, Facebook and Bosch have established internal spaces (Bouncken et al., 2017). Other firms locate employees in external CWS with the expectation of innovation outcomes (Raffaele & Connell, 2016).

Despite the temporary social distancing measures in response to the COVID-19 pandemic, the corporate coworking trend is suggested to continue (Heinzel et al., 2021). Due to the profound changes in the world of work, many companies will require flexible and cost effective office solutions (Gusain, 2020). Moreover, organisations need to focus more on employee flexibility and wellbeing, alongside with breaking down silos and building competence through creative collaboration (Totterdill, 2015). In the post-pandemic era corporate coworking can be perceived as a remote work model solving the isolation issues associated with working from home (Görmar et al., 2020). In that way employees working remotely from a CWS may increase job satisfaction and subsequently stimulate creativity and innovation (Appel-Meulenbroek et al., 2020; Marchegiani & Arcese, 2018).

Theoretical background

Social capital theory (SCT)

In an organisational context, social capital (SC) can be understood as the resources employees obtain through their social networks (Coleman, 1988; Lin, 2002). Social capital theory (SCT) suggests that social relationships among colleagues and those with external actors embody vital resources such as knowledge and ideas (Chen & Kaufmann, 2008). According to Nahapiet and Ghoshal (1998) the fundamental proposition of SCT is that social network ties provide access to these resources. Weak ties between persons can be useful for information retrieval (Granovetter, 1983), while strong ties are more accessible and may involve willingness to help colleagues and peers (Krackhardt et al., 2003). Although network relations may have both positive and negative effects on creativity (Soda & Bizzi, 2012), it is commonly assumed that ideas flow between individuals through weak ties rather than strong ties in social networks (Granovetter, 1973; Perry-Smith & Shalley, 2003).

The main justifications behind utilising SCT as a theoretical lens in the present paper are as follows: (a) Two major creativity models suggest that creativity is partly a social process (Amabile, 1988; Woodman et al., 1993). Hence, SCT has become a frequently used framework to better understand EC, and seminal literature proposes SC as a critical facilitator of creativity

in workplaces (Chen et al., 2008; Jain & Jain, 2017; Liu, 2013; Soda et al., 2019); (b) Several CWS scholars have drawn on SCT in their research (Bilandzic & Foth, 2013; Bouncken & Reuschl, 2016; Cabral & Winden, 2016). CWS can be examined as social networks with a sense of community (Parrino, 2015). Rese et al. (2020) incorporate “community commitment” referring to members’ attitudes regarding the CWS community, comprising SCT concepts including affective commitment, togetherness, and belonging (Chiu et al., 2006).

In the present study, SC is conceptualised following the framework by Nahapiet and Ghoshal (1998). The scholars identified three distinct dimensions of SC, namely structural (e.g., social interaction), relational (e.g., trust), and cognitive (e.g., shared values). These dimensions promote interactions and community building in CWS (Cabral & Winden, 2016) and encourage members to act collectively and share knowledge and ideas (Lee, 2018).

Employee creativity (EC)

In line with the research question, employee creativity (EC) is the main output which this study aims to investigate. Following Gong et al. (2009), EC relates to overall job performance, with obvious implications for the innovative performance of an organisation. When employees perform creatively, they “suggest useful products, ideas, or procedures that provide an organisation important raw material for subsequent development and possible implementation” (Oldham & Cummings, 1996, p. 607). In the present paper, “employee” refers to a person fulltime employed in a large or medium sized corporation. It does not include contractors or hired consultants.

Influential creativity theories (Amabile, 1996; Woodman et al., 1993), as well as several empirical studies (e.g. Dul & Ceylan, 2011; Perry-Smith, 2006), support that EC is affected by both individual and contextual factors. Individual factors include personality dimensions (e.g. Kaufman et al., 2013), cognitive characteristics (e.g. Woodman et al., 1993), knowledge (e.g. Ford, 1996), autonomy (West & Farr, 1990) and intrinsic motivation (e.g. Amabile et al., 1996). Contextual factors refer to work environment dimensions that potentially influence creativity (Shalley et al., 2004). Amabile et al. (1996, p. 249) advocate that “physical environments that are engineered to be cognitively and perceptually stimulating can enhance creativity”. Shalley and Gilson (2004) suggest that future research should address the effect of design and the physical layout of the workspace on EC. Some scholars also integrate technological infrastructure and digital platforms (Cai et al., 2020; Lee, 2018) as contextual factors influencing creativity. Golden and Raghuram (2010) found that extensive use of digital tools will provide more information crucial for EC.

Several CWS scholars have adopted a combined individual and contextual view of creativity. The autonomy of coworkers is suggested to increase motivation and EC, while the CWS context provides infrastructure, spatiality and atmosphere which is assumed to stimulate KS (Appel-Meulenbroek et al., 2020; Bouncken et al., 2017; Merkel, 2015). Following this

research stream, both individual and contextual factors are included in the present study.

Method

To build a solid knowledge base for exploring the research question and developing a conceptual framework, a SLR focusing on EC in CWS is conducted. Denyer and Tranfield (2009) suggest that a SLR is a process of using a comprehensive pre-planned strategy to locate existing literature, evaluate the contribution, analyse, and synthesise the findings and report the evidence to allow conclusions to be reached about what is known and what is not known. Following this, the purpose of the SLR in this paper is to identify, select, examine, and analyse relevant research on EC in CWS.

Searching

Digital databases were used for the search process, which was conducted during December 2020. Scopus was selected as the first database, as it is claimed to contain the largest citation and abstract source of multidisciplinary literature which is continually expanded and updated (Aghaei Chadegani et al., 2013). Later in the process, Web of Science, Ebsco and Google Scholar were used to identify new unduplicated articles.

First, corporate coworking studies were identified. Various search terms were used for the distinct shared office concept ("coworking", "co-working", "coworking space", "co-working space", "collaborative space", "shared space", "shared workspace", "flexible workspace" and "shared office"). "Coworker" and "co-worker" were not included because they are commonly used as a synonym for a colleague. Additionally, corporate coworking was searched for using different terms ("corporate", "employee", "enterprise", "company", "firm"). Second, the creativity dimension was searched for within the identified corporate coworking studies. Terms used were "creativity", "creative", "innovation" and "innovative". The rationale behind the inclusion of "innovation" is that creativity and innovation are quite often used interchangeably (Sarri Katerina et al., 2010).

The time frame was 2005 – 2020 since contemporary coworking originated in 2005 (Gandini, 2015). Later in the search process, studies from 2016 onwards became the main focus, since internal and external corporate coworking was developed extensively in this period (Bouncken et al., 2017). Language was limited to English, but the geographical area was not bounded, as CWS is a global phenomenon (Orel & Almeida, 2019). No scientific discipline was specified because of the multidisciplinary nature of coworking research (Waters-Lynch et al., 2016). The search concentrated on peer reviewed articles published in scientific journals. However, book chapters, conference proceedings and thesis were included to shed further light on the novel phenomenon.

Number of hits related to EC in CWS was 121. The screening process of examining titles, keywords and abstracts was conducted utilising the following inclusion and exclusion criteria: (a) 1. CWS with community aspect, with ordinary shared offices; (b) Open independent CWS with a diversity of users, not with “closed” spaces exclusively for company employees; (c) Creativity as generation and sharing of ideas, not innovation as implementation of ideas; (d) EC on the individual level, not the organisational level. Studies focusing entirely on creative industries, creative cities and the creative class are excluded, as they do not represent the individual creative performance across sectors and disciplines, which are particularly being searched for.

The screening resulted in 46 qualified studies. A critical and comprehensive examination was performed following three criteria: (a) Relevance to the research question; (b) Empirical research due to the aim of a SLR to identify empirical evidence responding to the research question (Snyder, 2019); (c) peer reviewed work to ensure the scientific quality and integrity. Both qualitative and quantitative studies are included to expand and strengthen the foundation for investigating the phenomenon of EC in CWS. The process of searching, screening, and selecting studies are visualised in Figure 1.

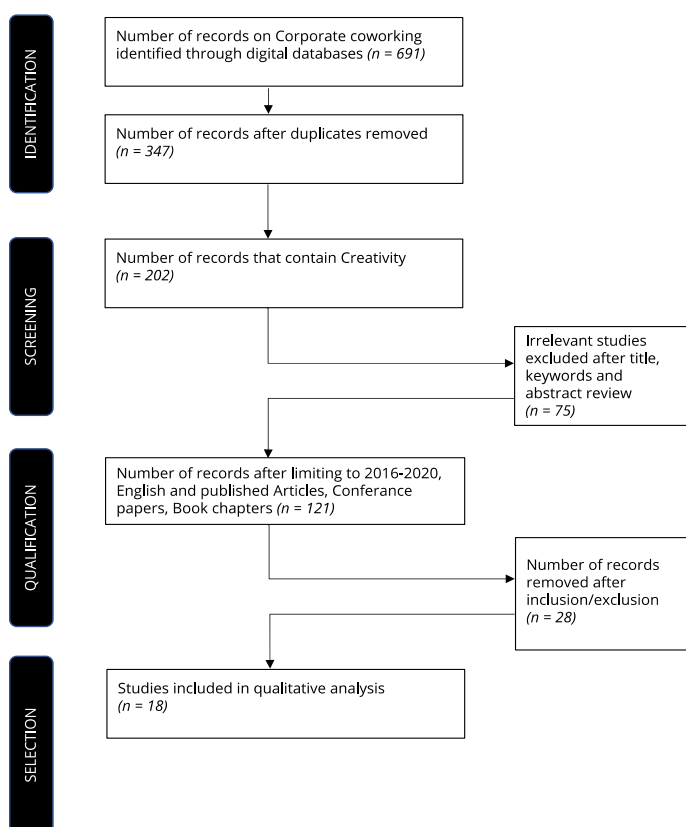


Figure 1. The study selection process of the systematic literature review

Selecting and analysing

A critical assessment concluded that exclusively 18 studies met all the above criteria and delimitations. These scientific works are considered to provide valuable insights for responding to the research question. Accordingly, the 18 studies were selected for the qualitative synthesis and analysis. Table 1 provides a detailed overview (see Appendix for Table 1. Overview of the selected studies).

EC in CWS is a novel and ambiguous phenomenon which require an explorative approach. In the present study, a qualitative approach is used to assess the articles and analyse the findings related to the research question (Grant & Booth, 2009). Content analysis is used to interpret and present insights from the respective literature. The method is commonly used to understand the context underlying a large body of textual data (Hsieh & Shannon, 2005). According to Palvia et al. (2007) content analysis involves identification, grouping, coding, and classification into different categories. The categories are derived from SCT and the individual and contextual view of creativity. The 18 selected studies are examined to extract relevant insights in line with the theoretical perspective, conceptual framework, and proposed variables (see Appendix for Table 2. Corporate coworking review).

Findings

Coworking from a company view

To investigate how CWS can foster EC the concept of corporate coworking needs to be more clarified. Table 2 provides an overview of company views of corporate coworking in the selected studies.

The analysis reveals a lack of definition regarding corporate coworking. However, various sources provide different classifications of CWS in general (e.g. Kojo & Nenonen, 2016; Salovaara, 2015; Waters-Lynch et al., 2016). Three of the selected studies provide typologies which include corporate coworking (Bouncken et al., 2017; Jakonen et al., 2017; Schmidt & Brinks, 2017). A common distinction is between internal spaces operated by the company and external independent CWS. Bouncken et al. (2017) identify four prototypes of corporate CWS: (a) Internal corporate CWS for employees only; (b) Open internal corporate CWS for both employees and outside actors; (c) External CWS operated by an external consultancy; (d) External independent CWS open for public memberships.

The latter prototype represents the main context of the present study of employees working outside their employers' spatial premises in an independent and diverse coworking community. The analysis unveils that coworking from a company view, especially external arrangements, is insufficiently explored. Despite the suggestions in the selected studies (see Table 3), there are no mapping of motivations nor evidence of benefits or outputs.

Corporate coworking and creativity

The analysis exposes that CWS are commonly characterised by a dynamic and creative atmosphere (Orel & Almeida, 2019) where ideas are being created and shared through the social interaction between members of the coworking community (Jakonen et al., 2017). Rese et al. (2020) suggest that the unique sharing culture and KS behaviour in CWS improve EC. However, the scale of novel ideas and whether they are being successfully implemented has not yet been exhaustively studied (Schmidt & Brinks, 2017). Table 3 illustrates how the creativity dimension from a corporate coworking standpoint are being evaluated. (See Appendix for Table 3. Employee creativity view)

Several of the selected studies emphasise the function of CWS as communities designed to stimulate creativity and sharing of ideas (e.g. Bouncken et al., 2020; Tremblay & Scallerez, 2020). Scholars suggest that corporate coworking potentially stimulate EC, but not necessarily (Tremblay & Scallerez, 2020). Interestingly, Josef (2017, p. 269) notes in her study of IT company employees in Switzerland that “participants rated the corporate office followed by the home office as the location where they were most creative, coworking only ranked as third”. Although the interviewees reported elements of creative impulses when coworking, it indicates that corporate coworking fostering EC is not a matter of course.

The relevant findings from the selected studies are synthesised using six categories with associated subcategories (factors). These factors are suggested to influence EC in CWS. All categories are derived from the theoretical foundation of the present paper. The first two categories with related factors relates to the individual and contextual view of EC (Amabile, 1996; Woodman et al., 1993). Individual factors are employees’ flexibility, autonomy, and motivation. Contextual factors are design, layout and atmosphere, and digital platforms in CWS. The next three categories follow the dimensions of SC (Nahapiet & Ghoshal, 1998). Structural factors are task-oriented diversity and network ties. Relational factors are trust among members and social support, while cognitive factors are shared values and identification focused on the community aspect of CWS. The final category represents the KS factor. Table 4 presents an overview of categories, factors, article hits and content examples.

Categories (dimensions)	Subcategories (factors)	Article hits	Content examples
INDIVIDUAL	Flexibility	11	Coworking offers attractive opportunities from a boundary management perspective, where the benefit of individual flexibility is more important than mingling with others (Josef, 2017)
	Autonomy	6	Big companies develop corporate CWS to allow their members greater autonomy to improve creativity and innovation (Bouncken et al., 2017)
	Motivation	7	Participants may have a mix of individual and collective motivations to join innovative activities (Capdevila, 2019)
CONTEXTUAL	Design	11	Interior design and architecture incorporate emotional and social values that may benefit companies and make employees more motivated and inspired (Bouncken et al. 2020)
	Digital platforms	8	Some CWS apply digital networking tools which aim at stimulating creativity and innovativeness through exploration of knowledge connections (Kopplin, 2020)
STRUCTURAL	Diversity	9	By using CWS, corporates have access to ideas external to their firm, which can be a source of innovation because of the diversity of knowledge they can provide (Tremblay & Scailerez, 2020)
	Network ties	8	CWS aim to build quality social network ties which may increase opportunities for collaboration among members (Cheah & Ho, 2019)
	Social interaction	18	Face-to-face interaction strengthen community identity and facilitate peer-to-peer learning (Capdevila, 2019)
RELATIONAL	Trust	10	Trust is a central value for the concept of community and crucial for KS (Rese et al., 2020)
	Social support	11	Coworking activities result in outputs of interaction and mutual support, i.e., feedback and moral support (Clifton et al., 2019)

COGNITIVE	Shared values	11	Values of openness, collaboration, and community enable users to find the solution of their problem through interaction with diverse professionals who have relevant domain specific knowledge (Bouncken et al., 2017)
	Identification	8	CWS can provide essential platforms for networking, knowledge exchange, and identification (Blagoev et al., 2019)
MEDIATOR	Knowledge sharing	18	An ideology of KS, creativity and innovation are embedded into CWS (Jakonen et al., 2017)
OUTCOME	Employee creativity	18	The attitude towards knowledge sharing and actual sharing behaviour in CWS improve coworkers' creativity (Rese et al., 2020)

Table 4: Categories and factors

In the selected studies, the most prominent factors influencing EC in CWS are social interaction and knowledge sharing. Below, each of the factors are evaluated based on content analysis and theoretical views.

Individual factors

Flexibility

Two thirds of the selected studies emphasise flexibility as a primary characteristic of corporate coworking. Tremblay and Scaillez (2020) suggest that employees have new aspirations related to more freedom of choosing the physical place to work and their own flexible working schedule. Flexibility is inherent to CWS, as tenants can rent an office or a desk for a shorter period of time (Cheah & Ho, 2019). Capdevila (2019) highlights that the flexibility in the CWS workstyle may benefit EC. This is supported by seminal creativity research demonstrating that flexibility is one of the factors critical to individual creative performance (Guilford, 1950; Jain & Jain, 2017).

Autonomy

Creativity scholars have concluded that EC is fostered when individuals and teams have relatively high autonomy and a sense of ownership and control over their own activities and ideas (Amabile et al., 1996). In terms of corporate coworking, companies allow employees greater autonomy to improve creativity and innovation (Bouncken et al., 2017). Kopplin (2020) suggests that different degrees of autonomy moderate creative behaviour in CWS.

Motivation

Motivation is an essential factor in most prominent creativity theories (Amabile, 1988; Ford, 1996; Woodman et al., 1993). Individuals are expected to be most creative when they have a high level of intrinsic motivation (Oldham & Cummings, 1996). Bouncken et al. (2020) found that employees profit foremost on intangible levels, including greater job satisfaction and increased intrinsic motivation. In CWS, other members are sources of extrinsic motivation for corporates. However, pure extrinsic motivation might inhibit creativity (Capdevila, 2019).

Contextual factors

Design

Previous studies have suggested that the design of a work place, including architecture and layout, can motivate and inspire people to be creative (Kopplin, 2020). The physical design of a CWS is found to play a role in not only encouraging creative thinking, but also generating ideas of higher quality (Cheah & Ho, 2019). The purposeful design of the social and work zones in CWS can improve communication (Bouncken et al., 2020), and more stylish settings may promote inspiration and creativity (Marchegiani & Arcese, 2018). Shalley and Gilson (2004) suggest that future research should address the effect of the physical layout of the workspace on creative performance.

Digital platforms

According to Marchegiani and Arcese (2018), CWS are a demonstration of how the symbiosis between technology and community is facilitated by the evolution of digital technologies. Bouncken et al. (2020) suggest that digital platforms are used to support space functions, e.g., booking of meeting rooms, and to support communication among CWS users, e.g., social networking forums. Hofeditz et al. (2020) demonstrate how digital tools can be applied to increase motivation, interaction, and creativity in CWS.

Structural factors

Diversity

It is generally assumed that diversity is positively related to EC (Jain & Jain, 2017; Kurtzberg, 2005). Previous research has distinguished between task-oriented and relations-oriented aspects of diversity (Jackson et al., 1995). The latter include gender, age, and ethnicity. However, the task-oriented diversity in the present CWS study include education, skills, and expertise (Kurtzberg, 2005). The SLR shows a scholarly consensus that corporates working with people from different professional backgrounds will be exposed to new ideas (Bouncken & Aslam, 2019; Weijs-Perrée et al., 2018). However, Weijs-Perrée et al. (2018) suggest that diversity may also negatively impact both KS and EC. A “culture clash” between entrepreneurs and corporates may cause undesirable effects and too much diversity may obstruct KS.

Network ties

Castilho and Quandt (2017) suggest that CWS are shaped by people with both strong and weak social ties. Social relations and network ties are the fundamental proposition of SCT

(Nahapiet & Ghoshal, 1998), a commonly accepted concept in creativity research (Perry-Smith & Shalley, 2003), and a highly relevant factor when examining EC in CWS (Bouncken et al., 2018; Cabral & Winden, 2016). CWS comprising stronger and weaker ties between diverse members are characterised by informal interpersonal communication and KS (Orel & Almeida, 2019). The quality and strength of social ties are important for corporates to identify innovative opportunities in CWS (Cheah & Ho, 2019). In extended CWS networks, more distant acquaintances are sources of knowledge, and ideas that may not be available within a strong ties network of company colleagues (Granovetter, 1973).

Social interaction

Social interaction is a precondition for building network ties between CWS members, and to stimulate creative work (Jakonen et al., 2017). Interpersonal interaction is one of the most prominent characteristics of coworking (Weijs-Perrée et al., 2018), and a widespread motivation behind corporate coworking (Orel & Almeida, 2019). Social interactions in CWS may come in various forms (Gerdenitsch et al., 2016). Members may engage in casual conversations, but also participate in events, seek and obtain feedback, and share ideas (Spinuzzi, 2012). WPI literature suggest that people who otherwise would not meet, are mixed together, and can generate a pool of dialogue and creativity (Totterdill & Exton, 2014). However, interaction in CWS bears the risk of opportunistic behaviours (Bouncken et al., 2018). Moreover, conflicts may arise when interaction entails interruptions and distractions (Tremblay & Scaillez, 2020). Nevertheless, Cheah and Ho (2019) underline that social interaction in CWS provides a variety of innovative inputs, and Chen et al. (2009) suggest that social interaction has a significant positive impact on creativity.

Relational factors

Trust

Nahapiet and Ghoshal (1998) suggest that a high level of social interaction strengthens the willingness to share resources and information in networks, consequently mutual trust is being built. CWS can be studied as a foundation for relationship building between independent workers and employees (Orel & Almeida, 2019). The coworking community facilitates the formation of informal networks by a trust based social environment which supports learning and KS (Cheah & Ho, 2019; Fuzi, 2015). When there is overlapping knowledge, a positive social atmosphere and sense of trust enhance the capabilities of coworkers to adopt other members' ideas and views (Cheah & Ho, 2019). Hence, quality relationships in terms of mutual trust serve to promote EC (Gong et al., 2009; Liu, 2013)

Social support

Social support can be understood as social interactions that are beneficial to one or both parties (Shinn et al., 1984). Mutual support is also one of the primary reasons for joining a CWS (Fuzi et al., 2014; Rese et al., 2020). Being part of the same community promotes supportive behaviour, and makes it easier to ask coworkers to listen to job-related as well as personal problems (Bouncken et al., 2020). Scholars propose that a supportive and non-

hierarchical environment fosters KS (Bouncken & Reuschl, 2016) and EC (Perry-Smith & Shalley, 2003). However, Gerdenitsch et al. (2016) emphasise that it is still unclear whether social interaction in a CWS takes the form of social support, as it often does between colleagues in traditional work places.

Cognitive factors

Shared values

In SCT shared values are seen as antecedents of trusting relationships (Tsai & Ghoshal, 1998). Chen et al. (2008) suggest that shared value systems can facilitate EC. CWS provide not only a community of likeminded others, but also organisational elements such as shared values, rituals and routines (Blagoev et al., 2019) The coworking values have been a guiding star for the global coworking movement (Rus & Orel, 2015). Rese et al. (2020) argue that the distinct shared values in CWS increase KS possibilities by diminishing miscommunications.

Identification

Employees with a high level of identification are more loyal towards organisations, and show willingness to maintain committed relationships and supportive behaviours (Lee, 2018). Nahapiet and Ghoshal (1998) indicated that social identification is a SC resource that can enhance members' motivation to share knowledge. In their study of millennial employees, Hui Li et al. (2020) suggest that identification significantly influences EC positively. The community dimension of CWS provides a sense of social belongingness to their diverse members (Jakonen et al., 2017). Social interactions, mutual trust, shared values and supportive behaviour are essential for the users to identify with the coworking community (Orel & Almeida, 2019). This illustrates how factors from the three dimensions of SC relate, and how they impact the facilitation of KS and EC in CWS.

Mediating factor

Knowledge sharing (KS)

KS refers to activities involved in transferring knowledge among individuals (Lee, 2001). Scholars argue that employees are more likely to generate novel ideas if they can access diverse information, by interacting with people who have a variety of knowledge (Perry-Smith & Mannucci, 2017; Sosa, 2011). Seminal literature on KS has found that both internal and external KS lead to increased creativity and innovation (Carmeli et al., 2013; Damanpour, 1991).

Findings in the present study suggest that social network ties in CWS allow KS (Bouncken et al., 2017) and contribute significantly to creative ideas (Rese et al., 2020). Corporates and entrepreneurs building network ties in CWS can spark the exchange of tacit (intuitive) knowledge and promote cross-domain learning (Bouncken & Aslam, 2019). KS is expected to be influenced by the interaction and collaboration culture in the individual CWS (Orel & Almeida, 2019). The other way around, KS may increase social interaction (Cabrera & Cabrera, 2005). Although these concepts are interconnected in a CWS, the SLR indicates that the

correlation is complex and unclear (Josef, 2017). Nonetheless, prior coworking literature suggest that social interaction and KS predict EC in CWS (Bouncken et al., 2017; Capdevila, 2014a).

An integrated framework

In this proposed framework, the dimensions of creativity (individual and contextual) and SC (structural, relational, and cognitive) are integrated as independent variables. Interrelations between the different constructs are ignored in this paper for the sake of simplification of the proposed research model. KS serve as mediator variable, while EC is the dependent (output) variable. Following prior literature, the proposed independent variables may influence KS, as well as EC. Seminal research demonstrates the distinct impact of the three SC dimensions on KS (Nahapiet & Ghoshal, 1998; Tsai & Ghoshal, 1998; Wasko & Faraj, 2005). Scholars have also suggested that KS is affected by individual factors (Cabrera et al., 2006) and contextual factors, such as physical work environment (Weijs-Perrée et al., 2018). Hence, the rationale behind our proposed framework is that the individual variables are related to both KS and EC, although KS directly relates to EC. Based on this outline, the following conceptual model (Figure 2) is proposed for investigating EC in CWS:

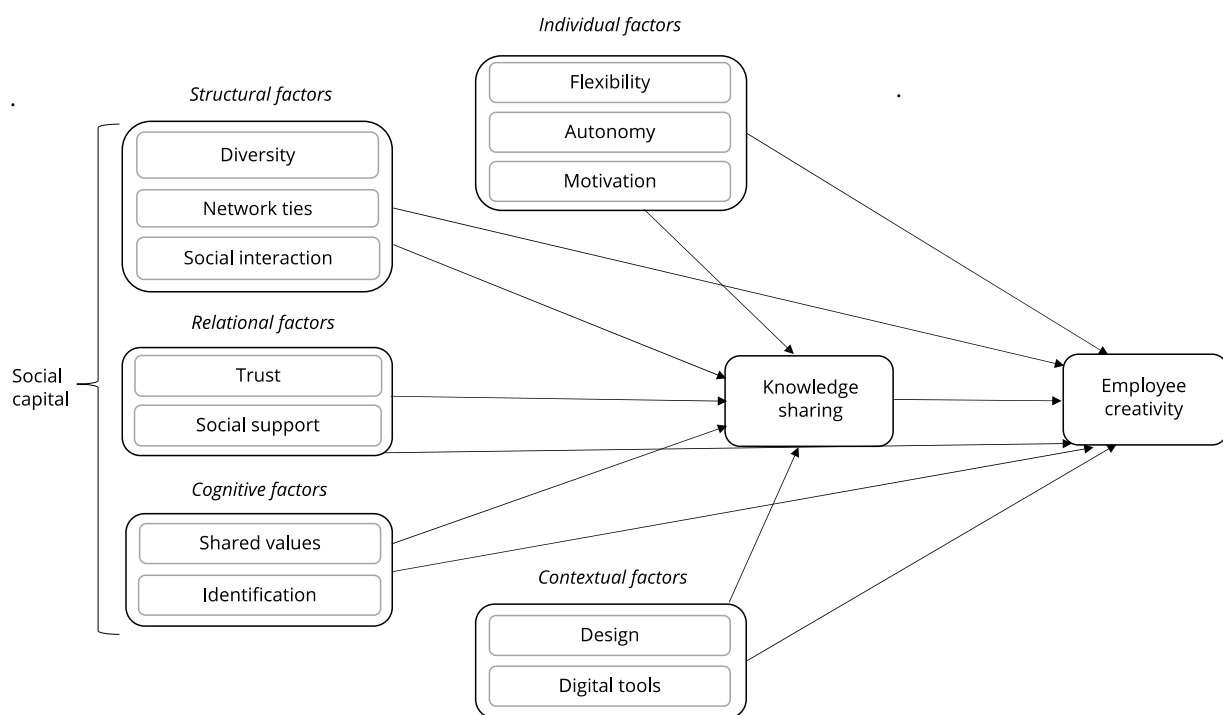


Figure 2. A conceptual model of employee creativity in coworking spaces

It must be underlined that the proposed model is considered a preliminary outline to systemise the SLR findings, integrate theoretical constructs, and illustrate a potential research path. However, the novelty and complexity of the phenomena indicate an initial exploratory research approach to derive meaning from employees' own experiences, feelings, and

opinions, and to gain a deeper understanding of how EC takes place in shared work environments.

Conclusion

In this paper we have systematically reviewed the coworking literature focusing on EC in CWS. Constructs from SCT and creativity theory have been utilised to develop a conceptual framework. The study findings suggest that the two most crucial factors influencing EC in CWS are social interaction and KS. Moreover, we argue that corporate coworking corresponds with the Workplace Innovation concept in the sense of breaking down silos and facilitating creative collaboration. The SLR indicates a common assumption that creativity and innovation are consistently outcomes of coworking. Nonetheless, our study highlights that fostering EC in shared office environments is an ambiguous phenomenon, which involves a complex social process. A conceptual framework is proposed to further develop research questions and hypothesis and to guide future empirical studies. Based on the SLR and theoretical viewpoint thirteen factors are identified to influence EC in CWS.

Theoretical contributions

The SLR of EC in CWS enables scholars to better understand corporate coworking and to critically evaluate creativity outcomes of such work arrangements. Secondly, the paper contributes to the emerging research streams of coworking and remote work in shared office environments. Specifically, it adds to the currently limited research on corporate coworking by reviewing the literature and clarifying the phenomenon. Finally, the focus on EC in CWS adds to the creativity literature by suggesting an individual and contextual view of creativity utilised in a novel research context.

Implications for practice

The study has implications for companies revisiting work policies and crafting short-term and long-term work practices due to the COVID-19 disruptions. Managers may benefit from the study considering EC and corporate coworking models when designing and implementing flexible work arrangements. Secondly, the findings offer insights to CWS operators into the corporate market and may inspire promotion of creative collaboration across boundaries. Thirdly, by suggesting thirteen factors for enhancing EC in CWS, the study may provide knowledge to corporations, CWS, real estate developers and policymakers relevant to strategic decision-making processes. Additionally, the study may contribute insights relevant to the WPI approach to organisational redesign.

Limitations and future work

The inclusion process of the SLR is limited to English language and a short period of time. Relevant studies may also have been ignored because of the exclusion of internal corporate coworking. In addition, an important limitation is that the study does not consider the profound changes in work practices and attitudes due to the COVID-19 pandemic. Only one

of the selected studies mentions that the results may be less relevant, or even invalid, because of permanent changes caused by the pandemic (Appel-Meulenbroek et al., 2020).

The insufficient scholarly attention drawn to EC in CWS requires future research. The growing phenomenon of corporate coworking needs to be further clarified, defined, and categorised. A deeper understanding is necessary, including creativity outcomes. Future research can take different theoretical approaches, e.g., open innovation, corporate entrepreneurship, knowledge management and organisational behaviour. One pathway is to examine how corporates working from various CWS perform creatively in communities with different practices and user profiles. A potential research question is to what extent corporate coworking impacts real idea production and problem solving, beyond inspiration from a creative environment. Scholars should also examine the innovation processes, evaluate employers' support and investigate the implementation of new ideas at the organisational level. In conclusion, this study illuminates the need to better understand companies' challenges and opportunities in facilitating creativity and innovation in the new world of work.

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Appendix

Table 1. Overview of the selected studies

Year	Author(s)	Journal	Methodology	Theory	Relevance
2017	Bouncken, Laudien, Fredrich & Görmar	<i>Review of Managerial Science</i>	Qualitative	Institutional theory	Typology: 4 CWS prototypes Benefits for employees
2017	Jakonen, Kivinen, Salovaara & Hirkman	<i>Scandinavian Journal of Management</i>	Qualitative	Affect theory	Typology: 3 CWS prototypes Benefits of corporate coworking
2017	Josef	<i>BLED Proceedings at AIS Electronic Library</i>	Qualitative	Sociomaterial theory Boundary Management	Benefits and obstacles
2017	Schmidt & Brinks	<i>Creativity and Innovation Management</i>	Qualitative	Situated Learning	4 CWS prototypes ("open creative labs") Relation between communities and spaces
2018	Marchegiani and Arcese	<i>Learning and Innovation in Hybrid Organization (Book)</i>	Qualitative	Open innovation	CWS as organisational hybrids Impact on learning and innovation
2018	Weijs-Perrée, van de Koevering, Appel-Meulenbroek & Arentze	<i>Building Research & Information</i>	Quantitative	Preference theory	Preferences of CWS users Motivations to work at a CWS
2019	Blagoev, Costas & Kärreman	<i>Organization</i>	Qualitative	Organisation theory	Conceptualisation of the social order in CWS by theorizing the organisational dimension Organising outside traditional organisations
2019	Bounchen & Aslam	<i>Journal of Knowledge Management</i>	Qualitative	Practice theory	Role of spatial co-location in KS and idea generation

				Knowledge management theory	Synthesising the KS processes
2019	Capdevila	<i>Journal of Business Strategy</i>	Qualitative	Open innovation	External sources of creativity Motivations to participate in collective creativity
2019	Clifton, Fuzi & Loudon	<i>Futures</i>	Quantitative	Knowledge management theory	Conceptualising community, collaboration and KS Facilitate outcomes of innovation and increased productivity Individual motivations
2019	Orel & Almeida	<i>Journal of Corporate Real Estate</i>	Qualitative	Social network theory	Coworking ambience Architecture and design
2019	Cheah & Ho	<i>Sustainability</i>	Quantitative	Spatial theory	Relationship between space creativity and company innovation
2020	Appel-Meulenbroek, Weijs-Perrée, Orel, Gauger & Pfnür	<i>Review of Managerial Science</i>	Quantitative	Institutional theory Spatial theory	User preferences CWS attributes Motivations
2020	Bouncken, Aslam & Qiu	<i>Business Horizons</i>	Qualitative	Sociomaterial theory	Matchmaking tools
2020	Kopplin	<i>Review of Managerial Science</i>	Quantitative	Game theory Technology acceptance model	Digital tools for networking and collaboration Integrating the role of personal innovativeness

2020	Paje, Boco, Gloria & Go	<i>Journal of Physics: Conference Series</i>	Quantitative	Motivation-hygiene theory Yerkes-Dodson theory	Employee engagement Collaborative capability
2020	Rese, Kopplin & Nielebock	<i>Journal of Knowledge Management</i>	Quantitative	Knowledge management theory Social capital theory	Factors influencing KS and creative performance in CWS
2020	Tremblay & Scaillerez	<i>Journal of Innovation Economics & Management</i>	Qualitative	Open innovation	Corporate strategies Source of external knowledge

Table 2. Corporate coworking review

Author(s)	Corporate view	Motivations	Outcomes	Interferences
Bouncken et al. (2017)	Internal types (open and closed) External types in independent CWS	Creative atmosphere Open and flexible collaboration Architecture and design	Job satisfaction Motivation Autonomy Knowledge sharing Idea creation	Opportunistic behaviour Undermining competition IP rights and regulations
Jakonen et al. (2017)	Internal	Flexibility	Internal corporate coworking lacks employee freedom Serendipitous encounters Social support	Ignorance of contemporary work
Josef (2017)	Third work location	Flexibility Boundary management	New impulses Signal for change and trust Networking, serendipity, and knowledge sharing	Possibility of retreat Data protection and privacy Employers' coordination Challenging work and leadership

			Productivity and creativity	culture No measures of outcomes
Schmidt and Brinks (2017)	Boundaryless work	Idea testing Alternative business models Flexible cooperative structure	Develop new ideas Interdisciplinary collaboration	Challenging facilitation of interdisciplinary collaboration Limited research on innovation processes in CWS
Marchegiani and Arcese (2018)	Distributed organisational practice	Design and atmosphere Teleworking facilities Collaboration opportunity Physical and digital social interaction	Interorganisational relationships Increase employees' well-being, motivation, and productivity	Learning difficulties in a hybrid and distributed work context
Weijs-Perrée et al. (2018)	Real-estate development	Cross-team work	Fresh talent Promote innovation Raise productivity	Too much diversity may obstruct knowledge sharing Users frequently change Change of user characteristics and preferences
Blagoev et al. (2019)	Commercially oriented CWS	Work-leisure Flexibility	Interplay of formal and informal relationships	CWS can become "organisational" to varying degrees at different times
Bounchen and Aslam (2019)	Spatial co-locations	Support projects Diversity Teams with internal members and external partners Shared resources	Short distance, easy exchange, trust, openness, cooperation, tacit knowledge sharing Enhance the knowledge base for innovative projects	Negative interpersonal relationships Challenges in the knowledge sharing processes Challenges of collaboration-competition "coopetition" Managerial

				challenges
Capdevila (2019)	Corporate social innovation	Social innovation possibilities Attraction for local communities	External sources of creativity Extrinsic motivation Co-developed knowledge Economic benefits	Solely extrinsic motivation might inhibit creativity
Cheah & Ho (2019)	Young companies	Support operations Flexibility Physical design	Ideas of higher quality Economic value creation	CWS operators struggle to configure the social climate to meaningful support
Clifton et al. (2019)	Independent Serviced Franchise based	Expand social and professional network Creative environment Flexibility Cost-effectivity	New business opportunities New products or services Increased productivity	Blurring distinctions between CWS and "corporate coworking" in franchise-based serviced offices
Orel and Almeida (2019)	SMEs and employees of large firms as new target groups	Inspiring and dynamic atmosphere Affordability Design Flexibility	Knowledge sharing Efficiency and productivity Spontaneous and moderated social interaction	Optimised comfort levels for diverse users Users´ identification with both community and the CWS itself
Appel-Meulenbroek et al. (2020)	Alternative form of space provision	Support Flexibility Affordability Creative atmosphere	Access to necessary resources Knowledge sharing Generate new ideas	Too much diversity may obstruct knowledge sharing Frequent replacement of members

Bouncken et al. (2020)	Internal CWS External corporate coworking	Interior design and architecture Motivate and inspire Expose employees to external talent and expertise	Serendipitous environment boost creativity and imagination Feedback on new ideas	Struggle to understand and adapt the socio-emotional effects of CWS Challenging to focus on one idea at a time Non-availability of shared resources
Kopplin (2020)	Employees sited at same or different CWS	Infrastructure providing both online and offline environments for achieving goals	Help with challenges Learning Connecting with collaboration partners	No evidence of an impact of personal innovativeness Coordination problems
Paje et al. (2020)	New creative workspace	Flexible workplace design Learning and networking opportunities	Autonomy Multiplied connections with talents Easy flow of ideas and knowledge Social support Maximise skills	Employees may hesitate in initiating interaction with other coworkers
Rese et al. (2020)	SMEs and large enterprises	Interaction Mutual support Inspiration and exploration Flexibility	Knowledge sharing Stimulation of creativity Collaboration	Exchange relationships may suffer from opportunistic behaviour Risk of misuse of information
Tremblay & Scailerez (2020)	Employees from companies of all sizes	Networking possibilities and access to external knowledge Flexibility Cost reductions	Improve quality of life Reduce commuting time Increased knowledge exchange Fuel creativity and innovation	Noise and distractions

Table 3. Employee creativity view

Author(s)	Creativity view	Key findings
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Bouncken et al. (2017)	Creativity and innovation possibilities	Creativity and innovation emerge from the open and flexible collaboration Stimulating architecture and design
Jakonen et al. (2017)	Ideology of creativity and innovation embedded into CWS CWS as creative spaces	Creative work can be accomplished only through social interaction
Josef (2017)	Innovation management perspective Individual creativity	Surprisingly, the majority of the corporates did not prefer CWS for creative work Some employees got new impulses and ideas
Schmidt and Brinks (2017)	Communities of practice as drivers of creativity and innovation	Design and layout foster creativity Communities are perceived a fertile ground for creative processes
Marchegiani and Arcese (2018)	Organisational design and office layout to foster creativity	Layout, community, and digital support foster creativity Simultaneous physical and digital interactions lead to innovative outcome
Weijs-Perrée et al. (2018)	Creative workflow by spontaneous communication and interaction	Enterprises try out CWS to promote innovation by optimising cross-team work
Blagoev et al. (2019)	Place for spontaneous sharing of ideas Focus on creative workers	Sense of both community and individuality foster creative spirit
Bounchen and Aslam (2019)	Co-location that ignites the social disembodiment of ideas	Co-location can synthesise domain-related knowledge sharing and promote inter-domain learning Combination and recombination of ideas open new creative horizons
Capdevila (2019)	Collaborative spaces that motivate individuals to participate in collective creative dynamics	Companies benefit from external sources of creativity Flexibility and improvisation in CWS may foster creativity
Cheah & Ho (2019)	Space creativity of CWS	CWS designed for creativity generate better ideas Creativity in CWS can have significant impacts on business model innovation of tenant firms
Clifton et al. (2019)	Encourages idea development and idea evaluation	Mechanisms for developing new ideas Creativity through fair and constructive idea evaluation

Orel and Almeida (2019)	Vibrant and creative atmosphere for sharing ideas	Knowledge sharing attitude and behaviour improve coworkers' creativity The outcome depends on collaboration orientation
Appel-Meulenbroek et al. (2020)	Vibrant and creative atmosphere	Most important CWS attribute is the creative atmosphere
Bouncken et al. (2020)	CWS aim to inspire and enhance creativity	CWS may use colour themes, casual furniture, and multiple lighting arrangements to foster creativity CWS should provide infrastructure, resources, and technology for idea development
Kopplin (2020)	Creativity as a process of combining knowledge Aim at stimulating creativity and innovativeness	Degree of autonomy moderate creative behaviour CWS may encourage collaborative work groups with diverse skills and norms sharing ideas and knowledge
Paje et al. (2020)	CWS as creative hubs	CWS is an opportunity for HR to redefine traditional workspaces to infuse diversity and knowledge flow
Rese et al. (2020)	Creativity as an individual-level construct	Knowledge sharing attitude and behaviour improve coworkers' creativity The outcome depends on the collaboration orientation
Tremblay & Scaillez (2020)	CWS designed to stimulate creativity and innovative spirit Access to ideas from outside the company	Spatial planning, meeting possibilities, conviviality, facilitators and human resources are crucial for knowledge sharing and creativity Shared values promote trust, exchange, and creativity CWS may stimulate creativity but not necessarily

Managers' support for Workplace Innovation in the public sector: Wedged between expectations and conditions

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Abstract

Over the past few years, public policy interventions have been initiated to promote public sector innovation. These top-down initiatives have been aimed at generating bottom-up movement, and first-line managers are believed to play an important role in this transformation. However, little is known about the challenges first-line managers face in their role as agents of change. This article provides unique insights into the expectations and conditions that first-line managers face when innovation support is implemented in municipalities. The article draws on 23 interviews with participants from three Swedish cases where innovation support has been implemented in the municipal context. These three cases of innovation support are examples of conscious efforts to systematise innovation work that also affect the first-line managers in the organisation. The findings reveal that a multitude of expectations pointing towards an exploration logic are placed on first-line managers to lead, dare and support in connection with employee-driven innovation, but the conditions under which they operate point towards an exploitation logic. The managers find themselves wedged between high expectations and a lack of mandate, resources and organisational support for workplace innovation in the public sector context.

Key words: innovation support, public sector, municipalities, first-line manager, workplace innovation, employee-driven innovation

Introduction

The public sector is facing increasing demands due to changes in demography, technology and climate, while at the same time dealing with insufficient resources as well as multiple and sometimes competing objectives (Christensen et al., 2020; Wihlman et al., 2016). To meet these demands, innovation and an increase in innovation capacity have been suggested as ways in which public sector organisations can readjust and make the necessary changes (Albury, 2005). Public innovations are expected to be new and efficient solutions that provide high quality service aligned with citizen needs while using tax funds wisely (Hartley, 2005). Investments in innovation are also expected to promote the public sector as an attractive place to work (Nählinder, 2013) and to enhance employees' career satisfaction (Wipulanusat et al., 2018).

Innovation in the public sector can take several forms, ranging from new services and new ways of providing these to citizens, to adapting internal processes or challenging organisational structures by establishing cross-departmental collaboration (Bloch & Bugge, 2013). In order to develop and implement the innovations, the capacity to lead and organise fruitful innovation processes is key. Several state-funded initiatives have hence been initiated globally in recent years to reinforce public sector institutions' organising for innovation. Countries like the USA and Australia are investing in increasing public sector innovation, and many European countries have established national innovation strategies (Kesselring et al., 2014; Kibowski et al., 2019; Näringsdepartementet, 2012; Prus et al., 2017). In Sweden, a national innovation strategy was established in 2012 and in 2014 the Swedish government commissioned the Swedish Innovation Agency (Vinnova) to "improve decision-makers' ability to conduct innovation work in the public sector" (Näringsdepartementet, 2014). Since then, Vinnova has funded several policy initiatives and national innovation programmes aimed at furthering public sector innovation, focusing on everything from procurement and innovation management to how to collaborate towards Agenda 2030 (Engstrom, 2019). In 2019, as many as two thirds of all municipalities and regions and half of all the state administrative authorities in Sweden had taken part in projects funded by Vinnova's national innovation programmes (Engstrom, 2019).

As the innovation policy initiative ends up in public sector organisations, the first-line manager's role as a "change agent" comes into play (Balogun, 2003; Huy, 2002; Rønningstad, 2018). While hierarchies have been increasingly flattened over the years, power and responsibility have become more distributed, leaving first-line managers with more operational assignments (Balogun & Johnson, 2004; Høystrup, 2012; Rønningstad, 2018). This affects change processes that take time and require a persistent focus and systematic effort. Research shows that first-line managers have been tasked with driving a multitude of changes in the public sector, from equality and environmental initiatives to discrimination and digitalisation (Christensen et al., 2020). The first-line managers become the link between what politicians and senior executives decide and what staff do (Gjerde & Alvesson, 2020; Halvarsson Lundkvist & Gustavsson, 2018). Their influence significantly impacts what

happens at the workplace level, and recent research shows that they play an equally central role in promoting innovation practices (Wallo et al., 2013; Wihlman, 2014).

As first-line managers are present in day-to-day operations, they are uniquely suited to follow up, inquire and encourage employees to engage in innovative practice (Beaudan, 2006; Rønningstad, 2018). They are closest to the employees who harness innovative potential, and they also have the power to create an environment that promotes innovation in the public sector (Høystrup, 2012; Wihlman et al., 2016).

Even though many nationwide initiatives have been launched to support innovation in municipalities, regions and state administrative authorities, there are few studies on innovation management and practices in a public sector context (Gallouj & Zanfei, 2013) and very few studies have focused on how managers handle the changes in these contexts and under what conditions they can promote innovation.

Therefore, this article explores the expectations and conditions that first-line managers face when innovation support is implemented in municipalities. The empirical material draws on three cases of innovation support that was implemented in Swedish municipalities and includes 23 interviews with participants from these three cases. To support innovation organisational arrangements and activities to support employees' innovation work were developed, and special innovation support roles were established. In this paper, the term innovation support refers to these conscious efforts to systematise and support innovation work.

The following section introduces the theoretical concepts of workplace innovation (WPI) and employee-driven innovation (EDI), which provide a lens through which to analyse workplace innovations and managers' roles in promoting innovation work (in particular employee-driven innovation in the workplace), and the conditions that managers face when implementing workplace innovation. The subsequent section provides a description of the method. Thereafter, the findings are presented. Finally, the findings are discussed, some conclusions are drawn, and practical implications are suggested.

The concepts of WPI and EDI

In the early 1990s, the field of innovation studies saw a progressive shift from how to produce and patent tangible products to how to increase intangible knowledge-based capital through innovative practices (Pot et al., 2021). Around that time, the two closely related concepts of workplace innovation (WPI) and employee-driven innovation (EDI) gained momentum.

The growing interest in WPI and EDI reflects growing policy concerns about how to support innovation in the workplace environment. Even though the two concepts are similar, some variations can be identified in terms of origin and focus. These similarities and variations will be highlighted in this section.

Most research articles within the field of WPI are linked to the area of business and management, and are found in journals dealing with human resource management (HRM), innovation management, entrepreneurship and organisational development (Kibowski et al., 2019; Prus et al., 2017; Weerakoon & McMurray, 2021). Articles on EDI, on the other hand, are more closely connected with the academic fields of public administration, innovation in public services and workplace learning (Ellström, 2010; Evans et al., 2011; Høyrup, 2012). Despite these ancestral differences, there is nothing inherent in the WPI concept that would make it unfit for use in public sector contexts. In the 2021 Handbook of Workplace Innovation, the editors recognise this absence and declare that one of the aims of the book is to strengthen WPI-related research in a public sector context (Weerakoon & McMurray, 2021). Besides being used in different disciplines, there is also evidence that the two concepts may stem from geographically separate roots. The concept of WPI has seen its widest spread in Europe, the USA and Australia, while the concept of EDI seems to have mostly been used in Nordic countries such as Norway and Denmark (Pot et al., 2021; Weerakoon & McMurray, 2021).

Still, there are noticeable resemblances between the two concepts. Both WPI and EDI focus on the workplace and the context in which the innovation work is to take place. In contrast to how mainstream innovation management literature zooms in on the innovation itself and the innovation process, WPI and EDI add the perspectives of who should be involved, where innovation should take place and which organisational conditions will support innovation at every organisational level (Pot et al., 2021; Totterdill, 2015; Totterdill & Exton, 2017). EDI researchers emphasise innovation as a social process and the importance of collaboration between employees and managers (Sundbo, 2003); WPI researchers seem to agree, but also add a more systemic approach (Pot et al., 2016). For example, the emphasis on employee involvement in strategic decision-making and how to build representative partnership structures between management, employees and trade unions have no apparent analogy in the EDI literature.

While both concepts emphasise the need for systematic approaches to innovation and its strategic importance, EDI literature also includes more informal, unofficial and even accidental forms of innovation (Price et al., 2012) that seem to lack equivalence within WPI. Furthermore, EDI literature has historically focused less on profitable high-tech innovations and more on the development of service and organisational innovations, something that is likely due to the concept's close connection to public sector practices. By contrast, economic motives form a central line of argument for WPI, even if other incentives exist (Oeij et al., 2017).

Nevertheless, both the WPI and the EDI concepts rest on the axiom that organisations striving to innovate need to view employees at every level as a resource for innovative ideas, and to use this untapped well of creative potential. In this way, the previously predominant focus on R&D structures as the *only* or primary source of innovation is shifted and expanded, although

there is a slight nuance between the two concepts (cf. Jensen et al., 2007). WPI seems to include both employee-driven and R&D-driven innovation, while EDI literature does not appear to concern itself with the R&D source of innovation. Perhaps this is because EDI emerged as a response to the prevailing view of innovation as a tech-heavy R&D practice (Høystrup, 2012). Even though the concept of WPI – which includes R&D modes of innovation – is used as a theoretical model in this article, it should be noted that R&D innovation will not be the focus of the article.

Notably, the definition of EDI seems less far-reaching and all-inclusive compared to definitions of WPI, and Høystrup's definition of EDI as "originating from interaction of employees, who are not assigned to this task" (Høystrup, 2012, p. 8) narrows the scope of EDI even further.

However, researchers within both WPI and EDI recognise that the biggest untapped potential for growth lies in the opportunity to engage "worker-level" employees in innovative practices (Høystrup, 2012; Pot et al., 2021; Smith, 2017). Regardless of whether they are shopfloor workers in the manufacturing sector or caregivers in a social service setting, these employees represent the great masses and possess valuable know-how since they are the ones closest to the customer or product that would benefit from improvement. Creating a bottom-up movement where these front-line workers participate in and drive innovation initiatives is the goal of WPI and EDI practices (Høystrup, 2012; Totterdill & Exton, 2017). But how does one encourage such bottom-up practices?

As seen in the introduction to this article many public policy interventions have been initiated to promote public sector innovation, and the private sector includes successful examples of how managers and top-level CEOs have managed to push innovation practices and reach company-wide permeation (Totterdill & Exton, 2017). These top-down initiatives have been aimed at generating a bottom-up movement, but the mechanics of this development from top-down push to bottom-up practice are less known. Managers are believed to play a major role in this process (Saari et al., 2015). For top-down ambitions to trickle down, spread and become sustainable practices, the manager's role as a change agent cannot be understated. Managers working closely with front-line workers need to translate extrinsic arguments from the top into intrinsic motivation to act (Oeij et al., 2021). They also need to show how innovation work is relevant and related to everyday operations, especially if innovation initiatives are carried out in a parallel part of the organisation. Furthermore, the modus by which top-down initiatives are imposed on lower managerial levels is also likely to affect the outcome, where a participatory, dialogic and systematic approach has been proven effective (Crosby et al., 2017; Nählinder & Fogelberg Eriksson, 2017; Totterdill & Exton, 2017).

The manager's role in supporting innovation

Managers have an important role in the implementation of workplace innovation and employee-driven innovation. They play an important part in creating a climate that is

conducive to innovation by providing both practical guidance and socio-emotional support (Amabile et al., 2004; Jansen et al., 2009).

Recognising the difference between task-related “hands-on” support and relational “hands-off” support can be helpful in understanding the interplay between employees, managers and innovation practice (Torfing, 2012). Hands-on managerial support can be given by providing employees with ample time for working with innovation in their otherwise busy schedules (Totterdill, 2015). Without the systematic provision of what Nohria and Gulati (1997) call “slack”, innovative activities are unlikely to happen. However, the manager can also provide support by showing interest, and by being involved and available for consultation (Echebiri & Amundsen, 2021; Hansen et al., 2017). Hands-off support, on the other hand, is signified by socio-emotional support as well as employee autonomy and empowerment through manager trust. The fundamental idea behind the hands-off approach is that autonomy boosts motivation and empowered employees are more willing to own and solve problems presented in their work (Cheong et al., 2019; Echebiri & Amundsen, 2021). Socio-emotional support has been proven to be important, since engaging in creative work and sharing innovative ideas can be rewarding but can also put the innovator in a vulnerable position. Change suggestions entail questioning old ways and habits, and hence risk being met with indifference or resistance (Amabile et al., 2004; Smith et al., 2012). Furthermore, success is never guaranteed when venturing into uncharted territory. Nevertheless, an intrinsic motivation to be creative and disclose ideas is needed if innovation is to take place at all (Amabile & Khair, 2008; Scott & Bruce, 1994; Tierney et al., 1999).

Naturally, the research on managerial behaviour and innovation leads to the discussion on whether there are innovation management “best practices”, and some authors have described leadership styles such as “empowering leadership” as being superior to more directive-based forms (Echebiri & Amundsen, 2021). Besides the argument that prescriptive one-size-fits-all directives may be deceptively oversimplified, some authors have also shown that the type of managerial support that is needed may vary throughout the innovation process (Mumford et al., 2002; Rosing et al., 2011). Smith et al. (2012) argue that autonomy is mostly needed during the ideation phase, whereas Amundsen et al. (2014) suggest that relational support is crucial in the early phases while assistance in resource allocation is important towards the later stages.

Organisational conditions for managers’ support for innovation

It is clear that managerial support is crucial in order for employee-driven innovation to take place. However, favourable organisational conditions are necessary if managers are to provide this support. The most basic condition for the successful diffusion of innovative practices is to define the organisational incentive for innovation at executive level: the why, what, who and how of innovation (Nählinder & Fogelberg Eriksson, 2017). This motivation, if communicated well, will aid managers in creating acceptance and support among staff, and will prevent divergence at an operational level (Kotter, 2009). However, grand strategic visions

are not enough. Previous research has shown that for first-line managers to embrace the organisational motives and recognise the link between innovation and organisational goals, they need to take part in the formulation of such motives (Ellström, 2010). Depending on what the incentives are, the implementation may also look very different. If the intention is to cut costs, the organisation may have to clarify whether expenditure related to the innovative practice is allowed. If the intention is to enhance the quality of working life, it may be hard to balance that with cutting costs.

Defining the “what” of innovation also sets an essential direction for managers’ subsequent actions, for example whether radical innovations or smaller incremental changes are called for (Moore, 2005). When defining the “how” of innovation, the roles of managers vis-à-vis innovation need to be clarified (Rosing et al., 2011). Managers will play a significant part in turning strategy into operation, but executive decisions shape the space of their operational reality such as which resources will be available when supporting innovative practices. It needs to be decided whether innovative practices should be integrated into everyday operations or conducted by a parallel organisational unit. Basically, who owns the question of innovation? As multiple studies have shown, innovation risks becoming an orphaned policy rather than a fruitful practice if this question is left unanswered (Nählinder & Fogelberg Eriksson, 2017). Furthermore, managers often need support, for example training, to develop their roles to lead for innovation (cf. Gustavsson, 2009; Halvarsson Lundkvist & Gustavsson, 2018).

The type of support operational managers get from senior management will also influence the outcome. There is a difference between symbolic support for innovation as a legitimate objective and constructive support for innovation in action. Previous studies show that the emphasis has been on providing the former rather than the latter during past transformations towards innovation (Wihlman et al., 2016).

Establishing a policy without thoroughly supporting the practice at a workplace level creates a policy-practice gap. The operational reality of tight budgets and constant demands inevitably reinforces managers’ short-term perspectives, while more strategic goals, such as innovation, may have to be relinquished to stay afloat. In a 2016 study, Wihlman et al. (2016) note how middle managers are affected by this division:

“Senior management admitted that there were contradictory messages; innovation was necessary, but short-term goals, primarily financial ones, were even more important. No actions were mentioned as taken in order to solve these conflicts” (Wihlman et al., 2016, p. 53)

Other studies report similar findings, where middle managers had to make innovation a subordinate objective while senior managers ranked the organisation’s ability to innovate as high (Engstrom, 2019).

This identified gap between the ambition to work with innovation and what actually happens can also be conceptualised as the division between the logic of production and the logic of development (Ellström, 2010), or – as March (1991) calls it – the difference between exploit and explore. The exploitation or production logic is characterised by the reproduction of current work practices where stability, standardisation and predictability are valued. Conversely, the exploration or developmental logic is based on the idea that innovation, exploration and developmental learning (Ellström, 2010), or expansive learning (Engeström & Sannino, 2010), is needed for organisational growth and development (Ellström, 2010; March, 1991).

The manager is hence expected to both lead for exploit and explore and to strike a balance between the two. This has proven to be an arduous task (Rosing et al., 2011). A recent study shows that fewer than one in five managers in the public sector consider their organisation to be supportive of explorative behaviour (Engstrom, 2019). Even though such resistance can be seen in both the private and the public sector, there is reason to believe that there are aspects inherent in public sector organisations that exacerbate the issue (Mulgan, 2007). Managers in the public sector operate in an environment characterised by risk aversion, bureaucracy and silo structures where budgets are set by politicians and responsibilities are regulated by law (Borins, 2001). Incentive structures are built to motivate managers to stay on budget and hit performance targets, both connected to the exploitation logic, while incentive structures to promote exploration seem to be lacking. The fear of wasting state funds has resulted in risk aversion, making it hard to advocate for testing ideas and experimental approaches as opposed to more traditional ways of devising extensive investigations before making decisions (Torfing, 2012). Furthermore, innovations in the public sector should not just lead to increased efficiency, effectiveness or profit, as in the private sector, but should also support organisational transparency and democratic values such as the opportunity for citizen influence and co-determination (Nählinder, 2013).

The underlying argumentation in this article is that leading innovation by balancing simultaneous demands for explore and exploit is hard, and that doing so in a public sector context may be even more difficult. However, changing the operational reality for managers in this context starts with building knowledge and awareness of the conditions under which they operate.

Method

This study uses a multiple case study design to study three cases of innovation support. The cases were selected from a Swedish national programme for establishing innovation support in municipalities, which was funded by Vinnova, Sweden's innovation agency, between 2016 and 2019. Twelve innovation support set-ups were launched within this programme, of which three cases were strategically selected for this study. Three selection criteria were used to obtain variation in the sample. The first selection criterion concerned the support strategy employed in the innovation support set-up. Descriptions of support strategy were obtained

from the grant applications. The second selection criterion was based on whether the innovation support provided assistance to specific departments or all units within the participating municipalities. The third selection criterion was based on whether the innovation support served multiple municipalities or just one. All sites established specific innovation roles, hereafter referred to as innovation coaches, as part of the support set-up.

In innovation support case A, an educational strategy was adopted to support innovation work. Here, the innovation support served one municipality and all its departments. Two innovation coaches employed at the municipal management office designed and gave courses that discussed the value of innovation and taught service design methodology. They also created educational material and equipped conference rooms with furniture and material to support creative collaboration. The courses that were given varied in length and participants were invited to practice acquired skills between sessions. The innovation coaches explained that the intention was to educate as many employees as possible to reach a “tipping point” when the innovative way of working would become mainstream and spread throughout the entire organisation. They also emphasised that part of the strategy was to advance the notion that ideas did not have to be big or revolutionary to be valuable.

In innovation support case B, a coaching strategy was selected to systematise innovation work. Two innovation coaches employed at the municipal management office provided coaching to employees who had innovative ideas. The coaching sessions would start off with an initial meeting where the coach and the employee together assessed the idea’s value and feasibility. During subsequent meetings the employee and the coach would collaborate to trim and refine the idea to enable small scale testing. During the final stages, the idea would be prototyped and presented to managers. Besides providing coaching, the innovation coaches also gave short courses teaching service design methodology. Just like in case A, the innovation support served one municipality and all its departments.

The innovation support case C mainly served three municipalities, and only social services department within these municipalities. The set-up efforts at innovation support case C were initially focused on setting up a digital suggestion box on the local municipal networks. A project manager and representatives from the social service departments at three municipalities as well as a representative from the association of local authorities collaborated to form this digital solution. Employees at the social service departments were welcome to send in their innovative ideas but very few ideas came in. This caused the project group to switch strategy half-way through the project. The shift meant that the project manager and one other coach started giving courses and providing coaching instead. The courses varied in length and covered subjects such as service design methodology and change management.

Participants

A total of 23 interviews were conducted with participants with various roles in the three cases. The participants who took part in the interviews were innovation coaches who worked within the innovation support set-up, executives who were responsible for the innovation support set-up, first-line managers who were in some way affected by the innovation support, and employees who had come into contact with the innovation support. The distribution of the interviewees between the three cases is presented in Table 1.

Case A (n=8) Training approach	Case B (n=9) Coaching approach	Case C (n=6) Mixing approach – both training and coaching
Two innovation coaches One executive manager Two first-line managers Three employees	Two innovation coaches One executive manager Four first-line managers Two employees	Two innovation coaches One project group member One first-line manager Two employees

Table 1 Participating interviewees from the three cases.

As shown in Table 1, eight participants were interviewed in case A, nine in case B and six in case C. The participants in case C are fewer than in the other cases due to difficulties in recruiting participants under the onset of the Covid-19 pandemic.

Data collection

A total of 23 interviews were conducted, of which six were held face-to-face and the other 17 via telephone or video conferencing when Covid-19 recommendations limited the opportunities for face-to-face interviews.

Before the interviews, an information leaflet describing the study, the confidentiality standards employed and the participants' freedom to withdraw from participation at any time was sent out by email to all participants. The contents of this leaflet were also reiterated before each interview, and permission to record the interview was requested. The first author of this article conducted all the interviews, which lasted an average of 90 minutes. A semi-structured interview guide was used, which included themes and questions regarding innovation support, management and innovation, innovation processes and lessons learned. The participants were generally asked the same questions, but in the interviews with first-line managers and executive managers a few more questions were added. The first-line managers were asked to elaborate further on what enabled and hindered them in supporting innovation, and the executives were asked about financial aspects of the innovation support operations.

Data analysis

After the data collection process had been completed, all interviews were transcribed verbatim. The interviews with employees, innovation coaches and executives within the innovation support set-ups were then carefully analysed to locate all passages where the respondents talked about first-line managers' work with innovation. All these statements were then analysed further, and it became clear that in many of the accounts the respondents talked about various *expectations* they had in terms of what first-line managers should do to support innovation within the work unit they were responsible for.

Next, all transcripts of the interviews with first-line managers were analysed to identify any passages where they mentioned expectations that they felt from others regarding innovation work and expectations that they placed on themselves. The analysis showed that the responses from first-line managers also included an abundance of examples of expectations, just as the analysis of the other interviews had shown. At this point, all statements regarding expectations from all respondents were coded through a qualitative content analysis (Schreier, 2014), resulting in three categories of expectations placed on the first-line managers when innovation support was implemented, which related to leading, daring and supporting.

The analysis had so far made it apparent that the first-line managers operated under a multitude of expectations placed on them by others and by themselves. In the next step of the content analysis, coding was carried out to identify whether the first-line managers themselves thought that they had the necessary conditions to live up to these expectations. To gain a deeper understanding of this, the interview transcripts were reread and analysed again to identify statements about how they perceived their conditions for supporting innovation. The conditions found in this step of the analysis were presented by the first-line managers as either fulfilled and favourable or lacking and therefore prohibiting their work with innovation. The conditions originating from the municipal organisation and governance were divided into three broad categories: the *mandate* and the *resources* the first-line managers were given, and a category of how *organisational aspects* affected their ability to meet the expectations to facilitate innovation. Other conditions related to the *workplace* within the department which affected the first-line managers' opportunities to facilitate innovation.

For the purposes of readability, first-line managers will hereafter predominantly be referred to as "managers" to avoid excessive wording or abbreviations. The executive managers included in the study will be referred to as "executive managers".

Findings

This section outlines the findings and is divided into two main parts: one describing the expectations placed on first-line managers to support innovation and the other outlining the conditions under which they did so. Quotations have been added for illustrative purposes and enumerated to display case association (A/B/C).

Expectations placed on first-line managers to lead, dare and support innovation work

All respondents, regardless of their role, articulated a multitude of expectations placed on first-line managers' work that could be attributed to the innovation work in the municipal context. The managers themselves clearly expressed how these expectations were evident and affected their work. Managers, innovation coaches and employees described how they expected managers to work in certain ways to support innovation, and three broad categories of expectations emerged. The first-line managers were expected to *lead* the innovation initiative, *dare* to make room for innovation and actively *support* employees in their innovative endeavours.

LEAD the innovation initiative

First-line managers were expected to lead the innovation work within their department. The expectation to lead innovation work came from themselves, and also from innovation coaches and employees. The managers were therefore given or took on a significant role in driving innovation work forward. Leading innovation work meant that the managers were the front figures in the process of promoting innovations within the municipality. Nevertheless, first-line managers expressed that the expectation to lead could be difficult to meet if they did not have a sustainable impact on the innovation work.

"I think that if the managers cannot become carriers of this, of innovation and, and that way of thinking, then I do not think you get impact all the way out either... I do not actually think so" -A1

Communicating the new directions and conveying the value of working with innovations were expected from managers in order to explain WHAT and WHY innovations were important to implement in their department. The managers emphasised that the message when introducing innovation support was that an innovation did not have to be a revolutionary change; it could be a fairly small change. The managers had to manage expectations by defining innovation for their organisation:

"I think, when it comes to expectations, I think the most important thing is that you try to realise, and I always try to communicate this to my employees and also talk to my boss, that an innovation does not have to be something digital, technical... it does not have to be something grand. It can be a fairly small change that makes a very big difference [...] I think, if you realise this and feel safe with it, then this is not so... overwhelming" -A1

"When everybody talks about innovation, it gets a little too... it gets a little too big sometimes. It's kind of like 'Yes, now we're going to create a blockbuster [...] that you can scale up and turn into a product.' But I think innovation means doing things in a different way. Which means we streamline, increase quality" -C2

Leading the innovation work called for more than just spreading an approachable definition of what an innovation could be. In addition, first-line managers were also expected to advance the discussion about innovation with politicians to promote the importance of innovation work within the organisation. The managers were seen to be best suited to furthering arguments about why innovation is a good investment, even though the return on investment may be delayed rather than immediate.

DARE to make room for innovation

First-line managers were also expected to assume a certain attitude to facilitate innovation. Certain words, such as "dare", "trust" and "courage", were used very frequently by all respondents when talking about the expectations placed on managers in relation to innovation. In other words, the managers themselves – as well as innovation coaches and employees – expected managers to have a certain personal quality, a daring attitude that would allow them to act in ways that were believed to facilitate innovation. The managers were expected to *"dare to let go of control"*, *"dare to allow"*, *"dare to fail"*, *"dare to change"* and *"dare to stand up for this [innovation] to be done"*, to name just a few examples. Some even talked about the need for a certain type of personality, as one manager said while talking about adopting ways of working with innovation:

"It also takes a certain personality I think to be able to work with, with certain methods fully [...] many of these methods require you to let go of control... I have no problem with that... at all, but if you have, then it's pretty tough I think" -A1

First-line managers were also expected to have an overall positive attitude towards change. Managers and coaches alike talked about the need for a progressive "mindset" associated with the courage to promote development. One innovation coach expressed the connection between innovation support and the courage to change as:

"This [the innovation support] is an offer, there is something good here that is rigged and ready to use, and then it comes down to, what kind of a boss are you? Are you a manager mainly concerned with supervising or mainly concerned with development? How do you see your mission?" -A2

Furthermore, managers were expected to show courage in the implementation phase of the innovation process. Despite the uncertainty of outcomes, they were expected to take a leap of faith and decide to implement the innovative ideas and, as one employee put it, to "take the hit" if after implementation and follow-up the innovation did not work out as intended.

“Because the fear of getting it wrong holds people back and that means you are not creative at all, you are afraid of being criticised for something, or you are afraid of being ridiculed. I think it is one of those things that the boss needs to take care of [...] if there is a hit, then the boss needs to take it or soften it” -C1

Moreover, managers were expected not only to have the courage to make the decision to implement and to take the hit if they failed, but also to be daring enough to push the ideas into implementation throughout the organisation. One manager said:

“And then when you see that this will be a good idea, you should dare to implement it fully throughout the organisation so that you get that return on investment – so that you can benefit from the results and benefit from the good ideas [...] it should not just be a nice presentation material that you can show and write about in your business plans, or just a paper product” -B1

SUPPORT employees in their innovative endeavours

First-line managers were also expected to facilitate innovation in daily operations by providing active hands-on support to employees throughout the innovation process. Hence, leading by promoting the WHY and the WHAT of innovation was not enough; they were also expected to be involved in the HOW.

As the biggest hurdle was described as a lack of time, managers were expected to help employees prioritise and make time in their schedules to work with innovation. Talking about this, one manager said:

“It [innovation work] is done during working hours, so we try to keep it like that of course [...] and you may have to prioritise time for that. Then I have to make sure that the employee has the space in their work schedule to work with that as well” -B2

Several participants pointed out that making time for innovation was especially important in municipal departments with heavily regulated core missions, such as health and social care, where time and resources were viewed as particularly scarce.

As well as providing first-hand assistance with making time for innovation, first-line managers were also expected to be actively engaged in the innovation processes by expressing expectations and an active interest throughout their employee's innovation journeys. Managers and employees also felt that it was important for managers not to “kill the energy” by bluntly stating that ideas would not work, instead suggesting that ideas could be “parked” for later. Others considered the manager to play an important part in keeping innovative initiatives real, representing realism throughout the process.

Managers, coaches and employees all expressed how they expected first-line managers to make time and resources available for all employees to take part in the activities and training offered by the innovation support.

Managers also articulated the anticipation they felt with regard to using the resources, courses and materials provided by the innovation support in their daily work, as well as attending management courses. One manager said:

"There is great material, easy to use... it's just about opening, coming to the page, opening this page... going to these management training sessions that they offer now, innovation training for managers, and attending it with the attitude 'Yes, this is what I'll do when I get back to my workplace'" -A1

Finally, all respondents agreed that every innovation journey in this context must start with a dialogue between the employee and the first-line manager, and that clear managerial support is of the utmost importance for employee-driven innovation.

The sections above have outlined several expectations placed on the managers, all pointing in the same direction: first-line managers are considered to be absolutely crucial in this context in terms of whether or not the innovation initiative will succeed. But are they given the opportunity to do so?

Conditions for first-line managers to lead, dare and support innovation work

As shown above, a multitude of expectations were placed on managers, by themselves and by others, to further the innovation work within the municipalities. However, the managers also talked about *conditions* that they felt were particularly important for meeting the expectations to lead innovation, to dare to make room for innovation work, and to support employees in their innovation work. The conditions were presented by managers as either fulfilled and enabling or lacking and therefore constraining. Certain conditions originated from the municipal organisation, and governance trickled down and tended to spread across to their unit in terms of enabling or constraining. The conditions originating from the municipal organisation and governance were divided into three broad categories: the *mandate* and the *resources* the managers were given, and how *organisational structures* affected their ability to meet the expectations to facilitate innovation. A fourth category was formed containing conditions relating to the *workplace* that also affected the first-line managers' opportunities to facilitate innovation.

Conditions related to mandate

Having the mandate to work with innovation was described by managers as being essential. The mandate could either be made explicit by being incorporated into job descriptions and

managerial assignments, or could come in the form of directives and decisions from senior management and/or the manager's direct manager.

"What facilitates things is that there is a will and a... what shall we say, a directive from above that municipal management and politics have said that we should work with this... we should be innovative and we need to find other ways to manage welfare. Without the clear directive, there is no room for ideas" -B3

However, not all managers saw this type of support from their superiors, instead experiencing this explicit support from upper management as lacking:

"There is a need for clearer decisions from our decision-makers that this is what we should work with" -B1

Apart from support from upper management, explicit support from immediate management was also seen as essential. When talking about this, one first-line manager expressed how support from the innovation coaching team was beneficial, but that the mandate from her immediate manager played a critical role when working with innovation:

"It's hard when you have a boss who says that I shouldn't work with these things. The innovation support does not have the mandate to decide what... they do not control my calendar, so to speak, my boss does" -B1

Even though most managers talked about the need for an *explicit* mandate from management, some also argued that more subtle expressions of support from upper management could give a sense of legitimacy for innovation work within the organisation and that this greatly benefitted them in their own support for innovation.

Conditions related to resources

Managers also expressed how access to resources (and a lack thereof) strongly affected their ability to facilitate innovation. This involved both access to resources to run their organisation and access to resources for innovation work. Naturally, many managers emphasised the impact various money-saving demands had on their ability to run their operations and their ability to support innovation work. In recognising how his budget would have to suffice for both everyday operations and innovative practices, one manager said:

"It's also about keeping to a budget, and like staying within that framework, so it can sometimes seem a bit diametrical, that you have to use both new and developmental ways of thinking, but at the same time you have to stay within your framework" -B4

The managers recognised that both daily operations and innovative initiatives were competing for the same resources, people, time and money – a paradox that was not easily resolved.

When it came to resources, all the interviewed managers did however seem to agree on one thing: The innovation support they had been provided with was as a valuable resource in their otherwise meagre reality. They recognised how the innovation support had provided valuable resources in terms of knowledge through training, attitude changes among employees, idea coaching, enthusiasm and high-quality published material about how to work with innovation.

“These people are very good, they are small bundles of energy, who add a lot of positive things for... for us too, and so... and so we get this hands-on help. It's like... they help us make it happen, I would say, it's like, they help us take it from start to finish” -B3

Conditions related to organisational structures

Some managers argued that certain aspects of how the municipality was organised imposed unfavourable conditions for facilitating innovation. One of these conditioning factors was the silo structure employed at all the municipal sites. Even though some municipalities actively worked with cross-silo initiatives, the silos seemed to prevent the innovation work from becoming truly user-centred.

“You are clear about what your mission is: ‘This is what I will do, this is what we have limited ourselves to, this is what we have the means to manage.’ [...] But the person who comes to us needs something that is a hybrid. This will always be a challenge for our users, they will never fit into the silos we create 100%” -B3

Since participants defined user-centricity as one of the core components of innovation, this organisational reality represented clear constraints. Furthermore, the municipal budget process was also described as something that could hinder collaboration since it did not support cross-silo initiatives and sharing costs.

Clearly, parts of how the municipality was organised had not kept pace with the innovation initiative. Another organisational aspect that seemed to be lagging was the municipal support functions that were not structured to support innovation work. When talking about this, one manager stressed the importance of working with innovation throughout the entire organisation and not just within one department to enable municipal support functions to adapt to the new ways of working:

“You can't make the journey only within social services and then not... because in that case social services will not receive support from the necessary support functions at municipal level to make this journey” -C2

In addition to the constraints that originated from the organisational context of the municipality, the public sector's mission seemed to form an external and institutional framework that created boundaries for innovation work. Talking about a failed attempt to implement an innovation, one manager said:

“But it’s like nobody’s... nobody’s fault in any way, it’s in the public sector, it’s all about waiting for decisions and resources, and there are many people involved so it’s not... like when you have your own idea, you can’t just start your own business, as it were” -B4

Laws and regulations in the public sector also made it difficult to be innovative in the institutional context, and a manager within social services described how an idea had to be examined through multiple gatekeeping instances and judged against various laws and regulations:

“We are governed by a lot of laws... and guidelines... I would say that this is probably our... Achilles heel in fact... that, it can hinder us in development a lot of the time. [...] There are so many instances” -A1

Evidently, how the municipality was organised posed a multitude of unfavourable conditions for the managers to facilitate innovation.

Workplace-related conditions

When asked about enabling and constraining conditions for supporting innovation work, the managers mostly talked about municipal organisation, mandates from upper management and resources. However, some also expressed how the operational reality within the department where they worked affected their opportunity to facilitate innovation. The value of employee enthusiasm for innovation was expressed by one manager who said:

“What makes things easier for me is that I have employees who are with me, they love to work in this way and want to be involved and influence and drive and... and change” -A1

Having colleagues who shared their ambition to further the innovation initiative was also described as important, and when talking about her colleagues one manager said:

“We have a good management team. Because we all share these basic ideas, that we want... we want to find new ways” -B3

Conversely, management colleagues who did not share that same ambition had an inhibiting effect. In her frustration, one manager expressed:

“What makes it difficult for me, is that [...] many of my colleagues, management colleagues, are not where I am, they actually think someone else should do this job” -A1

Evidently, managers had different views on whether innovation was actually included in their assignment, and since there were no clear incentives or consequences for not getting involved, the participation came to depend on personal interest in innovation.

Discussion

The three cases of innovation support described in this article are examples of how to organise for innovation in municipal workplaces to initiate workplace innovations. The three cases chose different strategies for supporting innovation, one with a focus on training in methodology, another focusing on coaching aspiring innovators, and the third electing for a mix between the two. Despite variations in strategy, all three cases shared the same goal of engaging employees in innovative practices by creating a bottom-up movement where these front-line workers would participate in and drive innovation initiatives (Høytrup, 2012). The findings in this article support the previous research on the role of first-line managers as translators or “change agents” of top-down innovation policy initiatives to bottom-up movements (Saari et al., 2015), and provide unique examples of innovation management and its challenges in a public sector context.

Besides sharing the same goal, the three cases of implemented innovation support also shared the inherent qualities of introducing an explorative culture in a public sector context that is traditionally known for its exploitation logic. Regardless of the chosen support strategy, the innovation support encouraged employees to explore and find new ways of solving problems in their everyday work. With this shift, managers were required to meet expectations to create the right conditions for such innovative practices (Hansen et al., 2017). This implies that managers were consistently expected to act as front figures and active drivers of workplace innovation (Totterdill & Exton, 2017) and were assigned a crucial role in supporting employee-driven innovation (Høytrup, 2012). The expectations that managers should *lead* the innovation initiative, *dare* to make room for innovation and *support* employees in their innovative endeavours all point towards this exploration logic and the manager's ability to foster explorative behaviours among their staff. In other words, the introduction of innovation support resulted in expectations being placed on first-line managers to support a more explorative logic. This made the difficulty of balancing exploration and exploitation particularly noticeable.

Conditions in this organisational context were, however, built around an exploitation logic with a focus on managing organisational goals and keeping to budgets. The managers operated in an environment characterised by risk aversion, bureaucracy and silo structures, where budgets were set by politicians and responsibilities were regulated by law (Borins, 2001). Incentive structures motivated managers to stay on budget and hit performance targets, both connected to the exploitation logic, while incentive structures to promote an exploration logic seemed to be lacking. The fear of wasting state funds has historically resulted in risk aversion, making it hard to advocate for trying out ideas and experimental approaches as opposed to more traditional ways of devising extensive investigations before making decisions (Mulgan, 2007).

The fact that there had been very little focus on the external motivators and incentives for managers to work with innovation points to the entire investment resting on the basic assumption that individual managers in these municipalities would choose to take the responsibility to support workplace innovation, and also that they would have a strong inner

drive to work with innovation. But is this a valid assumption? Those who research work life motivation agree that when external motivators are lacking, three factors may spark internal motivation: autonomy to act, knowledge and a sense of purpose (Gagné & Deci, 2005).

The autonomy to act can come from both resources and mandates through executive directives that grant managers legitimacy. However, since it was not externally mandated that leading innovation was part of the managerial task, the initiative relied heavily on the managers' own interest and internal drive to engage in innovative practices. The findings of this article show that managers emphasised the value of autonomy, but that they also attested to the fact that this organisational condition was often lacking. In terms of knowledge, the innovation support seemed to have contributed to increased knowledge about innovation, mainly in connection with how employees could use different techniques to work with innovation.

When it came to why innovation is important, the innovation support contributed a global perspective on why innovation is important for the public sector, with arguments based on challenges due to changes in demography, technology and climate. However, this did not seem to have been enough for managers to create acceptance and to support staff and prevent divergence at the operational level (Kotter, 2009). Instead, managers seemed to have difficulties with defining why innovation was important for their own department, but also translating the incentives to innovate into more practice-based tangible items. Furthermore, the first-line managers were not invited to participate collectively in the formulation of motives that linked innovation to organisational goals, which could have facilitated their roles in the innovation initiative (Ellström, 2010).

The message conveyed by the municipal organisation can hence be seen as contradictory (Wihlman et al., 2016). It was said that innovation is important for long-term development and dealing with future challenges, while managers were offered little aid in supporting innovation. Managers were left to strike a balance between exploitation and exploration logics (Ellström, 2010; March, 1991), or – in other words – between delivering today and delivering tomorrow.

Conclusions

This article provides unique insights into the expectations and conditions that first-line managers face when innovation support is implemented in municipalities. Managers play an important role in translating top-down innovation policy initiatives into bottom-up movements, and this study shows the challenges faced by first-line managers in municipalities during such a transition. An imbalance is created by growing expectations to engage in exploratory practices on the one hand and contextual conditions based on an exploitation logic on the other hand. A lack of explicit instruction on how to handle this imbalance puts pressure on managers as individuals to find their own way to *lead* the innovation initiative, to *dare* to make room for innovation, and to *support* employees in their innovative endeavours.

In order not to leave managers wedged between expectations and conditions when public organisations implement innovation support, our study points to the importance of aligning managers' roles to support workplace innovation with adequate conditions in terms of autonomy, incentives, knowledge and resources. With these types of supportive conditions, managers are better equipped to take on the role of innovation leaders and to succeed in being the link between policy and practice when innovation support functions are introduced. A lack of such conditions will risk leading to increased pressure on managers as individuals, resulting in a policy-practice gap and hence weak realisation of intended outcomes.

Therefore, a practical implication of this study is that it is important for public organisations that implement innovation support to analyse and prepare the existing organisational context for this (Nählinder & Fogelberg Eriksson, 2017). Innovation support could prove more viable when it is more clearly connected to or embedded in existing processes, as well as support and steering structures. More importantly, however, organisational innovation may be needed to allow for processes and structures to fully support managers and to integrate the innovation support for achieving workplace innovation. One such example is the widespread use of measuring in public sector organisations. How managerial responsibilities relate to measurements for "delivering today" may be clear, but "delivering tomorrow" is more diffuse and therefore difficult to measure and hard for managers to prioritise. If measuring is important in an organisation looking to innovate, this needs to be addressed by developing how to measure goal fulfilment for learning and innovation.

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Defining the core of successful millennial leadership

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Abstract

A growing number of today's leaders represent millennial leaders who have their specific approach to leadership work. This was a phenomenographical study in which 28 Finnish leaders from Great Places to Work companies were interviewed. The purpose was to define the core of millennial leadership. The leadership dimensions of social, psychological, and cognitive-operational leadership were distinguished from the millennial leaders' perceptions. Social leadership comprised elements that highlighted interpersonal relations in leaders' work. Psychological leadership evidenced leaders' positive thinking about human growth and well-being. Successful leadership was seen through "human eyeglasses". The leader's strong service mentality, as well as practice time and work management, represented cognitive-operational leadership. The output of this study is a new perspective on millennial leadership. The developed definition of successful millennial leadership will help to understand young leaders' ideas about leadership and organisations to support their development in their work and when developing the sustainable workplaces of the future.

Keywords: Work engagement, grit, Millennial leader, content analysis, challenges, resources

Introduction

Previous studies have found that today, four, soon even five, generations work simultaneously in working life (Lester, Standifer, Schultz, & Windsor, 2012; Lowe, Barry, & Grunberg, 2020). It means also that current changes taking place in workplaces are 1) changes in mindsets and practices, 2) technological change and work, 3) an aging and diversifying working population and 4) climate change and work are highlighted (Kokkinen et al., 2020). Typically, different generations may have different expectations regarding working life, as towards life in general.

In Finnish working life, too, people in their 30-40s, named as millennials, are the growing majority. In 2020, those born in Finland in 1983 were the largest birth cohort in the population (Statistics Finland, 2021). Anderson, Baur, Griffith, and Buckley (2017), after reviewing various studies of millennials, state that millennials have different expectations and attitudes toward working life from their predecessors. In addition, the younger generation has different expectations of its supervisor than previous generations. Millennials value and benefit from a coaching style of leadership that is seen to correlate with Generation Y's level of work engagement (Cates, Cojanu, & Pettine, 2013). Galdames and Guihen's (2020) systematic literature review verifies that there is a lack of empirical research concerned with leadership and the millennial generation. In the general debate on working life, leadership has been identified as one of the cornerstones of success (see e.g., Cheung, 2015; Uusiautti, 2015; 2016).

In this article, we present the study in which leadership was studied through Finnish millennial leaders' perceptions. It is important to understand how millennial leaders perceive themselves as leaders, and successful leadership in today's workplaces. This information will support leaders, organisations, and companies to gain new perspectives, and further to develop and create better and more effective processes and support models for leadership development.

Positive Leadership Theories as the Basis of Modern and Successful Leadership

Leadership is a crucial factor in organisations, as it empowers a lot of potential, and it is tied with many definitions and expectations (Avey, Avolio, & Luthans, 2011). Leaders have a significant role to play in managing these future changes. According to Avolio (2007) leadership theory and research have progressed to a situation where the dynamic interaction between leaders and followers is considered. Today, leadership theories describe leadership broadly, considering together with the leader himself also followers, peers, supervisors, work setting, context and culture (Avolio, Walumbwa, & Weber, 2009). Leadership theories always reflect the phenomena of their era, and according to Abrahamson (1996), the various marketers of leadership doctrines compete over which fashions guide the development of leadership. Managers seem to rely on management styles that appear to be more effective, predictable, and better than previous practices (Abrahamson, 1996).

With the positive psychology movement, leadership has also begun to be viewed through a positive perspective (Gauthier, 2015). Positive leadership is much influenced by general leadership doctrines (Youssef & Luthans, 2012). Work and organisational psychologists began to focus more on well-being and supporting positive employee development through the positive psychological perspective. The focus of leadership discussion and research can be seen to have shifted, from an explanatory way to an understanding perspective.

According to Blanch, Francisco, Antino, and Rodriguez-Muñoz (2016), positive leadership has received a lot of interest, even though it is not a well-established concept. Malinga, Stander, and Nell (2019) also state that there is obscurity and varied opinions regarding the nature of the construct of positive leadership in the literature. Likewise, Antino, Gil-Rodríguez, Rodríguez-Muñoz, and Borzillo (2014) argue that there is a lack of relevant contributions relating to how to measure positive leadership. On the other hand, it has been questioned whether the positives and negatives should even be juxtaposed (Youssef-Morgan & Luthans, 2013).

Positive leadership theories can be considered to consist of five leadership theories, linked by a positive and humanistic approach (Blanch et al., 2016; Dinh et al., 2014): Transformational (Bass, 1985), Authentic (Avolio & Gardner, 2005), Servant (Greenleaf, 1997), Spiritual (Fry, 2003), and Ethical Leadership (Brown & Treviño, 2006). The scientific strengths of these theoretical trends vary, but several similarities can be found in the theories. Common to these leadership styles is that the leader has strong awareness of oneself, values, thoughts, and feelings (Avolio & Gardner, 2005). Positive leadership focuses on identifying and supporting people's strengths and abilities. Operations are driven by a positive attitude, and leadership is seen as an ongoing dynamic process. (Blanch et al., 2016). Positive psychology has been targeted to some criticism for, for example, underlying assumptions as well as alleged methodological and conceptual problems and lack of scientific validity (Lazarus, 2003; Miller, 2008; Malinga et al., 2019), but alongside the increase in positive psychological research, it has become clear that it is just one branch of psychological research (e.g., Seligman & Csikszentmihalyi, 2000).

Transformational leadership theory has evolved, from an analysis of the characteristics of political leaders (Burns, 1978,) to a more multidimensional leadership theory also applied to organisations. A transformational leader is a charismatic role model for his employees who inspires and encourages followers by his own example. Bass (1999) refined Burns' model and divided transformational leadership into four different components: idealised influence, inspirational motivation, intellectual stimulation, and individual consideration of employees (Bass, 1985). Element of supporting people's growth and learning was also included in the transformational leadership later (Bass, 2000).

An authentic leader works genuinely in accordance with their beliefs and values and leads with his own example. Ethically sustainable operations guide the behaviour of an authentic leader. He is aware of both his own thoughts and their behaviours, and the values, moral perspectives, knowledge, and

strengths of others (Avolio & Gardner, 2005). Authentic behaviour by the leaders is strongly inspired by ethical principles of the group (Blanch et al., 2016).

Servant and ethical leadership can also be considered close to authentic leadership style (Pälli, 2016). Greenleaf (1997) defined servant leader to be one who puts followers needs, aspirations and interests before own ones (see also Blanch et al., 2016). Coetzer, Bussin, and Geldenhuys (2017) in their systematic literature review found out that the qualities of a servant leader are defined by eight characteristics: authenticity, humility, compassion, accountability, courage, altruism, integrity, and listening. A serving leader ensures that the employee has the space and freedom to develop and find self-fulfilment.

Spiritual leadership theory was developed within the intrinsic motivation model, and it highlights employees' intrinsic motivation, vocation, and need to belong, as well as the learning of the organisation (Fry, 2003). In spiritual leadership, a leader strives to create a safe environment for his employees, in which he aims to intrinsically motivate with his values, attitudes, and behaviours, one's self and his employees. Intrinsic motivation is unified with better learning, creativity, and performance (Wang, Guo, Ni, Shang, & Tang, 2019). Spiritual leadership theory includes ethical aspects and hence closely aligns with ethical leadership (Wang et al., 2019).

Ethical leader seeks to influence employees with their own example through behaviours and actions. There is a lot of consistency with ethical leadership in the above-mentioned leadership trends and efforts have been made to create one's own theory of ethical leadership (Blanch et al., 2016). Transformational, spiritual, and authentic theories of leadership all include the moral potential of leadership in some way (Brown & Treviño, 2006). Ethical leadership can be considered as a broad entity which, in short, means acting in accordance with one's own ethical principles in everyday work and decision-making. In summary, it is about the culture of doing the right thing.

Those leadership viewpoints that combine leadership with the viewpoint of success have approached the topic from a variety of viewpoints. For example, Syväjärvi and Pietiläinen (2016) defined the principles of humane and efficient leadership. Uusiautti's definitions on success are more focused on a strengths-based approach, and the sense of meaningfulness at work, where personal features together with teamwork and leadership matter (see e.g., Karima & Uusiautti, 2018; Uusiautti, 2016ab) and can even predict sustainable success and flourishing (Uusiautti & Hyvärinen, 2020). It also contains the ideas of caring leadership (see Syväjärvi et al., 2014; Uusiautti, 2013; Uusiautti et al., 2012).

Method

The purpose was to understand how millennial leaders describe their selves as leaders. This study is a part of a wider research analysing millennial leaders' paths of becoming and being a leader. The following question was set for this research: How do Great Places to Work leaders perceive successful millennial leadership?

The phenomenographical approach was chosen as the methodology for this study. In phenomenographical research, the content of perceptions and the relationship between perceptions are of interest. When investigating people's understanding of various phenomena, concepts, and principles, it can be repeatedly found that each phenomenon, concept, or principle can be understood in a limited number of qualitatively different ways (Marton, 1986). A special feature in the phenomenographical research is the division from a "first-order" and "second-order" perspective (Marton, 1981; Yates, Partridge, & Bruce, 2012). This division is intended to clarify the set-up of the second-level perspective brought by the researcher, in which the researcher creates interpretations from the chosen perspective.

For the purposes of this research, it was decided to concentrate on the companies who succeeded on the Great Place to Work (GPTW) scheme during 2020. With this selection, our aim was to reach extensively millennial leaders from different sizes of workplaces and organizational structures. GPTW is a private global consultation company which offers global measurement tools through their Trust Index survey and in addition evaluates the cultures of organisations, through a Culture Audit-programme. The company does research in sixty countries, and altogether these companies have over ten million employees (Great Place to Work, 2020a). Diversity of sectors being part of GPTW scheme, e.g., accounting firms, agricultural machinery import and sale company, staffing and recruitment company and digital service providers, confirmed the choice to select GPTW as a focus group for this study. Participation in GPTW certification is subject to a fee and it should be noted that it enables the participating company to gain public visibility and to create its own public image. This study provides information on the perceptions of leaders working in the private sector, and thus cannot, for example, identify the perceptions of those working in the public sector, or what the possible differences between the two are.

GPTW started the research in Finland in 2002 and until now has listed eighteen times best workplaces in Finland. During 2020, all together 150 companies were researched which employ 30 000 employees. GPTW 2020 listing was published on February 14, 2020. Companies were divided into three (3) categories based on the number of their employees; small (20-49 employees), middle-sized (50-488 employees) and large companies (500 employees). GPTW released fifty best performing companies in their home pages. During February-March 2020, all together 47 (7 small, 30 middle-sized and 13 small companies) companies' Head of Human Resources (HR) or equivalent person were contacted via e-mail and their interest to participate to this study was asked. For the three remaining companies,

necessary contact information was not found, and hence they were left out from this study (Great Place to Work, 2020b).

As a result, eleven companies were willing to join to this study, and their HR department supported by providing the detailed contact information of their millennial leaders. The HR department was instructed to identify individuals having a leadership or supervisor position, and representing millennials as born between the years of 1978-1995. HR departments were given the full freedom to select the leaders and provide the contact information to the researcher. Followed by this, all together forty millennial leaders were contacted via e-mail from which twenty-eight shared their willingness to join to a casual interview. Eventually, 15 men and 13 women were interviewed, from which 19 were born between the years 1978-1985 and remaining nine (9) between 1986-1991. The majority of study participants were from the beginning of the millennial generation, a few born in the late 70s. Millennial leaders educational background distributed as follows: three (3) of the interviewees had doctoral degree, 15 had master's degree education including university and university of applied sciences level degrees, one (1) had candidate degree, three (3) had polytechnic degree and six (6) had vocational level degree from which two of these with double degrees.

The interviews were conducted between March–August 2020. The first interview was done face-to-face, but all the rest were done remotely over Microsoft Teams, due to the Covid-19 pandemic necessitating remote work in Finland. The interviews were recorded with the acceptance of the interviewee.

Interviews followed the semi-structured nature as some of the interview aspects were defined beforehand and open-ended type of questions were used as suggested by Marton (1986; see also Yates et al., 2012). Interviews started with the introduction of the study, followed up with warming up type of questions related to interviewee's background (gender, age, education, working years in total and description of current position). After this, interviews continued to discuss the characteristics of leadership and leadership experiences. Leaders were asked to freely tell what kind of thoughts and values they have about leadership in general, in what type of situations they have felt successful and vice versa, in what type of situations they have failed, continuing then further to ask what strengths they believe have contributed to success and vice versa, whether there is something in their own practices or traits that they would like to change.

In this study, the goal was to classify different perceptions of how GPTW leaders perceive successful millennial leadership. Analysis followed the traditional four stage model of phenomenographical analysis (Yates et al., 2012). The analysis work began with an introduction to the interview material and was read and listened to several times. After getting acquainted, we started to look for and interpret, with the help of analytical questions, relevant expressions and concepts. These included, for example, individual words, utterances, and sets of ideas. In the case of these expressions, its purpose was considered, and meanings were formed, "pools of meanings" (Stage 1). Subsequently, units of meaning

began to be grouped into broader subcategories, which explained and described the differences in perceptions (Stage 2). The analysis proceeded by describing the subcategories at a more abstract level, whereby the subcategories were combined into theoretical results to form broader result categories (Stage 3). In the last stage of the analysis, the result categories were combined from the theoretical point of view with the main categories of the analysis, and finally the result space was obtained, which describes the research results (Stage 4).

Results

Three leadership dimensions from the millennial leaders' perceptions could be distinguished as the main perspectives to view successful millennial leadership. These were the social, psychological, and cognitive-operational leadership.

Social leadership

The category of social leadership comprised elements that highlighted interpersonal relations in leaders' work. Three subcategories comprised social leadership: humane values, social skills, and equality.

Humane values

This category included *positive attitude, values and interest towards people as well as importance of the work-life balance*. When discussing the values of leadership, humane values were emphasised in the leaders' speeches. Leaders were united by a positive attitude towards people, as well as an interest and kindness towards employees and colleagues. Caring, respecting others, and trust clearly stood out in the way leaders talk about what is felt motivational in leadership.

"I like to delegate a lot and I like to share responsibilities with people and guide them in it and maybe even through them get them such successes..." (Leader 12)

"I like to work with the people, I'm a team player to the hilt." (Leader 14)

Caring also appeared to be a detrimental feature in a situation where the manager found it difficult to give negative feedback. One of the interviewees expressed how difficult it was for him to address the performance problem of his employees in a timely manner, due to his own excessive empathy.

"My weakness, which is also on the flip side, is that I care about people, I find it hard to give people negative feedback directly... when one team member was not performing well, I somehow tried too much and was optimistic and in the end I had to admit that nothing would come true... that I should have been able to make those boring decisions faster, because now it was sad for everyone..."(Leader 18)

The emphasis on humanity also came to the fore in the way leaders spoke about the importance of their own time, family, and work balance. Some leaders strongly emphasised the importance of leisure time supporting coping at work. Seeing human life as a whole was also evident when talking about taking motivation into account in leadership. For a few leaders, it was especially important to remember and consider the life of the employee as a whole.

"... they are the kind of stuff I appreciate and want to take care of. That I have like food and rest and workout in balance. Of course, people, friends and pets around, will bring a lot of joy and balance..." (Leader 26)

"... (As a leader) notes how it goes there in private life. If there is such a hassle, you either encourage to be off or if it's better to work, then encourage to work, but react on those situations and be aware..." (Leader 15)

"You are interested in what is happening in their (employees) lives. One of our team members, for example, had a divorce on, so I was really pleased when I happened to ask, "how the summer went?" That probably wouldn't otherwise turned out because he was a bit kind of shy." (Leader 18)

Social skills

When discussing the factors that support the success of leaders, social skills rose to a significant proportion. Leaders felt successful when their team was doing well, and teams were succeeding together. Social skills emerged repeatedly, and it was clear from the material that they contributed to many successes and accelerated leadership development. This category consisted of *co-operation and interaction skills, working in a group, human knowledge, empathy and listening*.

The importance of *co-operation and interaction skills* came to the fore when discussing which issues have been significant as leaders in their growth. Also, when discussing the qualities of a good leader, understanding the importance of interaction skills was emphasised.

"...it (conflict situation) maybe taught to me the meaning of co-operation, everything you do (as a leader) affect everyone around you that there's always certainly one or two perspectives that you haven't come to think it's worth being careful about." (Leader 21)

"... Then the other is interaction skills...because people are busy, no matter how good the ideas are, but if you can't communicate or get people involved or can't build trust, those things will not be done." (Leader 1)

The importance of co-operation skills was emphasised when discussing managers' experiences of failure, and co-operation skills were essential, especially in conflict resolution.

"...there has been this kind of frozen conflict between someone or some people. When it's kind of a conflict freezes there in a team or organization then it throws sticks in the cart for all development projects...if you don't actively break down the frozen conflicts you will see that you won't achieve anything with those other activities either." (Leader 21)

When discussing what kind of expectations leaders had in their peers, they felt it was important to work effectively with other leaders. Through the co-operation, they received support and, if necessary, advice.

"Yes, that kind of overall understanding and interest towards things, it's maybe what I'm looking forward to and then of course cooperation. Co-operation between colleagues." (Leader 10)

Throughout the material, whether we talk about the experiences of success or failure of leaders, the importance of working as a team and seeing oneself as a strong part of it was significant. Leaders saw themselves as an active part of the team and realised that their activities have value.

I'm not the type (of leader) who wants to do solo work and only benefit from it myself. Feels good when you can do as a team or in a group. I'm more the kind of leader that I love that others are involved. (Leader 17)

The research participants perceived that their good *human knowledge* and *empathic skills* had helped them achieve successful experiences. Human knowledge and empathic skills have perhaps helped leaders find a deeper connection to their employees, which in turn has strengthened trust in the leader-employee relationship.

"Well, I'm sure that I can somehow read people well and I'm empathetic and I just understand that people are different so it's probably what's been my most important tool." (Leader 25)

"... yes, it leaves you if you want to take advantage of someone's latent potential, then you must get to know those people and see those strengths." (Leader 10)

The importance of *listening* became the hallmarks of good leadership, as evidenced by the discussion of good leadership. One interviewee raised the skill of listening when considering the transition from an expert position to a supervisory position. As a result of the transition, he understood the important importance of listening in leadership.

"Listening would certainly be emphasised. I hope I would have more time on it ... And it might be that for me, as a leader, it is not looking so essential, but for him (employee) it might be very relevant, and I need to be keen into his topics." (Leader 15)

"...and then, of course, the fact that when I was doing those expert tasks and now (as leader) my job includes listening, it has felt weird." (Leader 19)

Equality

This category included equality. Leaders felt they were an important part of the team, and the interviews highlighted the will of the leaders to be equal members of the team. The desire to be close to people, to develop people and to be encouraging was especially emphasised. When describing, for example, decision-making situations, managers mentioned that they were primarily considering the interests of the team and aimed to gather the needed information for the decision making together.

"Perhaps I see myself more as a member of the team than that I am their leader." (Leader 8)

"I try to be very approachable as a supervisor and as a leader - I like to delegate and share responsibility... and be present..." (Leader 12)

"I want to be there as if to go with it in a way, like together on the same team at the forefront." (Leader 11)

Psychological leadership

The category of psychological leadership referred to those perceptions of millennial leaders that resembled how they valued their work, the nature of leadership, and their development as leaders. This category included subcategories of leadership attitude, orientation to well-being at work, and openness to change and reflection.

Leadership attitude

This category consisted of *seeing work as valuable, a high work mentality, and an ambition to develop himself at work*. As leaders described their journey as leaders, their speech reflected a positive attitude toward work and way of doing work. The positive attitude towards work was manifested in the goal-orientation of leaders, in their attitude towards natural adversities and in seeing working life as an important self-developer.

"...I appreciate the work itself, whether it's really cleaning chores or seed planting, or that kind of managerial job." (Leader 4)

"...maybe it's an ambition that you really want to make for example this job the best job in the world, so this is the type of mindset I'm having..." (Leader 21)

"...perhaps the development and advancement of things has become things developed and they have moved forward, and they have been good things and through it perhaps the management has found that talents, or perhaps skills, are enough to be able to manage even a more demanding field." (Leader 14)

Orientation to well-being at work

Leaders showed a dedication to caring for the well-being of their employees, which was particularly evident in leaders' appreciation of well-being at work and their ability to be aware of the uncertainty brought about by covid-19. Hence, this category included *empowerment* and *leaders' own well-being*.

The speech of several leaders conveyed a holistic conception of the human, which in this context means an understanding of the human as a holistic being. For example, leaders realised that employee private life events may have an impact on working life and vice versa. Considering changes in life situations, supporting a sense of security and stability were perceived as important areas of expertise.

"Yes, I appreciate that people feel good...I appreciate that in practice they have it all good and that is yes, all that matters for me..." (Leader 2)

"... that human well-being is both a whole, you don't have a separate work well-being and well-being somewhere else." (Leader 6)

"...in my opinion, indeed, the well-being of employees is the most important thing and after that customer satisfaction becomes the second most important thing..." (Leader 12)

"Well now maybe the latest is not quite a concrete situation but in a way the corona era, so it is important to create security and stability, stability in the team..." (Leader 11)

One of the leaders used the term mental sparring, in which he described his way of striving to sense the mental well-being of a team and support his employees holistically, for example, by talking about things that are important to them.

"It (mental sparring) is about talking about life and important things, what's important to you and what's important to me and so on. But of course, also the fact that there can be awkward situations in your own team, or you feel that something is harassing or not going well with a team member or something like that you don't get it kind of patch..." (Leader 28)

Empowerment manifested itself in the goal of leaders to support the internal strengthening of employees. Leaders felt it was important to support employees to understand and achieve the goals set. It was essential for leaders that their employees felt in control of their own work and that they had confidence in achieving their goals as this was believed to be linked with employee's well-being.

"...to give others self-confidence so they are the kind, they are the kind of things that are as always pleasing..." (Leader 6)

"...it's (meaning of leadership) like encouraging people's initiative..." (Leader 11)

"Because I want to encourage them, most of these twenty-four are working on a project and that project will end at some point. They need to move on from there and I want that they trust themselves and believe that they can succeed in the future as well." (Leader 20)

The importance of promoting well-being was also evident in the willingness of leaders to take care of their own well-being. When discussing the areas of leadership development, balancing work and personal life and setting your own boundaries were brought up.

"Hmmm ... (thinks) ... pretty much I've been working on my own graciousness that I thought which are the things I can work on, and which are the ones I can't, that those which I've failed relates to those ones." (Leader 9)

"Some limit has to be drawn...I live this job and in between I probably body too much, so I try to have enough free time and exercise and change myself through those consciously. A clear boundary for work more and more." (Leader 15)

Openness to change and reflection

A third important element of psychological leadership was the *ability and will to self-reflect*. According to the research participants' perceptions, an open attitude towards one's own activities was evident when talking about leadership values, motivation and one's own areas for development. Leaders were willing to do self-reflection and understood it to be necessary for the success of their own development and operation.

"Yeah, therefore, it seems that this reflection is a big part of this job ... I am grateful that I've been trained and have been given the opportunity to self-reflection...It is really important thing..." (Leader 21)

"That's what I had to say that a leader needs to do self-reflection... If you are patching your eyes and you do not see any of your own limitations, as we all have limitations, then you are holding your organization and that organization is your prisoner. That in a certain way then it may be that organization at some point will grow over me and then I need to be willing to let go of it." (Leader 28)

Cognitive-operational leadership

The category of cognitive-operational leadership consisted of elements that illustrate how the leaders organised their work in practice and perceived their role in relation to other employees. This category consisted of three sub-categories: time management, work management, and leadership as a service task.

Time management

Most experiences of managerial failure were related to the use of time. Leaders' workdays were busy, and their stories were combined with experience of lack of time. The ability to prioritise and delegate skills were emphasised as leaders pondered the things they would be willing to develop to avoid the same failures occurring. This category consisted of *time prioritisation* and *delegating*.

Experiences of failure emerged in a variety of time management challenges. A few leaders highlighted their tendency to fail in their own use of time. The challenges of time planning came to the fore as leaders shared experiences in which they felt that *"time flowed from their own hands"*. Too big teams also caused time management difficulties.

"I am a bit of a time optimist and I tend to hug myself more work and projects when I have time to complete it on time. Then sometimes it has been difficult for me to delineate the time between work and leisure. Sometimes I have put my work as a priority for my family. I get excited it's a good thing but it's also a burden in between." (Leader 4)

"I find out a little late myself that my own time is no longer in my own gloves...before this last organizational change was definitely at least a year that such a time you don't have but the calendar is too full..." (Leader 12)

"...situations like that where they might have involved quite a lot of my own use of time ... when I had it closer to 20 direct employees so I couldn't possibly give one person as much time as I should have..." (Leader 25)

A few interviewees perceived learning delegation skills as an important stage in their growth as leader. Understanding delegation as part of a leader's duties streamlined his or her own use of time. The lack of delegation, on the other hand, led to situations where leaders experienced failure.

"I can kind of give tasks or this delegation so that I don't have to do like all myself and what I said earlier so it was a step too that I can give a task and give responsibility..." (Leader 5)

"But yes, as far as I know, the one thing that shows up more to me, than to the team, is the delegation...and especially the fact that in a tight situation, I easily leave those things to myself...but at the same time I know that I have a place to develop in it as well." (Leader 6)

"...also, the delegation, the fact that I do it myself and I don't know how; delegation is difficult and something which I need to work on..." (Leader 19)

Work Management

Good job management has helped leaders succeed at work. Good job management was combined with efficient work organisation, the ability to manage large areas of responsibility, and the ability to lead toward goals. Unclear roles and too fast decision-making have posed challenges to work

management and produced experiences of failure for a few interviewees. This category consisted of *work organisation, management of a large area of responsibility and decision making*.

Good job management was evidenced by the ability of managers to plan work and team activities. Leaders were aware of the importance of clear goals and roles. This became clear from the data, as the clarity of roles appeared both as an enabler of success and as a cause of failure. When discussing the role of motivation in leadership, the importance of reasoning came to the fore.

"... I feel that I have learned to give space and that everyone has clear roles, and we have a common understanding of the fact that where we go and who we are. And we have that classic common goal. We know why we are doing this and for what and what we should accomplish. And on top of that, we each have clear roles..." (Leader 19)

"... I always aim for the matter to be well planned and justified. I mean, I'll tell you why it's worth doing this, what are its pros or cons or benefits or risks, or so away so I that is how I can move things forward..." (Leader 13)

"Then when you don't know who does and what and then that style of communication was pretty different..." (Leader 19)

"It has also been quite unclear the roles that who does and what..." (Leader 17)

The ability to manage large areas of responsibility was demonstrated when discussing the successes of leaders. One of the interviewees emphasised her ability to perceive wholes, which helped her to understand situations in broader contexts and thus, for example, to make the right decisions at the right time. One leader saw the implementation of large practice projects as the culmination of successes. Managing and implementing policy changes had required the ability to manage and lead a large area of responsibility.

"Well maybe as a researcher I can see those entities (work community) that I don't choose the easiest path, but I try to look in the long run at what's best...not just to the moment and the situation, but to where it leads and what the result is..." (Leader 20)

"I am quite often successful in situations where we have been changed radically mode of operation, which is even for 20 or 30 or 70 (person) for quite challenging...because there is always resistance...so systematic changes I have managed to make number of times..." (Leader 15)

Several interviewees were united by a similar way of making decisions. Leaders described how, in the pre-decision period, they seek to gather the necessary information and individuals to support decision-making. Decision-making situations were not feared, on the contrary, they were a natural part of leadership. Too fast decision-making and disregard for the big picture had led to experiences of failure.

"...when I have not thought about two times, and I have not looked at the whole picture and I then wondered afterwards, that how I have to run into the fact I learned afterwards that is not worth that in that moment it might seem like a very simple solution, but it never is." (Leader 20)

"But perhaps bigger failures come from situations that I have made some decision too quickly and recklessly. And then it becomes a deservedly harsh criticism, but then it has to be corrected and you say to yourself that "okay, sorry, I messed up, it all went wrong, I need to re-think this and try again" (Leader 26)

This category included *the direction* and *ultimate responsibility*. Although the leaders felt like an equal member with the team, they were clearly aware of their own responsibilities. This manifested itself in their way of talking about their own role as a responsible trend setter and final decision maker.

"... I like to take responsibility for things, I usually take more responsibility than I should take, I bear the burden of responsibility on my shoulders even if the job role was not so responsible..." (Leader 28)

"... one has to get an explanation for why something is being done as it is done, and I think it is up to the leaders to make sure that this is the case..." (Leader 12)

"Well, of course, it is important that there are clear goals to be pursued. That you manage to share your goals with others, and everyone is working towards it. There would be no situation where one pulls there and the other the other way around..." (Leader 17)

Leadership as a service task

Leaders valued being a leader, which was reflected in their way of showing respect and a positive attitude towards those they lead in a conscious manner. This category included *service attitude*. Leaders saw themselves as enablers whose main job was to help employees succeed and empower well, and this was represented as a very cognitive-operational element of leadership. The management style was combined with a service attitude. Leaders felt they were for their team, and their way of narrating conveyed an effort to break away from command-type leadership.

"Well yes, it will probably return in a certain way to those core values and sources of motivation, that it is great if you can help people move forward and the service attitude in a certain way is close to my heart." (Leader 1)

"Not commanded but asked to do." (Leader 15)

"...so that own attitude is not the boss-type of attitude, but it is more the kind of enabler, a certain kind of enabler and then the experts will be able to perform better when someone takes care of those conditions..." (Leader 16)

“Personally, I experience it in my own work in such a way that my job is to create opportunities for others. That others can succeed, that I am the kind that allows for their success, I'll help if they ask, and I ask about the course, but most I want to be kind of encourager.” (Leader 22)

“... in practice, the main prerequisite for a leader is to create the elements to be managed to succeed and to enable success, because if there are no so-called tools to do it in one's own work or lack of competence, then no results can be expected...” (Leader 27)

Discussion

This study looked at how GPTW leaders perceive successful millennial leadership. The main result of the study can be shown that the leadership appeared to be human. The humane approach to leadership was highlighted in the leaders' speech and is a significant unifying factor for GPTW leaders. Results largely follow Syväjärvi and Pietiläinen's definition (2016) of leadership being *adaptive in nature, constantly changing, up-to-date and, in all respects, imperfect*. This result was examined through three different levels which are the social, psychological, and cognitive-operational perspectives.

In the speeches of the leaders, several commonalities could be found for the different theories of positive leadership, which was clearly seen as human-friendly as well as a strong incentive for continuous learning. Leaders were able to observe their own actions, values, thoughts, and feelings, which can be seen to unite theories of positive leadership (Avolio & Gardner, 2005). Leaders realised that the way they acted and communicated had a big impact on the positive performance of the team, the achievement of goals, and growth.

From a social perspective, successful millennial leadership has many similarities to Goleman's (2006) concept of social intelligence, in which he divides social intelligence into two distinct areas: social awareness and social capacity. In social consciousness, a person can read complex social situations and can position oneself as well as to sense another person's thoughts and feelings. Social ability is built on social awareness and enables smooth interaction, considering all parties involved. Goleman's concept has been criticised as not having academic background, but it makes intuitive sense and has been widely acknowledged by practitioners (see e.g., Luthans, Luthans, Hodgetts, & Luthans, 2001). Leaders' interest and caring for those they led was strongly reflected in their social intelligence. Collaborative skills had a positive impact on coping with social situations and developing as a leader. The strong social game eye of leaders has helped leaders succeed and develop in social situations.

From a psychological perspective, human leadership manifested itself in the way leaders perceive leadership and themselves as leaders. Leadership was examined through “human eyeglasses,” as evidenced by the leaders' positive thinking about human growth and the difference between people. The traits of the leaders were united by openness. Leaders were open to different experiences, new

ways of acting and changing, and evolving. Leaders' appreciation and positive thinking about work proved strong, which can be seen to reflect the psychological dimension of successful millennial leadership. Also, based on previous research, the desire to develop oneself, use one's own strengths and feel relevant to one's work is an expression of success (see e.g., Karima & Uusiautti, 2018; Uusiautti, 2016ab). Leaders believed that caring for well-being and seeing employees holistically contributed to their job satisfaction and achieving goals.

Cognitive-operational leadership reflects the functions of a leader in processing information: perceiving, thinking, and remembering, and doing oneself. The leader's strong service mentality represented cognitive-operational element of leadership. Leaders realised that adequate time for employees was paramount. Service thinking, seeing oneself as an equal team member and enabler reflects service-minded thinking and action from leadership. The service-mindedness of leaders has been found to strengthen trust between a leader and an employee (Sousa & Van Dierendonck, 2017), and thus, for example, leaders wanted to devote sufficient time and effort to the affairs of employees. Leaders said they are motivated to help others, which is in line with Luthans and Avolio's (2003) view that power and position, for example, are not a sufficient motivator for a leader's work but a desire to serve which in this case verify that millennial leader's leadership style includes the elements of serving and spiritual leadership. In addition, according to Yousaf, Yang, and Sanders (2015), intrinsically motivated individuals engage in tasks primarily because the task itself is satisfying, and hence we can argue that millennial leaders feel satisfied when having the possibility to fulfil their needs.

This study has described the perceptions of successful millennial leadership in a unique context: the research material was collected from the GPTW in Finland 2020. Therefore, it is important to ask how the results might be different if the material had been obtained from somewhere else, from other kinds of workplaces. For example, we can assume that GPTW companies invest in, measure, and rely on external consulting to improve employee well-being and leadership. The companies involved were growth companies and the leaders were united by a prompt progress in their careers. Interest towards growth companies, their culture and drive were uniting leaders which could be associated with their positive attitude towards work and development in general. GPTW companies turned out to be so-called high-investment, high-involvement companies, where employees are e.g., involved in decision-making and where operations are humane. Such companies have been reported to cope better with crises such as COVID-19 (see e.g., Eurofound 2021, 63) which will certainly create a strong foundation for successful leadership.

For quality assurance, research analysis and interpretation were done together by all the researchers as phenomenographical analysis and interpretation is a complex and demanding process, and among them was one novice researcher (Sin, 2010). The aim was to maintain reflexivity throughout the research process by explaining how the subjects were selected and how the research material was analysed, highlighting material samples. Sin (2010) emphasises that the researcher's voice in reporting results is inevitable and thus special emphasis must be placed on reflexivity.

It is also essential to consider whether we can even interpret whether the interviewees were successful leaders. Defining success as a sense of competence, achievement, and excellence, coupled with the experience of well-being as well as purpose and relevance (see Uusiautti, 2015), we can find many similarities with the perceptions of the leaders interviewed. Defining success in this way, we can state that millennial leaders can be defined as successful, because they seemingly enjoyed their work and accomplishments as leaders, even though they brought up also challenging moments. More important is to realize that they had found solutions and coped, and they perceived their work important. It is also important to realise that producing a picture of millennial leadership also produces a new kind of leadership concept according to Abrahamson's (1996) theory, which naturally reflects the values of the era such as humanity, self-direction, and lifelong learning in working life. According to Nahavandi (2019, 3) the core idea of the next stage of industrial development, industry 5.0, is "*synergy between humans and autonomous machines*" so the need for human capabilities now and in the future is essential for success.

Conclusion

What then is special in successful millennial leadership? As stated, many commonalities were found with theories of positive leadership. Strong belief in learning and growth, knowing oneself and acting ethically sustainably came to the fore. The data obtained among millennial leaders reflected also sustainable values of work, which is in line with the current developments in working life (see also Eiffe, 2021). Abrahamsson (2021) points out that sustainable work consists good job qualities, that are, among others, collaboration and plenty of opportunities to influence, enjoy work, and strong relationships at the workplace. Indeed, in our research, human-respecting values seemed to play a bigger role than the traditional idea of leadership's focus on results and customers. Positive attitude towards leadership, people and growth described leaders' thoughts, while paying attention also to the success of the company they were leading (see also Uusiautti & Hyvärinen, 2020). Sustainability at work resembled psychological safety in workplaces, allowing people to flourish and learn, try new ideas that lead to innovations, but it also was connected with work satisfaction and performance (Newman, Donohue, & Eva, 2017; Nguyen & Slater, 2010).

Humanity strongly typified millennial leaders, emphasising humane values, uniqueness, creativity, and self-realisation. Successful leadership appeared to be combined with good and unhurried interaction and enough time between the leader and the employee. Perhaps leaders' genuine interest in people and desire to support, act as the backbone of all interaction, enables human leadership. Leading people is interaction, listening, discussion and being presence. When these actions take place, we can talk about successful millennial leadership aiming at sustainable work outcomes (see also Eiffe, 2021).

The contribution of this research is in the fresh perspective on successful millennial leadership. An aging and diversifying working population leads naturally to a situation where most leaders will be

millennial leaders (see also Eiffe, 2021). The better we understand their thoughts about successful leadership, the better organisations and different communities will be able to support them.

On the other hand, the acceleration of working life, as well as the difficulties of breaking away from work brought about by work independent of place and time, are challenging organisations, making it even more important to take care of the well-being of employees. Humane, person-centered, and service-oriented leadership can maintain a strong connection between the leader and the employee, enabling a positive charge in the work atmosphere of organisations. Furthermore, studies have shown a positive relation between increased work attendance and working in units increasing respect and trust a positive work climate and open discussion (Dellve, Skagert, & Vilhelmsson, 2007). In their research, Böckerman, Bryson, and Ilmakunnas (2012) have found that management practices that support employee participation, such as teamwork, training, and knowledge sharing, generally improve the well-being experienced by employees. In addition, positive functions and financial capacity have been linked to the work atmosphere, staff turnover and organizational efficiency (Cameron, Mora, Leutscher, & Calarco, 2011). Moreover, this type of job quality seems to predict high innovation in workplaces and organizations (Mathieu & Boethius, 2021).

It is essential to note that positive leadership theories alone do not support or solve leadership challenges or areas for development and success. Positive leadership with its theories and applications offers new perspectives and concepts that can be utilised alongside other leadership theories and when developing the sustainable workplaces of the future.

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Discussion Forum

Workplace Innovation–Europe's Competitive Edge

A manifesto for enhanced performance and working lives

EUWIN Members & Honorary Advisors

Why a manifesto?

Workplace innovation is an increasingly influential global movement. With strong European origins, it is increasingly recognised by policymakers and other stakeholders in countries across the world as a powerful tool in helping to achieve diverse economic and social policy goals, from inclusive growth and productivity to mental health and wellbeing in the workplace. For enterprise leaders, managers and employee representatives, it provides an actionable framework for effective, sustainable and win-win organisational change, one solidly grounded in research evidence as well as practical experience.

Yet we know from successive EU-wide surveys (most recently the 2019 European Company Survey) that there is a long tail between the less than 20% of European companies using workplace innovation practices systematically throughout their organisations and the majority. The EU misses out on potential gains in business performance, workforce skills and health.

Several European governments have recognised the importance of workplace innovation within their economic policy platforms and actively implement measures to enhance awareness, promote dissemination and stimulate research. The European Commission itself adopted workplace innovation as part of its policy portfolio, creating the European Workplace Innovation Network (EUWIN) in 2013.

Since 2013, EUWIN has been a consistent advocate for the broader adoption of workplace innovation policies and programmes at regional, national and EU levels. Now supported solely by its partners in ten European countries, EUWIN welcomes the European Commission's continuing recognition of workplace innovation but argues strongly for expanding related measures in its industry, employment and research policy fields. EUWIN also argues for the

expansion of national and regional policy measures throughout Europe and enhancing awareness amongst social partners and other stakeholder bodies.

This manifesto addresses the European Social Pillar agenda as well as the broader policy priorities of DG EMPL and DG GROW. It summarises the nature, origins and policy significance of workplace innovation, making a case for enhanced recognition throughout Europe's policy eco-system.

Workplace innovation matters . . .

For companies because it boosts productivity, capacity for innovation and talent retention.

For employees because it leads to stress prevention, skills development and wellbeing at work.

For policymakers and wider society it enhances wellbeing and prosperity as well as supporting wider policy goals such as the retention of older workers, and social and economic inclusion.

What is workplace innovation?

EUWIN describes workplace innovation as "new and combined interventions in work organisation, human resource management, labour relations and supportive technologies". The term describes a participatory process of innovation which leads to empowering workplace practices and sustains continuing learning, reflection and innovation.

Workplace innovation does not offer a blueprint. Rather, it provides global concepts and practices, generative resources that organisational actors can contextualise as "local theories" to fit their specific circumstances. Implementing these theories results in tangible changes to workplace practice. Most importantly, workplace innovation is an inherently social process, building skills and competence through creative collaboration.

Drawing on Scandinavian approaches to democratic dialogue, workplace innovation seeks to engage all stakeholders in ways that enable the force of the better argument to prevail. Democratic dialogue helps build bridges between the strategic knowledge of business leaders, the professional and tacit knowledge of frontline employees and the organisational design knowledge of experts. It works towards 'win-win' outcomes based on creatively forged convergence between enhanced organisational performance and quality of working life, leading to self-sustaining processes of participative organisational development fuelled by continuing learning and experimentation.

Workplace innovation is also a systemic approach, influenced in part by the European socio-technical design tradition in recognising the interdependency of organisational practices;

likewise, it reflects other bodies of research that emphasise the combination of representative and direct participation in achieving superior outcomes for organisations and their employees.

What is distinctive about workplace innovation?

A growing body of research has contributed to workplace innovation as a distinctive, robust, yet practically focused approach to organisational transformation. Its distinctiveness as a direct and immediate concept to policymakers, enterprises, employees, and other stakeholders can be summarised in nine propositions.

Workplace innovation is:

1. Part of a strategic choice, running through the organisation's entire business model and underpinned by a long-term vision and perspectives, sustainability and ethics.
2. Strongly associated with the *simultaneous* achievement of high performance and high quality of working life – and contributing to wider society.
3. Separate from – but builds on - 'fair work' principles such as job security, a living wage, equality & diversity, and opportunities for training and education.
4. Promoting occupational safety & health primarily, but not exclusively, through job content (e.g. decision latitude, skill discretion), stress prevention, wellbeing and sustainable employability.
5. Focused on workplace practices grounded in substantial research and case study evidence.
6. Based on high levels of employee involvement and empowerment, combining direct and representative participation.
7. A *systemic* approach recognising the interdependence of work organisation, technologies, control structure and labour relations.
8. Not a blueprint but an evidence-based framework for dialogue and learning, within which organisations create innovative working practices reflecting their own context and circumstances.
9. Not just about changing organisations – it changes and develops the people who work in them. It is strongly associated with trust, accountability, curiosity, creativity, coaching behaviours & emotional intelligence, all of which grow with the workplace innovation journey.

If it works, why isn't everyone doing it?

If workplace innovation is proven to be beneficial for organisations, why isn't it more commonplace? Many reasons can be mentioned here, most identified as far back as 2002 in DG EMPL's *Obstacles to New Forms of Work Organisation* study. For example:

- lack of knowledge about it
- lack of the right management skills to implement it

- strong traditions
- preference for a 'command and control regime' instead of 'participation and trust'
- a short-term focus
- waiting to see what competitors will do
- managerial fear of losing power to employee voice
- adversarial industrial relations etc.

One of the lessons learned is that workplace innovation needs permanent attention and stimulation, including by policymakers. During the 2008 financial crisis, some companies fell into a low road trap focused on cost-cutting at the expense of long-term competitiveness; others argued that crisis is exactly the time to strengthen their high road strategy. The same divergence has been evident during the Covid-19 economic crisis.

More generally, the market mechanism will not produce workplace innovation by itself. US researchers Rodrik and Sabel (2019) argued recently that the shortfall in 'good jobs' could be viewed as a massive market failure – a kind of gross economic malfunction and not just a source of inequality and economic exclusion.

Of course, there is no point in trying to persuade the unpersuadable hardcore of companies and managers locked into traditional mindsets. Still, there is a great potential to target the many business leaders and managers struggling to address persistent poor productivity or employee engagement, those grappling with the emerging challenges of global competition, new technology, and demographic change, and those who are simply inspired by the evidence.

Altogether this indicates a pressing need for social partners and governments to work together in designing and implementing new forms of soft regulation, promoting and resourcing workplace innovation through awareness campaigns, capacity building, knowledge dissemination, the creation of learning networks, social partner agreements, research, and direct support to businesses.

Workplace innovation's long EU pedigree

Throughout the 1990s, several influential European policymakers and researchers began to focus on the increasingly apparent divide in companies' strategies in response to the changing market environment, leading to quite different economic and employment consequences.

In 2001, the European Commission (DG EMPL & DG Research) requested a study designed to analyse evidence from existing literature and an international sample of more than one hundred private and public sector organisations, each characterised by high-performance and high quality of working life. The *Hi-Res* study involved collaboration across eight EU

countries and represents the first known attempt in Europe to define 'workplace innovation' in detail (Totterdill et al., 2002).

Several European countries subsequently developed programmes adapting the principles of workplace innovation to specific national and regional contexts. In October 2012, the European Commission (DG Enterprise, now DG GROW) adopted workplace innovation in its *EU 2020 Strategy*, whilst further recognition came from DG EMPL.

In 2017, the *European Pillar of Social Rights* was launched. Chapter 2 defines several key principles relating to innovative forms of work, social dialogue and worker involvement, high levels of health and safety protection, and the adaptation of working environments to support retention of older workers. In each case, workplace innovation enhances the practical realisation of these principles.

In the *European Pillar of Social Rights Action Plan* (March 2021), the concept of workplace innovation is mentioned twice in the chapter 'More and better jobs'.

- P16: "Social dialogue, information, consultation and participation of workers and their representatives at different levels (including company and sectoral level) play an important role in shaping economic transitions and fostering workplace innovation, in particular with a view to the ongoing twin [green and digital] transitions and the changes in the world of work".
- P18: "The Commission encourages national authorities and social partners to ensure the information and consultation of workers during restructuring processes as required by EU rules and to promote the participation of workers at company level with a view to fostering workplace innovation".

The European Commission also recognises that workplace innovation not only helps to secure social rights but increases productivity and skills development:

"Robust economic expansion in the EU cannot be sustained without higher total factor productivity growth, which relies more on the efficient use of productive factors, rather than just expanding their use. Total factor productivity thrives in the Member States and regions with strong labour market institutions and in firms that invest in workers' training and innovative capital and processes. Policies that help to develop human capital and facilitate workplace innovation are most effective in increasing productivity in the long term, provided labour markets do not discriminate, and firms can access the necessary capital" (European Commission, 2019, p. 28).

In summary, workplace innovation's longstanding position within EU policy, culminating in its firm recognition within the European Pillar of Social Rights, places an unavoidable obligation on the Commission to act in ways that encourage and resource its wider adoption by businesses in all Member States.

The role of policies for workplace innovation

Significant within workplace innovation theory and practice is how it makes connections between different policy agendas such as productivity, innovation, skills, digitalisation, social dialogue and the European Pillar of Social Rights, identifying the development and realisation of human potential at work as the common thread.

Europe's most vital asset is its 'knowledge-based capital' (OECD): an educated workforce and developed systems of industrial relations, reflected in relatively high-quality jobs. Europe needs to build on these assets to keep its prosperity and remain competitive in world markets. Significantly, one of the earliest definitions of workplace innovation described it in terms of empowering "workers at every level of an organisation to use and develop their full range of knowledge, skills, experience and creativity" (Hi-Res report), highlighting the importance of workplace practices in building the knowledge-based capital on which Europe's future depends.

The challenges presented by emerging digital technologies, energy transition and the 'green deal' bring the importance of knowledge capital – and the workplace – into an even sharper focus. 'Industry 4.0' promises to transform productivity, remove waste, eliminate repetitive work and enhance capacity for innovation through the rational organisation of production and service delivery. Research evidence and practical experience suggest that improvements in business performance will be achieved mainly by enhancing human labour through digital assistance rather than replacing it. In short, organisations are unlikely to achieve a full return on investment unless technological innovation and workplace innovation are considered together. By empowering employees to use and develop their full range of competencies and creative potential, workplace innovation builds an organisational culture in which digital technologies are embraced and their benefits maximised through the best possible synergies with human potential. This has been called *Industry 5.0*.

The policy debate on skills often focuses on formal education, particularly vocational education and training (VET): formal education should be modernised, teaching 21st Century skills and enabling lifelong learning; provision should include work-based learning such as apprenticeships.

However, this is only half the story. The most crucial development of skills occurs through informal learning on the job – but mainly when appropriate workplace practices support it. Creating the best conditions for such continuous learning presupposes deliberate policy to design high-quality jobs with task complexity, job autonomy, skill discretion and organisational participation.

European companies need to adapt to rapid change. Advances in automation, digitisation and advanced manufacturing represent enormous opportunities for both employers and employees. But too few companies are actually rethinking the way people work and collaborate. Too few companies are remodelling their internal organisation to tap into the capacities of all their employees—not only in their R&D departments. To be a leader of the new industrial revolution means to look beyond technologies. It requires having workplace innovation at the very DNA of the organisation" (Antti Peltomäki, 2017).

Antti Peltomäki was until April 2019 Deputy Director-General of the Internal Market, Industry, Entrepreneurship and SMEs Directorate-General (DG GROW), European Commission.

Social partners have recently begun to set interesting targets for their members at EU and national levels. The *European Economic and Social Committee (EESC)* published a new 'own-initiative opinion' on 'Social dialogue for innovation in the digital economy', recommending the continuation and expansion of measures to support workplace innovation:

"At national level, initiatives by social partners to enhance the productivity and wellbeing of workers at workplace level are a promising method, that should be promoted in a wider European context. In this regard, the EESC welcomes the initiatives and research of Eurofound and the European Workplace Innovation Network and proposes that the EU take action to develop the dialogue between social partners and other stakeholders in the context of participative approaches to promote workplace innovation" (EESC, 2019, p. 4).

Another example is the European Partners Framework Agreement on Digitalisation (June 2020). This agreement covers all sectors, both private and public, and applies to the whole of the EU/EEA. It is an action-oriented framework to encourage a partnership approach between employers, workers and their representatives in devising measures and actions aimed at reaping the opportunities of digitalisation and dealing with the challenges.

What is to be done?

This manifesto has shown that concern with the underutilisation of human and organisational potential due to poor workplace practices has been a recurrent theme in EU policy since at least the mid-1990s, yet the challenge persists.

The EU's vision promises a high-performing economy combined with high quality employment. Yet far too often current policy measures are one-dimensional and reactive, focusing on skills provision rather than skills utilisation, technology *per se* rather than the technological enhancement of skills, and unemployment rather than support for the employed.

The historical focus on supply-side skills interventions at EU and national levels has proven insufficient to raise productivity, enhance capacity for product and service innovation, and improve the quality of working life to the level required.

Research demonstrates convincingly that the gap in productivity, innovation and workforce wellbeing between those firms utilising workplace innovation practices systematically and those using them partially or not at all is substantial. Failing to close this gap represents a wasted opportunity to improve Europe's wealth and health.

The role of EUWIN

From 2013-2016 the European Commission instigated and resourced EUWIN to stimulate and develop workplace innovation across Europe. Outcomes included an extensive programme of national and international workshops and conferences, support for capacity building in several countries, an authoritative and extensively accessed knowledge bank, a Bulletin with circa 1500 subscribers and a vast social media following.

The European Commission subsequently asked EUWIN's partners to continue to promote workplace innovation *pro bono*. They have taken up the challenge with enthusiasm, albeit with greatly reduced resources.

EUWIN's thirteen-strong international partnership actively promotes the sharing of knowledge and experience between different countries and stimulates collaboration in joint actions and research. Specifically, EUWIN currently fulfils its role by:

- Supporting public authorities and social partners in developing action programmes.
- Providing good examples and evidence through research, publications and a knowledge bank.
- Disseminating news and information through its website (www.euwin.net) and a Bulletin.
- Organising (inter)national seminars, webinars, conferences and study visits.

A call to action

EUWIN recognises the competing claims on European Commission time and resources but draws on a major body of research and experience to argue that other economic and social policy interventions will not achieve their full potential unless workplace innovation is embraced as a powerful enabler of economic performance and social wellbeing.

The current EU policy commitment to workplace innovation, especially in the Social Pillar, is very welcome. At the same time, the scale of resources allocated to supporting change on the ground is not sufficient to the challenge of closing the gap between the most and the least advanced companies in Europe.

EUWIN argues for a consistent, long-term and adequately funded European policy framework based on joined-up action across the Commission (especially DG EMPL, GROW and RTD), focused on:

- Building capacity at national and regional levels through targeted support to governments and development agencies; countries in southern and eastern Europe with less developed knowledge and experience of workplace innovation should be prioritised.
- Resourcing and enhancing the specific and combined roles of social partners, professional organisations and researchers in scaling up the evidence-based practice through awareness-raising and the provision of business advice.
- Support for EUWIN and the development of national and regional learning networks as a means of disseminating and resourcing workplace innovation through knowledge-sharing.
- Targeted research focused on workplace innovation in emerging contexts and settings.
- Funding for pilot interventions to develop and test new dissemination methodologies.
- Inclusion of workplace innovation indicators in systematic data collection to raise awareness and to monitor progress towards wider dissemination (Warhurst & Knox, 2020).

National and regional authorities have a key role to play in elaborating and supplementing these priorities. Long-established policy platforms in countries such as Finland and Germany generate valuable evidence about the effectiveness of targeted interventions and, through the medium of EUWIN, have shared knowledge and experience with a new generation of workplace innovation policymakers in the Basque Country and elsewhere. A further task is to raise awareness by including workplace innovation in educational curricula, from secondary schools through to post-graduate studies, supported by EU-level collaboration and knowledge sharing.

EUWIN is a unique coalition of European researchers, policymakers and practitioners, and it is ready to work with the European Commission to help make its own policy commitments a reality. It's time to talk.

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