Get your head in the game
How involving your employees in internal idea and innovation contests can trigger innovation

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Abstract

This study is within the field of corporate entrepreneurship. The thesis main purpose is to investigate how large Swedish companies can involve their employees in the innovation process by using internal idea and innovation contests and furthermore how these are designed and what the key elements are. Even if these type of activities have become increasingly popular, the literature is lacking and an in depth knowledge is missing, something this study aims to contribute with. Through a qualitative study based on 23 in-depth interviews, with three different interview groups, we can conclude that in order to involve the employees in the innovation process the company needs to consider ten factors. We can furthermore demonstrate internal idea and innovation contests to be an effective way to involve employees in the innovation process, since many of these factors are closely connected to the 28 key elements we found as important for these activities. Finally, we found twelve design factors to be commonly used for these activities but can conclude that there is no general design that fits all companies. Instead the company needs to go through three “streams” in order to choose a format that fits them the best.

Keywords: Corporate Entrepreneurship, Competition, Contexts, Design, Entrepreneurial Orientation, Environmental Factors, Entrepreneurial Culture, Intrapreneur, Ideas, Idea Management, Innovation, Open Innovation
Acknowledgements
As this is the final part of our studies at Uppsala University and at the Master Programme in Entrepreneurship, we can conclude that an important era has come to its end. The Master Programme in Entrepreneurship has provided us with many new insights and we feel very pleased with our choice of education. Throughout the programme we have learned about the crucial factors of entrepreneurship, its role in society and the importance of applying corporate entrepreneurship and the intrapreneurs role for a company's future success.

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1. INTRODUCTION

1.1 Background

On the list of Sweden’s ten largest companies in 1911 only one company remains today. When looking at the World’s largest companies in 1912 only half of them, 49 companies, remained in 1995. The others have either been acquired, merged, disappeared or gone bankrupt (Lindsten, 2015). On the stock market index S&P 500, which contains the 500 largest companies in the US, the average time a company remains on the list has fallen from an average of 60 years in the middle of 1900, to only 18 years today (Bloomberg, 2015).

The last decade’s rapid changes in globalization, technology and digitalization have changed countless of industries and will continue to do so (Forbes, 2016). The competition is increasing and the market is shifting faster than ever. To keep up with this, all companies need to be prepared to invest in innovation and be aware of the current and upcoming trends (Björk et al. 2014). This also changes how companies need to think about their strategy, infrastructure and way of doing business (Ciabuschi et al. 2011). The concept of developing new ideas, innovations and opportunities within the already established business, is called “corporate entrepreneurship” (Dess & Lumpkin, 2005; Stevenson & Jarillo, 1990; Leifer et al. 2001).

In this thesis, corporate entrepreneurship is defined as “entrepreneurship within an existing organization” (Antoncic & Hisrich, 2001 p. 496) and furthermore as “an organizational process for transforming individual ideas into collective actions” (Chung & Gibbons, 1997 p. 13). It should be seen as the managerial strategy a company has in order to stimulate entrepreneurial behaviour among employees to promote and enhance innovation (Srivastava & Agrawal, 2010). Corporate entrepreneurship has many times been identified as a crucial factor for a corporation’s vitality and success (Barringer & Bluedorn, 1999; Lumpkin & Dess, 1996). Therefore, the interest in studying and conducting research about corporate entrepreneurship, and how to succeed with it, has become a very hot topic (Hornsby et al. 2013).

For many companies most focus is placed on just managing their everyday operational business. However, after years of tweaking existing offerings, maturing technology and an ageing product portfolio, applying corporate entrepreneurship becomes essential (Garvin & Levesque, 2006). Creating corporate entrepreneurship within an organization is not an easy task. The barriers are countless and even the most successful companies are experiencing obstacles when developing new businesses and ideas. Common challenges are expensive and research heavy R&D
departments\textsuperscript{1} that are too focused on developing already known areas and managers who are being measured on current results, making them focus on short term solutions in order to reach short term gains. (MacCormack \textit{et al.} 2013).

Previous research has shown that companies need to have a continuous stream of new ideas as fuel for innovation. It is also shown that many of the best solutions to the company's problems exist within the organization and the greatest ideas often tends to come from people who meet and serve the company’s customers on a daily basis, in other words, the employees (Spender & Strong, 2010). Therefore, one increasingly popular way to generate a large amount of new ideas is through involving employees in the innovation process, where organizing internal idea and innovation contests have become a more common way of doing this.

The concept of arranging contests in order to generate new ideas have been around for centuries and are among the oldest instruments used to find valuable new solutions (Boudreau \textit{et al.} 2011). Since ancient times, governments, philanthropists and private investors have used contests to define success and give incentives to hard work. Throughout the years contests have managed to influence many industries and even societies (Masters & Delbecq, 2008).

The concept of using idea and innovation contests has recently been identified to be a major success also in business, and has the last years become a central tool for many major Fortune 500 companies, like Google, Apple, General Electric and HP (Rathi, 2014). These companies have successfully made innovation a part of their overall strategy, by harnessing the creativity and the insights of their employees across functions and ranks (Spender & Strong, 2010). Many larger Swedish companies have also started working in this way, where Ericsson is one famous example. Ericsson has developed, and is today using, their own idea management tool “IdeaBoxes” on a global scale. IdeaBoxes is an online idea platform that can be used to both host internal contests and ongoing campaigns in order to generate new ideas (Björk \textit{et al.} 2014). Since the launch of IdeaBoxes in 2010 the platform has collected thousands of ideas and contributed with lot of new business areas for Ericsson (Paynter, 2013).

Today there are plenty of companies specializing in developing and distributing tools for organizing both internal and external idea and innovation contests and the area is becoming increasingly larger. However, only a handful of studies, for instance Terwiesch & Xu (2008) and Bullinger \textit{et al.} (2010), have focused on the use and design of internal idea and innovation contest and few have examined the importance of involving employees in the innovation process through these activities. Terwiesch & Xu (2008) argue that more research needs to be conducted\textsuperscript{1}

\textsuperscript{1} Research and Development Department
in order to analyse how these activates are operated in practice and how they can replace other internal innovation processes. Bullinger et al. (2010) have also a similar view and argue that more studies need to be conducted on the variety of idea and innovation contests that today exists and the different key elements of them. They also argue that more research needs to be done in order to find factors that influence innovativeness within companies.

1.2 Research Question
Due to the lack of research and the increased use of internal idea and innovation contests, our study aims to contribute to the topic by investigate the following research question:

- How can large Swedish companies involve their employees in the innovation process through internal idea and innovation contests? How are these contests designed, and what are the most important key elements?

With contests we are referring to all activities, systems and platforms that have some form of motivation or reward connected to participation. These activities can either, or both, be time limited and/or ongoing. Furthermore, in this study internal idea and innovation contests are seen as an action of corporate entrepreneurship since it can be seen as an entrepreneurial activity within the company. It is an organizational process for transforming individual ideas into actions.

1.3 Contribution
As a result of our research, we expect to contribute to two fields: the academic literature and to practice. To the academic literature we aim to contribute with filling some of the existing gaps that previous studies has pointed out requires further research. This is done by broadening the understanding of how large Swedish companies are working in order to involve their employees in the innovation process, and how internal idea and innovation contest are used in practice. Furthermore, we also aim to contribute to this field with a practical and in-depth knowledge of how these activities are designed. An area that previous research has emphasized need more research. To practice, and in some extent also the academic literature, we aim to contribute by identifying and confirming some key elements that are important to be aware of when organizing an internal idea and innovation contest.
2. LITERATURE REVIEW

2.1 Entrepreneurship, the foundation of corporate entrepreneurship
In order to fully understand the concept of corporate entrepreneurship, the term entrepreneurship first has to be defined, since it is the concept's root. By grasping this, it is easier to understand the entrepreneur's role within the organization. Entrepreneurs are people that have been around for centuries and pushed innovation and society forward (Stopford & Baden-Fuller, 1994; Stevenson & Jarillo, 1990). Knight (1921) argues that “entrepreneurs are organizers of uncertainties” and that they possess the ability to create value by finding a solution to a complex problem. They recognize the opportunity and relationship between more efficient production and the market opportunity, and create value in ways that otherwise would not have been generated (Jones & Butler, 1992).

Today the concept of entrepreneurship is broader than ever. Practitioners discuss many different types of entrepreneurship; entrepreneurship that makes a social impact, entrepreneurship inside firms, and even entrepreneurship as a lifestyle (Barringer & Bluedorn, 1999; Stevenson & Jarillo, 1990; Covin & Slevin, 1991; Gergen & Vanourek, 2008).

2.2 Corporate entrepreneurship as a concept
Gifford Pinchot was the first to mention entrepreneurship as a tool for creating new innovation in established organizations (Kuratko, et al. 1990; Dess & Lumpkin, 2005). In 1985 he named this phenomenon “intrapreneuring” (Pinchot, 1985). Today this term is more commonly known as corporate entrepreneurship. Practitioners within the field of corporate entrepreneurship have still not been able to reach a consensus of a definition of the term, thereby a variety of definitions exist (Stopford & Baden-Fuller, 1994; Sharma & Christman, 1999; Zahra, 1991). Sharma & Christman, (1999) argue that a lack of a clear definition makes it harder for practitioners to build on each other's work and to decide if it is possible to transfer research finding to another context.

In this thesis, corporate entrepreneurship is defined as “entrepreneurship within an existing organization” (Antoncic & Hisrich, 2001 p. 496) and as “an organizational process for transforming individual ideas into collective actions” (Chung & Gibbons, 1997 p. 13). Furthermore, corporate entrepreneurship is a managerial strategy used in order to stimulate entrepreneurial behaviour among employees and to promote and enhance innovation within the organization (Srivastava & Agrawal, 2010).

Corporate entrepreneurship has become an important element in organizational and economic development (Hornsby et al. 2013; Zahra, 1991; Wiklund, 1999). Various studies have also found a positive and significant relationship between corporate entrepreneurship and business performance (Bojica & Fuentes, 2012; Dess et al. 2003). Corporate entrepreneurship has been
identified to have two primary aims: the creation and pursuit of new venture opportunities such as product or process development, and strategic renewal (Dess & Lumpkin, 2005; Jennings & Lumpkin, 1989).

2.2.1 Internal and external activities of corporate entrepreneurship
Corporate entrepreneurship can either take form of internal or external oriented activities (MacMillan et al. 1986). Internal activities aim to create new businesses in the already established company. Nielsen et al. (1985 p. 181) describes it as “the development within a large organization of internal markets and relatively small and independent units designed to create internal test-markets or expand improved or innovative staff services, technologies, or production methods within the organization”. Internal activities may cover everything from new products, services, and processes at various levels of the company (Nielsen et al. 1985; Zahra, 1991; Finkel, 2011). External activities on the other hand aim to find competencies and innovation outside the company and include actions like mergers, acquisitions or joint ventures (Zahra, 1991).

Dess & Lumpkin (2005 p. 147), argue that “whatever form corporate entrepreneurship efforts take, the key to successfully creating value is viewing every value chain activity as a source of competitive advantage. In the same way, the effect of corporate entrepreneurship on a firm's strategic success is strongest when it animates all parts of an organization.” This indicates that no activity is better than the other, but rather that the success lies in how well all parts of the organization are viewed as equally important and aligned with the company's strategy.

2.2.2 Entrepreneurial orientation
Firms that want to be successful with corporate entrepreneurship need to have an entrepreneurial orientation (Dess & Lumpkin, 2005). Entrepreneurial orientation is the strategy, the processes, practices, and decision-making activities that a company use to find new business opportunities and make market entries (Lumpkin & Dess, 1996).

Wiklund (1999) and Lumpkin & Dess (2001) have all identified a positive relationship between the level of entrepreneurial orientation in a firm and a firm's performance. Three examples of firms with high entrepreneurial orientation are Apple, Intel Corporation and 3M (Covin & Lumpkin, 2011). Entrepreneurial orientation has five dimensions that all play a crucial role for the company in order to be successful with corporate entrepreneurship. These five are: autonomy, innovativeness, proactiveness, competitive aggressiveness and risk taking.

These dimensions often need to have a balance and work together in order to improve and enhance a firm’s entrepreneurial performance, however a firm can still be successful even if they only have a strong presence in only a few of these (Covin & Slevin, 1989; Anderson et al. 2009; Dess & Lumpkin, 2005).

2.3 The five environmental factors
Within the literature practitioners presents two broad dimensions of corporate entrepreneurship, the environmental factors and individual characteristics of the intrapreneur. The five environmental factors that practitioners have identified as important for corporate entrepreneurship are; rewards and motivation, management support, resources availability, organizational structure and risk taking (Srivastava & Agrawal, 2010; Kuratko et al. 1990).

- **Rewards and Motivation**
Many practitioners, for instance Kanter (1985) and Sathe (1985), stress the importance of an effective reward system. An effective reward system must take into consideration goals, result-based incentives, individual responsibility and feedback, since it fuels the entire entrepreneurial activity. It should not only be based upon monetary funds, since this is not especially important for entrepreneurial individuals. However, some form of motivation and rewards should be used, since suitable awards can trigger corporate entrepreneurial activity (Srivastava & Agrawal, 2010). Jones & Butler (1992) argue that there are many different types of rewards companies can use to enhance and promote entrepreneurial behaviour, both long-term incentives as for instance career paths, stocks or assigned time to work with the project, or more short term rewards such as monetary funds (Hayton, 2005; Jones & Butler, 1992).
• **Management Support**

Managers play a big and important role in corporate entrepreneurship. Their acceptance of new initiatives, ideas and projects are of particular importance since they are the ones responsible for managing the shift from one set of operating routines to another. A fundamental challenge in corporate entrepreneurship is managing the conflict between the new and the old and overcoming the inevitable tensions that such conflict produces for management (Dess et al. 2003). Middle managers have been identified as extra important to overlook this process and make the organizational structure less resistant to change (Hornsby et al. 2002).

• **Resource Availability**

Corporate entrepreneurship requires large amounts of resources from the organization since it involves both experimentation and risk-taking (Burgelman & Sayles, 1986). The company need to show commitment and provide both financial investments and investments in time, knowledge and expertise (Westfall, 1969; Hornsby et al. 2002; Kanter, 1985). Time is seen to be one of the most important factors for enhancing entrepreneurial activities. Allocated time has the ability to encourage people to think creative and new (Hornsby et al. 2002). One example of this is Google, who apply the 80/20-rule where their technical employees are allowed to spend 20 % of their working hours on projects of their choice. At 3M this number is 15 % (Rahn, 2014). With it, they encourage people to come up with new ideas and test “what-if” questions that might lead to innovation (Hayashi, 2009).

• **Organizational Structure**

There are plenty of studies focusing on how to organize and structure an organization in order to capture and trigger the entrepreneurial spirit within the company. Practitioners argue that the most effective organizations should be supportive, flat and have “the characteristics of a small company”, with a close relationship between the employees and the management team. It is also important to allow information to flow through the organization openly, by being decentralized and decrease the span of control (Srivastava & Agrawal, 2010; Hornsby et al. 2002). Entrepreneurial organizations are the ones who are open to constantly learn and develop its business concept (Srivastava & Agrawal, 2010; Dess et al. 2003). Furthermore, flexibility is an important attribute in an innovative organizational environment and the most innovative companies are the ones with a high level of flexibility (Quinn, 1985; Rule & Irwin, 1988). It is often hard for companies, especially larger ones, to implement change and be flexible within the
organization since the established processes often have been in place for decades (Malhotra, et al. 1996; Durmuşoğlu, et al. 2008).

Jones & Butler (1992) argue that one challenge is to employ incentives within the firm and make both the top level (the management), and low level (the agents/employees), to act as entrepreneurs. Three ways to stimulate this is to “(a) provide agents with the opportunity to take responsibility for entrepreneurship, (b) recognize individual performance contributions, and (c) reward entrepreneurial performance appropriately” (Jones & Butler, 1992 p. 742).

It is important to constantly find new ways to enhance and define the organization's innovative and competitive capabilities and ensure that changes in policies, priorities and procedure are made in order to enhance corporate entrepreneurship (Dess et al. 2003). When developing an organizational structure it needs to be created in a way that clearly states how ideas are evaluated, chosen and implemented (Hornsby et al. 2002).

- Risk Taking

Firms that are highly entrepreneurial, also known as firms with high entrepreneurial intensity, are often risk-taking, innovative, and proactive. Organizations with this type of culture are usually willing to take on high-risk projects with the chance of high returns and are often aggressive in pursuing new opportunities (Barringer & Bluedorn, 1999). The managers within a company have to create an environment that encourages taking calculated risks but at the same time have a reasonable tolerance for failure. Intrapreneurs need an environment of freedom and safety in order to be creative and take risks, without any fear that failure will lead to reprisals (Hornsby et al. 2002). The amount of freedom needs to be balanced and calculated with respect to the extent freedom, self-discipline and the fact that the company achieves its strategic and financial objective (DeSimone et al. 1995).

2.3.1 The entrepreneurial culture

The five environmental factors together create the company's entrepreneurial culture. In order to encourage corporate entrepreneurship, it is important that the right atmosphere is created where people feel comfortable to come up with new ideas, an environment that allows innovative activities (Quinn, 1985).

“Culture is a key determinant of, and the first step in fostering, entrepreneurial activity within an organization. It touches and influences everything that people do. Positive cultures are ones that are in line with an organization's vision, mission, and strategies. In entrepreneurial organizations positive cultures support organizational entrepreneurship.” (Cornwall & Perlman, 1990 p. 86)
Research has found a positive relationship between a firm’s innovative capacity and culture norms. However, it is not the culture itself that makes a company entrepreneurial, it is its actions (Covin & Slevin, 1991). Rule & Irwin (1988) discuss six important points to take into consideration when developing an entrepreneurial culture:

- Communication in order to generate new ideas
- Screen new ideas to allocate resources
- Support idea development
- Encourage flexibility
- Reward the contributions
- Provide leadership

Important components in creating an entrepreneurial culture is to tie the vision close to the realities of the marketplace, have a flat organization, create multiple approaches and have many ideas in the loop. Furthermore, it is also important to have transparency, create a “small company approach” and to constantly keep learning and challenge the existing business (Quinn, 1985).

2.4 Intrapreneur

Large organizations often have the ideas and the resources to create innovation, however what they often do not have are employees that can foster, identify and converting these ideas into commercially viable products and services. According Pinchot (1985), the solution is the intrapreneur. Intrapreneurs are employees who in some ways behave and act like self-employed individuals within the corporate boundaries in a large organization (O'Neill, 2014). The intrapreneur is the one who takes a hands-on responsibility for creating innovation within the organization. There have always been employees who have tried to innovate within the company and push the status quo, but Krueger (2015) argues that never before has employees been so eager to take ownership of their own corner within the company.

The intrapreneur is described having certain individualistic characteristics, for example being a moderate risk takers, motivated by achievements, having a need for autonomy, as well as a desire to have personal control and to create something new (Srivastava & Agrawal, 2010). They are often creative, self-motivated, action-oriented and problem solvers (O'Neill, 2014).

Intrapreneurs have been described as the ones improving organizational performance by being the ones that increase and find new opportunities when the company is facing challenging and complex scenarios (Molina & Callahan, 2009). They have been called the most potential categories of human resources who contribute to the success of organizations (Rathna & Vijaya, 2009). Thornberry (2002) even suggests that intrapreneurs may be one of the few sustainable
resource a company have when developing a long-term competitive strategy and that having an environment that promote intrapreneurs can be how organizations differentiate themselves from its competitors.

Armano (2012) argues that intrapreneurs are most successful when management empowers and supports them. Deloitte, Accenture, Ashoka, and Barclays are some large companies that according to Krueger (2015), have put a lot of effort into keeping their intrapreneurs within the company. For instance they have started offering formal programs to encourage their employees to create new projects and be more entrepreneurial.

2.5 Ideas in the organization
Every innovation within an organization originates from an idea. An idea which is the result of the creative or rational thinking processes of for example employees, customers or suppliers generated individually or in group sessions. Companies that have a large number of ideas within the organization can be expected to have a more successful future. A large number of ideas mean better utilization of problem-solving knowledge, leading to better utilization of human capital and key competencies. It also improves the climate and culture within the company (Boeddrich, 2004). However encouraging people to come with new ideas are not enough. In order to be innovative and creative as a company, the ideas need to capture enthusiasm and commitment, and foremost they need to be put together with the right person, with the right resources and in the right setting (Lee, 2012).

According to Pinchot & Pellman (1999), it is part of every manager's and team member's job to create an environment in which creativity is appreciated and new ideas are brought out of everyone. Furthermore, they emphasize how hard it is to find good ideas that fits both the company and its customers, and argues that an idea may be a good business opportunity, yet not be good for a specific company, or it may be new and interesting, yet not succeed in the market. Therefore, it is important for the company to find suitable ways to collect and assess the ideas that are collected.

2.5.1 Idea management
From the more traditional physical suggestion boxes in the office reception to more modern ways like brainstorming or holding workshops, the purpose has always been to find new ways of thinking and extend the company’s existing business. However, many managers fail to generate a stream of solid ideas from their employees since they arrange unstructured, abstract settings.

Empirical research has found that in order to succeed with new ideas and making them into innovations, the process needs to be structured systematically in a very early stage. The first phase
should have a balance between creative scopes and well-structured idea pipelines. In some cases
the later can be used by computer-aided platforms or solutions (Montoya-Weiss & Calantone,
1994; Boeddrich, 2004). Structuring ideas through systems and processes is called idea
management. According to Karlsson (2010 p. 8), idea management is an integrated part of the
innovation process which can be seen as “a structured process for the collection, handling, selection and
distribution of ideas. It may include support for gathering, storing, improving, evaluating and prioritizing ideas by
providing methods and tools, such as templates and guidelines”.

To handle ideas that an organization's employees have involves several challenges. Karlsson
(2010) mentions some of these; first, the more employees you have, the more ideas and work you
will get in order to evaluate and give feedback on the collected ideas. Secondly, the larger the
organization is, the more different types of innovation are required, and the harder it will get for
the company to channel the different types ideas to the right places within the organization.
Thirdly, an idea management system is so much more than just an IT solution. In order to
succeed with idea management systems, the company needs to have guidelines and processes in
place that integrates and aligns with the organizational culture and the company’s strategy. The
fourth challenge is to be able to engage employees to contribute with new ideas. The challenge
here is not that employees do not have any ideas; it is rather that they do not know where to go
with their ideas. The last challenge lays in communicating to the organization that the company
actually does something with the ideas that comes in, and that they enhance, highlight and show
the results (Karlsson, 2010).

According to Boeddrich (2002), empirical studies have shown that companies are not paying
enough attention to the success factors that have been identified. This creates a lack of a
methodical, systematic and structured process in the beginning of the innovation process,
resulting in negative effects such as wasted resources, loss of valuable time, unsatisfied employees,
lack of transparency in the innovation process and a not optimized innovation process.

2.6 Innovation

“If want something new, you have to stop doing something old.” Peter F. Drucker (1909–2005)

Innovation is a closed related term to corporate entrepreneurship. Innovation is the process of
creating novel products and services in order to produce economic and social benefits. It has the
ability to create new jobs and contribute to economic growth (Al-Mubaraki et al. 2015).
According to The Organisation for Economic Cooperation and Development (2010) an
innovation contains a degree of novelty and must be something that is new to the firm, new to
the market or new to the world. What makes an invention to become an innovation is that an
Innovation must be commonly accepted and shared when putting into practices, something an invention does not have to do (Roberts, 2007).

Innovation has become essential and necessary to differentiate a company’s offering and to be able to find and fill unoccupied spaces in the market, as well as keeping up with competitors (Pinchot & Pellman, 1999; Baregheh, et al. 2009). For companies, innovation is the lifeblood that makes it survive and grow (Zahra & Covin, 1995). Bessant et al. (2005 p. 1366) argues that “Innovation represents the core renewal process in any organization. Unless it changes what it offers the world and the way in which it creates and delivers those offerings it risks its survival and growth prospects”.

Innovation is defined by entrepreneurial activities, and understanding innovation within a company begins with understanding the role of corporate entrepreneurship and the intrapreneur (Crumpston, 2012; Pinchot & Pellman, 1999). Furthermore, innovation is a key ingredient of corporate entrepreneurship and can create something new, with great value for the existing firm (Finkel, 2011). A study by Rule & Irwin (1988) showed that even if innovative activities have been seen to be very effective, few companies are applying any suitable methods to apply innovation in a frequent or efficient way.

More and better ideas contribute to innovation; however, there is a large gap in the innovation process when it comes to the capacity of the system to implement ideas rapidly and cost-effectively (Pinchot & Pellman, 1999). Innovations have been seen to become successful on the market if: the ideas are close to the company’s strategic goals, the idea contribute to products/services and solutions that benefits the customers, and if the process of identifying ideas is structured and conducted systematically (Schroeder, 2013).

2.6.1 Open Innovation
When a company decides to take the innovation process and open it up to the outside world, or to people who usually are not authorized or included to be involved in the innovation process, it is called open innovation (Chesbrough, 2003; Terwiesch & Xu, 2008). Over the past eight years, open innovation have laid ground for hundreds of academic papers. Chesbrough, one of the first persons to promote the term in 2003, states that the reason behind the terms popularity, is due to the large opportunity for business profit from using open innovation. Chesbrough argues that open innovation is a more profitable way to innovate for businesses, since it reduces costs, accelerates the time to market, increases differentiation in the market and creates new revenue streams for the company. According to Chesbrough, “open innovation is the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively.” (Chesbrough, 2011 p. 69)
2.6.2 Incremental and disruptive innovation

Literature and research about innovation management often differentiates between incremental and disruptive innovation. Incremental innovation generally includes improvement of technology performance or product feature enhancement, whereas disruptive innovation is based on technologies or product development that are considered new to the world, combined with their effects on markets (Hacklin et al. 2004). Disruptive innovation is described as the type of innovation that change and create new markets and customers. Some entrepreneurial companies have first started to refine and improve an industry to finally end up reshaping the entire industry, some examples are: long distance calls (Skype), record stores (iTunes), local stores (eBay), taxis (Uber) and accommodation (Airbnb) (The Economist, 2015).

“The Innovator's Dilemma” that Christensen (1997) describes is the difficult choice a company faces when they need to choose between holding on to an existing market by doing the same thing a bit better (incremental innovation), or capturing new markets by embracing new technologies and adopting new business models (disruptive innovation). Many of the largest most influential companies today have gone through this dilemma, for instance IBM when deciding to launch a new business unit dedicated to produce PCs, while continuing to make mainframe computers. Another company who also gone through this is Netflix, who decided to take an even more radical move, going from its old business model (sending out rental DVDs by post) to a new one (streaming on-demand video to its customers) (The Economist, 2015).

2.7 Contest as a tool to invoke innovation

Within the literature, a number of articles have been published on idea and innovation contests. However, these articles focus on contests in general and not only on the internal use of idea and innovation contests, although some mention the internal effect of the activities. As mentioned in the introduction, little is known about idea and innovation contests as an internal tool for enhance innovation.

2.7.1 The characteristics of competition

Competition can be found in various aspects of life; from the evolution of all species and creatures to everyday situations such as in business, politics, as well as in sports, art and science (Malhotra, et al. 1996). Competition is the underlying principle of the free market economy and has by many been seen as crucial for the creation of innovations and development of technological progress (Bullinger et al. 2010). Franken & Brown, (1994) argues that there are at least three reasons that explain why some people are motivated by competition; the competition allows them to satisfy the need to win, competition provides them the opportunity for improving
their performance, and competition motivates them to put in greater effort that can result in higher levels of performance.

MacCormack et al. (2013) describes that competitions generate diversity in especially three inputs to the innovation process: diversity in motivations, participants and organizations. Regarding the first input, motivation, economists have had a hard time explaining why competitions can be so effective and motivate the participants in the width that it does. Participants often behave, from an economic standpoint, irrationally, by devoting too much time and effort in comparison to the expected monetary rewards that the competition offers. In order to understand what it is with the competition that motivates a more diverse range of incentives needs to be taken into account, such as nonfinancial motivations which includes the thrill of competing, the passion for a certain cause, honour, status or the challenge of creating something new. For many participants, these “softer” motivations outweigh the financial incentives (MacCormack et al. 2013).

The second input, participants, refers to one of the most powerful and important attributes about open innovation and competitions, which is the different incentives that will attract different types of participants. The variety of participants creates a situation where it is impossible to predict who will have the best ideas or what set of skills will suit best to solve a problem. The third input, emphasizes that competitions also encourage different types of organizations to confront their way of thinking and work on a problem. MacCormack et al. (2013) also argue that the diversity that these three create generates in a wider variety and greater number of solutions to a given problem and makes competitions so appealing to companies seeking breakthroughs or wanting to innovate and enhance corporate entrepreneurship.

2.7.2 Corporations use of innovation and idea contests

Idea and innovation contests have throughout history been a tool for finding everything from new products to solving industry and social problems. With internet, everyone today has the chance to act as an organizer or a participant in different idea and innovation contests globally (Piller & Walcher, 2006). This has dramatically resulted in an increased number of contests every year. Therefore entire platforms now exists only for providing the visitors with information about idea and innovation contests currently open (Bullinger et al. 2010).

Innovation and idea contests have the ability to attract a large variety of people and also a group of non-traditional problem solvers that will generate ideas and solutions in a totally different way from what the corporation may be used to. The greater variety of ideas that a company has, the greater the possibility is for the company to rethink traditional approaches and force the company to think in new innovative ways (MacCormack et al. 2013).
Figure 2.1 shows the power of diversity and how tackling problems where solutions lie outside normal fields of inquiry, generating a large number of diverse responses can make a great difference to the company’s success.

Figure 2.1 “The power of diversity” MacCormack et al. 2013 p. 3.

2.7.3 Designing and organizing an idea and innovation contests
When a company decides to use contests as a tool to find new innovative ideas, products or services, they go out and post their “problem” or request to a chosen target group, either existing employees or external customers. They ask this target group to solve their “problem” or request, and in return, an award is provided to the winning solution or solutions (Terwiesch & Xu, 2008).

According to Schroeder, (2013) extensive research shows that the most successful companies when it comes to working with innovation have a holistic and systematic approach to innovation. They have developed an innovation strategy that is fully integrated in the company’s business model, vision, goals and has an alignment with the organizational culture and systems. This can be supported through using idea and innovation contests and especially by identifying and using a suitable design of the activity.

Idea and innovation contests allows the company to take part of wisdom from the bigger crowd such as interested and involved co-workers, customers, end users, partners or outside entrepreneurs and innovators, and then integrate that into the organization. This makes contests a powerful tool for a variety of goals (Haller et al. 2011; Mennis, 2006).

Idea and innovation contests can be the key to unlocking the many great ideas the company’s employees are walking around with every day. However, the company needs to know how to organize and design the contest in a way that actually will fulfil its purpose (Bullinger et al. 2010).
MacCormack et al. (2013) argue that before one can talk about the actual design there are five main design decisions which are critical when choosing design of the contest. These five are:

1) Framing a problem
2) Establishing a prize
3) Selecting suitable participants
4) Defining the process
5) Building a platform

Researchers have started analysing idea and innovation contests more actively and seemed to have agreed upon some generic features in the design. Bullinger et al. (2010) identified ten major parameters to consider when designing an idea an innovation contest, these are; topic/task, contest period, target group, degree of elaboration, reward system, media, organizer, participation, community functionality and evaluation. These can be seen as a matrix and depending on these ten variables the outcome will be different. According to Adamczyk et al. (2012) these ten can also be extended with new elements, for instance attraction, facilitation, sponsorship, contest phases and replication.

Depending on what the purpose and goals are for a company to organize an idea and innovation contest, Haller et al. (2011) argue that different types of designs are suitable and more or less important. When deciding what parameters that should be used in the designed, two major strategic application areas have been distinguished. These two are important when talking about the purpose of idea and innovation contests. The first one is known as “greater good”, the advancement of technological or societal development, and the second one is known as “corporate challenges”, the identification of solutions to problems or challenges the individual corporation is confronting. Furthermore they also distinguish between three additional strategic objectives among these types of contests: stimulation, development, and promotion. These explain that regarding what the company is trying to accomplish (scope) different factors (objectives) need to be taken in consideration.

2.8 Take-away from literature review
Corporate entrepreneurship is a vital part of the organization when it comes to being innovative and creative, and is often described as entrepreneurship within an existing organization. Intrapreneurs are the people within the firm who act like they are self-employed and are the ones
that always look for new business opportunities. These people are often seen as a very important sustainable resource for the company.

Five environmental factors have been identified to be important for fostering entrepreneurial activities within the company; rewards and motivation, management support, resource availability, organizational structure and risk taking. Together they form the entrepreneurial culture which is crucial for successfully involving the employees in the innovation process.

Idea management is about capturing the employees’ ideas and can take form in various ways, for example through platforms, apps and communities. Great ideas can with the right resources and actions create innovations. Open innovation is a form of innovation that refers to innovation that is open for a larger crowd. An example of open innovation is idea and innovation contests. These activities are becoming a more popular way to use in order to capture and motivate the employees and to spur and drive innovation within the company. Depending on what the purpose is for a company to organize an idea and innovation contest, different type of designs can be applied and be more or less important.
3. METHODOLOGY

3.1 Research frame
In order to frame and identify our research questions we had to create some limitations; first we have chosen to only look at how Swedish companies are working with internal idea and innovation contests. Why we have chosen Sweden as our target market is because Sweden has become a more famous country in Europe, and the rest of the world, for being an entrepreneurial and innovative country. Sweden has fostered many large traditional companies such as IKEA, Ericsson, ABB and Volvo but is also the home market of many new market changing tech companies such as Spotify, Skype, King and Klarna (Coleman, 2014). Due to this we argue that Sweden is a suitable market when examining how companies are working with innovation and the process of involving their employees.

Our second limitation is to only look at large companies. We choose this limitation due to that research has shown that larger companies have larger challenges to stay innovative and engage the company's employees. With large companies we have chosen to go by the Swedish standards issued by Swedish Companies Registration Office (Bolagsverket, 2012). A large company is considered if the company is fulfilling more than one of following three requirements:

- More than 50 employees
- Have total assets that exceeds more than 40 MSEK
- Have net sales that exceeds more than 80 MSEK

Our third limitation is to only look at the use of internal idea and innovation contests. Why we chose to look at the use of internal idea and innovation contests is due to that limited amount of research has been conducted within this area. We have also seen that there are many challenges for larger Swedish companies to work with intrapreneurship and be able to involve and engage their employees in the innovation process.

3.2 Research design
We have considered the two major possibilities of research design (qualitative and quantitative), and found qualitative design more suitable since the goal of this study is to enhance the understanding of a social phenomenon in its natural settings. In this case all respondents experiences, views and meanings needs to be considered. This is something that would have been difficult to examine if conducting a quantitative research (Neergaard & Parm Ulhøi, 2007; Golafshani, 2003). Qualitative research is more flexible and less structured, something we considered important when studying a field where you can have multiple objectives and a result that can be hard to interpret (Bryman & Bell, 2011; Golafshani, 2003). This makes it extra
important to be able to analyse the field in a constructive way and with apparent parameters (Lundahl & Skärvad, 1999).

Neergaard & Parm Ulhøi (2007:4) argue that “*qualitative research has the ability to explore hitherto uncharted depths in the field of entrepreneurship and to contribute significantly to the advancement of the field*”, something that this study aims to do. The purpose of this study is to enlighten the challenges companies are facing when applying corporate entrepreneurship in their organization, and how and in what way they, through internal idea and innovation contests can prevent these challenges and stay competitive. This is something that is hard to accomplish through quantitative research (Neergaard & Parm Ulhøi, 2007). If we had used a quantitative research design, we would only have had the ability to measure fixed parameters, as for instance numbers of contest and idea generated which would not have been enough to fulfil the purpose.

Many different empirical materials have been used in order to get an overall picture of the issue something that qualitative research accomplishes (Bryman & Bell, 2011). Quantitative research is more limited to the amount of potential sources of data. The research method we have used involves empirical materials such as interviews, case studies and articles, which are all usable for this type of study (Neergaard & Parm Ulhøi, 2007).

### 3.3 Data collection method

The data in this study has been based on both primary and secondary sources, where the majority of all data has been collected through in-depth interviews. We have chosen to use a triangulation methodology in our interview process. Triangulation refers to the strategy of using multiple measuring processes/strategies (with independent irregularities) in order to arrive at a more reliable measurement value (Bryman & Bell, 2011). According to Health (2010) the triangulation strategy provides the researcher with the ability to bring better focus to the topic of interest by using different measures with different irrelevancies. Heath (2010) argues that with only one measure of the construct, the error and biases inherent in the measure are easily confounded with the construct of interest. Due to this, the interviews have been grouped into three different categories. Where the first category (specialists) consists of people specialized within the field of corporate entrepreneurship, innovation and internal ways to involve employees to be a part of the innovation process, which for instance could be internal idea and innovation contests. The second category (developers) consists of companies developing and offering different types of platforms, games and solutions that help to collect and structure ideas internally. The third category (users) is companies that use, or have used, some of these platforms or solutions. In the
figure below it is demonstrated how the three categories together cover the area of corporate entrepreneurship and an understanding of internal idea and innovation contests.

In figure 3.1 we demonstrate how interviewing three different categories can help contributing with different perspectives and give an extended understanding of the same topic.

![Diagram: Triangulation & different perspectives](image)

Figure 3.1 “Triangulation & different perspectives”, Lindmark & Meisner, 2016.

### 3.3.1 Semi structured interviews

Interviews can be conducted in a number of different ways and be more or less standardized. Standardization means to what degree, the questions an interviewer are asking, are the same for all the respondents (Bryman & Bell, 2011). Using a high level of standardization leads to asking questions that are same and within the similar context. This leads to few or no opportunities for follow-up questions (Trost, 2005). In this study, the interviews have been semi-structured and low to medium-level standardized, meaning that the same themes have been covered with the possibility to ask follow-up questions to all respondents (Kvale, 1997).

Compared to other potential options, for instance focus groups which would have required much more time and resources, or questionnaires, which would have limited the in-depth understanding of the area, we found semi structured interviews as the most suitable option for this type of study (Ryen, 2004; Bryman & Bell, 2011).

### 3.3.2 Pre-interview

In order to get a better understanding of the market and test potential problem statements, we contacted a company with great knowledge of how Swedish companies work with innovation
and conducted a pre-interview with two mid-level representatives. In this pre-interview we first discussed the topic in general, then about potential challenges and opportunities, and finally tested a few problem statements to see which one was the most relevant. This pre-interview helped us to narrow down our research question and get a better understanding of the area.

Before the pre-interview we planned to use two groups of respondents, developers and users, but after conducting the pre-interview, we found that the role and influence of external experts were highly important for companies when working with issues concerning innovation. Therefore, we decided to add a third interview group to the study, specialists.

### 3.3.3 Operationalization

Operationalization is crucial in order to discover a certain phenomenon in reality (Arbnor & Bjerke, 1994). Since the interviews in this study were being held with three categories of respondents, who all had different knowledge, experiences and impressions of the topic, the operationalization process had to be carefully considered to suit all three categories. Beckman (2005) and Hartman (2004) state the importance of having questions that are understandable and measurable for all respondents, something that can be accomplished through a operationalization schedule. With this schedule it is possible to use and apply the theory in practice by making a close relationship between the concept and the reality (Arbnor & Bjerke, 1994). The four main objectives that need to be taken in consideration in order to create an interview with conclusions that are as relevant as possible are validity, reliability, usability and transparency. With an operationalization schedule these four objectives become easier to fulfil since the schedule is structured and states a clear overview. Therefore, we chose to apply a operationalize schedule to our study (see full operationalization schedule in Appendix 7.1). In the operationalization schedule we have five columns, in the first column we have the theoretical definition of the concepts, in the second column we state our interpretation of the definitions, and in the last three columns we have formalized interview questions to our three categories. The number of questions varied between the categories due to relevance.

### 3.3.4 Sampling

A lot of research, articles and books have been published lately about innovation and external idea and innovation contests, however in our literature review we found limited research about the internal use of idea and innovation contests. Furthermore, after examining the area of idea and innovation contests in Sweden we had difficulties in finding practical examples of if, and in that case how, these are used internally and what way they are designed. The reason for this is
that companies do not always communicate or market that they use them. There are many possible reasons for this, but we have identified two:

1. Strategic reasons; companies do not want to reveal that they are going through a potential transformation phase.
2. Communication reasons; they do not see the value in communicating this to the market.

The selection of the sample was challenging due to a number of reasons;

- Industry; different industries may work differently with innovation and probably also have different challenges with this.
- Number of years in business; meaning that how an organisation views innovation can depend on how long they have been around.
- Size; although this study aimed to only look at large companies, the number of employees and revenue could vary a lot between large companies, both in terms of number of employees and in revenues, which might affect the amount of innovation and resources allocated.
- Geographical location; if a company exists in more than one country it will with all certainty affect the company’s culture and organizational challenges.

We also understood that in order to fully explain how large Swedish companies are using internal idea and innovation contests we would have to look at how all large Swedish companies work with innovation, some which would not be possible. However, we argue that by having three different interview groups, with different incentives, viewpoints and perspectives, we increase the overall picture of how large Swedish companies in general are working with corporate entrepreneurship. Furthermore, this also gave us a good understanding of how they use internal idea and innovation contests as a tool to involve their employees in the innovation process.

In order to find the respondents a non-probability sampling was used. This means that the sample was not adjusted in any particular way to meet any specific criterias more than the three categories of respondents. The sampling was done through a combination of convenience sampling, criterion sampling and snowball sampling (Bryman & Bell, 2011; Hair et al. 2015).

The sampling process has been done in four phases:

**Phase 1.** After conducting a pre-interview, we contacted all companies we could find in Sweden that developed and offered different platforms, games and solutions that help to collect and structure ideas internally. We also contacted five developers internationally. We found these through both recommendations and internet search.
**Phase 2.** We contacted fifteen developers, these companies offered a wide range of different products and services; some were entire platforms, some for simpler board games and some were apps. In all cases we started off by sending an email with the same information; who we were, short background about our study and a question regarding their willingness to attend an interview. In total we had seven interviews and a reply rate of approximately 47% of the approached companies.

**Phase 3.** After conducting the interview with the developers we asked if they had any customer cases. We contacted around thirty companies; customers of the different developers, companies we have read about in articles and the ten largest companies in Sweden (measured by amount of employees). In total we had nine interviews and a reply rate of approximately 30% of the approached companies. An important note is that no company replied that they were not willing to participate; instead the low reply rate is likely to be a result of emailing the wrong email address or the incorrect person in charge.

**Phase 4.** In the final phase we contacted nine specialists who had been either cited in articles or in media and could be considered experts within their areas. In total we had seven interviews and a reply rate of 78% of the approached companies. The reason for the high reply rate in the specialists group is most likely due to that these people work full time with innovation, and often have time allocated to discuss the area with others.

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**Figure 3.2 “Sampling process”, Lindmark & Meisner, 2016.**

We experienced a saturation effect after conducting a number of interviews. Saturation effect is when a researcher comes to a point in their study when they feel that no new information or data
is needed in order to reach a conclusion or that a larger sample would shed no further light on the issue that is investigated (Guest, et al. 2006). Due to this we felt that we were satisfied with number of interviews conducted for this study and came to the conclusion that a larger sample would probably would not have affected the result or given us that much more knowledge about the area.

The interviews have been conducted in four ways; physically, over telephone, through Skype and in two case through email conversation. Since the respondents were located all over Sweden, and in two cases in the U.S, it was necessary to use different methods. Especially in the category of users, this was a group that in general was very busy and therefore hard to meet in person. The majority of the interviews lasted around 30-40 minutes (Dates for every interview can be find in Appendix 9.2). Besides interviews, primary data has been collected from all of the interviewed companies’ websites. Furthermore, some secondary data has also been collected from articles in journals and newspapers that we have considered reliable. Below is a detailed description of the three categories.

**Category 1 – Specialists**

In the first category, specialists, we interviewed people with several years of experience and knowledge about the field of innovation and how companies can involve employees in the innovation process. These people can be considered experts within their areas. They have various roles and backgrounds; some are researchers, other consultants and some with roles that made them specialists within their area.
Interviewed specialists and their roles (see description in Appendix 9.5):

<table>
<thead>
<tr>
<th>Company/University</th>
<th>Role</th>
<th>Expert area</th>
<th>Form of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealflower</td>
<td>Consultant</td>
<td>Innovation</td>
<td>Physical</td>
</tr>
<tr>
<td>KTH</td>
<td>Researcher</td>
<td>Innovation and Idea Management</td>
<td>Physical</td>
</tr>
<tr>
<td>Umeå Universitet</td>
<td>Researcher</td>
<td>Social intranet</td>
<td>Telephone</td>
</tr>
<tr>
<td>ProAgile</td>
<td>Agile Coach</td>
<td>Innovative organization</td>
<td>Physical</td>
</tr>
<tr>
<td>Svenskt Näringsliv</td>
<td>Research and innovation expert</td>
<td>Innovative societies and politics</td>
<td>Physical</td>
</tr>
<tr>
<td>Sqore</td>
<td>Consultant</td>
<td>Open Innovation</td>
<td>Telephone</td>
</tr>
<tr>
<td>Vinnova (Sweden's Innovation Agency)</td>
<td>Project manager Social innovation/ Administrator Open Innovation</td>
<td>Open innovation, Idea an innovation Contests</td>
<td>Skype</td>
</tr>
</tbody>
</table>

**Category 2 – Developers**

In the second category, developers, all interviews have been held with key informants, people that have been part of the daily business and with several years of experience within the company and the industry. The companies we have chosen to interview all offer different solutions to companies in order to involve employees in the idea and innovation process. Some offer a digital platform that can be used to both hold idea and innovation contests and to continuously work with collecting and implementing ideas, while others offer games that can help trigger innovation. One offered more educational support to help companies themselves learn how to organize their own innovation games.
Interviewed developers and their areas, (see company description in Appendix 9.3):

<table>
<thead>
<tr>
<th>Company</th>
<th>Product/Service</th>
<th>Position</th>
<th>Form of interview</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adludo</td>
<td>Games &amp; Platform</td>
<td>Co-founder</td>
<td>Telephone</td>
<td><a href="http://www.adludo.se">www.adludo.se</a></td>
</tr>
<tr>
<td>BrightIdeas</td>
<td>Platforms</td>
<td>Director of Sales Operations</td>
<td>Skype</td>
<td><a href="http://www.brightidea.com">www.brightidea.com</a></td>
</tr>
<tr>
<td>IdeaScale</td>
<td>Platforms</td>
<td>VP Marketing &amp; Communication</td>
<td>Email</td>
<td><a href="http://www.ideascale.com">www.ideascale.com</a></td>
</tr>
<tr>
<td>Kairos Future</td>
<td>Platform</td>
<td>Director Collaborative Innovation</td>
<td>Telephone</td>
<td><a href="http://www.kairosfuture.com">www.kairosfuture.com</a></td>
</tr>
<tr>
<td>Realize</td>
<td>Game</td>
<td>Owner &amp; CFO</td>
<td>Telephone</td>
<td><a href="http://www.realize.se">www.realize.se</a></td>
</tr>
<tr>
<td>Silverhanden</td>
<td>Platform</td>
<td>Owner &amp; CFO</td>
<td>Physical</td>
<td><a href="http://www.silverhanden.se">www.silverhanden.se</a></td>
</tr>
<tr>
<td>Wide Ideas</td>
<td>Platform</td>
<td>Founder</td>
<td>Telephone</td>
<td><a href="http://www.getwideidease">www.getwideidease</a></td>
</tr>
</tbody>
</table>

**Category 3 – Users**

In the third category, users, all interviews have also been held with key informants that all have been considered to have a wide knowledge about the company, business concept, innovation concept, the customers and the industry. The companies we have chosen to interview all use different ways to involve their employees in the innovation process. Some have used one or several idea and innovation contests during a specific time period; others have used similar concepts but instead had it as an ongoing process, while some have used both methods.
Interviewed users and their industry, (see company description in Appendix 9.4):

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Number of employees (Approx.)</th>
<th>Position</th>
<th>Form of interview</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axel Johnson*</td>
<td>Business Group</td>
<td>20 000</td>
<td>Project Manager</td>
<td>Email</td>
<td><a href="http://www.axeljohnson.se">www.axeljohnson.se</a></td>
</tr>
<tr>
<td>Camfil</td>
<td>Air filter</td>
<td>3 700 (Worldwide)</td>
<td>Innovation Manager</td>
<td>Telephone</td>
<td><a href="http://www.camfil.se">www.camfil.se</a></td>
</tr>
<tr>
<td>Egmont</td>
<td>Publishing</td>
<td>300</td>
<td>Head of PR &amp; Communication</td>
<td>Telephone</td>
<td><a href="http://www.egmont.com">www.egmont.com</a></td>
</tr>
<tr>
<td>Friskis &amp; Svetts Stockholm**</td>
<td>Fitness</td>
<td>150 (1700 volunteers)</td>
<td>Head of Communication</td>
<td>Telephone</td>
<td><a href="http://www.sthlm.friskissvettis.se">www.sthlm.friskissvettis.se</a></td>
</tr>
<tr>
<td>Nordea</td>
<td>Banking</td>
<td>32 500 (Worldwide)</td>
<td>Initiators of the network ready for change</td>
<td>Telephone</td>
<td><a href="http://www.nordea.se">www.nordea.se</a></td>
</tr>
<tr>
<td>SCA Forest Products</td>
<td>Hygiene and Forest Product</td>
<td>44 000 (Worldwide)</td>
<td>Innovation Manager</td>
<td>Telephone</td>
<td><a href="http://www.sca.com">www.sca.com</a></td>
</tr>
<tr>
<td>Skistar</td>
<td>Skiing and accommodation</td>
<td>1 500</td>
<td>Business Area Manager</td>
<td>Telephone</td>
<td><a href="http://www.skistar.com">www.skistar.com</a></td>
</tr>
<tr>
<td>Stadium</td>
<td>Sport</td>
<td>1 500</td>
<td>Business Culture Specialist, HR</td>
<td>Telephone</td>
<td><a href="http://www.stadium.se">www.stadium.se</a></td>
</tr>
<tr>
<td>Telia</td>
<td>Telecommunication</td>
<td>29 000</td>
<td>Innovation Manager</td>
<td>Physical</td>
<td><a href="http://www.telia.com">www.telia.com</a></td>
</tr>
</tbody>
</table>

*Axel Johnson is a business groups consisting of the following companies: Axel Johnson International, Axfood, Dustin, Kicks, Martin & Servera, Mekonomen Group, Novax and Åhlens
**Friskis&Svetts Stockholm is an association build upon volunteers

3.4 Data analysis method
We used a thematic analysis to structure the data we received from the interviews. Boyatzis (1998) argues that this is a very worthwhile process to use since it is plain which makes it easy to structure the data and understand it. The basics of the process is to identify themes, which is done through three stages; recognizing something as important, making sense of it and finally putting it into a context and interpreting it with the rest of the data. This enables the researcher to find patterns. According to Stephen et al. (2012) a theme in an interview series is when the researcher is able to correlate answers to theory or other interviews in same series. Themes can both be broad and sweeping, as well as more focused and narrow. In this study, a theme has been identified as important when it has been mentioned multiple times or when it has been closely related to the theoretical framework.
3.5 Quality criteria

According to Hindle (2004) and Neergaard & Parm Ulhøi (2007) qualitative research within the field of entrepreneurship is underrepresented. One of the main reasons for this is a lack of sufficient methodological detail and rigour. This is one of the drawbacks with qualitative studies; that they are less applicable and reliable since it is hard to replicate those (Bryman & Bell, 2011).

As mentioned in the beginning of this chapter we used a combination of convenience sampling, criterion sampling and snowball sampling. Also as shown in our four phases, we found our respondents through various ways. We can see both positive and negative effects with this. The main advantage of this way of collecting data is the time efficiency, making it possible to reach a larger sample. The main issue with this way of sampling is that it decreases the reliability since the sample can easily become biased. Biases are always a problem in qualitative research, especially when using key-informants as we have done (Bagozzi et al. 1991). The interviewed respondents may have views and opinions that differ from other people within their organization. It can be affected by organizational roles, incentives, interpretation of certain events or circumstances, hindsight biases or inaccurate recall (Golden, 1992). To counteract this, we did some different actions, for instance many of our questions were somewhat repetitive, where we asked more general questions in the beginning of the interview and more in depth versions of these questions in the end. Furthermore, to the extent that it was possible, we checked the answers received in the interview against the information available on the company’s website.

We argue that the variety of the sample used, including companies from eight different industries, increase the validity of the study. Although not all industries are included in the sample, the amount of different industries that we did manage to capture shows a broad view of the issue. Furthermore, we used triangulation by conducting a number of interviews with developers of innovation platforms, users and specialists to get a better overview. This is something we consider as an important action to increase the validity. Due to time constraints and limited access to the companies interviewed we could not use multiple sources in each company, something we are aware might decrease the studies reliability (Golafshani, 2003). We argue on the other hand, that the reliability has increased since we have clearly explained the research process and the different choice we have made throughout the process. Finally, it is important to read this thesis with the insight in mind that all companies are unique, and therefore can the study only give broad indications as to how firms work in this area.
4. EMPIRICAL

4.1 Presentation of data collection
The data has been collected through interviews with three different interview categories; specialists, developers and users. This has also been supplemented with information from respondents’ websites, as well as articles. All data has been collected with the aim of supporting the research question.

Our research question requires us to investigate three different types of areas; how companies can involve their employees in the innovation process through internal idea and innovation contests, how these activities are designed and what the most important key elements are. In order to answer this, we first had to understand the bigger context and first examine why Swedish companies need to work with corporate entrepreneurship and what challenges they face while doing so. After that we could examine how internal idea and innovation contests can be a suitable form of activity in order to involve employees in the innovation process, and finally thereafter it is possible to examine how these activities are designed and what key elements there are.

Due to this, we have chosen to structure the collected data in four parts:

- **Background - understanding the context**: Our aim with this area was to investigate the respondents understanding of corporate entrepreneurship and let them highlight the challenges with it.

- **Process - the bricks that need to be in place**: In this area our aim was to understand how the respondents thought that companies should work in order to be innovative. Especially, we wanted to find out how companies should work to involve their employees in the innovation process.

- **Activities - ways of organizing the creative chaos**: In this area our aim was to understand how internal idea and innovation contests are involving employees in the innovation process. Furthermore, in order to understand how these activities are designed, we asked the respondents in what way idea and innovation contests were functioning and used within Swedish companies.

- **Key elements - how to successfully organize the creative chaos**: In order to then understand the essences of these activities, we asked the respondents to identify the most important key elements in internal idea and innovation contest.
When investigating these four, we have found throughout the data collection that our three interview categories had very similar views on many of the topics and questions we have touched upon. This has enabled us to distinguish some clear patterns and important keywords. The main difference between the groups have been their choice of words and way of describing the concepts, which is something that is understandable regarding the different backgrounds, experiences and perspectives they have.

We have chosen to present the findings by going through the four areas. Throughout the presentation of the data, the answers from our three different interview categories have been mixed. In some situations, we have referred to respondents by name and in others the interview category they belong to. This has been done when emphasizing a special example or that a certain interview category has had a point of view that stands out from the others. We have chosen not to quote any of the respondents but instead refer to them when talking about concepts and views in a broader perspective. This is due to the fact that most interviews (21 out of 23) were conducted in Swedish. Directly quoting these interviews when presenting our findings would require us to translate these interviews into English, this may lead to sentences that do not fully reflect the answers of the respondents.

4.2 Background - understanding the context
The level of knowledge among the respondents about the area was in general high and most answers were along the same line. Certain things were repeated and emphasized in almost every interview conducted.

4.2.1 The role of corporate entrepreneurship in the organization
The majority of the respondents argued that Swedish companies overall are good at working with corporate entrepreneurship. Sqore amongst others claimed that many companies probably are better than they know when it comes to working with it. Wide Ideas pointed out that most Swedish companies already have a very open culture, where the employees often are invited into the innovation process. Many respondents also stressed that Swedish companies, in comparison to international ones, often have less hierarchy and flatter organizations which makes it easier to collaborate and exchange ideas within the company.

Sqore and Svenskt Näringsliv mentioned that it has also become more usual for large companies to take in start-ups and entrepreneurs into the organization to get new ideas and standpoints. This can also be accomplished by being present at innovation hubs. In Stockholm one of the most popular ones are Epicenter, a building crowded with both start-ups and bigger companies
as for instance Telias innovation unit. Telia mentioned that in this set up, larger companies can both get new influences and be inspired by how small fast growing companies are working.

The reasons why Swedish companies need to work with corporate entrepreneurship are many, an image all respondents agree upon. The two main reasons that came up was the fast changing industry climate and retraining and recruiting employees.

- **Industry climate**

The fast changing industry climate is identified by all interview categories as the main factor why companies need to work with corporate entrepreneurship. Digitalization, globalization and new market trends are three recurring factors. The publishing company Egmont for instance, witness that their industry is going through a dramatic change at the moment, where they go more from printed papers to digital magazines. Telia and Nordea are also two companies that mentioned that they many times have, and currently are, going through industry changes, where digitization is increasingly affecting their everyday business. Telia discussed since they no longer only can focus on earning money on building infrastructure, they constantly need to find new business areas and revenue streams.

Friskis&Svettis Stockholm on the other hand, are experiencing another industry change, where increased competition from new competitors due to the more popular health trend, are forcing them to constantly focus on how to improve and create a better offer to their customers. Many respondents also emphasise the risk with “game changers” that enter the market and change the whole business and industry, something that has become more common the last years.

An additional industry factor that was mentioned as a challenge was changes in regulations, something especially Nordea pointed out. The banking industry is today becoming more regulated requiring the banks to find new ways to be creative and innovative in.

- **Retraining and recruiting employees**

Another challenge, mentioned in almost every interview, is the challenge to succeed with retaining and also recruiting new talented employees. If the possibility to take initiative and have autonomy does not exist, there is then an imminent risk that employees leave their employee for another. This is particularly important for the intrapreneurs in the company who always seeks stimulation and who places a high value on autonomy. Lena Lundgren mentioned that a challenge is that companies are often afraid to give people room and grow since management then might feel threatened.
Many of the respondents, for example Svenskt Näringsliv, pointed out that companies do not only need to work on retaining but also on how to recruit top talents. This will be even harder in the future when a new, even more demanding, group of people are entering the workforce; the millennials. The Deloitte Millennial Survey (2016) shows that 70% of all the millennials see themselves working independently at some point in their career rather than being employed within a traditional organizational structure (Deloitte, 2016). This indicates that millennials want things not all companies currently are giving them: autonomy, creativity, and meaning.

4.2.2 The challenges with corporate entrepreneurship

The challenges with working with corporate entrepreneurship are many according to the respondents. During the interviews two main challenges could be identified the organizational obstacles and lack of sufficient resources.

• Organizational obstacles

Many of the respondents, for instance Lena Lundgren and Jennie Björk, argued that the organizational structure is a problem when talking about internal innovation since companies often excludes parts of the organization from the innovation process. According to the developers, for instance Wide Ideas and Adludo, the hardest part in their work is to get the companies in the first stage to understand why it even is important to get all parts of the organization involved.

Many in the specialist category also witnessed that a major issue in many companies organization structure, especially in larger organizations, is the amount of administration and internal reporting that exists. This slows down the entrepreneurial process, but also the willingness of the employees to want to change and develop the organization. Also other factors such as different incentives, lack of process and policies were mentioned to be challenges when working with corporate entrepreneurship.

• Lack of sufficient resources

Another factor mentioned by almost all respondents, is the challenge to allocate enough time and financial resources for working with entrepreneurial activities. Often this is due to the company not realizing the extent of the resources that this requires. Another issue is that many companies are already drowned in their daily operations, something that for instance Vinnova, Kairos Future and ProAgile pointed out, which leaves little or no room left for entrepreneurial activities. Corporate entrepreneurship is something that the company needs to work with at all time. Sqore,
Egmont and Camfil among others, emphasized the importance for the company to make a commitment and be persistent in the innovation process.

4.3 Process - the bricks that needs to be in place
In this section the elements that the respondents mentioned as important for innovation within an organization are presented. The level of knowledge among all respondents was high and most answers were along the same line.

4.3.1 How to become an innovative company
Throughout the interviews, all respondents have emphasized the importance for Swedish companies to be agile and work with innovation and renewal in order to survive. Innovation is something that needs to be part of the long term strategy and therefore requires both time and effort. However, the amount and type of innovation varies between industries depending on what their innovation needs are. Many respondents argued that there are internal factors such as organizational changes, and external factors such as recession, that also can affect the company’s willingness to innovative. Dealflower explained that innovation is cyclical and play a more or less important role for the company at different times, due to economic fluctuations, the market situation and competition. Furthermore, Skistar explained that innovation is sometimes that is more or less hard to focus on in the organization. For example, when a company is going through reorganization or has to let employees go, innovation may not be the company's first priority, as the company instead needs to focus on getting back the balance in the organization.

That innovation is on all large companies’ agenda today is something that all respondents seem to agree upon. However, many in the specialists and developer category, for instance Jennie Björk and Realize, argued that a danger is that innovation has become a “buzz word” or a “trend word” that many companies use without realizing what it actually means. Nevertheless, it has become a more central concept within organizations, where many of them have established their own definitions, which is something that Jennie Björk have been able to distinguished in the last years when talking to many large companies. Stadium confirms this by explaining that they recently decided to concretize how they define innovation and what that means for their business. Many of the specialists mean that without an understanding, it is not possible to create a purpose of what the innovation process should lead to, and furthermore it is not possible to set goals or make realistic projections.

4.3.2 How to involve employees in the innovation process
Many respondents, especially in the user category, mentioned the challenge with encouraging people to be more innovative. For instance, Telia, Camfil, Egmont and Nordea, argued for the
importance of finding the right incentives in order to motivate and encourage the employees to be part of the innovation process.

All respondents were very clear about the importance of having employees engaged and involved in the innovation process. Some even argued that it was essential, without their involvement you cannot succeed with creating innovation. In order to get the employees involved in the innovation process the company first of all needs to get them to feel motivated towards their job and the company. This is shown to be harder than one can imagine. Every year “Gallup Employee Engagement survey” reveals findings about how employees on a global scale feel about their jobs. In the 2013 report it is shown that in Sweden, only 16% of all employees working for an organization feel engaged.

In table 4.1 the three categories of engagement are demonstrated for countries located in Western Europe.

![Image](chart.png)

Table 4.1. “Engagement rate in Western Europe”, Gallup, 2013 p. 91.

Gallup (2016) has identified the five best practices that have been seen to improve engagement and performance at work:

- Demonstrate and integrate engagement towards the human capital strategy
- Find and implement validated instruments to measure engagement
• Have an understanding of where the company is today, where it is headed and where it
wants to be in the future
• Do not see engagement as a single construct, but rather look beyond it
• Involve engagement so that it is aligned with other workplace priorities

These mentioned factors are closely linked with employees and their willingness to contribute to
the company. Therefore we can see many similarities in our and Gallups findings.

Through our interviews we have identified ten different factors that the respondents have
discussed being important when it comes to involving employees in the innovation
process. These ten are: Autonomy, Communication, Culture, Education, Encouragement,
Inspiration, Leadership, Resources, Systems and Openness.

4.4 Activities - ways of organizing the creative chaos
With the knowledge of how large Swedish companies are working with corporate
entrepreneurship, what their challenges are and how they should work to involve their employees
in the innovation process, it now enables us to investigate idea and innovation contests and what
they can contribute with. Due to the knowledge and practical experience, the level and amount of
relevant answers varied. Despite this, we could see certain themes among all interview categories.

4.4.1 Internal idea and innovation contest as a process of involving the employees
Many respondents emphasized how important, yet so hard, it is to involve the employees in the
innovation process and to organize all the ideas that the company receives. Sqore argued that the
main advantage with contests is that it has the ability to include larger amounts of employees in a
structured and clear process which has the ability to take the ideas and turn them into
innovations. It was also described of having the benefits of structuring ideas in a way that make
them easy to collect, evaluate and implement.

Adludo mentioned that contests and games are designed to motivate people, be fun, and create
solidarity since people get something to gather around and discuss. Furthermore, contests have a
tendency to enhance personal behaviour and make people step out of their comfort zone and
take a role that they usually do not have. This type of activities gives people a chance to leave
their daily work tasks and think outside the box by releasing their ability to create and be
innovative. Telia mentioned that it was possible to see that employees started thinking and even
behaving in a different way after being part of an idea and innovation contest. These activities
gives people the possibility to focus on something they are passionate about be recognized and
appreciated for their skills. It can also create a feeling of autonomy at work and a sense of
meaningfulness by letting the employee be part of something larger. Furthermore, Telia mentioned that contest could enable the company to create a closer relationship between employees and management, since the contest could work as a direct channel from management out to the organization. According to Silverhanden it also creates an involvement that open up a dialogue and discussion between people and departments that usually do not communicate. Contests therefore become as much a process of problem solving, as way of innovating.

Some of the most important benefits with contests are that it makes it easy to highlight the competency the company possesses, find the entrepreneurial powers that the company holds and identify the “hidden intrapreneurs” and also the informal leaders. It gives a possibility for internal branding and to inspire people to also think creatively when they are outside of the contest, in their daily work. Finally, many respondents pointed out that contests are important in order to retain people, especially the millennials that are used to always being able to share ideas and thoughts in a large forum.

4.4.2 Design of internal idea and innovation contests

Through our interviews, we have found that internal idea and innovation contests can be designed in various ways with different characteristics. In total we could identify twelve key design elements. In table 4.2 we have presented our findings through a schedule.
### Table 4.2 “Twelve factors to consider when designing an internal idea and innovation contest”

#### 4.4.3 Use of internal idea and innovation contests
The user category was the main group we focused on when examining how large Swedish companies work with internal idea and innovation contests. Most of the companies either used platform and software systems, but we could also see that many of the companies had a combination of various types of activities. The companies had different terms for explaining the used activity, for instance campaigns was a common term for describing an activity that lasted...
over a time period and enlightened a topic through a series of efforts. This could include one or many specific idea and innovation contests, workshops and “theme days”.

All respondents agreed on the importance that the system is accepted from top management and that the organization have a plan for how to implement and administrate the system. Wide Ideas and Stadium emphasized that innovation within an organization is a question of both courage from the management as well as strong leadership. Vinnova explained this by saying that innovation within the company is about management questioning the operation and existing business areas and asking the employees how the company can improve and create better offers.

In the table 4.3 we decided to use the twelve factors in designing an internal idea and innovation contest from table 4.2 to present a broad summary of how the respondents in the user category have chosen to use the factors when designing their innovation activities.
Table 4.3 “Types of innovation activities used by the respondents” Lindmark & Meisner, 2016.

<table>
<thead>
<tr>
<th>Design Elements – % of interviewed users</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Format</td>
<td></td>
</tr>
<tr>
<td>Online</td>
<td>Offline</td>
</tr>
<tr>
<td>56 %</td>
<td>11 %</td>
</tr>
<tr>
<td>2. System/instrument provider</td>
<td></td>
</tr>
<tr>
<td>External</td>
<td>Own solutions and tools</td>
</tr>
<tr>
<td>56 %</td>
<td>11 %</td>
</tr>
<tr>
<td>3. Topic specification</td>
<td></td>
</tr>
<tr>
<td>Open task</td>
<td>Defined</td>
</tr>
<tr>
<td>33 %</td>
<td>56 %</td>
</tr>
<tr>
<td>4. Guidelines and criteria</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>Some</td>
</tr>
<tr>
<td>22 %</td>
<td>56 %</td>
</tr>
<tr>
<td>5. Goals</td>
<td></td>
</tr>
<tr>
<td>Incremental</td>
<td>Disruptive</td>
</tr>
<tr>
<td>100 %</td>
<td></td>
</tr>
<tr>
<td>6. Target group</td>
<td></td>
</tr>
<tr>
<td>Open</td>
<td>Semi open</td>
</tr>
<tr>
<td>56 %</td>
<td>44 %</td>
</tr>
<tr>
<td>7. Time period</td>
<td></td>
</tr>
<tr>
<td>Ongoing</td>
<td>Time limited</td>
</tr>
<tr>
<td>33 %</td>
<td>33 %</td>
</tr>
<tr>
<td>8. Reward/motivation</td>
<td></td>
</tr>
<tr>
<td>Monetary</td>
<td>Non monetary</td>
</tr>
<tr>
<td>100 %</td>
<td></td>
</tr>
<tr>
<td>9. Community functionality</td>
<td></td>
</tr>
<tr>
<td>Given</td>
<td>Not given</td>
</tr>
<tr>
<td>66 %</td>
<td>33 %</td>
</tr>
<tr>
<td>10. Communication</td>
<td></td>
</tr>
<tr>
<td>Online</td>
<td>Offline</td>
</tr>
<tr>
<td>11 %</td>
<td></td>
</tr>
<tr>
<td>11. Evaluation</td>
<td></td>
</tr>
<tr>
<td>Jury</td>
<td>Peer review</td>
</tr>
<tr>
<td>44 %</td>
<td>11 %</td>
</tr>
<tr>
<td>12. Feedback</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>Depends</td>
</tr>
<tr>
<td>33 %</td>
<td>22 %</td>
</tr>
</tbody>
</table>
Two factors stand out which are Goals and Reward/Motivation. These two were both hard to interpret and get clear answers on. The first one, Goals, is hard to interpret since open innovation can both generate incremental and disruptive innovation and often the company do not know for sure what they are expecting or searching for. Therefore, it was difficult to distinguish the two concepts from each other in the interviews. Because of this, we made the decisions to say that 100 % on that all activities were seen as mixed. The other one, Rewards/Motivation, we decided to state that 100 % was non-monetary since no contest clearly had a monetary prize, however it is difficult to know if there are some form of bonuses or other forms of compensations connected to the activity.

As seen in table 4.3 a general image that could be drawn out of what design the interviewed companies is using are:

- An online format administrated and organized with an external system/instrument provider. The activity most often has a defined topic specification, with some guidelines and criterias. The goal of the activity is often mixed and there is an open target group. The activity has a variation of time period and is always offering the participants a non-monetary reward/motivation. It has a given community functionality and the communication about the activity is being distributed in a combination between online and offline communication. The activity is most often evaluated by a jury or a combination of a jury and peer review, where the participants always get feedback on their ideas.

As demonstrated in table 4.3 companies can use many different types of systems in order to organize the creation of new ideas and innovation. These systems will never work if the company does not have a plan or a process for how it will function in the organization. This was specifically mentioned by Silverhanden, who argued that a company cannot just buy an innovation system or platform and hope that innovation will come with it. It requires a lot of work and commitment in order to make it become successful. According to SCA Forest Products, creating innovation and change takes time and innovation within an organization is not something that occurs overnight. It is something that the company needs to have an understanding and respect for. A majority of the respondents, for instance Realize and Jennie Björk, pointed out that the first step is to understand what innovation means for the company before a system can be put in place.

Finally, many of the developers as for instance, Wide Ideas and Silverhanden, witness that in almost all cases the number of ideas exceeds the expectations that the organizers had. This is also
something that Axel Johnson and Stadium confirms when talking about the contests they hosted. This indicates how many ideas employees otherwise go around with and never get to share.

4.5 **Key elements - how to successfully organize the creative chaos**
It was possible to see a clear pattern when going through the interviews for finding key elements, where we often received very similar answers from the respondents.

In table 4.4 we have listed the identified key elements in internal idea and innovation contests that the respondents mentioned the most:
<table>
<thead>
<tr>
<th>Key elements</th>
<th>Example of answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>• Create a possibility for people to be self directed</td>
</tr>
<tr>
<td>Collaboration</td>
<td>• Encourage people to work together</td>
</tr>
<tr>
<td>Communication</td>
<td>• Open up the dialogue between departments</td>
</tr>
<tr>
<td></td>
<td>• Get people to start to interact</td>
</tr>
<tr>
<td>Creativity</td>
<td>• Give people an outlet for their creativity</td>
</tr>
<tr>
<td>Culture</td>
<td>• Create an open, allowing culture</td>
</tr>
<tr>
<td></td>
<td>• Have courage to become better and questioning the existing business</td>
</tr>
<tr>
<td>Education</td>
<td>• Teach management how to sell the concept</td>
</tr>
<tr>
<td></td>
<td>• Inform people how to participate and why it is important to participate</td>
</tr>
<tr>
<td>Evaluation</td>
<td>• Set and follow assessment criteria that everyone can understand</td>
</tr>
<tr>
<td></td>
<td>• Have a jury with different experience, knowledge, roles and backgrounds that can evaluate the ideas</td>
</tr>
<tr>
<td>Feedback</td>
<td>• Give concrete feedback to all participants to show that you care and appreciate their ideas and inputs</td>
</tr>
<tr>
<td>Implementation</td>
<td>• Set up a clear plan for what will be done in the implementation stage</td>
</tr>
<tr>
<td></td>
<td>• Be able to answer the question: “What will happen with my idea?”</td>
</tr>
<tr>
<td>Leadership</td>
<td>• Top management should take the initiative</td>
</tr>
<tr>
<td></td>
<td>• Management should be role models. Be aware of the fact “Employees do what management do not what they say”</td>
</tr>
<tr>
<td></td>
<td>• Be honest about the challenge the company are facing</td>
</tr>
<tr>
<td></td>
<td>• Show that management are being serious about innovation</td>
</tr>
<tr>
<td>Marketing</td>
<td>• Create a hype around the activity</td>
</tr>
<tr>
<td></td>
<td>• Find the early adopters and let them be ambassadors for the activity</td>
</tr>
<tr>
<td>Ownership</td>
<td>• Give the idea owner a chance to be part of the process of developing the idea</td>
</tr>
<tr>
<td>Passion</td>
<td>• Make people feel passionate about their work and what they do</td>
</tr>
<tr>
<td></td>
<td>• Create energy and excitement</td>
</tr>
<tr>
<td>Pride</td>
<td>• Make people feel proud to be part of the company and their work</td>
</tr>
<tr>
<td></td>
<td>• Create internal branding</td>
</tr>
<tr>
<td>Process and guidelines</td>
<td>• Create a framework with pre identified guidelines and a clear outlook</td>
</tr>
<tr>
<td></td>
<td>• Have a plan for every stage of the process</td>
</tr>
<tr>
<td>Purpose</td>
<td>• Have a clear purpose of why the company are doing the activity and what can be gained from it</td>
</tr>
<tr>
<td>Realistic expectations</td>
<td>• Have in mind that “Innovation does not happen overnight”</td>
</tr>
<tr>
<td></td>
<td>• Be aware of that not all ideas will lead to a result</td>
</tr>
<tr>
<td>Recognition</td>
<td>• Recognize people for their work and the contribution they make</td>
</tr>
<tr>
<td></td>
<td>• Highlight the best ideas and promote them internally</td>
</tr>
<tr>
<td></td>
<td>• Understand that “People want to be seen and heard in the organization. They want to feel like their opinion matters”</td>
</tr>
<tr>
<td>Resources</td>
<td>• Allocate enough time and money</td>
</tr>
<tr>
<td></td>
<td>• Be aware of that innovation takes time and effort</td>
</tr>
<tr>
<td>Rewards</td>
<td>• Create incentives for participating</td>
</tr>
<tr>
<td></td>
<td>• Answer the question “What’s in it for me?”</td>
</tr>
<tr>
<td></td>
<td>• Consider monetary vs. non- monetary rewards</td>
</tr>
<tr>
<td>Risk taking</td>
<td>• Encourage risk taking and accept failures</td>
</tr>
<tr>
<td>Simplicity</td>
<td>• Create a system that is easy to use and understand. It should also be easy to monitor and administer</td>
</tr>
<tr>
<td>Solidarity</td>
<td>• Create team spirit and a place to gather around</td>
</tr>
<tr>
<td></td>
<td>• Encourage the thinking “We are one team and together we are building this company”</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>• Give people time to work with their own ideas</td>
</tr>
<tr>
<td></td>
<td>• Encourage other employees and mid-level managers to help to push ideas forward</td>
</tr>
<tr>
<td>Status</td>
<td>• Create informal leaders that can become role models</td>
</tr>
<tr>
<td></td>
<td>• Create an internal reward system</td>
</tr>
<tr>
<td>Strategy</td>
<td>• Have a strategic plan for the innovation process</td>
</tr>
<tr>
<td></td>
<td>• Build in innovation in every part of the organization</td>
</tr>
<tr>
<td></td>
<td>• Have a long term perspective and persistent with the innovation process</td>
</tr>
<tr>
<td>System</td>
<td>• Have a structured system for how the company should organize the incoming ideas</td>
</tr>
<tr>
<td></td>
<td>• “no only have a suggestion box is a ticking bomb”</td>
</tr>
<tr>
<td></td>
<td>• Give the employees all time access to the system</td>
</tr>
<tr>
<td>Transparency</td>
<td>• Be transparent and open with how the process works and make clear everyone understands it</td>
</tr>
</tbody>
</table>

Table 4.4 “What are the most important key elements in idea and innovation contests?”

Lindmark & Meisner, 2016.
Of the 28 mentioned key elements the five most mentioned were these:

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Key elements</th>
<th>Mentioned number of times (max 23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leadership</td>
<td>23</td>
</tr>
<tr>
<td>2</td>
<td>Feedback</td>
<td>22</td>
</tr>
<tr>
<td>3</td>
<td>Recognition</td>
<td>21</td>
</tr>
<tr>
<td>3</td>
<td>Transparency</td>
<td>21</td>
</tr>
<tr>
<td>5</td>
<td>Purpose</td>
<td>20</td>
</tr>
</tbody>
</table>

Table 4.5 “The five most mentioned key elements” Lindmark & Meisner, 2016.
5. DISCUSSION

The purpose of this thesis is to examine how large Swedish companies can involve their employees through internal idea and innovation contest, how these are designed, as well as what the most important key elements are.

Corporate entrepreneurship is today a hot topic, both within the literature, something that Hornsby et al. (2013) stresses, as well as in practice, something we have found throughout our interviews. Companies are facing new challenges where they need to find new ways to generate value (Zahra & Covin, 1995). This makes it even more important to use all form of resources that the company possesses, something that was also mentioned by many respondents.

Dess & Lumpkin (2005), argue that the key to successfully creating value in corporate entrepreneurship is to viewing every value chain activity as being a potential competitive advantage, something we confirmed through our interviews.

5.1 How to create an environment that enhances corporate entrepreneurship

Increased level of digitalization, globalization and rapidly changing market trends have forced many companies in Sweden to focus more on innovation in order to adapt to the new market conditions and differentiate themselves from their competitors. This is something we find many examples of throughout our interviews, with two examples being Egmont and Friskis&Svettis Stockholm. According to the respondents there is also the risk that game changers enter an industry and change the rules of competition, something it is possible to find many examples of in recent years (as for instance Uber, Spotify, Skype and Airbnb). To create an entrepreneurial environment within the company is therefore crucial.

Many respondents argued throughout the interviews that it is crucial for companies to aim to become the company that drives innovation within their industry, something they can only become by working proactively with the entrepreneurial orientation. This is a long term strategy, which can also be found mentioned in the literature, for example in the research conducted by Covin & Slevin (1989). When using internal idea and innovation contests the company creates a bridge between the everyday operations and the entrepreneurial process which many of the participants also argue as important.

According to Dess & Lumpkin (2005) a company that wants to be successful with corporate entrepreneurship needs to have an entrepreneurial orientation, which is the strategy, the process, practices and decision-making activities in order to find new business opportunities. As we demonstrate in the literature chapter there are five dimensions that are considered to play a crucial role when a company creates an entrepreneurial organization. All five dimensions are
connected to the company's ability to create an environment that focuses on giving employees freedom, promoting new ideas, being serious and proactive about innovation and that the company are willing to take actions without certain knowledge of possible outcomes. These are all factors that we found in our study to be stimulated when using internal idea and innovation contests.

Additional to these five dimensions, which we perceive to be more focused on the company's strategy, there are five environmental factors which are more focused on creating the entrepreneurial culture. The five environmental factors are: rewards and motivation, management support, resource availability, organisational structure, risk taking. If the five environmental factors are in balance, an entrepreneurial culture is possible to create. An entrepreneurial culture is an environment where people feel comfortable coming up with new ideas and taking innovative actions as Quinn (1985) points out. Throughout the interviews we can see that internal idea and innovation contests in many ways enhance the entrepreneurial culture since it both encourages people to come up with new ideas and promotes creative and innovative thinking. Furthermore we can see that it can create a small company approach and increases the amount of ideas that the company have in the loop, something that practitioners argue is important in creating an entrepreneurial culture.

Rule & Irwin (1988) emphasizes six important points to take into consideration when developing an entrepreneurial culture: communication in order to generate new ideas, screening new ideas to allocate resources, support idea development, encourage flexibility, reward the contribution and provide leadership. All of these can be identified within internal idea and innovation contests, since these activities can be seen to; create communication throughout the organization, open up a structure for screening ideas, more fairly help to allocate resources to the ideas and projects that have potential, support them, create flexibility, offer some form of reward, and often derive from management that supports the activity.

A combination of the dimensions and the environmental factors can together improve and enhance a firm's entrepreneurial performance. This can in many ways be seen as fulfilled when using internal idea and innovation contests, something we especially could find in the interviews with the specialists and developers. However it is based upon the company's ability to incite their employees to participate in these activities, something that often is hard in larger organizations according to Pinchot (1985).
5.2 The role of employees involvement in the innovation process
From the literature and throughout our interviews we found that employees’ participation in the innovation process is very important due to that it both creates increased employee engagement and due to that employees are closer to the daily operations can therefore often identify possible solutions to a challenge or a problem.

According to many practitioners such as Srivastava & Agrawal (2010) the intrapreneur is described as being the ones who take initiative and acts to create innovation within the organization and see opportunities that other do not. They are also identified to be an important factor for business success. We found through our interviews the intrapreneurs role as a crucial part of the innovation process. The intrapreneur was identified by many of the respondents to be the employee that did not only come with ideas but also helped implement them. Furthermore, we found that the intrapreneur can be anyone in the organization.

In order for the intrapreneurs to reach their potential, they need managerial support, something that both practitioners as Armano (2012) and many of the respondents pointed out. Due to the new work force that soon will start their careers, the millennials, the company needs to think more about how they can involve their employees in every possible way. The millennials will demand co-determination and autonomy (Deloitte, 2016). This is something that will put even more pressure on the company to create an organizational culture where the employees’ ideas and initiatives are taken into consideration. Internal ide and innovation contest gives the employees space to express their own ideas and fulfil many of the requirements that especially the millennials might demand in order to feel engaged. Another thing that might attract the millennials with these types of activities could be that many of the new systems today include community functionalities that remind the user of social media, a forum that many millennials are familiar with and see as an obvious way to communicate through.

5.3 The employee as the driver of innovation
In order to get the employees to be part of the innovation process they first need to feel engagement for their job and the company's business, which is something both the literature and the interview findings underline. Engagement, as shown in the Gallup survey presented in the empirical chapter, is harder for a company to create then one can imagine. We feel that the factors that Gallup presents in order to improve engagement and performance at work is closely connected to what we have identified as being important when it comes to involving employees in the innovation process.
In the literature Karlsson (2010) identifies four challenges that the company has with the involvement of the employees: allocating the right amount of resources, defining the most urgent and important innovation needs, having guidelines and process that aligns with company's strategy and creating engagement and having good communication.

As demonstrated in the empirical part we have identified ten factors as important for involving the employees in the innovation process, which we believe all cover Karlsson's identified factors. Below we have chosen to present these ten in detail and discuss the effect internal idea and innovation contest have on each factor.

- **Autonomy** - Employees need to feel that they have freedom at work and that they can be responsible for their own ideas and projects. They should feel that they have approval and time to work with projects that they are passionate about. It is also important not to force employees to be creative but instead create an environment that enhances and motivates creativity. **Internal idea and innovation contests**: are fulfilling the employee's need of autonomy by providing a space and allocated time to develop their ideas.

- **Communication** - The company must communicate what they want out of the innovation process in order for the employees to feel motivated to contribute. It is therefore crucial to start a dialogue about what innovation is, and what it means for the company. Storytelling is one way of communicating, where the company for instance can share stories of success and failures. **Internal idea and innovation contests**: is an effective way of communicating what ideas the company currently are looking for. Furthermore, it makes it easier to start a dialogue and communicate between departments and offices.

- **Culture** - The company needs to create an open and innovative environment where everyone is involved and feels that they can contribute. It is also important that the culture encourage risk taking and failure. Talking openly about failures and how that can help the organization to grow can make employees feel more secure to speak up. **Internal idea and innovation contests**: are contributing to a culture that encourages new ideas and an organization where everyone's voice is heard. These activities also increase the team spirit by giving the employees something to gather around.

- **Education** - The organization needs to give the employees the right education and tools for being able to contribute to the innovation process. Therefore, it is important to spread knowledge about innovation, what it means for the company and what the short and long term goals are. This can be done through arranging workshops, kick-offs, lectures and seminars. Since innovation has different meanings for different companies it is extra important to educate new personnel of the company's perspective of innovation.
**Internal idea and innovation contests**: are a good tool to use when educating the organization about innovation and the company's strategy. It also makes it possible to get employees to exchange ideas and learn more about different business areas.

- **Encouragement** - When employees feel encouraged they to a large extent tend to be innovative. Encouraging employee can be done in different ways. The two that were mentioned the most were rewards and feedback, as for instance being recognized in the organization, and through personal feedback. **Internal idea and innovation contests**: are encouraging employees to participate by often offering them some kind of reward or motivation from the organization.

- **Inspiration** - In order to get employees motivated to contribute to a certain cause they need to feel inspired. Creating and lifting up role models that employees can look up to within the organization is important. Informal leaders are furthermore important to help others to develop their ideas. **Internal idea and innovation contests**: makes it possible to highlight good ideas and people who have contributed to the innovation process. It also often identifies informal leaders and creates role models within the organization.

- **Leadership** - Employees do what managers do, not what they say. Therefore, it is important to have strong leaders that can lead by example. Good leaders are identified through the interviews to be responsive, unpretentious and have the courage to let other people in the organization grow. They are honest and open about what challenges the company have and dares to ask the employees for help. Management need to show the organization that innovation is a priority by encouraging and promoting initiatives. **Internal idea and innovation contests**: is a good tool for the company's leaders to show their support to the employees’ involvement. It is also a possibility for management to improve the internal branding and connect with employees in all parts of the organization.

- **Resources** - Employees need to feel that they have been allocated time and other sufficient resources to be able to work with their ideas and projects. Without it they will not find the time or the effort to do so. **Internal idea and innovation contests**: hopefully give the employees’ allocated time to spend on developing their own ideas. If the idea is considered to be good enough to spend more time on, the idea owner often becomes the driving force.

- **Systems** - If an organization wants their employees to come up with ideas and contribute to the innovation process it is important that the organization can also offer a suitable platform/solution for this. This can for instance be done through contests or other
suitable forums for innovation discussions. **Internal idea and innovation contests:** can be a tool for structuring the innovative “chaos” that otherwise can exist.

- **Openness** - In order to get employees to be willing to share their ideas the company needs to be open about how these ideas are going to be evaluated and how the process will work. **Internal idea and innovation contests:** is an activity that helps to open up the innovation process to everyone and provides transparency to the process.

In the literature, practitioners discuss the importance to generate a large number of ideas since it helps the utilization of human capital and key competencies as well as improves the company climate and culture (Boeddrich, 2004). These ideas need to be collected and assessed, as well as connected to the right person, resources and setting, something the practitioners’ emphasis is hard for the company to manage with (Pinchot & Pellman 1999; Lee, 2012). The majority of the respondents witnessed that it is hard to capture ideas within large organizations, but that contests is a good way to facilitate it.

### 5.4 Internal idea and innovation contests

As mentioned by Schroeder (2013), innovation has been seen to be successful when it is close to the company's strategic goals, has a customer value, and when the process of identifying the ideas has been structured and systematically done. The respondents all agreed that contests are a powerful tool to capture the ideas that exist within an organization and that it is a good and structured process to use in order to find ideas that are closely related to the strategic goals and target group. Many also argued that the design and execution highly affected the outcome of the activity.

Throughout the interviews many respondents, especially in the specialists’ category, expressed their concern that the word “innovation” is used by companies as a buzzword to generate attention. Many of them emphasized the importance for companies to create their own definition of the concept since it is crucial for creating the understanding how to work with it.

In both the literature and in the interviews we identified the increased importance of a new form of innovation; open innovation. The more diverse ideas and viewpoints a company can get the better it is. MacCormack *et al.* (2013) also discusses this and talks about the power of diversity, meaning that how tackling problems with solutions that lies outside normal fields of inquiry can create great success. In the literature open innovation is often recognized as something that happens from collecting ideas and viewpoints from outside the company and people that usually are not a part of the innovation process. However throughout the interviews, especially with the specialists and the developers, we understood that open innovation is also applicable when larger
organizations opens up their innovation process to the organization. This is something that very few practitioners discuss in the literature, however something that we argue are important. For example, if a company with 40,000 employees opens up their innovation process to the whole organization, it can in many cases give the same effect and impact on the organization as if they opened it up to the outside world. Chesbrough and others argues that open innovation is a more profitable way to innovate for businesses, due to that it reduces costs, accelerate time to market, increase differentiation in the market and create new revenue streams for the company. This is very much applicable when talking about idea and innovation contests.

5.5 The design of internal idea and innovation

We were not able to identify any clear pattern among companies in how to designing internal idea and innovation contests. Therefore have to come to the conclusion that there are no standards of what type of design companies use. The twelve design elements that we overall found to be common in contest, and therefore have to be taken into consideration when designing an idea and innovation contest was:

1. Format - It is important that it is a simple and structured system or activity. It can either be used online or offline, or a combination of them both. The most common structure we found through our research and interviews was to have an internal platform or a forum where the ideas could be uploaded and reviewed by others within the company.
2. Systems/Instrument provider - A company can either buy a external system or develop their own system. There are also companies that use a mix of them. The important thing to consider is that it should fit the purpose of the activity and the organizational structure.
3. Topic specification - Depending on the needs the company have, the topic of the activity can be more or less specific. Here it is important for the company to ask themselves what type of inputs they want their employees to contribute with, wide or more narrow ones.
4. Guidelines and criterias - In order to easily evaluate and examine ideas guidelines and criterias could be necessary. Some respondents argued that limitations bring out creativity and used for instance Twitter as an example of how limitations makes people more creative by only being able to use 140 words. Others said that too many guidelines and criteria kill the creativity. Here the company would have to weigh in what they think is a good balance.
5. Goals - Companies can either be looking for the small incremental ideas or large disruptive ones, or a combination. It is here important to spend time on formulating a question that captures the goal of the activity and communicate that to the employees.
6. Target group - Activities can be more or less opened for the organization. Some are open for everyone, some for specific groups and some just for a limited number of people. The majority of respondents agreed that contests should be open for everyone in the organization since that is the best way to get as many ideas and viewpoints as possible. However, some said that certain types of activities with very significant purposes should only be open for a limited group or departments, for instance when solving very advanced technological problems.

7. Time frame - Internal idea and innovation contests can be time limited and only open for a time period, or be open at all time and be implemented in the daily work. The most common answer we got regarding the chosen time frame was that it depends on what type of purpose the company had with the contest. If the company wants to have a continuously stream of ideas and an ongoing process, the activity should be open and easily accessible at all time. If the company instead are looking for a more concentrated, time limited stream of ideas, the most common structure is to have a short time frame where the employees could add their ideas and then set a clear deadline.

8. Reward/motivation - The activity needs to have some form of motivation of why people should participate. The majority of the respondents argued that monetary awards are less effective since it tells the employee that contribution to the innovation process is outside the daily work tasks. The best and most effective motivation has instead been proven to be awards where the employee instead gets recognition for their contribution. A commonly mentioned example was that the employee got to meet the CEO or be highlighted on the Intranet, activities that all made the employee feel seen and valued.

9. Community functionality - In a time where social media is important for us, all agreed upon the importance of creating a social forum for the employees where they can interact, share their ideas and comment on others ideas. Therefore, many of the systems that the developers offered have these types of functions. For instance, you can “like” and comment in the systems.

10. Communication - There was a consensus from both the user and developer category that all these systems and forms of contests are only frameworks and as long as the company do not know how to communicate or use it, it will never work. There are more or less effective ways to communicate within the organization. A “rich medium” is through physical meetings and a “poor medium” is through offline channels like for instance the company's intranet. Therefore, the company needs to decide how they prioritize the activity and communicate accordingly.
11. Evaluation - The assessment criteria and who in the company that should be responsible for evaluating the ideas are important to consider. Some respondents argued that it should be an expert group with only managers in it; some thought that it should be a variety of people from all over the organization while others felt that it should be decided through the company community and be a question of what the organization thought was the best.

12. Feedback - Depending on what activity the company uses, and especially what the timeframe that is set, different ways of giving feedback can be done. When a company organizes an activity that will be open for a short time, it is often a jury group that evaluates and gives feedback. On the other hand, when a company uses an activity for an ongoing purpose there are more often either the employees’ closest manager or an idea tool administrator that provides feedback. It can also occur through performance reviews and weekly meetings. Through the community functionality it is also more common that feedback is coming from peers.

In order to successfully choose what design that fits the company the best, we managed to identify three streams that are important and where every stream comes with a question; stream 1) Defining what innovation means for the company, stream 2) Deciding what purpose the company wants to have with its innovation activity, stream 3) Choose a suitable design.

In figure 5.1 we have visualized the different streams and questions:

![Figure 5.1 “The three streams”, Lindmark & Meisner, 2016.](image-url)
In the first stream, Definition, the company needs to ask themselves “What is innovation for us?” This is something we many respondents mentioned as an important starting point since it sets the frame for how the company should work with it.

In the second stream, Purpose, the company needs to ask themselves “What kind of contribution would we like to receive?” In the interviews we identified that some companies want to have more incremental ideas (doing the same thing a bit better) while others are focusing more at both disruptive (capturing new markets by embracing new technologies and adopting new business models) while some focus equally much on both.

Christensen (1997) describes “The Innovator’s Dilemma” as the choice a company stands in front of when they need to choose between holding on to an existing market by doing the same thing a bit better (incremental innovation), or capturing new markets by embracing new technologies and adopting new business models (disruptive innovation). “The innovator’s Dilemma” was something we could clearly see in all interviews with the user category. Whether the company are aiming for generating incremental or disruptive innovations it need to be integrated to the company’s model, vision and goals according to Haller et al. (2011).

And finally, in the third stream, Design, the company should be able to ask themselves “How can it be accomplished”, and through that answer, be able to successfully choose a suitable design.

We could also identify another pattern, which can be seen as a surprise finding, the characteristics and role the respondents played in finding these activities. First of all, they all were very enthusiastic about the topic and showed a big interest in learning more about how they could work and think within this area. Second of all, most of them were also the ones who had found and implemented the innovation activity that the company today uses. Which often was an action originated from an initiative from management. A third reason could be that since this is a rather new phenomenon it is hard to find examples of “best practices” which leaves the decision making to the respondent alone. These three factors can partly explain why there are so many different designs used.

5.6 The most important key elements of internal idea and innovation contests

In total we identified 28 different key elements in internal idea and innovation contests, where out of these, five was identified as the most important: Leadership, Feedback, Recognition, Transparency and Purpose (more detail below). The 28 factors that was identified, were all in one way or another covering the findings about what is important in order to involve employees in the innovation process. Many of the key components that Bullinger et al. (2010) and MacCormack et al. (2013) identify in their articles can be connected to our findings.
Leadership is something that is clearly supported within the literature as well as throughout the conducted interviews as a key element when organizing an internal idea and innovation contest. As mentioned throughout this chapter, leadership is crucial for the success of innovation activities and the initiative to create an idea an innovation contest should come from the top management. In internal idea and innovation contests, leadership is about courage and honesty, meaning that it is important that management are communicating what the company's needs are.

Feedback is another crucial factor when organizing an internal idea and innovation contest. As mentioned before, a major advantage of contests is that all submitted ideas often need to be read and evaluated. Both the literature and the respondents argue that it is important to give the participants feedback in order to encourage them to continue participate in the innovation process.

People need to feel motivated to contribute with their ideas. There are things that can be done in order to stimulate this, for instance rewards and recognition. Many respondents argued that monetary rewards is not often the most effective rewards since it tells employees that thinking innovative and improving the company is something that lies outside their daily work tasks. Therefore, it is more rewarding and motivating for people to be seen and get personal recognition by for instance a manager.

Another important key element is transparency. The contest needs to be open so employee can follow the process, see their idea progress and interact and comment on other ideas. This can for instance be done with community functionality, something that many of the platforms are offering today.

The purpose of the contest needs to be clearly defined, since this sets the foundation for rules and guidelines. Many participants argued that the company should spend a lot of time to formulate the right question since this impacts the whole outcome of the activity. Companies might organize contests to receive either incremental or disruptive ideas, or a mix of them. By defining the innovation need, the company can find the right platform and system to encourage these ideas. Another question that a clear purpose helps to answer is the target group and who should be able to participate within the organization.

When summarizing the main findings within the literature and from the interviews, it is possible to identify various amounts of challenges with corporate entrepreneurship. It is also possible to see that larger organizations have trouble with finding successful ways of involving their employees in the innovation process and to create an entrepreneurial culture. Throughout this
study we have seen that many of the challenges identified, such as organizational obstacles and retraining and recruiting employees, can be solved through successfully hosting internal idea and innovation contests. Through the findings of our 28 key elements, we can also conclude that in order to succeed with organizing an internal idea and innovation contest, the company needs to make a serious commitment to the process, have a clear strategy, a strong leadership support and realize what innovation means and what it requires from the company. Furthermore, they need to understand that the different systems and tools that can be used to host these activities are no more than just support instruments. The real success factor of manage to involve employees in the innovation process through internal idea and innovation contests, lays in the company’s willingness and amount of effort to become an innovative company and making innovation into something that everyone in the organization can contribute to.

5.7 Internal idea and innovation contests as the future innovation practice

If an internal idea and innovation contests are being successfully executed they can have many benefits, for example as a cost effective and easy way to find new products, services and processes. They can also generate in increased employee engagement and create an entrepreneurial culture. Since the employees are the people working closest to the daily operations, this should be seen as a great source of information where it is possible to capture both the large, disruptive ideas, as well as the small incremental ones.

We argue that many companies have not fully understood the impact internal idea and innovations contests can have on the organization, both in terms of success through the stream of new ideas but also in terms of employment satisfaction. Neither have they understood the power of diversity and the amount of creativity and ideas that they possess within their own organization. It is highly important that companies understand that the different tools and systems that they can use in order to trigger innovation, just are support instruments and that the real challenge lays in the company it selves, who needs to invest both a lot of time and effort in order to see results. If they understand this there are endless of possibilities with using internal idea and innovation contests.
5.8 Methodological limitations to the study
Potential drawbacks with our study have been discussed in the methodology part of the thesis. However, we once again want to emphasize that 23 interviews is not enough in order to examine and draw realistic conclusions of a whole market or a single phenomenon. This study should be viewed as a first attempt to lay a foundation of how internal idea and innovation can involve employees in the innovation process and how they are designed and used by large Swedish companies.
6. CONCLUSION

Corporate entrepreneurship is a form of managerial strategy to transform individual ideas into collective actions and to promote and enhance innovation. Large companies often have access to a large amount of ideas, however it usually also means less flexibility since changes takes more time. Furthermore, a problem is also that it is harder to pay attention to all employees, which can present a challenge for organizations that are trying to be entrepreneurial and innovative. Internal idea and innovation contests have been seen to be a good activity to use in order manages that. This form of activity has become increasingly popular to use in order to attract a large variety of people and also groups of non-traditional problem solvers to generate ideas. Idea and innovation contests are a form of open innovation, which is a type of innovation that comes from a company’s decision of taking the innovation process and open it up to the outside world. In this study we have recognized that open innovation can be applied when larger companies host internal idea and innovation contests since it can contribute with the same amount of diversity as when opening up the process to the outside world.

This study has demonstrated that internal idea and innovation contests are a useful way for large Swedish companies to involve their employees. The two reasons why companies need to work with corporate entrepreneurship are the changing industry climate as well as retraining and recruiting employees. The main challenges that have been identified when working with corporate entrepreneurship are organizational obstacles and the lack of sufficient resources. Internal idea and innovation contests have in this study been shown to undermine these problems due to;

1. Its ability to pass by organizational obstacles through its openness and transparency which also enables everyone in the organization to be seen and heard.
2. And if it is successfully organized, given the company a clear image of what resources it needs in order to turn ideas into innovations, since these activities offer a structured way to organize the innovative chaos that otherwise often exists.

This study has identified ten different factors as important when it comes to involving employees in the innovation process. These ten are: Autonomy, Communication, Culture, Education, Encouragement, Inspiration, Leadership, Resources, Systems and Openness. When looking at the most important key elements of internal idea and innovation contests all of these factors can be found in one way or another. In total we identified 28 different key elements. Out of these, five was identified as the most important: Leadership, Feedback, Recognition, Transparency and Purpose. Of these 28 factors, all are covering the findings about what is important in order to
involve employees in the innovation contests. Therefore we can conclude this type of activity to be a preferable and good activity to use when involving the employees in the innovation process.

During the study we also came to the conclusion that there are various ways a company can structure an idea and innovation contest, and can conclude that there is no “one size fits for all” format. We also concluded that the different ways companies used probably was not connected to the specific industry that company belonged to, but rather a result of other factors such as the person in charge and decision makers’ knowledge and experience.

In total we could identify twelve design elements to take into consideration when choosing the design: Format, Systems/Instrument provider, Topic specification, Guidelines and criterias, Goals, Target group, Time frame, Reward/motivation, Community functionality, Communication, Evaluation and Feedback. In order to successfully choose what design that fits the company the best, we identified three streams that explains the process stream; 1) Defining what innovation means for the company, 2) Deciding what purpose the company wants to have with its innovation activity, 3) The company can now be able to choose a suitable design.

Finally, we come to the conclusion that by using internal idea and innovation contests companies are automatically involving their employees in the innovation process. We believe the future belongs to the companies that listen to their employees and embrace the entrepreneurial spirit inside the company. In order to stay competitive companies simply just need to get their head in the game and realize that one of the company's best resources is the employee's ideas.

We argue that this study both has contributed to the academic literature and to practice. The study has created a broader understanding of how large Swedish companies are working to involve their employees in the innovation process and how these companies are using internal idea and innovation contests in practice, in what way they are being designed and identified key elements. In the beginning of this study we felt that there was little or no deep understanding of this practice and that the literature were lacking, we now feel that we to some extent have managed to decrease the existing gap within the literature.
7. FURTHER RESEARCH
After reaching a conclusion, we can see that our study is just the tip of the iceberg. We believe our research has demonstrated the importance of contests as a way of working with innovation and that it might be even more important to use in the future, and therefore needs more attention from the academic world. Throughout the study we came across some findings we believe would be interesting and suitable for further research. The three main areas we argue would be interesting to look at are:

- Differences among industries and types of organizations - One area to look more deeply into is if there are any general differences between industry and certain types of company (age, size, organizational structure etc.) and their way of working with idea and innovation contests, which was something our study did not consider. A suitable question to state is if there is any type of design of internal idea and innovation contests that fits certain types of industries or organization better than others?

- Employees’ perspective - An important aspect this study has not taken into consideration is the employee perspective. Specifically, how they are experiencing internal idea and innovation contests, and if these types of activities make them more interested to join or stay within a company. As emphasized many times throughout the thesis, this will become increasingly important in the future since the millennials that soon will enter the labor market will expect to have more codetermination. Further research might therefore focus on internal idea and innovation contest in a more narrow perspective to learn more about how they are perceived.

- Ways to measure innovation - Finally many respondents have mentioned the company’s desire to measure innovation within the organization. This is something that have been proven to be hard since innovation should be part of the long term strategy since it can take years before an idea or and project become an innovation. Our study has also concluded that these activities creates other forms of values, for instance social value in terms of employee satisfaction and engagement which are values that are hard to measure.
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### 9. APPENDICES

#### 9.1 Operationalisation schedule

<table>
<thead>
<tr>
<th>Concept</th>
<th>Definition of the concept</th>
<th>Operational definition</th>
<th>Questions Specialists</th>
<th>Questions Developers</th>
<th>Questions Users</th>
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</table>
| **Corporate entrepreneurship** | "Entrepreneurship within an existing organization" (Antoniou & Hirst, 2001 & 2003) and furthermore as "an organisational process for transforming individual ideas into collective action" (Chung & Gibbons, 1997) | Corporate entrepreneurship is entrepreneurship within an existing organisation and can be seen as an organisational process, promoting employees to bring forward and transforming ideas into action. | - How would you describe that Swedish companies are working with entrepreneurship?  
- What are the challenges? | - How would you describe that Swedish companies are working with entrepreneurship?  
- What are the challenges? | - In what ways are you working with entrepreneurship?  
- What are the challenges? |
| **Motivation/ Reward** | Five environmental factors have been identified as important for corporate entrepreneurship, these are: rewards and motivation, management support, resource availability, organisational structure and risk taking. Together create the companies’ entrepreneurial culture, in an environment that allows innovative activities. (Selysstra & Agarwal, 2010; Katollo et al. 1990, Quinn, 1985) | Five environmental factors has been identified as important for companies to consider in order to create an innovative environment within the firm that enhance corporate entrepreneurship. These are: rewards and motivation, management support, resource availability, organisational structure and risk taking. | - In what ways should management support and respond to new ideas?  
- What form of rewards do you allocate for innovation?  
- What are the major challenges for companies in order to be innovative? | - In what ways should management respond to the generated ideas?  
- What form of rewards do you allocate for innovation?  
- How can companies create an environment that triggers innovation? | - In what ways are you encouraging risk taking and openness within the organisation? |
| **Risk** | - How should companies work to encourage risk taking and openness within the organisation? | - How should companies work to encourage risk taking and openness within the organisation? | - In what ways are you encouraging risk taking and openness within the organisation? | - In what ways are you encouraging risk taking and openness within the organisation? | - How are you encouraging risk taking and openness within the organisation? |
| **Innovation** | Innovation is the process of creating novel products or services that has economic and social benefits. In some degree it needs to add something new to the firm, the market or the world, and be currently accepted and shared when put into practices. (Oh-Muhar et al. 2015; The Organisation for Economic Cooperation and Development, 2010) | Innovation within a company is a process where a product, service or process is created, something that has some form of economic and social benefit. In some way it needs to add value to the firm by being accepted on the market. | - How have the way Swedish companies work with innovation changed historically?  
- What are your major challenges for companies in order to be innovative? | - How can companies create an environment that triggers innovation?  
- How does your product/service help companies to better communicate new ideas?  
- How should companies communicate on the platform you are offering? | - How do you create an environment that triggers innovation?  
- How are you communicating to your employees that the company encourages new ideas? |
| **Intrapreneur** | An intrapreneur is an employee who, within the corporate boundaries in a large organization, act like self-employed individual. (O’Neill, 2014). | An intrapreneur is an employee within an organization who acts like an self-employed person, who constantly search for new business opportunities for the company. | - How should companies promote intrapreneurship? | - How does your product/service help to promote intrapreneurship? | - Do you do anything to promote intrapreneurship? If so, what? |
| **Innovation contest and campaigns** | Internal idea and innovation contest and campaigns are activities when a company ask their employees, or a target group within the company, to solve a problem or a request. In return they offer an award or an incentive to the winning solution or solutions. This type of activity allows the company to take part of wisdom from the bigger crowd and integrate | Internal idea and innovation contest and campaigns are activities where the company ask their employees, or a part of them, to solve a problem, and the best solutions/solutions receives some form of reward or recognition. This structured action help the company to motivate their employees, tap into a larger amount of knowledge. | - Background (why)  
- What is the background, or why is the innovation contest important?  
- How do you see that Swedish companies are working with innovation contest today?  
- Who should be responsible for the contest with the company? | - Background (why)  
- How does your product/service work?  
- Process (how)  
- How does your product/service help companies to be more innovative? | - Background (why)  
- How often/how many times have you organised idea and innovation contests?  
- Why did you organize this activity, whose initiative was it?  
- Who was able to participate?  
- What was the goal with the contest?  
- Process (how)  
- What was the process behind setting... |
<table>
<thead>
<tr>
<th>and solve problems or create some form of value for the organization.</th>
<th>to the company's strategic goals?</th>
<th>ideas?</th>
<th>Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>- How should the company encourage the employees to participate?</td>
<td>- How would you describe the customer’s expectation in comparison with the actual outcome?</td>
<td>- What are the key factors for being successful when using your product/service? And what have you seen to be less successful?</td>
<td>- What was there any rules and criteria for the contest?</td>
</tr>
<tr>
<td>- What form of rewards should it be?</td>
<td>- What were the key factors for being successful when using your product/service? And what have you seen to be less successful?</td>
<td>- How was the contest linked to the company's strategic goals?</td>
<td>- How was the contest linked to the company's strategic goals?</td>
</tr>
<tr>
<td>- How should the generated ideas be evaluated?</td>
<td>- What were the key factors for being successful when using your product/service? And what have you seen to be less successful?</td>
<td>- How did you communicate the information about the contest?</td>
<td>- How did you communicate the information about the contest?</td>
</tr>
<tr>
<td>Results (what)</td>
<td>- What can these contests contribute with except only ideas?</td>
<td>- How did you evaluate the submitted ideas?</td>
<td>- How did you encourage employees to participate?</td>
</tr>
<tr>
<td>- What can these contests contribute with except only ideas?</td>
<td>Learning</td>
<td>- How did you evaluate the submitted ideas?</td>
<td>- How did you encourage employees to participate?</td>
</tr>
<tr>
<td>Learnings</td>
<td>- What would you say are the most important key elements in organizing a successful contest?</td>
<td>Learnings</td>
<td>- How did you encourage employees to participate?</td>
</tr>
<tr>
<td>- What would you say are the most important key elements in organizing a successful contest?</td>
<td>- What would you say are the most important key elements in organizing a successful contest?</td>
<td>- What are the key elements in organizing an idea and innovation contest?</td>
<td>- What were your key learnings from this contest?</td>
</tr>
<tr>
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<td>- What are the key elements in organizing an idea and innovation contest?</td>
<td>- What are your key learnings from this contest?</td>
<td>- What were your key learnings from this contest?</td>
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### 9.2 Dates of interviews

**Category 1. Specialists**

<table>
<thead>
<tr>
<th>Company/University</th>
<th>Form of interview</th>
<th>Date of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealflower</td>
<td>Physical</td>
<td>28/04/2016</td>
</tr>
<tr>
<td>Jennie Björk</td>
<td>Physical</td>
<td>10/05/2016</td>
</tr>
<tr>
<td>Lena Lundgren</td>
<td>Telephone</td>
<td>03/05/2016</td>
</tr>
<tr>
<td>ProAgile</td>
<td>Physical</td>
<td>10/05/2016</td>
</tr>
<tr>
<td>Svenskt Näringsliv (Business Federation)</td>
<td>Physical</td>
<td>12/05/2016</td>
</tr>
<tr>
<td>Sqore</td>
<td>Telephone</td>
<td>02/05/2016</td>
</tr>
<tr>
<td>Vinnova (Sweden's Innovation Agency)</td>
<td>Skype</td>
<td>26/04/2016</td>
</tr>
</tbody>
</table>

**Category 2. Developers**

<table>
<thead>
<tr>
<th>Company</th>
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<th>Date of interview</th>
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<tbody>
<tr>
<td>Adludo</td>
<td>Telephone</td>
<td>11/05/2016</td>
</tr>
<tr>
<td>BrightIdeas</td>
<td>Skype</td>
<td>13/05/2016</td>
</tr>
<tr>
<td>IdeaScale</td>
<td>Email</td>
<td>14/05/2016</td>
</tr>
<tr>
<td>Kairos Future</td>
<td>Telephone</td>
<td>18/05/2016</td>
</tr>
<tr>
<td>Realize</td>
<td>Telephone</td>
<td>13/05/2016</td>
</tr>
<tr>
<td>Silverhanden</td>
<td>Physical</td>
<td>11/05/2016</td>
</tr>
<tr>
<td>Wide Ideas</td>
<td>Telephone</td>
<td>02/05/2016</td>
</tr>
</tbody>
</table>
### Category 3. Users

<table>
<thead>
<tr>
<th>Company</th>
<th>Form of interview</th>
<th>Date of interview</th>
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</thead>
<tbody>
<tr>
<td>Axel Johnson</td>
<td>Email</td>
<td>12/05/2016</td>
</tr>
<tr>
<td>Camfil</td>
<td>Telephone</td>
<td>02/05/2016</td>
</tr>
<tr>
<td>Egmont</td>
<td>Telephone</td>
<td>09/05/2016</td>
</tr>
<tr>
<td>Friskis&amp;Svettis Stockholm*</td>
<td>Telephone</td>
<td>02/05/2016</td>
</tr>
<tr>
<td>Nordea</td>
<td>Telephone</td>
<td>11/05/2016</td>
</tr>
<tr>
<td>SCA Forest Products</td>
<td>Telephone</td>
<td>17/05/2016</td>
</tr>
<tr>
<td>Skistar</td>
<td>Telephone</td>
<td>04/05/2016</td>
</tr>
<tr>
<td>Stadium</td>
<td>Telephone</td>
<td>13/05/2016</td>
</tr>
<tr>
<td>TeliaSonera</td>
<td>Psychical</td>
<td>24/05/2016</td>
</tr>
</tbody>
</table>
9.3 Company descriptions Developers
All descriptions derive from each company's website.

**Adludo** “Adludo creates the will for change by developing company games that promotes creativity, job satisfaction and points the way towards the goal”. (www.adludo.se)

**BrightIdea** “BrightIdea are our one-of-a-kind innovation management software that makes it simple for innovation program leaders to centrally track all of their innovation activities, from hackathons to design thinking projects to crowdsourcing and more”. (www.brightidea.com)

**IdeaScale** “IdeaScale is an innovation management platform that uses crowdsourcing to help you find and develop the next big thing”. (www.ideascale.com)

**Kairos Future** “Kairos Future is an international consulting and research company that assists companies and organizations to understand and shape their futures”. (www.kairosfuture.com)

**Realize** “Realize helps companies and organizations to work concrete with innovation and business creativity. Our focus is on radical innovations, those who in one stroke creates unique competitiveness and profitability”. (www.realize.se)

**Silverhanden** “Silverhanden AB, Management Consulting, Strategic Advisors and Innovation management experts.” (www.silverhanden.se)

**Wide Ideas** “Wide Ideas is an application in which you and your employees meet to discuss challenges, share and develop ideas and discover new opportunities. With unique built-in intelligence Wide Ideas helps you find, organize and select gems that make a difference”. (www.getwideideas.se)

9.4 Company descriptions Users
All descriptions derive from each company's website.

**Axel Johnson** “Axel Johnson builds and develops profitable trade and service businesses in the European market, with a focus on the Nordic countries. All told, our operations employ more than 20,000 people, and we are trading partners with thousands of companies worldwide, which makes Axel Johnson one of the largest trade and service companies in the Nordic region”. (www.axeljohnson.com)

**Camfil** “Camfil is a global leader in the air filtration industry with more than half a century of experience in developing and manufacturing sustainable clean air solutions that protect people, processes and the environment against harmful airborne particles, gases and emissions. These solutions are used globally to benefit human health, increase performance and reduce energy consumption in a wide range of air filtration applications”. (www.camfil.com)

**Egmont** “Egmont is one of Sweden's largest media companies with a broad focus on traditional and digital media”. (www.egmont.se)
**Friskis&Svettis Stockholm** “Friskis&Svettis Stockholm is Sweden’s largest sports club. We were founded in 1978 and now we have over 89 000 members, about 150 employees and 1700 volunteers committed leaders, coaches and hosts. We are a non-profit organization, which means that any surplus goes back into business, since there is no profit purposes”.
(www.sthlm.friskissvettis.se)

**Nordea** “Nordea is the largest financial services group in the Nordic and Baltic region. Nordea holds leading positions in corporate and institutional banking as well as in retail and private banking. We are also the leading provider of life and pensions products in the Nordic countries”.
(www.nordea.com)

**SCA** “SCA is one of the world's largest companies in personal care products, the world's third-largest supplier of tissue and one of Europe's most profitable producers of forest products.”
(www.sca.com)

**Skistar** “Skistar owns and operates alpine destinations in Sälen, Åre and Vemdalen in Sweden, and Hemsedal and Trysil in Norway. SkiStar’s vision is to create memorable winter experiences as the leading operator of European alpine destinations”. (www.skistar.com)

**Stadium** “Stadium is Sweden’s largest sports chain with approximately 160 stores in Sweden, Denmark, Finland and Germany”. (www.stadium.se)

**TeliaSonera** “TeliaSonera is a mobile operator, operation in 18 countries who “serve millions of customers every day in one of the world’s most connected regions. With a strong connectivity base, we’re the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms”. (www.teliasonera.com)

9.5 Descriptions Specialists

**Dealflower** “We want to use our knowledge and experience as well as new capital and new technology, to support talented entrepreneurs and their burning desire to create sustainable ideas with sound values - ethically, morally, socially and environmentally”. (www.dealflower.com)

**ProAgile** “We help organizations to become more agile! We have over 15 years practical experience of agile methods. We help you with a concrete strategy for your improvement, with your agile leadership, with modern product management, and with modern development techniques”. (www.proagile.se)

**Sqore** “Find talent through competition. Start enjoying the benefits of competition-driven recruitment today and connect with our pool of talent around the world. Sqore is on a mission to create equal access to opportunities for everyone”. (www.sqore.com)

**Svenskt Näringsliv** “The Confederation of Swedish Enterprice (Svenskt Näringsliv) is Sweden’s largest and most influential business federation representing 49 member organizations and 60 000
member companies with over 1.6 million employees. The Confederation provides its members with expert knowledge in a number of areas”. (www.svensktmaringsliv.se)

Vinnova “Vinnova is Sweden’s innovation agency. Our mission is to promote sustainable growth by improving the conditions for innovation, as well as funding needs-driven research”.
(www.vinnova.se)


Lena Lundgren: Lena Lundgren is an assistant professor at Umeå University. Main research interests are primarily in the area of strategic communication (which is also termed communication management and corporate communication).
(https://www.linkedin.com/in/lena-lundgren-0bb6430)