

**Innovation in private and public sector services (INTOP)
PhD Course 2018**

Program & reading list subject to updates

March 2018

Monday 27.08.

1000 – 1230: Welcome & introduction to the course (Professor Martin Rønningen & Professor Sverre J. Herstad, HiNN)

This introductory session will provide an overview of the course, and locate research on service innovation in the larger landscape of innovation studies. As point of, departure it will recapitalize what is meant by Schumpeterian innovation-based competition and discuss how it is echoed in evolutionary theories of innovation and concepts such as innovation systems, ‘the learning economy’ and ‘service-dominant logic’. The distinction between assimilation, demarcation and synthesis approaches to services research will be discussed against this background. Finally, key points of convergence between services research and innovation studies more generally will be identified, and weighed against intrinsic sector, process or output characteristics that demand dedicated theories and concepts.

1230 – 1330: Lunch break

1330 – : Participants present their PhD projects.

Tuesday 28.08

1000 - 1200: Service-dominant logic (Professor Per Skålén, Karlstad University)

This session introduces S-D logic and its key concepts such as value creation and co-creation, value propositions and resource integration.

1200 – 1300: Lunch break

1300 – 1500: Services innovation from an SD logic perspective (Professor Per Skålén, Karlstad University)

This session focuses on service innovation from an S-D logic perspective drawing on the concepts that has been introduced during the morning session. Participants should read the

literature for the sessions in advance considering the questions below, and be prepared to reflect on them in plenum.

1. Strengths of the article. What did you appreciate, what can you pick-up from the article?
2. Weaknesses of the article and how these weaknesses could be addressed?
3. Major contributions, what is it that makes this article worthwhile of citing? How does it add to the research frontier?
4. Suggestion for additional research based on the paper.
5. How does this paper relate to your research? What ideas came to your mind while reading this paper?

Wednesday 29.08

0900 – 1200: Innovation processes in a work-practice perspective (Professor Lars Fuglsang, Roskilde University)

This lecture discusses how service innovation can emerge from everyday actions related to work practices rather than being a result of systematic R&D activities. This view of innovation may be particularly relevant to service firms that seldom are R&D based and often develop innovations from employees' and customers' experiences and practices. Thus, from a practice-based perspective, innovation is difficult to control and linearize. Yet, recognizing the practice-based character of innovation may enable service managers to engage with and further develop innovative activities present in an organization. The lecture discusses 1) the particular understanding of innovation that emerges from this perspective, 2) how this type of innovation may be researched, 3) experiences from research of how such innovations can be made visible in service firms and integrated with organizational strategies, and 4) the relevance of a practice-based approach to managers

1200 – 1300: Lunch break

1300 – 1600: Innovation in the cultural and creative industries (Professor Atle Hauge, HiNN).

Today's economy is characterised by change at an ever-increasing tempo. As suggested by numerous researchers, the only sustainable strategy to stay competitive in this accelerated economy is through innovation. It is well documented that few, if any, industries has experienced brisker changes than the cultural and creative industries (CCI). Consequently, there is no surprise that we find large numbers of highly innovative businesses in this industry. Thus suggests that CCI is not just a receptacle for higher disposable incomes generated elsewhere, but a motor of development in the Schumpeterian sense, where symbolic, organizational and material innovations first emerge. The transformation in CCI of goods-production business models into service production ones, is but one instance where CCI resides at the economy's technological edge. In this part of the course, we explore service innovation in CCI, and argue that some of the radical innovations we see here diffuse to other parts of the economy.

Participants should read the literature for the session in advance considering the questions given above, and be prepared to reflect on them in plenum.

Approx. 1900: Dinner (place tbd)

Thursday 30.08

0900 – 1200: Location and innovation in knowledge intensive business services (Professor Sverre J. Herstad, HiNN)

A defining characteristic of modern economies is the growth of employment in knowledge intensive business services (KIBS). This lecture will deal with the nature of innovation-based growth in KIBS, how and why employment in the sector tend to concentrate in certain urban locations, and the interdependencies between KIBS and other domains of the economy that the innovation-location nexus expresses. First, it will reflect on the nature and drivers of innovation from the perspective of statistics as well as theory. Second, it discusses the concentration of KIBS employment in urban agglomerations against the background of agglomeration theory and the role played by KIBS in territorial innovation systems. Third, it considers in detail how innovation activity in the Norwegian KIBS sector is geographically differentiated.

1200-1300: Lunch break

1300-1600: ‘Intrinsic’ characteristics of public sector innovation (Professor Stephen Osborne, Edinburgh University and HiNN)

This lecture will consider what we understand about the nature of public service innovation, and distinguishes it from innovation in the private sector. It will review definitional issues and, the theory underpinning it as well as exploring the key challenges for theory and practice. The presentation will be based within the public service-dominant model of public services management and delivery. Key questions include:

- What do we mean by ‘innovation’ in a public sector context?
- How can innovation be balanced against other forms of organisational activity?
- How can risk be understood and engaged with in the process?
- What is the role of co-production in public service innovation and how is it related to the co-creation of value in these services?

Friday 31.08

0900 - 1200: Public value and innovation (Professor Rolf Rønning, LUC)

The aim for public innovations are to create (added) public value. Mark Moore introduced the concept in 1995 in his seminal book "Creating Public Value". It is, and has been a contested concept, but still it is important for discussions about what to do, and of where to go. In this session, we will discuss challenges in using the concept. Moreover, we will discuss PV both in terms of content, and in terms of the demand for more democratic involvement in public policy.

13-15: The social dimension of the services-based learning economy (Professor Sverre J. Herstad, HiNN)

From a societal perspective, private sector structural change and innovation should result in environmentally sustainable economic development that is also inclusive and contributing to a better work-life. While the increasing weight of immaterial services relative to material goods may dampen negative environmental impacts of economic growth, intrinsic characteristics of services innovation and organization that are particularly evident in the KIBS sector suggests that social consequences warrant more research and policy attention than currently received. Viewing these intrinsic characteristics in light of Bengt Åke Lundvall inaugural lecture from 1995 and the predicted Fourth industrial revolution, the objective of this final lecture is to raise awareness and increase interest in these issues.

Literature

Introduction to the course

Lundvall, B.-ä., & Johnson, B. (1994). The Learning Economy. *Journal of Industry Studies*, 1(2), 23-42

Drejer, I. (2004). Identifying innovation in surveys of services: a Schumpeterian perspective. *Research Policy*, 33(3), 551-562

Jensen, M. B., Johnson, B., Lorenz, E., & Lundvall, B. A. (2007). Forms of knowledge and modes of innovation. *Research Policy*, 36, 680-693

Toivonen, M., & Tuominen, T. (2009). Emergence of innovations in services. *The Service Industries Journal*, 29(7), 887-902. doi:10.1080/02642060902749492

Carlborg, P., Kindström, D., & Kowalkowski, C. (2014). The evolution of service innovation research: a critical review and synthesis. *The Service Industries Journal*, 34(5), 373-398

Service-Dominant Logic and Service Innovation

Preparatory reading

Participants that are new to the service dominant logic can choose to read one of the two following books as preparatory reading (the first also available in Swedish and Norwegian, the second only available in Swedish):

Lusch, R. F. & Vargo, S. L. (2014). *Service-Dominant Logic: Premises, Perspectives, Possibilities*. Cambridge: Cambridge University Press.

Skålén, P. (2016). *Tjänstelogik*. Studentlitteratur: Lund.

Literature for session 1, morning, focusing on Service-Dominant Logic

Grönroos, C. & Voima, P. (2013). Critical service logic: Making sense of value creation and co-creation. *Journal of the Academy of Marketing Science*, 41(2), 133–150.

Vargo, S. L. & Lusch, R. F. (2008). Service-dominant logic: Continuing the evolution. *Journal of the Academy of Marketing Science*, 36(1), 1–10.

Vargo, S. L., & Lusch, R. F. (2016). Institutions and axioms: an extension and update of service-dominant logic. *Journal of the Academy of Marketing Science*, 44(1), 5-23.

Literature for session 2, afternoon, focusing on Service Innovation from a Service-Dominant Logic perspective

Baron, S., Patterson, A., Maull, R., & Warnaby, G. (2018). Feed people first: A service ecosystem perspective on innovative food waste reduction. *Journal of Service Research*, 21(1), 135-150.

Skålén, P., Gummerus, J., Von Khoskull, C. & Magnusson, P. (2015). Value Propositions and Service Innovation: A Service-Dominant Logic Study. *Journal of the Academy of Marketing Science*, 43(2), 137–158.

Vargo, S. L., Wieland, H. & Akaka, M. A. (2015). Innovation through institutionalization: A service ecosystems perspective. *Industrial Marketing Management*, 44, 63–72.

Innovation processes in a work-practice perspective

Baker, T., & Nelson, R. E. (2005). Creating something from nothing: Resource construction through entrepreneurial bricolage. *Administrative Science Quarterly*, 50(3), 329-366.

Brown, J. S., & Duguid, P. (2001). Knowledge and organization: A social-practice perspective. *Organization Science*, 12(2), 198-213.

Fuglsang, L., & Sørensen, F. (2011). The balance between bricolage and innovation: Management dilemmas in sustainable public innovation. *Service Industries Journal*, 31(4), 581–595.

Witell, L., Gebauer, H., Jaakkola, E., Hammedi, W., Patricio, L., & Perks, H. (2017). A bricolage perspective on service innovation. *Journal of Business Research*, 79, 290-298.

Location and innovation in knowledge intensive business services

Evangelista, R., Lucchese, M., & Meliciani, V. (2013). Business services, innovation and sectoral growth. *Structural Change and Economic Dynamics*, 25(Supplement C), 119-132

Love, J.H., Roper, S., Bryson, J.R., 2011. Openness, knowledge, innovation and growth in UK business services. *Research Policy* 40, 1438-1452

Tether, B.S., Tajar, A., 2008. The organisational-cooperation mode of innovation and its prominence amongst European service firms. *Research Policy* 37, 720-739

Herstad, S., Ebersberger, B., 2015. On the link between urban location and the involvement of knowledge intensive business services in collaboration networks. *Regional Studies* 49, 1160-1175

Innovation in cultural and creative industries

Bakshi, H., McVittie, E. og Simmie, J. (2008): *Creating innovation: Do the creative industries support innovation in the wider economy?* Nesta Research Report

Hauge, A (2015). Negotiating and producing symbolic value, in Anne Lorentzen, Lise Schrøder, Karin Topsø Larsen (eds), *Spatial Dynamics in the Experience Economy*, Taylor & Francis Books

Jones, C., M. Lorenzen og J. Sapsed (2015) Creative Industries: A Typology of Change, in Jones, C., M. Lorenzen og J. Sapsed (eds) *The Oxford Handbook of Creative Industries*. Oxford University Press. Oxford

‘Intrinsic’ characteristics of public sector innovation

S Osborne & L Brown 2011 ‘Innovation, public policy and public services: the word that would be king?’ in *Public Administration* (89, 4) pp. 1335-1350

S Osborne & L Brown 2013 ‘Innovation and risk in public services: towards a new theoretical framework in *Public Management Review* [special issue guest edited] (15, 2)

S Osborne, Z Radnor, I Vidal & T Kinder 2015 ‘The SERVICE framework. Towards sustainable public service organisations in the 21st century in *British Journal of Management* (26) pp. 424-438

Public value and innovation

Fuglsang, L. and Rønning, R. (2014), Public value and conflicting innovation. Pages 227-233 in Fuglsang, Rønning and Enquist (eds) Framing innovation in public sector services. Routledge, New York & London

Bryson, J. M., Crosby, B. C. and Bloomberg, L. (2014), Public Value Governance: Moving Beyond Traditional Public Administration and the New Public Management. *Public Admin Rev*, 74: 445–456.

Dahl, A. and Soss, J. (2014), Neoliberalism for the Common Good? Public Value Governance and the Downsizing of Democracy. *Public Admin Rev*, 74: 496–504

The social dimension of the services-based learning economy

Lundvall, B. A. (1996). The social dimension of the learning economy. Inaugural lecture/DRUID Working Paper 96(1).

Bogliacino, F., Lucchese, M., & Pianta, M. (2013). Job creation in business services: Innovation, demand, and polarisation. *Structural Change and Economic Dynamics*, 25(Supplement C), 95-109

Breau, S., Kogler, D. F., & Bolton, K. C. (2014). On the Relationship between Innovation and Wage Inequality: New Evidence from Canadian Cities. *Economic Geography*, 90(4)

Wessel, T. (2013). Economic Change and Rising Income Inequality in the Oslo Region: The Importance of Knowledge-Intensive Business Services. *Regional Studies*, 47(7), 1082-1094. doi:10.1080/00343404.2011.600301