Fingerle, Birgit; Köck, Anna Maria; Tochtermann, Klaus

Book Chapter
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Kontakt/Contact
ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics
Düsternbrooker Weg 120
24105 Kiel (Germany)
E-Mail: info@zbw.eu
http://zbw.eu/de/ueber-uns/profil/veroeffentlichungen-zbw/

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A New Openness: How to Deal with New Challenges as Open Innovation and Crowdsourcing Become Standards in Management Practice

Birgit Fingerle, Anna Maria Köck and Klaus Tochtermann

Today limited to a small number of groundbreaking organizations, open innovation and crowdsourcing are two management approaches that we expect to become an integral part of management practice within the next decade. Allowing organizations to benefit from the collective intelligence of an external workforce, they have the potential to revolutionize the way we work. While open innovation is dedicated to opening up innovation processes to external stakeholders such as customers or a broad public, in order to integrate their know-how and creativity in innovation tasks, crowdsourcing is defined more broadly. It comprises outsourcing all kinds of tasks to an open or defined crowd via the web. This may include, for example, tasks related to data entry by volunteers or paid microworkers. In contrast, open innovation also comprises offline activities, like lead user workshops, in addition to online activities such as idea contests.

Nevertheless, these new collaboration models have a lot in common with regard to their impact on organizations and their employees. They allow organizations to benefit from the sought-after creativity, knowledge, qualifications or just free time of externals to accomplish their tasks. This can enrich business processes and lead to competitive advantages since the integration of external “lead users” is more likely to create products that are very innovative and offer high customer value. The associated risks are manifold, e.g. with regard to intellectual property issues, protection of business secrets or potential public relations challenges.

New Questions Arise

One fear is that these approaches will weaken the standing of employees. But neither will open innovation make innovation management or internal R & D redundant, nor will crowdsourcing set free most of the salaried workforce. Far from it! But it is also true that their implementation will probably not leave employees unscathed. To use these approaches properly will demand significant changes to organizational practices: Forming new models of cooperation with people outside the organization, opening up the organization and dealing with new, flexible organizational boundaries. New answers will be needed to the question of what an organization is and where it ends to fully use the potential of these approaches beyond the next decade.

At the innovation project level, crowdsourcing and open innovation will have become part of the “usual” set of tools in the future. An important basis for making innovation projects run efficiently is the seamless integration of virtual (web-based) tools and applications into the current work environment of the persons involved. Innovation or project managers will either have tested models and intelligent applications based on semantic technologies that
help them decide when to use which tools, or they will be trained to evaluate and decide in each phase of the innovation process if it would be of use to integrate externals. This implies changes to existing job profiles and the arrival of new job profiles. ‘Integration managers’ will be needed that are able to assess and advise their colleagues on whether and how to open up a specific task. They will know how to design and manage open projects, motivate externals and engage in networking activities inside and outside the organization.

At the organizational level, more creativity and a ‘new openness’ will be required for the successful adaption of open innovation and crowdsourcing. Today, organizational cultures and individual professional roles lag behind the new possibilities, often dominated by the fear of being replaced by externals. A ‘new openness’ will be needed with regard to the perception of an organization and its environment, the division of labor, and the division of roles. It can lead to the definition of new core competencies and new business models.

From an individual’s point of view, dealing with uncertainty, more complexity and flexibility, testing new organizational boundaries, cooperating with new partners in new ways can easily cause disorientation and confusion. Questions such as: Where do I belong? Whom can I trust? What information may I give to whom? will arise.

**Implications for Work Design**

This in turn raises an important question at the organizational level: How can an organization prevent the behavior of its employees from contradicting its external efforts? Answering this question appropriately will require a new definition of the employee’s standing, as well as living a new openness in internal relations. We believe that the role of employees will become even more important when applying open innovation and crowdsourcing in a long-term and sustainable way. The more openness an organization chooses, the less it can afford to leave its employees alone, and the more it will have to focus on their appreciation and commitment. Most successful at dealing with the new challenges will be the organizations that follow the humanistic ideal of man and answer the one central question, over and over again: How can we best support our employees in dealing with this new openness?

These organizations will do everything they can to support their employees in being autonomously, creatively thinking and acting personalities. In such an environment, human resource development and organizational development will become even more important. Personality development will be at its center and will be fuelled by manifold measures, e.g. by organizing peer consulting groups for project team members, training internal coaches, or assigning external coaches. New tools for knowledge management or personal apps which foster creative thinking will facilitate this. Expecting entrepreneurial thinking, flexibility and creativity of its employees, an organization in return has to grant freedom and a protective, error-tolerant space. Why? Because confident employees with a strong professional identity will be able to reflect on their professional roles and different stakeholders’ goals, and will master the questions connected to the new openness.