



# Open to suggestions: How organizations elicit suggestions through proactive and reactive attention



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## ARTICLE INFO

### Article history:

Received 17 September 2012

Received in revised form 22 June 2013

Accepted 22 June 2013

Available online 26 July 2013

### Keywords:

Open innovation

Attention

Suggestions

Ideation

Openness

User innovation

Success bias

Social media

## ABSTRACT

This paper analyzes organizations' attempts to entice external contributors to submit suggestions for future organizational action. While earlier work has elaborated on the advantages of leveraging the knowledge of external contributors, our findings show that organizational attempts to attract such involvement are likely to wither and die. We develop arguments about what increases the likelihood of getting suggestions from externals in the future, namely through (1) *proactive attention* (submitting internally developed suggestions to externals to stimulate debate) and (2) *reactive attention* (paying attention to suggestions from externals to signal they are being listened to), particularly when those suggestions are submitted by newcomers. Findings from an analysis of about 24,000 initiatives by organizations to involve external contributors suggest these actions are crucial for receiving suggestions from external contributors. Our results are contingent upon the stage of the initiative because organizations' actions exert more influence in initiatives that lack a history of prior suggestions. Our work has implications for scholars of open innovation because it highlights the importance of considering failures as well successes: focusing exclusively on initiatives that reach a certain stage can lead to partial or erroneous conclusions about why some organizations engage external contributors while others fail.

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## 1. Introduction

More and more, organizations are trying to elicit suggestions from individuals located outside organizational boundaries. Suggestions from such external contributors enable organizations to access knowledge held by people other than internal employees. Organizations such as Dell, Starbucks, and NASA have been reasonably successful at reaching out to external contributors to collect suggestions. Dell, for instance, engaged 4285 external contributors that generated a total of 8801 suggestions from February 2007 to February 2009 (Bayus, 2013). The advent of the Internet and the proliferation of social media have certainly contributed. These new technological channels have effectively replaced the private channels between a lone individual and an organization with a public debate in which external contributors not only submit suggestions but also vote for and comment on suggestions made by others. In the very best cases, these interactions evolve into a vibrant initiative, granting the host organization a rare and valuable window into external contributors' ideas and needs.

Research has shown that suggestions from external contributors are critical to innovation (Chesbrough et al., 2006), and that sourcing suggestions from external actors more generally – customers, venture capitalists, inventors, or tournaments participants – may result in more effective problem identification and problem solution (Gruber et al., 2008; Hirschman, 1970; Jeppesen and Lakhani, 2010; Shane, 2000; von Hippel, 2005). Such suggestions can accelerate decisions and product development (Brown and Eisenhardt, 1997; Eisenhardt, 1989). It is little wonder, then, that so many managers and organizations have attempted to create and grow such initiatives aimed at eliciting suggestions from external contributors.

The trouble, as we will show, is that most initiatives to engage external contributors *fail*. Researchers have recently begun to focus on some of the contingencies and challenges organizations face when involving external contributors (Afuah and Tucci, 2012; Felin and Zenger, 2012; Foss et al., 2011; Wallin et al., 2012). Nevertheless, there has been little systematic empirical research analyzing the degree to which organizational efforts to involve external contributors in suggestion-making are successful, let alone what organizations can do to maximize the chances of getting external contributors to submit suggestions. As a result, we have very limited knowledge of how organizations manage such initiatives, and whether those investments bear fruit. For instance, while it is

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possible to observe organizations inviting external contributors to submit suggestions, we rarely know when their “virtual suggestion boxes” fill. For an initiative to succeed, it requires cooperation from the organization as well as from the external contributors, but as [Barnard](#) observed early on in his seminal book *The Functions of the Executives*, cooperation is the exception: “Successful cooperation . . . is the abnormal, not the normal condition. What are observed from day to day are the successful survivors among innumerable failures” (1938: 5). Although this is an old cite, we believe that the idea still applies and that initiatives aimed at involving external contributors have potential, but that far from all are likely to succeed.

Why then, we ask, are some organizations more successful in eliciting suggestions from external contributors than others? What actions can organizations take to successfully encourage externals to make suggestions to the organization?

To answer these questions, we collaborated with a software company that helps organizations collect suggestions from external contributors by means of an online suggestion box, which organizations can embed into their websites. We then collected data about various organizations’ efforts to engage external contributors to provide suggestions, building a dataset that includes the steps taken by 23,809 organizations. Importantly, our dataset reflects all organizations that adopted this particular technology to engage external contributors to provide suggestions, mitigating selection concerns. [Denrell and Kovacs \(2008\)](#) point out that those organizations that have reached a certain threshold have survived over time and are not representative of the entire population of organizations. Sampling only among successful, established initiatives has the potential to “oversell” strategies that worked for survivors but had a negative impact on the average firm (e.g., a strategy that simply increases variance in performance looks advantageous if there is a selection bias) ([Denrell, 2003, 2005](#)). Our data instead provides a unique look at both the successful and unsuccessful initiatives by a large number of organizations that try to elicit suggestions from external contributors.

We make three primary contributions. First, we provide an important insight that only a small percentage of initiatives aimed at eliciting suggestions from external contributors get off the ground: even organizations at the ninetieth percentile don’t receive many suggestions. Second, we show what actions organizations can take to influence external contributors to submit suggestions, and at what stages these actions are most effective. We identify specific practices that organizations with successful initiatives deploy, and we provide an organization-centric account of why some initiatives receive more suggestions than others. Third, our results are contingent upon the stage of the initiative, such that organizations’ actions have more weight in the early stages when initiatives have few prior suggestions. Moreover, we show that it is particularly beneficial to pay attention to new contributors. In all, our findings offer a compelling and cautionary caveat to organizations seduced by the untapped potential of external contributors. Organizations and managers should not rush blindly into seeking suggestions from external contributors, but must proceed with great care and awareness of their role in the process.

## 2. The role of organizations in encouraging external contributors

It is a well-established fact that not all good ideas relevant to an organization have their origin within that organization. Organizations constantly try to gain access to new ideas from outside their boundaries to foster innovation. They recruit new employees ([Rosenkopf and Almeida, 2003](#)), engage in alliances ([Powell et al., 1996](#)), restructure existing alliances ([Davis and Eisenhardt, 2011](#)),

accept new challenges ([Ahuja and Katila, 2004](#)), draw on users ([von Hippel, 1987](#)), and hire external innovation brokers ([Hargadon and Sutton, 1997](#)). This is a central tenet in the literature on open innovation ([Chesbrough, 2003](#)), namely that companies have to find ways to integrate external sources of innovation into the company. This can happen through inventions ready to be commercialized or through more early-stage ideas or suggestions that require the organizations’ action. Suggestions represent a form of sourcing that is non-pecuniary and inbound ([Chesbrough, 2003](#); [Dahlander and Gann, 2010](#); [Enkel et al., 2009](#)), aimed at expanding an organization’s choice set of possible actions. We analyze suggestions contributed to organizations by external contributors. Suggestions represent “antecedents to innovation” (see [West and Bogers, 2013](#), for a review) that serve as the basis for organizations’ actions.

Of course, organizations cannot assume that just because they open themselves to suggestions for innovation, external contributors will automatically engage. A sobering example of the problem of motivating people outside an organization was recently experienced by the “Pirate Party of Germany,” a political party founded in 2006. Instead of determining the party’s political standpoints centrally, the party’s leadership crowdsourced from its target population in North Rhine-Westphalia, a region with eighteen million inhabitants and where the party had 7.8% of the votes in the last local election. Their October 2012 survey solicited feedback about Germany’s controversial and heatedly debated ban on circumcision—and only 20 people responded. The German magazine “Der Spiegel” commented: “It’s a grassroots democracy where no one is showing up to participate” ([Becker et al., 2012](#)) (also see [Morozov, 2013](#)). Although this example is from a very different domain, it points to the difference between inviting external contributors and actually getting them involved. If nothing else, such failures suggest that organizations endeavoring to solicit public feedback need more than a website and an electronic inbox: They need answers to the question posed by [West et al.](#): “How can such sources of external innovation be encouraged?” (2006: 289).

### 2.1. External contributors

External contributors are defined as individuals who contribute ideas ([Piller and Walcher, 2006](#)), solutions ([Jeppesen and Lakhani, 2010](#)), knowledge ([Laursen and Salter, 2006](#)), or even innovations ([von Hippel, 1988](#)) to a focal organization.<sup>1</sup> We intentionally use a broad term, as the literature on users has typically set a higher threshold on the skills required to participate. [von Hippel \(1988\)](#) defines users as individuals or companies that benefit from *own use*, whereas manufacturers are those that benefit from *selling*. A central feature in this literature is that users innovate because they develop solutions to their own problems which are shared with others. This provides an opportunity for firms to integrate users’ work in their own products and services, a pattern that has been found in several industries ([Freeman, 1968](#); [von Hippel, 1976](#)). But people do not necessarily develop solutions to their problems because they lack the necessary skills. In that sense, external contributors are individual users who experience problems or come up with an idea to be shared with the hosting organization. When barriers to entry are low, little skill is needed, and when time commitment is low, the threshold for participation is also low. External contributors thus contribute with antecedents to the innovation process ([West and Bogers, 2013](#)), but innovation in the sense of being commercially viable is often the exception.

<sup>1</sup> Related literature uses the term participants ([Dahlander and Wallin, 2006](#)) or externals ([Alexy et al., 2013](#)) interchangeably.

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