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Innovation awards: Reward, recognition, and ritual

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Abstract: This paper draws on a detailed case study of an innovation awards-giving scheme in a professional service firm to consider the role of discretionary awards in encouraging and displaying innovation capabilities. Because of their association with competition, it might seem that awards are likely tools in pluralistic contexts such as professional service firms where risk-taking and collaboration require deep relationships with clients and with professionals from different specialisations. We intend to show how managers and professionals mobilised around the scheme using the rewarding, recognising, and ritualising of innovation through awards, as a platform to initiate and promote other organisational processes that foster innovation capabilities.

Keywords: Innovation awards, award giving, innovation capabilities, professional service firms,

Introduction

Despite there being many thousands of awards for innovation there is surprisingly little scholarly literature to explain the conditions and consequences of award-giving (Frey, 2007; Gallus & Frey, 2016a; Neckermann & Frey, 2013). Therefore, this paper explores the impact that awards can play a role in encouraging and displaying innovation capabilities. Awards are a form of social feedback communicating that individuals, groups, or companies have attained some form of excellence in their field (Frey, 2007). Various theories offer guidance about the social processes that underpin award-giving, with each offering different insights into the functions of innovation award-giving. This paper is inspired by our direct observation of an award-giving scheme—from its establishment to its ending—in a wider research project on strategizing in professional service firms. The observation piqued our interest for two reasons. First, it occurred in an organisation where, according to the management literature, product and process innovations are usually tightly coupled (Morris, Smets, & Greenwood, 2015). Second, despite investment of considerable resources in the scheme, it was not apparent that any meaningful increases in innovative behaviour had occurred.

Professional service firms are generally accepted as pluralistic contexts that are characterised by ambiguous goals, diffuse power, and multiple and diverse interests (Denis, Langley, & Rouleau, 2007). These characteristics present a particular set of managerial challenges that affect their innovation capabilities (Anand, Gardner, & Morris, 2007), including difficulties in developing firm-wide beliefs about what is actually innovation, a limited ability drive innovation strategies through top-down decision-making, and motivating professionals to work on client-centred problems when their interests are often profession-centred. In such a context, *how could our direct observations of the emergence, delivery, and then cessation of an innovation award-giving scheme be explained?*

We explore some of the ways by which innovation award-giving plays a role in encouraging and displaying innovation capabilities, as a means of signalling differentiated service offerings to the market and highlighting process innovations that underpin the production of such services. After reviewing the literature on award-giving in organisations and examining in depth the dynamics of the case, we argue that award-giving acts to recognise, reward, and ritualise innovation, which enables innovation capabilities not only to be displayed in a pluralistic context, but encourage their development too.

1 Existing explanations of Awards in organisations

Awards are generally understood as being public acknowledgements of distinction that are celebrated in public (Gallus & Frey, 2016b) and are considered one of a number of managerial tools, which include prizes (Murray, Stern, Campbell, & MacCormack, 2012; Wagner, 2011), contests (Boudreau, Lacetera, & Lakhani, 2011) and competitions (MacCormack, Murray, & Wagner, 2013), used to incentivize behaviours related to innovation.

The assertion that awards can incentivize innovation-related behaviours is somewhat predicated on the role and effects of awards in the quality awards movement. Studies of the Baldrige Awards and other quality related awards schemes generally find a positive relationship between awards, quality ratings and firm performance (Hendricks & Singhal, 1997; Lee, Rho, & Lee, 2003; Lin & Su, 2013; Mahajan, Sharma, & Netemeyer, 1992). In addition to showing the linkages between awards, organisational processes, and performance, this stream of research highlights the varying effects of the nature of the award has on organisational processes and performance (Corredor & Goñi, 2010). Awards can be confirmatory, meaning awards are granted once clearly defined performance criteria are met, or discretionary, being bestowed at the discretion of management against vague (and sometimes non-existent) evaluation criteria. It is the latter that was observed by us and that is under examination in this paper.

Beyond these two type of awards, three approaches to understanding awards appear to be relevant to our research question: (1) awards as reward, (2) as recognition, and (3) as ritual. In this section we review the three approaches and then integrate them *vis-à-vis* innovation award-giving in the context of professional service firms.

Awards as Reward

Organisational and economic behaviourists share the view that awards are part of the wider group of organisational rewards. Although there are clear differences between awards and monetary compensation (for a discussion of key differences, see Frey, 2007), awards act

as a type of explicit reward that fulfils individuals' desire for distinction, thus they are thought to motivate effort towards the activity for which an award may be given (Frey, 2006).

As rewards, awards typically combine tangible (often money or gifts) and intangible incentives, and have been associated with a number of positive organisational behaviours, including lowered absenteeism (Markham, Scott, & McKee, 2002) and higher productivity (Ashraf, Bandiera, & Jack, 2014). In addition, experimental studies find that in team situations, the recognition of individuals has a positive effects on other team members' performance (Li, Zheng, Harris, Liu, & Kirkman, 2016). However, responses to awards are often highly individualised making it unclear if (and how) individuals react to organisational attempts to reward collaborative work through awards.

There are a number of potential downsides to using awards as rewards. Using motivation theory, Gallus and Frey (2016a) discuss how awards can crowd out other extrinsic rewards, including performance pay, and can lead to the communication of mixed messages about the work behaviours sought by the organisation as non-recipients compare their actions to recipients. In an experimental study Neckerman and Frey (2013) found that monetary payments made a statistically significant difference to applicants' willingness to share information. Gubler, Larkin and Pierce (2016) report that strategic gaming behaviour in the form of lower absenteeism during an attendance awards program crowded out the completion of other work tasks during that time. Furthermore, perceived inequity by motivated workers previously unrewarded for their superior attendance, lead to increased absenteeism in the long run. Raff and Siming (2016) report mixed results on the effects of government awards on CEO behaviour and firm performance, finding a positive relationship between award receipt and CEO behaviour but a negative relationship between award receipt and company shareholder value. These results support their theory that the goals of award donors, individual recipients, and shareholders are often conflicting. Collectively, these studies show that awards can destroy value because of unintended effects on different employees and firms.

Awards as Recognition

A second view is that of awards as a form of recognition. Awards as recognition play to individuals' "innate desire to distinguish themselves from other individuals" (Frey, 2007, p. 8). The recognition view is closely related to the reward view since both are concerned with the motivational effects of awards. We make the distinction here because a number of studies find positive effects that come about through intrinsic factors that differ from the motivation-based effects predominantly associated with extrinsic rewards.

Awards as recognition elicit positive acknowledgements amongst peers, superiors or competitors that can result in increases to individual or company status (Frey, 2006). Such acknowledgements towards recipients are often due to the publicity that awards often generate after the award, as evidenced in Reuber and Fischer's (2007) study of positive reputational signals from product-related innovation awards. Recognition is shown to affect competitors' behaviour too, with CEOs found to engage in intensive acquisition activities in the period after their competitors won CEO awards (Shi, Zhang, & Hoskisson, 2017). However, the effects of recognition are not always positive. In their study of the use of awards for trainees in a healthcare setting, Ashraf, Bandiera and Lee (2014) report that social comparisons to 'winners' weakens the motivation of low-performance, whereas recognition and social visibility strengthen the motivation of high performers. Thus,

publicity as part of an awards processes is likely to moderate positive organisational behaviours associated with recognition.

Awards as Ritual

A third view is that of awards as ritual. Informed by socio-cultural approaches, awards are seen as tournament-like rituals in which certain actors are implicitly favoured over others and are endowed with status and influence through such favour.

Using ritual theory Anand and Watson (2004) theorised that through ceremonial performance, awards distribute prestige towards 'winners', attract collective attention towards the wider field in which the awards and winners are situated, legitimise the award recipients' work, and tighten linkages among actors connected to the recipients' work. Through their mixed-method analysis of Grammy Awards including movies sales (the organisation's value from the award) and award recipient career data (the individual's value from the award), over a twenty year period, the authors found a statistically positive relationship between sales of movies starring Grammy winners compared to Grammy nominees in the same period. Furthermore, they found positive effects for those who were associated with working on Grammy winning movies, showing that in some situations there can be positive outcomes for those who collaborate with 'winners'.

However, the intention of such endowment does not always translate into the type of attention and legitimisation sought, especially in contexts where the quality of products are often difficult to determine prior to consumption, as is the case in professional services. Using selection system theory in their study of credibility and award salience in the US motion picture industry, Gemser, Leenders and Wijnberg (2008) showed that the type of award judges impacts consumer choices more than the type of award, with consumer-expert and peer-expert judgements influencing mainstream and independent movie segment consumers differently. Beyond the characteristics of the judges, the number of awards on offer and the calibre of recipients vis-à-vis the criteria and other applications are theorised to send weak and inconsistent signals that can undermine organisations' attention-seeking and legitimisation attempts (Gallus & Frey, 2016b).

Synthesis: Innovation awards

Innovation awards are typically used as a mechanism for fostering innovation within an organisation because of their motivational effects (Rosenblatt, 2011). Thus, the various streams of literature on the role of awards in organisations provide a number of insights regarding the role of awards in encouraging and displaying innovation capabilities in professional service firms.

Whereas the reward and recognition views mainly focus on the conditions and implications for awards individuals, the socio-cultural view is more focussed on the interaction between individual and organisational responses to awards. This is a similar observation to Rosenblatt's (2011) findings from his literature review comparing the use of innovation awards in the public and private sector.

Because of the association with competition and success, a number of scholars have recently asserted that awards are likely to be appropriate management tools in knowledge-intensive contexts (Frey, 2007; Gallus & Frey, 2016a; Neckermann & Frey, 2013) and seem, at first sight, to be likely tool for encouraging and displaying innovation capabilities for this reason. However, understanding if, and how, innovation awards can connect

individuals' innovation behaviours and organisation's innovation capabilities requires synthesis of these streams.

Frey (2007) and Gallus and Frey (2016a) assert that awards are likely to be particularly valuable in knowledge-intensive contexts where it is challenging to design effective incentive systems to motivate workers since it is difficult to observe and assess the performance of knowledge work and where managerial discretion is higher. Since awards and knowledge work are both assessed on vaguely defined criteria, Gallus and Frey (2016a, p. 1709) assert that managers in knowledge-intensive firms can use their discretion to send relational signals about the behaviours sought in the awards that they give. Hence, "firms that can target their awards at firm-specific knowledge are particularly likely to succeed in creating and capturing value. [In doing so] They solve two dilemmas at once, inducing employees to invest in firm-specific knowledge and reducing the awards' portability by tying them to firm-specific skills".

While there are no studies to date that test Gallus and Frey's (2016a) assertion, the findings of Moser and Nicholas' (2013) study of the role of prizes, a form of award, in encouraging innovation in scientific fields, suggests that the publicity that comes with winning a prize encourages prize winners to continue to innovate. Using patent data on prize-winning technologies from exhibitors at the 1851 Crystal Palace Exhibition, and publicity in key scientific journals and newspapers, and controlling for technology specificity, patent quality, and time, the authors ran two experiments, testing the effects of prizes on ex-post patenting. They found that prizes were positively related to ongoing patenting even when grants or prize money were not available. Furthermore, the publicity surrounding the winners was an important mechanism for encouraging innovation. From this we infer that in knowledge-intensive contexts, such as professional service firms, awards can play a role in both displaying existing innovation capabilities and in encouraging the development of new ones.

Yet work in the public sector suggests that awards may have some issues associated with what drives individuals to innovate. Rosenblatt (2011) notes that with intrinsic motivation "people are more creative when motivated primarily by the interest, enjoyment, and challenge of the work itself – not by external pressures or rewards" (2011, p. 211) and that intrinsic motivation is positively linked with innovation. The same benefits are not necessarily associated with the extrinsic rewards provided by awards. Furthermore, awards may even reduce intrinsic motivation by shifting the focus from the work to the award. Other negative consequences include frustration and demotivation if the awards are poorly administered, a focus on obtaining the award with the least possible effort, or even detracting from the quality of the work by focusing on the award instead.

2 Method

This paper emerged from a long-term ongoing case study of strategizing in a professional service firm, referred to here by the pseudonym Consultoria. From that detailed and rich case study, the strategic initiative presented here concerns the firm's use of innovation awards. Specifically, we followed the introduction of Consultoria's innovation award scheme, the two iterations of the scheme's delivery, including the modifications that were made between the first and second deliveries, and the eventual cessation of the scheme.

Research context

Consultoria a professional service firm offering engineering consultancy services. Professional service firms are well-recognised as operating in knowledge-intensive (Von Nordenflycht, 2010) and pluralistic contexts (Denis et al., 2007), and Consultoria operates in contexts more pluralistic than most engineering consultancies. Since founding in the 1920s Consultoria has expanded beyond its domestic market to become a multinational firm with three major international business units located in Asia, Australia, and New Zealand, and have completed projects in over 60 countries. As well as becoming multinational, Consultoria became multi-disciplinary delivering engineering, planning, project management, and valuations services in five main sectors: industry, buildings, transport, environmental and resource management, and management services. At the time of our observations of the innovation awards, Consultoria employed about 3,000 people worldwide.

Consultoria's pluralism also extends to its ownership and governance arrangements. Consultoria is an employee-owned firm with about one-third of its employees being employee-shareholders. The legal structure of the firm is that of a number of closely held companies, with each company having its own board of directors. Although the boards are largely independent of each other, there is overlapping membership between them.

Given the extent of the pluralist context presented by Consultoria—and thus the inherent challenges of encouraging and displaying innovation—the empirical site offers a fertile ground from which theoretical insights might be drawn about the conditions and consequences of innovation awards.

Data collection

The principal methods of primary data collection for this study were interviews with directors, award applicants, members of the innovation committee tasked with running the awards, and staff working in the Learning and Development function. Document analysis involved analysing the award criteria in the various iterations, some of the initial applications, the final applications, and published award booklets. Other data was also drawn from the wealth of interviews, observations, and shadowing that were undertaken as part of the larger case study. For example, the shadowing of participants in the larger case-study resulted in the observation of the deliberations of one of the panels making award decisions.

Data analysis

The process of data analysis consisted of a conventional interpretive analysis (Miles & Huberman, 1994). First, we become familiar with the primary data through multiple readings of the interview transcriptions, notes made during observations, and documents. We shared our individual interpretations and discussed different interpretations to develop a common understanding of Consultoria's experience of innovation awards as represented in the primary data. We provide a description of this story in the Findings section. We then analysed the extant literature on awards, drawing out the main types of awards and conceptions of the role of awards. In the third stage we iterated between the data and the theoretical concepts to devise a set of propositions about the role of innovation awards, which we set out in the Discussion section.

3 Findings

Fundamentally, what started off as an initiative to signal the innovative nature of Consultoria's service offerings to its clients ended with the realisation that it is the process of involving clients during the delivery of the service offerings, which enabled clients to recognise and value the firm's innovativeness, and not the awards *per se*. At the same time, the innovation processes that underpin the production of differentiated professional service offerings became more recognisable to various actors within the firm. This led to increasing questioning about the purpose of innovation awards and whether the firm would be better served if the Innovation Committee promoted greater adoption of other innovation management techniques being used in pocket of the firm, such as brainstorming and customer involvement meetings, and launched new initiatives to support to development of opportunities, such as seed funding and empathetic design. We outline how Consultoria came to this realisation over three phases: (1) Introducing innovation awards, (2) The first and second iterations of the awards, and (3) Lessons learnt.

The introduction of the innovation awards

Professional service firms compete in increasingly commoditised markets (Suddaby & Greenwood, 2001), and for some years the upper echelon at Consultoria had sought to differentiate itself and the services it offered (outlined in the previous section). The firm's bi-annual client surveys showed that Consultoria was perceived by clients as "a safe pair of hands", but they did not perceive them as innovative (Innovation Committee Member). Given the Consultoria's ambition to compete through differentiation, the company was keen to exploit the capabilities it had built up. Although the genesis of any decision(s) leading to a course of action can be difficult to identify, for the sake of bounding this strategic initiative, the starting point is taken to be the Chairman of Consultoria reviewing the 2005 annual report of the giant French engineering consultancy VINCI. With revenues of US\$44 billion, VINCI was the largest world's largest engineering consultancy. The annual report described VINCI's innovation awards, and the Chairman recalled that he:

thought what a wonderful idea.... and so I thought what better way to publicise what we're doing.

Thus, the VINCI Innovation Awards served as a model for the Consultoria's own Innovation Awards scheme; they were to be run bi-annually, open to all employees with applications submitted via a database on the corporate intranet, with an 'Innovation Committee' to coordinate and encourage the process, and to identify innovations that lend themselves to application, with adjustments as needed, by [the firm] as a whole or by certain business lines" (VINCI 2003 Annual Report).

The pluralistic nature of the firm allowed other views on the innovation awards to emerge. From the initial concept, the innovation awards were conceived by the Chairman as an organisational initiative to influence clients' perceptions that Consultoria was innovative. However, as an Innovation Committee was put together to design and run the innovation awards scheme, it became apparent that innovation had multiple strategic purposes. As well as publicising Consultoria's ability to innovate to its clients, other committee members saw that it could be used to engage Consultoria staff to come up with good ideas and could be used to make the firm more attractive to potential employees.

Despite these other purposes, the main thrust of the awards was promote Consultoria's innovation capabilities as

“its ability to help clients solve problems” (Consultoria Innovation Awards 2008 profile).

Nevertheless, the Chairman, sought to guide those parts of the process he regarded as important. For example, given the diversity of Consultoria's offerings, the Chairman believed that “the starting point for every company is for them to decide what innovation means in that company”. Yet, he also argued that only experts within any engineering discipline could determine what is, and is not, innovative. And so, he drafted the purpose and judging criteria for five categories of awards accordingly. The first iteration innovation awards define innovation as being:

The way that we improve our offerings. So we improve what we do, and that covers a range of things, and not the least important of which is the corporate way in which we work (Consultoria awards booklet).

The first and second iterations of the awards

The inaugural Consultoria Innovation Awards was launched across the firm in late 2005, drawing 160 entries for judging in February, 2006, and announcement the following month. Potential applicants were encouraged to submit entries by the Innovation Committee. To the Chairman's surprise, the entries came from parts of the firm that the chairman did not perceive to be the most innovative; “the parts of Consultoria that I would have judged the most innovative, they didn't put anything in at all” suggesting that a common understanding about the purpose and criteria of innovation awards had yet to be established or that the awards were not perceived as valuable by those staff, and that they were thinking:

Well, I'll just see how serious this is before I commit [my time to it]” (Consultoria Chairman).

Of the 160 entries, the Innovation Committee shortlisted 26 as finalists. The Chairman (most often) or some other expert in the field (less often) then “put a lot of time into helping” applicants to assemble more complete entries that included, for example, graphics or pictures. This part of the process was not part of the initial scheme's design and when asked why it was necessary to put such effort into this activity, the Chairman explained:

Because I knew that our competitors and some external cynics would pick them [the entries] over, and would throw them back at us.... So I was very sensitive to the quality of those [entries]. So for everything that we published I spent quite a bit of time on every word.

Assembling more complete entries in preparation for judging also became necessary because the content and format of the initial entries indicated that few applicants were aware of what was expected. Using the metaphor of answering exam questions the Chairman explained:

It takes a while for people to understand what is the question they're really answering [what purpose is to be met by the entry]. A good student can see it immediately.... Whereas others go off in a tangent as to what interests them. And that's why you need an interactive process.... It's very helpful, I think for the individuals to say 'here's my wonderful idea'. And so for them to be interrogated and say, 'Well, what does it really do? Explain it? Well let's put that down and

then put that in'. Because then in many cases they don't have the experience to understand just what it is, how it fits into the broader scheme of things. And in other cases they are doing things that I have no idea that they were doing, which is just great. ...but it's very important that people with experience in a particular field comment on the innovation where it's a product, or where it's a service offering of some sort.

The revised entries, together with details of the purpose and the criteria for the awards, were compiled into the Innovation Judges Booklet, ready for judging in February, 2006. In the first iteration of the awards, the expert panel of judges comprised the Dean of the country's largest school of engineering, the Director of Design Management from a polytechnic, and a Managing Director who was also the recipient of an Ernst & Young Entrepreneur of the Year award.

In March 2006, the results of the inaugural judging were announced at a gala celebration and then published in the "Consultoria Innovation Awards profile, which that showcases the very best of creative thinking and innovative solutions from within the Consultoria world" (Consultoria Innovation Awards). Consultoria's clients, its partner engineers, the finalists, and a range of other staff attended a black-tie event where award winners were announced and celebrated. Later in the year, the creation of the innovation awards was reported in the Consultoria Annual Company Report, and was referenced as the catalyst for a leadership development initiative that focussed on a three-part strategy to "Create' — establish an atmosphere, culture and environment which makes people constantly open to being innovative. 'Incubate' — provide resources to take good ideas to the next level. And 'Celebrate' — reward and publicise successful innovations."

Following the first iteration of the awards, a number of changes were made as a result of feedback from applicants, reviewers, and judges. These changes were typified by a more refined understanding of innovation that led, in particular, to a more nuanced definition that explained that:

Innovation can take many forms in an organisation like ours. For the purpose of the Consultoria Innovation Awards we have identified three ways in which an innovation can develop: [1] a better way of working or doing things; [2] a new service or product; or [3] a design solution that is clever and non-standard" (Consultoria Innovation Awards 2008 profile, p. 2).

Categories were narrowed by removing a special category, the 'near miss'. This category was intended to reflect projects that were technical successes, but market failures and had been introduced as "an idea that appealed to a lot of people because you've had a go at something and failed, maybe there's some interesting stories there". However, in the second iteration it was removed because "it doesn't develop the career of anybody to promote something that just missed" (Consultoria Chairman). Such changes sought to promulgate a notion of innovation that was sufficiently pluralistic to be understood across the disciplinary fields that operate across the firm, but explicit enough to focus engineers' attention toward the strategy of competing through differentiation. According to the Innovation Committee Chair, this was necessary since maintaining a competitive advantage through innovation requires engineering professionals to see innovation as part of their everyday problem-solving work. This also signalled a changing emphasis in the purpose of the awards; from highlighting the firm's extant capabilities in innovation, to creating a competitive edge through new innovations.

The second iteration of the awards saw parts of Consultoria who had not participated in the first round—the ‘most innovative’ parts of Consultoria according to the Chairman—“put in a lot [of entries]”(Consultoria Chairman).

The judging panel included the Vice-chancellor of a major UK university, the CEO of a major construction firm, and the chairman of a national leadership institution. Once again, awards winners were announced and celebrated at the black-tie event with clients and Consultoria staff in attendance.

Lessons learnt

The first two iterations of the Innovation Awards, in 2006 and 2008, were successful in that

“these big flash awards ... did work in terms of awareness [with staff] and in terms of engaging with clients” (Innovation Committee Member). The original purpose for the awards were being met, but more than that, the awards had created innovation networks within the firm. However, the awards were generally being given for things that ‘would have been done anyway’; the new awareness of innovation was not being translated in to greater degrees of innovation, nor making innovation part of everyday work, rather “because [of] the innovation awards, you [Consultoria staff] think about it four weeks before you put your application in, once every two years” (Innovation Committee Member).

In 2009, the year following the second Consultoria Innovation Awards, the chairman who had instigate the rewards retired. His retirement saw changes in the senior management team; the then Group CEO became the chairman and a new—external appointment—of Group CEO was made. The new Chairman and Group CEO, as they settled into their new roles increasingly left the innovation awards to the Innovation Committee. This saw the shift in focus—from demonstrating to clients how innovative the firm is, to actually becoming more innovative—continue. Innovation was now seen as:

A process which will take place if there’s an environment for it to happen. The second element we were concerned about is actually there’s a skillset [needed], it’s that kind of problem-solving, having the tools to tackle a problem, and so we sort of brought those two things together (Innovation Committee Chair).

With a refined understanding of innovation, the innovation process, and the impacts of the innovation awards, new tools to encourage innovation were investigated. These envisioned

“each of the networks [doing] Dragon’s Den type competitions globally to bring in your own innovation to a few wise heads [senior staff from Consultoria] around the table and let it [the innovative idea] be thrown around”.

This would be done before implementation of the idea with a view of getting:

A challenge from the wise heads to go away and kind of spruce it [the innovative idea] up... When it gets to a point every six months or a year, each of the networks will go into competition with the innovations that they've been bringing along through that process to see if any have come to fruition; or if any have now got to the point where the client is telling us they're seeing value from it.

Overall, the leaders of the Innovation Committee were concerned that promoting the firm’s existing innovation capabilities in providing professional services was insufficient.

Rather, they believed that what was required was an environment that proactively fostered greater degrees of innovation and processes that involved clients in those innovations. They developed increasing complex and sophisticated models for innovation that Consultoria might adopt. An outcome of the first two iterations of the awards was Innovation Committee members becoming aware of some of the innovation management techniques being used in pockets of the business. The two techniques our participants reported were brainstorming, which as being used by a particular middle manager to involve different people working on cross-disciplinary projects, and client involvement meetings, which teams in another business unit were using to brief and involve their clients in significant decisions across the project process. While brainstorming focussed in involving internal stakeholders whereas client involvement meetings were externally oriented, what was common across both of them was growing appreciation that engagement of different stakeholders could be structured into the wider project processes.

At the same time as discussing the potential adoption of existing tools, some members of the Innovation Committee became aware of other innovation management tools that could address some of the challenges they had observed, specifically funding the development of opportunities and developing deeper understandings of their clients' needs. Some members of the Innovation Committee had become aware that potential opportunities had not been pursued because funding to support the necessary work was not available and could be not be charged as billable hours on existing projects, which is the dominant charging method in professional service firms (Maister, 1993). Developing a seed funding scheme was seen by some members as a better use of the firm's resources in terms of doing more innovation. The other area that was identified as requiring greater attention was in deepening the firm's understandings of clients' needs. While the client involvement meetings were providing the project teams with clients' insights on a small scale, one member of the Innovation Committee keenly promoted empathetic design as a method to help engineers develop deeper insights in a more systematic way.

What the discussion of the existing and new innovation management tools showed is how the main purpose of the innovation awards at Consultoria shifted from promoting the firm's innovations to its clients, towards processes that involved staff and clients as being part of processes that drive greater levels of innovation. The impact of higher levels of innovation were expected to be greatest with regard to the firm's processes, such as its project delivery system or its document management system. Innovations in these areas would be things the clients would not necessarily see. Thus, the committee moved to involve clients more in the firm's solution finding process, to make the depth of their professional services more transparent. Although there was talk of the awards just being put on hold in 2010—the next scheduled time for them—in fact, at the time of writing, they have not been held again.

4 Discussion and Conclusion

Drawing insights from the empirical case, we derive propositions regarding the conditions that moderate management efforts to reward, recognise, and ritualise innovation through awards in the context of professional service firms.

The ambiguous goals, diffuse power, and multiple and diverse interests that characterise professional services (Denis, Langley, & Rouleau, 2007) is paralleled by a degree of internal pluralism that sees strategic initiatives occurring through the activities

of those individual professionals—in the case the innovation committee members—with the will, tenacity, and savoir-faire to negotiate their ideas through the complexities of the firm's politics (Mintzberg, 1983). Hence, multiple initiatives may be pursued by coalitions of professionals or shareholders. Initiatives such as innovation awards are thus an “aggregate of partners' individual interests” (Pinnington & Morris, 2003, p. 86). Such a situation presents a number of issues to the use of awards as management tools. It is unsurprising then, that there can be multiple purposes for awards and in Consultoria's case the awards started off as a tool to display innovativeness to customers, become a tool to encourage innovation by staff, and end up being a tool to promote discussion about other processes that might better support innovation at the firm. Thus, for some in the firm innovation awards were what Anand and Watson (2004) describe as a ritual, designed to display the Consultoria's innovative capabilities. However, for others at Consultoria, the awards were more about recognition, aimed at sending certain signals that encourage innovation behaviours within the firm. Yet, for others, the awards were about neither. Instead, they were a tool to advance other organisational processes to support innovation, such as organisational development programmes and seed funding.

A further source of plurality influencing the innovation awards was the different disciplinary notions of innovation. The Chairman's surprise at the applicants in the first round, and importantly those who did not apply, the professionals' perceptions of what innovations were awarded, and the attempts to clarify the definition of innovation in the awards criteria, all point to the challenges of working with a common definition in a plural context, leading us to Proposition 1:

P1: Innovation awards are more likely to elicit internal recognition (i.e. within the firm) when definitions of innovation are embedded in agreements reflecting an explicit shared system of meaning.

A second characteristic of professional work that has consequences for the use of awards is that knowledge intensity makes it difficult for outsiders to observe and appreciate novel elements due to its tacit nature. Innovation increasingly involves the synthesis of expertise across disciplinary and organisational boundaries. In the case of engineering consultancy the bespoke nature of projects requires close client involvement with limited opportunity to involve innovation networks beyond the development of technically adequate solutions. In this context, generative feedback that enhance competitiveness when traditional technical and cross-disciplinary work is combined with external partnerships, whereas degenerative mechanisms such as tender-based competition and other cost-reducing methods are likely to inhibit innovation (Hopkins, Tidd, Nightingale, & Miller, 2011). Hence, there is a tension between the desire to recognise and reward innovation and the ability to actually identify and value it. In Consultoria's case, while the awards scheme was initially intended to shape their clients perceptions of the firm, it was actually other novel work processes that involved clients throughout the project that enabled clients to see the firm's innovativeness and make a value judgement about that. This leads to Proposition 2:

P2: Innovation awards are more likely to legitimise collaborative work and reward teamwork when processes involve customers in the evaluation of the work.

The managerial implications of our analysis are two-fold. First, our systematic appraisal demonstrates the multiple functions of innovation award-giving. Our case suggests that on their own, innovation awards are unlikely to deal with the issue of making

organisations look (or actually be) more innovative. In fact, innovation award-giving can be divisive as different groups and individuals can contest or question the legitimacy of the award-giving process and of the actual winners themselves. Second, innovation award-giving appears to be a smaller part of wider organisational processes. Understanding the dynamics of innovation awards within wider organisational processes, suggests that there is a strong temporal nature to innovation awards; in some situations they can become rapidly obsolete, if not detrimental to firms' innovation efforts beyond the short-term.

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