Innovation Within Regulations: Gaining Insight On Cultivating Employee-Led Innovation In California Public-Sector Organizations

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INNOVATION WITHIN REGULATIONS: GAINING INSIGHT ON CULTIVATING
EMPLOYEE-LED INNOVATION IN CALIFORNIA PUBLIC-SECTOR ORGANIZATIONS

By

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By

Rebecca N. Franklin
DEDICATION

This dissertation is dedicated to my parents, Craig and Linda Franklin, without their constant love and support none of this would have been possible.
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The completion of the study would not have been possible without the support and inspiration of so many people. All of their contributions are sincerely appreciated. I want to thank Dr. Brett Taylor for his mentorship and persistence throughout this process. Who helped guide me through this interesting journey and inspire me to complete something pretty great. Additionally, I would like to acknowledge the Benerd School of Education Sacramento faculty who shaped me into the innovator I am today, Dr. Rod Githens, Dr. Fred Estes, Dr. Marty Martinez, and Dr. Robert Brodnick. I am also grateful to my cohort mates Marla, Jon, and Julie. We were in this together, the continual support and pushing helped all of us finish the goal.

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INNOVATION WITHIN REGULATIONS: GAINING INSIGHT ON CULTIVATING EMPLOYEE-LED INNOVATION IN CALIFORNIA PUBLIC-SECTOR ORGANIZATIONS

Abstract

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2020

The inquiry concerned gaining insights into environmental elements needed within California public-sector organizations to increase employees’ willingness to share innovative ideas. Although research exists regarding the need for service innovation and employees as fruitful sources of innovative ideas, there have been limited studies concerning public-sector organizations and the best method to solicit employee ideas. The data collection for this qualitative research study consisted of a series of interviews with front-line, non-supervisory civil servants. The results provide insights and information on how public-sector organizations may foster a culture that promotes and encourages employee-led innovation. The themes that emerged were (a) transparency in the process of sharing ideas and what is needed to feel motivated to participate in a formal submission process; (b) recognition and follow up, including which types of follow up and recognition are needed to feel the idea submission was worth the effort; (c) safe space including what needs to be present within the process for employees to feel safe to participate; (d) organizational buy-in including the need for encouragement and demonstrated support from all levels of leadership. These themes contributed to form the following recommendations for organizations to create a process and culture for soliciting ideas from employees: (a) establishing a transparent and easy to use process; (b) utilizing trusted and unbiased evaluators to review ideas; (c) providing meaningful and specific follow-up on ideas
submitted; (d) ensuring there is no public criticism of ideas, but having public praise for
submitting ideas; creating an organizational culture to be promoting and supporting participation
in these processes. The data analysis revealed several implications: a significant disconnect
between what employees' need to be comfortable sharing ideas and the existing process; the
insufficient efforts of current leaders to promote and execute innovation within their
organizations; the need for a paradigm shift to embrace a culture and operations that support
innovation at all levels of an organization.
## TABLE OF CONTENTS

List of Tables .................................................................................................................................11

List of Figures ................................................................................................................................12

Chapter 1: Introduction and Background.......................................................................................13

  Background ........................................................................................................................15

  Problem of Practice ............................................................................................................17

  Purpose of the Inquiry ........................................................................................................18

  Inquiry Questions ...............................................................................................................18

  Significance of Inquiry ......................................................................................................18

  Conceptual Framework ......................................................................................................19

  Chapter Summary ..............................................................................................................21

  Definitions of Key Terms ..................................................................................................22

Chapter 2: Review of the Literature...............................................................................................23

  The Public-Sector ...............................................................................................................25

  Innovation .......................................................................................................................30

  Change Management .........................................................................................................35

  Design Thinking .................................................................................................................39

  Chapter Summary ..............................................................................................................45

Chapter 3: Methodology ................................................................................................................47
Appendices

A. State of California Organizational Chart ................................................................. 116

B. Informed Consent ...................................................................................................... 117

C. Interview Protocol .................................................................................................... 120
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Participant Demographics</td>
<td>64</td>
</tr>
<tr>
<td>2</td>
<td>Formal Idea Submission Process Theme</td>
<td>67</td>
</tr>
<tr>
<td>3</td>
<td>Lack of Engagement in Formal Submission Process Theme</td>
<td>69</td>
</tr>
<tr>
<td>4</td>
<td>Transparency Theme</td>
<td>71</td>
</tr>
<tr>
<td>5</td>
<td>Recognition and Follow Up Theme</td>
<td>74</td>
</tr>
<tr>
<td>6</td>
<td>Safe Space Theme</td>
<td>77</td>
</tr>
<tr>
<td>7</td>
<td>Organizational Buy-In Theme</td>
<td>79</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure

1. Approach to review of literature.................................................................23
2. Data analysis themes..................................................................................62
3. Data analysis process..................................................................................65
4. Recommendations .....................................................................................91
5. Implications ...............................................................................................94
CHAPTER 1: INTRODUCTION AND BACKGROUND

Introduction

On January 7, 2019, Governor-elect Newsom assumed the office in the State of California. Although Newsom did not clearly state his platform during the campaign, the public consensus was that Newsom would focus on connecting people across California with the services that the state provides (Arango & Fuller, 2018; Friend, 2018). In his book, Citizenville, Newsom and Dickey wrote, “Government right now is functioning on the cutting edge-of 1973…the world is changing too quickly for government to respond with tiny, incremental changes (p.xii-xiii, 2014).” This call for change within the operations of public administration originated from a movement started by Newsom’s predecessor, former Governor Jerry Brown.

In 2013, Governor Brown established his vision of reinventing and improving the operations of the State of California through the creation of the California Governmental Operations Agency, whose mission “is to improve management and accountability of government programs, increase efficiency, and promote better and more coordinated operation decisions” (GovOps Accomplishments, 2018). Additionally, the Civil Service Improvement Initiative formalized this vision. This initiative gathered teams of civil servant employees from across the state to help reimagine how the California state government does business. The effort was one to reengage the workforce and the citizens and build a more effective and agile public administration system (State of California, 2018). The focus for California is on continuing Brown’s process for improvement and innovation under the new administration going forward. The difference between the two administrations lies in the speed of implementation for these innovative process improvements. Newsome has a track record of acting quickly after setting
goals for an area of improvement; thus, the expectation is that the process will be accelerated (Friend, 2018).

This study concerned the employees of the State of California and their potential to contribute to innovation. The focus and need for innovation are not unique to California; for example, Washington and Minnesota celebrate their public service innovators annually with Government Innovation awards (Government Innovation Awards, 2019; State Government Innovation Awards, 2018). This type of recognition and reward encourages employees to be ground-breaking in the workplace. The creation of a Chief Innovation Officer is another example of state government efforts toward creating and implementing innovative ideas. Many recently created government positions serve to focus on innovation; for example, across the US in the last five years, state and local governments have created over 20 positions comparable to an innovation officer (Government Technology, 2018). Additionally, many state governments offer training and have developed models for employees use when learning to create and execute innovative ideas (Illinois Government Innovation Academy, 2019; State of Colorado, 2018). All of these activities and efforts promote the broad goal of having public-sector employees cultivate and share innovations for their organizations.

Front-line employees are often those who can best offer process-innovation. Because they have the most exposure and experience working with operational processes, innovations inspired from the bottom up can be impactful and provide long-term solutions (Kunz & Linder, 2015; Stewart-Weeks & Kastelle, 2015). As Emo (2015) suggested, "Self-initiating change implies motivation" (p. 172). Because these staff members are often most knowledgeable about opportunities for innovation, organizations should acknowledge the need to motivate them to share innovative ideas. The results of this study might contribute additional insights to promote
the sharing of innovative ideas from front-line staff in public-sector organizations. Additionally, the outcomes include identifying new ways to increase the flow of ideas and innovations for improving governmental operations. Public-sector organizations could use the recommendations from the results of this study to assist in achieving organizational goals and improving processes for employee-led innovation.

**Background**

Public-sector organizations have financial, legal, and risk management obligations, which can be barriers to change and innovation (Kaul, 1997; Stewart-Weeks & Kastelle, 2015). The role of the public sector has traditionally been to provide service to the public. Unlike private organizations, the operational budgets for public-sector come from the taxpayers. This funding source creates a unique set of demands and standards that public organizations must navigate. Not only can the funding source create barriers to innovation, but upper management consisting of elected officials can create high pressure for quick results (Stock et al., 2014; Whyte & Sexton, 2011). Public-sector culture and infrastructure provide challenges for changing processes and services. Public-sector organizations have used these perceived barriers to innovation as the basis to defend as to why they have not established a culture of innovation.

**Financial**

A challenge for public-sector leaders is to reduce external financial pressures that could inhibit employee creativity and stymie innovation. A framework of instilled checks and balances has traditionally supported public-sector operations; for example, a major check exists concerning how they allocate funds. In public-sector organizations, regulations require leadership to justify expenditures. These requirements can be difficult to overcome when trying to promote innovations, especially when changes involve increases in costs or lower efficiency in
the short-run (Kaul, 1997; Nečadová & Scholleová, 2011; Stewart-Weeks & Kastelle, 2015; Wynen et al., 2014). An obstacle is that top governmental leadership positions have short and fixed tenures, and leaders in these positions tend to push for immediate results. They are reluctant to risk increases in short-term costs despite the potential for long-term savings and efficiencies (Taehyon & Chandler, 2015).

**Legal**

Laws, rules, and regulations are the governing dictates of public organizations and can impede operational changes (Damanpour & Schneider, 2009; Kaul, 1997; Stewart-Weeks & Kastelle, 2015). Although some governmental agencies receive delegated authority to conduct certain business transactions, they remain mandated to follow some guidelines. These legal documents or guidelines are permanent and require significant time and effort to amend or change. For example, the Public Employees Retirement Law is the governing document for all the benefits administration processes of the Public Employees’ Retirement System (California Public Employees’ Retirement Law, 2018). If an organization intends to change or create a new process, the California State Senate must create and pass a legislative bill supporting the change. These types of restrictions affect the atmosphere for innovation and the cost associated with implementing changes. The timely and costly process of changing regulations and laws also explains why long-standing agencies struggle when addressing innovation; for these organizations with a long history implementing change might require many revisions to governing documents (Dul & Ceylan, 2014).

**Organizational Risk**

Most organizations in the public-sector are risk-averse. This culture of risk avoidance is present from the top down. Notably, there are legal requirements for public-sector organizations
to report how they identify and mitigate operational risks (Sergeeva, 2014; Stewart-Weeks & Kastelle, 2015). The message employees receive is that it is their responsibility to be risk aware and adverse. The continuing communications to staff are that they should follow procedures and policies to minimize the introduction of risk into the organization. Sometimes, organizations might view innovation as a diversion from norms or documented policies and procedures that could allow risk to enter the system. If the goal is to motivate employees to engage in innovative activities, then organizations must align their messaging and cultural norms concerning risk-taking and innovation.

To facilitate change, an organization must view that change as a mitigation of risk, and as not creating a new risk (Armache, 2013; Sergeeva, 2014; Stewart-Weeks & Kastelle, 2015). If an organization adopts a culture of innovation using a mindset to minimize risk, then employees could be more comfortable taking controlled risks to improve operations (Armache, 2013; Turner & Pennington, 2015). Creating a culture of innovation could encourage employees to pioneer new thinking. The final stage of forming a creative culture is ensuring the management practices align with the new norms.

**Problem of Practice**

Starting with Governor Brown’s Administration and continuing into the Newsom Administration, a standard emerged that California public-sector organizations must reimagine how they do business. Newsom discusses the need to modernize even the most sacred of processes such as voting, engaging citizens in the decision-making, and acting similarly to entrepreneurs with less fear of taking risks and failing. If the goal is to shift the paradigm of governmental operations from the 1970s (Newsom & Dickey, 2014) to contemporary times, then leadership should encourage civil servant employees to share ideas on innovating the operational
processes of the business. Front-line employees interact with customers and view the end-results as they complete their daily work. Because the staff has the most exposure and experience working directly with the operations, innovations inspired from the bottom-up were more efficient and impactful (Kunz & Linder, 2015; Stewart-Weeks & Kastelle, 2015). To facilitate the staff’s motivation to innovate, a method is needed to identify a change management process and cultural elements that would increase employees’ willingness to share innovative thoughts and ideas.

**Purpose of the Inquiry**

The purpose of this inquiry is to: (1) review current efforts of California public-sector organizations in fostering employee-led innovation, and (2) gain insight into potential methods for fostering a culture of employee-led service innovation. The overall objective of this inquiry is to provide explanations and insights concerning the factors which motivate the employee to contribute to innovative process improvements.

**Inquiry Questions**

The aim of this qualitative study was to provide insights into the question: What environmental elements foster employee-led service innovation within a public-sector organization? These are the guiding questions for the study:

- What perceptions do public-sector employees have of their organization’s current practices in fostering employee-led innovation?

- How do public-sector employees view the usefulness of their organization’s current efforts to foster employee-led service innovation?

**Significance of Inquiry**

Promoting employee innovation has been a part of the private sector work culture. As technology advances, so does the speed in which the world and markets operate. For
organizations to achieve long-term success, they must constantly adapt and respond to market changes, customer preferences, and new technologies (Jung & Lee, 2016; Suliman, 2001; Taehyon & Chandler, 2015; Turner & Pennington, 2015). Unlike the private sector, public-sector organizations typically have not experienced the pressure to remain current with business trends and technology. The purpose of public-sector organizations is to provide service, and there is no competition for customers and market presence (Taehyon & Chandler, 2015; Wynen et al., 2014).

Innovation underlies organizations drive to update or improve current processes and services to improve effectiveness and efficiency. There are diverse methods organizations deploy to increase innovation. Employee-led innovation is a strategy of leveraging the knowledge and experience of the people immersed in the operations of the business. The strategy includes promoting employees to create and submit ideas concerning how to improve the processes and products delivered. A goal of this study was to provide insights and information on how public-sector organizations might foster a culture of employee-led innovation.

**Conceptual Framework**

The overarching goal of this inquiry was to gain insights on the environmental elements needed for public-sector organizations to foster a culture of employee-led innovation. The conceptual framework addressed the following problem: While public-sector organizations need innovation to occur for their businesses to meet the new demands from governmental leaders and citizens, there has been little research done on the methods and cultural elements needed to foster employee-led innovation public-sector organizations. Although similar problems arise in the private sector, in public-sector organizations, a lack of a culture of innovation compounds the
issues. Therefore, I leveraged several theories related to public-sector innovation for this qualitative study. More specifically, these theories are service innovation (Vargo & Lusch, 2008), Lewin’s unfreeze/freeze change management (Harper, 2017; Nixon, 2004), and design thinking (Brown, 2009). I used these theories to guide and provide a deeper understanding of the elements needed within organizations to foster the sharing of innovations.

The concept of this study is organizational innovation, more specifically, service innovation. Christensen (2013) focused on the need and benefits of organizational innovation in the private sector. Vargo and Lusch (2008) defined service innovation and how this type of innovation fits organizations whose mission is to provide a service rather than units of goods. Christensen’s definition is the best fit when examining public-sector organizations. For research on public-sector organizational innovation, Damanpour, 2006 exemplified detailed and thorough historical research and findings. Damanpour’s findings concerned the generation and adaption of non-technological organizational innovation in the public-sector. Although both Christensen and Damanpour suggested the needs and benefits of organizational innovation, only Damanpour discussed methods to motivate staff during the implementation of an innovation.

Damanpour’s views of innovation adoption align well with Lewin’s change model because Damanpour’s findings concerning organization adaption and re-adoption. For this study, I reviewed Lewin’s method for successfully implementing a change within an organization to inform the development of an implementation plan. Lewin outlines ways to help reduce employee resistance to change (Erwin & Garman, 2010; Geisler, 2001; Lucas, 2002; Oreg, 2006; Rafferty et al., 2013), and this knowledge could be useful to engage people in processes for the sharing of innovative ideas. In addition to Kurt Lewin’s change management
methods, I used a design thinking method to inform the methods of how to encourage the sharing of innovative ideas.

Although design thinking is a well-known and studied concept, few researchers have used this theory to create and implement organizational change, and specifically, in public-sector organizations. Brown and the IDEO organization created a method for a human-centered concept they called design thinking; this will as serve as a guiding concept for this study. Design thinking has the end-user be as the center of all phases of design; therefore, the end user’s needs are the essential focal point for innovators to consider when creating solutions and innovations (Brown, 2009; Brown & Wyatt, 2010). The focus on using the insights of the end-users and people closest to processes to guide innovation is the goal of the method, and it aligns with the vision of Governor Newsom (2014). The common thread connecting all the concepts is the centering processes regarding feedback from the end-users, the necessity of the continual assessment, and the need for iterative implementation. A more detailed review of the conceptual framework of the study is in Chapter two.

**Chapter Summary**

This chapter serves as an introduction to the background and barriers to employee-led innovation in the public sector. New expectations for public-sector organizations and the speed of advancing new technology have established a significant need for organizations to innovate current processes and services. Researchers have indicated that innovative ideas created by the staff who are most involved in the processes and delivery of service can lead to more cost-effective and better results. Therefore, employee-led service innovation is a potential solution to meeting the new standards of operations in the public sector. The inquiry provides insights on methods to foster employee-led innovation within an organization. Chapter two includes a
review and synthesis of literature related to the public-sector, organizational innovation, change management, and design thinking. The context of informing methods of promoting employee-led service innovation within the public-sector frames the topics included in the chapter.

Definitions of Key Terms

For this inquiry, I have established a list of frequently used terms.

Innovation
“A process through which an organization identifies new opportunities to improve their performance by utilizing existing knowledge, seeking new knowledge, making revisions, and implementing necessary changes” (Taehyon & Chandler, 2015, p. 1).

Employee-Led Innovation
Innovations and performance improvements identified by employees who are actively involved in the process as part of their core job duties.

Service Innovation
A proposed change to the application of specialized skills or knowledge through processes and performances for the benefit of another entity than itself (Barney, 1991; Grönroos, 2008; Teece et al., 1997; Vargo & Lusch, 2004; Wernerfelt, 1984).
CHAPTER 2: REVIEW OF THE LITERATURE

Researchers have thoroughly investigated the benefits of intrinsically motivating employees to engage in organizational change. Many have concluded that the most successful way for change to occur is to involve those who are enacting the change directly in the process. The direct involvement creates a sense of ownership of the work and the change process (Berlyne, 1960; Deci & Sutter, 1990; Heyman & Dweck, 1992; Lewin et al., 1944). In addition to the extensive research on the benefits of involving and motivating staff in organizational change, there is considerable research on the benefits of innovation to organizations (Burnes, 2015; Dunphy et al., 2007; Kanter, 2008; Sackmann et al., 2009). This literature review contains a summary of the key points of these concepts. The aim of the study is to fill the gap in the current literature by considering the following problem: while public-sector organizations need innovation to occur for their businesses to meet the new demands from governmental leaders and citizens, there has been little research done on the methods and cultural elements needed to foster employee-led innovation public-sector organizations.

The overall purpose of this research inquiry is to (1) review current efforts of California public-sector organizations in fostering employee-led innovation, and (2) gain insight on potential methods in fostering a culture of employee-led service innovation. The specific inquiry question for this study is: What environmental elements foster employee-led service innovation within a public-sector organization? Additionally, the following guiding questions were pivotal:

- What perceptions do public-sector employees have of their organization’s current practices in fostering employee-led innovation?
- How do public-sector employees view the usefulness of their organization’s current efforts to foster employee-led service innovation?
Although similar problems are present in the private sector, the focus was on gaining insight into the elements explicitly needed for public-sector organizations. This focus emerged from the recent push for these organizations to increase their innovative practices, as outlined in Chapter 1. The historical background of the public-sector supports information and perspective on the “where” of this study. The review of the innovation literature establishes the “what” or drive for gaining insight into the sharing of innovative ideas. The “why” of this study concerns maintaining an organization’s long-term viability, and in this context, organizations must gain insight into motivating the sharing of organizational innovations. Following this discussion is a review of the literature on the approaches and methods of “how” innovative ideas are shared. To develop insights into employee-led innovation, I leveraged the theories of Lewin’s change management and design thinking as a lens for understanding how to cultivate innovation in public-sector organizations.
Figure 1. Approach to review of literature

The Public-Sector

Even before the concept of formalized government was established, people put processes and mechanisms in place to govern themselves. The existence of the formal concept of public administration or public-sector organizations evolved with the establishment of governing entities within societies (Karl, 1976). According to Raadschelders (1999), “public administration exists to realize the governance of society” (p. 288). The mission and purpose of public administration organizations is the fundamental difference between them and other types of market sectors or organizations (Rainey & Bozeman, 2000). The focus in this review is on organizations which fall into the public-sector category, exclusive of private sector organizations. Given the study scope, the literature review contains a discussion on this specific
sub-set of organizations. To properly define the “what” or the context this study, the focus is on the historical background of a public-sector organizations, more specifically the history and make up of California State public-sector infrastructure. Moreover, the review includes discussion of the cultural norms and perspectives which differentiate the public-sector from other organizational structures.

**Post New Deal**

Many historians have claimed a thorough investigation of public administration history should include the Progressive Era of 1877 (Adams, 1992; Henry, 1990). However, to present a context and review of the events that created the contemporary US public administration environment, Karl (1976) suggested it is acceptable to start at the establishment of the President Roosevelt’s New Deal programs of 1933 to 1939. Although some have criticized the New Deal for lack of effectiveness (Stebenne, 1996; Vedder et al., 1997), these new programs propelled changes to the overall missions and purposes of public administration organizations. After the New Deal was instituted, public-sector organizations changed from mostly having responsibilities for the execution of the laws set forth by the politicians and leaders to a role in social management and provider of public services (Karl, 1976; Spicer, 2004). The federal government created the New Deal agencies, departments or programs not only to govern the people, but additionally to provide a better quality of life for the citizens of the US. After the new expectations were set by Roosevelt, then lawmakers created many other pivotal pieces of legislation that supported this new mission, such as Reorganization Act of 1939, which delegated legislative power to the president to reorganize agencies using executive control for the sake of efficiency and economy. Congress aimed The Administrative Procedure Act of 1946 to deal with many problematic aspects of federal administration. Over the years, several congressional
initiatives strengthened oversight and regulation of the federal administration, including the Freedom of Information Act (1966 [1974]), Legislative Reorganization Act of 1970, Federal Advisory Committee Act (1972), Congressional Budget and Impoundment Control Act (1974), Privacy Act (1974), Government in the Sunshine Act (1976), Inspector General Act (1978), Small Business Regulatory Flexibility Act (1980), Paperwork Reduction Acts (1980, 1986, 1995), Administrative Dispute Resolution Act (1990), Negotiated Rulemaking Act (1990), Chief Financial Officers Act (1990), Government Performance and Results Act (1993), and the Small Business Regulatory Enforcement Fairness Act of 1996 (Rosenbloom, 2001). The critical change underlying the New Deal, which has been reinforced to present day, is that government and the organizations created under the governmental umbrella are to provide support and structure for the needs of the people (Raadschelders, 1999; Simon, 1957). Therefore, the organizational culture of public-sector have been substantially shaped by this service mentality.

**California Public Administration Infrastructure**

Because the context of this inquiry is public-sector organizations, the review includes a discussion of the history and environment in which these organizations operate. When enacting any sort of change to an organization, it is essential to understand the internal and external forces which have shaped and created the current organizational culture (Lewin, 2014). Although in Chapter 3 contains the specifics and the layout of organizations in a public setting, it is important to review the larger environmental context of the State of California governmental infrastructure.

The US admitted what is now known as the State of California into the Union on September 9, 1850. California was unique in that it was a free state and not a previous territory of another governing entity. Therefore, the State of California created a governmental infrastructure from the ground up, rather than adapting their current form of government to the
laws of the Union. The early leaders created the political structure through the California State Constitution of 1849. The supreme executive power of the State is held by the Governor, whose job is to ensure the execution of laws and process of the State (Wilson, 2016). The constitution included various executive level positions for leaders to assist in this oversight and execution: Lieutenant Governor, Secretary of State, State Controller, Treasurer, Attorney General, Insurance Commissioner, and State Superintendent of Public Instruction (The California Directory, 2020). In addition to the Executive team, the Governor also oversees various cabinet level positions also known as Secretaries. Each cabinet member is responsible for overseeing various organizations within a certain industry. Although these organizations are separate entities, they are also interdependent regarding the tools and services used to complete their specific missions (Dotson Wilson, 2016).

In 1913, the state enacted the California’s Civil Service Act with the intent to formalize the management of the human resources and established a structure where competitive and fair process guided the appointments to positions. To guide and enforce these newly established rules, the state charged the State Personnel Board to oversee the hiring and grievance processes for employee of California (King, 1978). The system determined the pay and structure such that these are consistent throughout all agencies and departments. The Act categorized employee positions within government organizations as classifications; these groups or classifications depend on various types of skills and expertise required to complete the type of work for a position. These classifications each have a specific pay range or the minimum and maximum salaries which were set through negotiations between the State of California and the various Collective Bargaining Unions (Strang & Baron, 1990). For an appointment, individuals must pass a skills assessment to qualify them for specific job classification. After assessment and
approval of individuals’ qualifications for a classification, then they can be selected for a position within that classification category (King, 1978). This system of rules and oversight embodies the California state workforce, and contributes to shape the culture of state organizations.

**Public-Sector Organizational Culture**

A state government culture emerged from the formation of the structure of the state government, the laws, and rules under which it operates. The rules, mission, and the desire to serve drives the civil service employees or those people employed by public-sector organizations (Osborne & Gaebler, 1993). Unlike private-sector employees who are motivated through economic and financial means, public-sector workers perceive themselves as serving the public and the public interests. Thus, monetary incentives are not as effective, especially because government strictly regulates civil servant compensation (Buelens & Van den Broeck, 2007; Naff & Crum, 1999; Perry & Wise, 1990). Additionally, people are attracted to work in the public-sector due to the long-term security it provides (Baldwin, 1991; Lyons et al., 2006). The security translates to low turnover within the state system; individuals often work for the same organization and in the same job for twenty years or more. The state regulates civil servants’ salaries and the government almost guarantees annual pay raises until a worker reaches the top of their pay range. The system protects employees with robust grievance processes and collective bargaining protections. These consistent raises and protections from negative consequences are unlike like many private-sector employment experiences (Strang & Baron, 1990). The cultural norms of public-sector organizations such as being law or rule driven, the attitude of having a monopoly on the services provided, and civil services job protections led to a culture of slow moving processes, and sometimes, dissatisfaction for those people using government services.
The common public perception is that private businesses are inherently superior in efficiency and effectiveness (Goodsell, 1994; Rainey & Bozeman, 2000). The perception may be true in part due to the complexity of the rules and processes governing public-sector organizations. These organizations must comply and complete steps related to the regulation to perform internal tasks, such as procurement of good and services or personnel administration (Bozeman, 2000).

As Raadschelders (1999) described, there is an identity crisis within public administration. Is the purpose of the governmental organizations to provide needed services, are they enforcers of the laws, are they to be in a state of flux to meet the changing wants of the people, or is it a mixture of all the above? This lack on consistent identity amongst public-sector employees creates a culture where change and innovative idea sharing is minimal or nonexistent.

**Innovation**

The term innovation can take many forms and meanings. Hult et al. (2004) defined innovation as “the capacity to introduce some new process, product or idea in the organization” (p.430). Pitelis (2009) discussed innovation as a way for organizations to create more value and ensure they are maintaining advantage over competitors. Pitelis’s views on innovation are more pertinent to organizations who depend on competition with others for viability such as in the private-sector. Baunsgaard and Clegg (2015) reviewed the various types of innovation: (a) organizational innovation, (b) marketing innovation, (c) service innovation, (d) supply chain innovation, and (e) business model innovation. Innovation not only takes different forms, but it occurs in varying degrees from incremental to radical (Prajogo & Sohal 2001). No matter the type or degree of innovation, the overall goal is to improve the services, productivity, and growth of the organization (Cainelli et al., 2004, 2006; Evangelista, 2006; Lin et al., 2018; Tatum, 2007;
Vermeulen et al., 2005). For this study, innovation is “a process through which an organization identifies new opportunities to improve their performance by utilizing existing knowledge, seeking new knowledge, making revisions, and implementing necessary changes” (Taehyon & Chandler, 2015, p. 1). The type of innovation that is the focus of this study was related to cultivating an environment for service innovation. Service innovation is the most applicable type of innovation for public-sector organizations (Vargo & Lusch, 2004).

Service Innovation

Because this inquiry focuses only on service innovation, the emphasis is on the details of what service innovation is and the reasons why service innovation is suited for public-sector organizations. The definition of services and a service organization includes the application of specialized skills or knowledge through processes and performances for the benefit of the entity or another entity (Barney, 1991; Grönroos, 2008; Teece et al., 1997; Vargo & Lusch, 2004; Wernerfelt, 1984). Vargo and Lusch (2004) discuss “service-centered” view of innovation for organizations or firms whose core mission is to provide services rather than to sell “units of output” (p.13). The elements and mission of public-sector organizations align well with the goals of service innovation. However, researchers have not focused on service-innovation in the public sector, thus, there are limited studies available (Blazevic & Lievens, 2008; Brodie et al., 2006). This study fills a gap in the literature and provides further discussion of subject.

Innovation Historical Perspective

Disruptive innovation is “the process by which an innovation transforms a market whose services or products are complicated and expensive into one where simplicity, convenience, accessibility, and affordability characterize the industry” (Christensen, 2013, p. 11). Over the evolution of industries and markets, innovation has taken different forms and served different
purposes; its value and existence has remained consistent. From the industrial era to contemporary global and advancing technology markets, innovation remained at the center of growth and new opportunities. Because the aim of this inquiry is to add to the literature and address gaps, the first step is to examine the cumulative knowledge for insights into the most useful forms of innovation.

Private sector. The idea of formalized organizational innovation started in the manufacturing sector of the economy. Initially, innovation served to increase the economic productivity of businesses through new inventions and streamlining of processes (Cainelli et al. 2004; Griliches 1998; Schumpeter 1942). Innovation next became the mainstay of the rapid growth and development of technology. Christenson (2013) emphasizes the speed innovation and innovation adoption that organizations maintain to prevent being overtaken by other more agile firms. As innovation became an essential element for organizational success, researchers pursued understanding of the elements of successful innovation. In 1973, Zaltman et al. (1973) identified over 21 characteristics of successful innovation. Researchers advanced these findings by concluding that there are three characteristics, compatibility, relative advantage, and complexity, that are most significantly related to innovation adoption (Fliegel & Kivlin 1966; Ostlund 1974; Rogers 1995; Sultan, Farley, & Lehmann 1990; Tornatzky & Klein, 1982).

Over the last two decades, the focus shifted from product innovation and innovation adoption to developing service type of innovations (Castellaci 2008; Chan et al. 1998; Hertog 2000; Miles 1993, 2005; Spohrer & Maglio 2008). Mills and Snyder (2010) cited examples, such as International Business Machines (IBM), General Electric, and Hewlett Packard, as companies that previously focused efforts on manufacturing, but more recently, are finding value in focusing on service innovation. This shift shows private organizations are recognizing the
value of finding innovative ways to develop and integrate their intangible resources and capabilities (Agarwal & Selen 2009, 2014; Vargo & Lusch 2008; Michel et al. 2008; Lusch et al. 2009). Thus, future iterations of this study may provide added insight to this growing focus on service innovation.

**Public sector.** Organizations which make-up public-sector services are diverse; they exist across varied industries, such as financial, legal, housing, and social management. Similarly, the service sector encompasses a variety of markets and organizational purposes (Randhawa & Scerri, 2015). Public-sector organizations do not rely on innovation for long-term viability as do private organizations, rather public-sector organizations seek innovation to improve the quality of the services they provide with the goal of bettering the lives and experiences of their customers (Walker et al., 2011). Much like the private-sector, the researchers on the public-sector has focused mainly on increasing the knowledge of innovation adoption and characteristics of successful innovation (Boyne et al. 2005; Light 1998; Rashman & Radnor 2005; Walker 2006, 2008).

Unlike innovation research in the private-sector, researchers of the private sector have dedicated much study to the barriers of innovation (Harris & Kinney, 2003). One of main barriers to innovation found for public-sector innovation are political factors. Many leaders act only when there is a known problem or dissatisfaction amongst the public (Nice, 1994; Zolnik & Sutter, 2010). In 2009, Damanpour and Schneider (2009) shifted the focus of the field, and began to study public-sector organizational characteristics that promote innovation. For public-sector organizations to remain current and survive, innovation is essential (Pozen, 2008; Schall, 1997). More recently, there is a need for public-sector innovation through government initiatives and programs, such as: Securing Americans’ Value and Efficiency (SAVE) Award,

**Gap in Public-Sector Innovation Research**

The research in the private and public-sector innovation contains gaps and areas in need of future research, such as that addressed in this study. Most prior studies concerned identifying the organizational elements which affected innovative processes. Although these previous researchers did not focus on specific process for facilitating innovation, they did study the effects of individual characteristics (Damanpour & Schneider 2006; Kearney et al., 2000; Kimberly & Evanisko 1981; Moon & deLeon 2001; Rivera et al., 2000; van der Panne et al. 2003; Walker 2008). Most public-sector service innovation studies included European organizations (Lin et al., 2018). Although researchers have thoroughly studied innovation and elements of innovation, “relatively few articles focus on the strategic management of process innovations, administrative innovations and service innovations” (Keupp et al. 2012, p. 377). Additionally, the role of organizational culture as a driver of service innovation is increasingly recognized by some researchers (Alam, 2010; Boedker et al. 2011). In 2005, Tidd and Hull studied four structures that create a culture to foster organizational innovation in the private sector. They concluded that all four models were successful. Although each model had the characteristics of flexibility, collaboration, knowledge-sharing, and customer engagement, these elements are also found in the theories of change management and design thinking.
Change Management

As previously discussed, innovation is a needed element within organizations for the business to grow and stay current for customers’ needs. Much like innovation, an organization’s members often viewed change as a necessary component that organizations must embrace to survive (Dunphy et al., 2007; Kanter, 2008; Sackmann et al., 2009). In this study, the change needed is for the organization and its employees to become more innovative. Lewin is one of the founders of the field of organizational development; one of the many areas of focus in this field has been refining the practice of making organizational change (Ash, 1992; Benne, 1976; Burnes, 2004; Burnes & Cooke, 2012; Dent, 2002; Freedman, 1999; Marrow, 1969; Schein, 1988). Lewin (1943) studied and promoted the concept of change management or “planned change,” through four interrelated concepts: field theory, group dynamics, action research and the three-step model of change (Burnes, 2004). In this study, the Lewin’s three-step change model guided the research in defining a method for increasing employee-led innovation.

Lewin’s Change Model

From 1939 until his death in 1947, Lewin conducted a series of studies to test theory and methodology related to organizational change (Burnes, 2015). Lewin argued that employees in an organization are in an “quasi-stationary equilibrium,” where the forces for and against change are matched evenly (2005). To change the mindset that contributes to the equilibrium, organizations must create conditions that shift the equilibrium (Lewin’s, 1947a, 1947b). Lewin’s three steps assist organizations with this process; these steps are to unfreeze the existing situation, make the need change or move, and finally refreezing the new change into a permanent place (Lewin, 1958; Levasseur, 2001).
Step one – unfreeze. Unfreeze is the first step of Lewin’s three step model. In this step, the organization seeks to create an imbalance in the equilibrium of the workforce that could lead to an opportunity for the employees to accept the change (Levasseur, 2001; Lewin, 1958). Lewin suggested that people in their natural state tend to stay with the group norm and consensus, and they will avoid becoming an outsider (Burnes, 2004). Therefore, to allow employees to consider the proposed change the organization should create a disruption to the norm, and through communication and involving the employees, the new norm will be established through step two. Lewin did not assert that there was a single method to unfreeze or achieve disruption, nor did he think it would be easy. He did insist it was the first and most necessary element before adopting the move or change (Burnes, 2004; Lewin, 1947). As Schein states, “Unfreezing is not an end in itself; it ‘... creates motivation to learn but does not necessarily control or predict the direction,” (p. 6).

Step two – move or change. After the unfreezing of the mindset, comes the point where the analysis of the old ways and the development of the new ways come into effect (Levasseur, 2001). From Lewin’s view, for change to be successful then consideration should be given to the various elements, stakeholders, and possibilities for change before a final decision is made (Lewin, 1947a). This mindset also aligns with Lewin’s views on how this type of research allows for the involvement of groups and individuals to help shape solutions (Burnes, 2004; Lewin, 1947). The change mindset involves creating a sense of ownership and engagement for all levels of staff during the development of the change; this early involvement and endorsement by some employees then promotes other members of the group or organization to accept the change during its implementation (Lewin, 1947; Levasseur, 2001).
Step three- refreeze. In the final step, the goal is to reestablish the equilibrium and cement the change as designed and communicated in step two. Although employees influenced and shaped the change, there are other aspects that the organization must consider before the effort is completed. First, is establishing change agents throughout the organization to test and ensure implementation. Lewin (1947) asserted that change does not occur just at the delivery of the final report, an effort will not be effective if implementation is left for the workforce to determine. Therefore, those who are creating the change should follow the project through from conception to the full acceptance by the workforce. Another aspect of change an organization must address prior to refreezing is to ensure the cultural norms, policies and procedures of the organization align and support the new element of the organization. If there is anything out of sync with the change that is supposed to occur people will reject the change and go back to the former equilibrium (Burnes 2004, Cummings & Worley, 2001; Schein, 1996). A successful change effort requires the active involvement of the leaders until the change is fully accepted and formalized within the organization (Lewin, 1947).

Benefits of Lewin’s Three Step Method

Lewin’s ideas concerning change management center on engaging the employees of the organization to participate in a successful change effort. Engagement is key because evidence from across studies showed that employee resistance as one of the main barriers to organizational change (Erwin & Garman, 2010; Geisler, 2001; Lucas, 2002; Oreg, 2006; Rafferty et al., 2013). More specifically, lack of communication and participation in the change effort were factors in why employees reject change (Levasseur, 2001). Some results supported that 70% of organizational change efforts are unsuccessful; thus, it is critical to find methods to help organizations with creating and implementing change (Beer & Nohria, 2000; Burnes, 2011;
Rogers et al., 2006; Senturia et al., 2008). Through the Lewinian method for change, organizations can mitigate the failure risk by allowing staff to shape the change and guide the implementation plan. This approach to completing change increases staff ownership of the project and allows them to feel as if they are driving the change effort rather than being forced to comply (Burnes & Cooke, 2012; Carpenter, 2013; Levasseur, 2001; McMillan & Connor, 2005; Oreg et al., 2011;).

**Critique of Lewin’s Three Step Method**

As with most theories, researchers have critiqued Lewin’s views on change management. One of the competing theories with Lewin is Oreg’s (2006) dispositional resistance, in this theory people are not all seen as resistant to change. Although Oreg rejected the natural reaction of people to change, he does acknowledge individuals’ reactions can be moderated by the larger group or change agents’ attitude towards the effort (Oreg & Sverdlik, 2011). Another critique of Lewin’s theory is the time it requires to go through the various steps of the process. Starting in the 1980’s, when rapid change and innovation was the typical mode within organizations, management tended to view planned change as too long an undertaking (Buchanan & Storey, 1997; Dawson, 2003; Hatch, 1997; Peters & Waterman, 1982; Wilson, 1992). Lastly, complexity theory is in critical opposition to Lewin’s processes and ideas on change. The reasoning for this critique is that researcher using complexity theory suggest that for organizations to be viable they must be in a constant state of change and almost chaos (Brown & Eisenhardt, 1997; Stacey, 1996; Styhre, 2002). This thought does not align with the concept of equilibrium on which Lewin built change theory. Burnes (2004, 2009a) did argue that although criticisms of Lewin’s work do exist, through time and research, Lewin’s views on behavioral change have remained solid and applicable. Additionally, recent researchers refer to Lewin’s
ideas about inclusive participation and organizational change as elements needed for a successful change effort (Hatch, 1997; Wooten & White, 1999).

**Usage of Lewin’s Change Model**

Using Lewin’s views on change, the discussion focuses on how or when the theories have been used in real-world settings. Although Lewin based studies on the use of action research to form conclusions, there are additional studies which support Lewin’s views. Coch and French (1948) examined planned change in a real-world setting. They found that most of the grievances filed by individuals pertained to change situations. They also concluded that workers participation in creating and implementing change, mitigated the employees’ resistance to change. There have also been many organizations which have taken Lewin’s view on group-based change, and expanded it to organization-wide transformation initiatives (Cummings & Huse, 1989; Cummings & Worley, 2005).

Lewin’s work has also been used within the public-sector; researchers and practitioners use these theories to gain insight on social behaviors and better design products, services, and social change efforts (Lippitt et al., 1958; Maruyama, 1992; Medley & Akan, 2008; Rosenwein & Campbell, 1992). Burnes (2015) also discussed that public-sector organizations could benefit from using Lewin’s theories on change, because one of elements which attracts the workforce to that sector of business is consistency and job security.

**Design Thinking**

The subject of many studies includes the concept of design, and specifically, as way to overcome barriers and grow a business (Krippendorff 1989). The topic is widely discussed with design thinking and human-centered design (Brown, 2008, 2009; Giacomin, 2014). Similar to innovation there are also many types of design; these include technology-driven design,
sustainable design and human-centred design (Giacomin, 2014). The practice of design started in the fields of engineering, ergonomics, and human factors (Maguire, 2001). The subject matter of design encompasses engaging with stakeholders, observing people in the environment for information purposes, and facilitating sessions to better probe for insight into the needs for design (Beyer & Holtzblatt 1998; Holtzblatt et al. 2004; Carroll 2000; Maguire, 2001; Mulder & Yaar 2006). Design further evolved to the engagement of multiple perspectives with the design process itself (Cohan & Allen 2007; Hill 2010; Kamvar & Harris 2009). Through this evolution, human-centered design was established. International Standards 9241-210 (2010) describe human-centered design as the “approach to systems design and development that aims to make interactive systems more usable by focusing on the use of the system and applying human factors/ergonomics and usability knowledge and techniques.”

IDEO began in 1991 as a practitioner group that popularized design thinking practices and applications. Originally, IDEO used traditional design methods to design products like: Palm V personal digital assistant, Oral-B toothbrushes, and Steelcase chairs. These activities continued until 2001, when IDEO made the shift from designing products to designing customer experiences (Brown & Wyatt, 2010). Tim Brown, the CEO of IDEO, described the characteristics of a design thinker as: empathy, integrative thinking, optimism, experimentalism, and collaboration (Brown, 2008). The design thinking method of innovation includes end-user needs and a rapid prototyping approach to achieve the main purpose of addressing the true needs of the people who will use the product or service (Brown & Wyatt, 2010).

**Design Thinking Approach**

David Kelley, also the founder of Stanford University’s Hasso Plattner Institute of Design, remarked that “every time someone asked him about design, he found himself inserting
the word ‘thinking’ to explain what it was that designers do. Eventually, the term design thinking stuck” (Brown & Wyatt, 2010, p.33). Design thinking is not a linear process in which a person moves from one step to the next and at the end there is a product or innovation. Rather, Brown and Wyatt (2010) describe design thinking as “overlapping spaces rather than a sequence of orderly steps” (p.33). Those spaces are inspiration, ideation, and implementation. Inspiration is the investigation of the true problem to address and the requirements of any solution, ideation being the formation, testing, evolving of ideas, and implementation of taking a solution and putting into a real-world context (Brown, 2008; Brown, 2009; Brown & Wyatt, 2010).

**Inspiration.** In the space of ideation, the innovator identifies people’s needs. The process leads the innovator to understand the end user’s perspective, needs, environment, and where opportunities for solution are present. The process includes research of the literature, observations of the environment in which the solution could be implemented, interviews of customers, ethnography, and personas (Beckman & Barry, 2007; Brown & Katz, 2011; Veryzer & Borja de Mozota, 2005). In other versions of design thinking, the inspiration stage can be the empathy and define phases (Gibbons, 2016; Liedtka, 2014). All these efforts contribute to innovator’s understanding of the mindset of the end user, and leverage this perspective when making design decisions in the later phases. Taking the time to gain insights into the mindset and needs of the end-user is the cornerstone of the design thinking methodology (Dalton & Kahute, 2016). All these efforts result in a document called a brief (Brown & Wyatt, 2010; Krippendorff, 2004). The brief gives the team of innovators a clear understanding of the overall objective of the project and any constraints which may affect the end solution (Brown & Wyatt, 2010; Kit, 2015). The approach guides and informs the ideation and implementation spaces.
**Ideation.** In the ideation space or stage, the innovators take all the information and insights they have gathered and move toward a rapid idea generation process where the goal is to generate as many ideas as possible. In other design thinking approaches, this stage breaks down into ideate, prototype, and test (Gibbons, 2016; Liedtka, 2014). The potential solutions from the ideation phase then become prototypes to design, test, and refine in a cyclical process (Brown & Wyatt, 2010; Kit, 2015). A key element to the ideation process is the need for a cross-functional and multi-disciplinary team. This way the solution and the ideas are coming from a group of diverse perspectives (Brown, 2008; Brown, 2009; Brown & Wyatt, 2010). The goal is to find the most simplistic and realistic explanations for the issues discovered in the previous phase. This approach allows for the innovators to define effective solutions to complex and ill-defined problems by not limiting their ideas to any sort of preconceived constraints (Dunne & Martin, 2006; Garbuio et al., 2017; Peirce, 1934). Although prototyping various solutions may be wasteful, it is important to note that the prototypes are meant to be simple and inexpensive versions of the solution. These prototypes can generate feedback from end users and customers to inform the next iteration (Brown, 2008; Seidel & Fixson, 2013). Ideation and inspiration phases are not linear and resemble parallel processes feeding into one another. Once the prototype has reached a final phase the implementation phase begins.

**Implementation.** The final space of design thinking is implementation, where all the ideas and solutions come to life. The ideas tested in the ideation phase through iterations now become deliverables for full implementation, communication, and marketing plans (Brown & Wyatt, 2010). In this phase, pivots and changes are made, but the phase ends with a final solution. In most research and discussions of design thinking, this phase receives the least amount of attention.
Benefits of Design Thinking

Using human-centered design and design thinking approaches have led to many benefits for innovation. The first benefit of using this type of innovation approach is: the final solution or product delivered to the organization created through a method where needs of the customer and the requirements of the business are all met. Researchers showed that the solutions defined through a design thinking approach are higher quality, better embrace the most current technology, and are more successful in solving the needs of the customers (Brown, 2008; Kurtmollaiev et al., 2018). Many times, with traditional innovation efforts the needs and requirements are lost in the disconnections between the customer and the innovators (Kit, 2015; Krippendorff, 1989; Maguire, 2001). Additionally, design thinking encourages idea sharing during the ideation process and can lead to more creative and out-of-the-box thinking.

Additionally, through the prototyping and iterative processes the solutions created tend to be more successful and sustainable (Brown & Wyatt, 2010, Kit, 2015). One of the reasons these solutions and prototypes could be more impactful is because design thinking process pushes the innovators past their biases, and allows them to more clearly see the problem and needs of the end users (Liedtka, 2018). Although prototyping may have larger upfront costs than traditional innovations, it allows for a more useable and realistic solutions (Brown, 2008). The benefits of design thinking, which go beyond the creation of the solution itself, are the changes in behaviors and mindsets of the participants. As previously discussed, resistance to change is a strong barrier to innovation in general, but through the design thinking approach the innovators and end user’s mindsets and perspectives are changed and buy-in is created (Brown & Martin, 2015; Liedtka, 2018).
Critique of Design Thinking

As with most theories and methods there is a counter-perspective to design thinking. One of the main inhibitors of design thinking and human-centered design is the fear of failure. The act of knowingly expending resources to create a product which will more than likely fail is a hard concept for organizations to support (Steen, 2012). Although this initial fail could ensure the costlier final deliverable does not fail, it is still a larger perspective change for businesses, especially those with limited resources (Brown, 2008). People who are more experienced in design often find the design thinking approach to be limiting and slow. They feel there is too much structure involved with the initial information gathering phases and rather spend the time in the solutions and prototyping solutions (Liedtka, 2018). There are also those who do not see what is unique about the design thinking approach, and question its use of anecdotal data rather than facts (Iskander, 2018). Another critique of design thinking is the number of ideas and choices in the ideation space leads to an overall more complex and timely approach (Brown & Wyatt, 2010). Although a less complex design approach may have an initial cost savings and shorter time frame, this again does not guarantee a better end product (Kit, 2015).

Usage of Design Thinking

There has been very limited empirical research completed on the usage of design thinking approach within organizations, (Glen et al., 2014; Kurtmollaiev et al., 2018; Liedtka, 2014). The non-empirical analysis and case studies have proven design thinking to be successful in all market sectors including private, public, and not-for-profit. No matter the industry, the process of working with customers and end-users to identify needs and to create a solution with those needs in focus allows for design thinking to be useful in any setting (Brown & Wyatt, 2010). In the private sector, business such as: Alessi, Armani, Apple, Facebook, Ferrari, Google, IKEA,
Nokia, Phillips and Virgin have been embracing design thinking to be more innovative, to maintain a market edge, and are finding these methods help get products to the market faster (Brown & Wyatt, 2010; Giacomin, 2014; Verganti 2009). Although the creators and practitioners of design thinking aligns well development of services (Brown & Wyatt, 2010), design thinking is rarely, if ever, properly used in public-sector organizations (Brown et al., 2014).

In 2018, Liedtka et al. (2018) explored how the design thinking approach was breaking into public-sector organizations. As some Federal governmental agencies such as Veterans Affairs, Health & Human Services, and the Food & Drug Administration have recently started to incorporate design thinking into their design practices. Their research found that design thinking was an acceptable approach to helping to solve some of the problems faced in public-sector and there were no specific barriers to using design thinking in the public-sector organizations. Additionally, Kurtmollaiev et al. completed a study looking at the effects on managers who received design thinking training and found that design thinking training makes managers more capable of identifying opportunities, which has a trickle-down effect to their amount of innovation complete by their teams (2018). This study supports the previously outlined benefit of design thinking discussing the perspective change participants have learning this design approach. This inquiry will be seeking to further contribute to the literature through providing insights on using a design thinking method within a state level, public-sector organization.

**Chapter Summary**

This chapter is a review of the literature concerning public-sector organizations, innovation, change management, and design thinking. Through the review of the literature, commonalities arose between the various concepts. The need for constant communication and
maintaining a focus on the end-user was the first connection. In service innovation, stakeholders have acknowledged that this type of approach requires constant communication with the customer or end-user (Sampson & Froehle, 2006; Zeithaml & Bitner, 2003). As for Lewin’s change model and design thinking, both theories center on the determining the needs of end-users and creating structures to identify and address those needs (Bargal & Bar, 1992; Burnes, 2009; Kippenberger, 1998a, 1998b; Prahalad & Ramaswamy 2004; Smith, 2001). Additionally, all three streams of literature were consistent with the need for iterations to occur for a successful effort or change to be complete (Chesbrough 2011; Enkel et al. 2009; Gassmann et al. 2010; ISO, 2010; Teece, 1989). These themes will help build a solid foundation for this inquiry.

As previously discussed, this study seeks to add insight and a better understanding of the gaps in the current literature. The results of the review revealed a trend in the literature; there is a lack of design thinking approach within public-sector organizations (Brown, Martin, & Berger, 2014) and few studies were conducted which connected design thinking methods and change management efforts (Lin, et al., 2011). Furthermore, there is a lack of service design innovation studies conducted in public-sector organizations within the US (Lin et al., 2018).

Chapter three contains an explanation of the approach and methodology of this research study. The aims of this study were to address the gaps previously identified in this chapter and provide insights into methods to foster employee-led innovation in the public sector.
CHAPTER 3: METHODOLOGY

The goals of this inquiry were (1) review current efforts of California public-sector organizations in fostering employee-led innovation, and (2) gain insight into potential methods for fostering a culture of employee-led service innovation. I intended this research to contribute insights toward cultivating innovation in the public sector. The recommendations formed through this inquiry could assist public-sector organizations to promote employee-led innovation more effectively. More specifically, the design of this action research project addressed the following overarching question: What environmental elements foster employee-led service innovation within a public-sector organization? These guiding questions organized the research:

- What perceptions do public-sector employees have of their organization’s current practices in fostering employee-led innovation?
- How do public-sector employees view the usefulness of their organization’s current efforts to foster employee-led service innovation?

This chapter consists of a description of the research approach and methodology and the reasoning for these choices using the supporting theories. The chapter contains the background information for the site and participants, and an explanation of the data collection and data analysis procedures. Finally, the discussion of the study’s validity, ethical considerations, and limitations are last in the chapter.

Inquiry Approach

This inquiry was a generic qualitative approach to gather the information and data to give insight into the proposed questions. Merriam (2002) stated that qualitative research is most appropriate when the researcher is seeking “to discover and understand a phenomenon, a process, the perspectives and worldviews of the people involved, or a combination of these” (p.
Additionally, generic qualitative inquiries allow researchers to gather information on the thoughts, opinions, and experiences of individuals on a particular topic (Caelli et al., 2003; Percy et al., 2015; Merriam, 2009). The generic approach supports the use of a broad perspective when collecting data from the study participants (Caelli et al., 2003; Creswell & Miller, 2000). A generic approach to research is useful when other, more specific approaches do not fit the topic and environment under study.

In addition to the generic qualitative approach, the constructivism-interpretivism scientific paradigm underpins the study. This paradigm uses the assumption there are multiple realities, and the lived experiences of individuals construct their realities; therefore, a person’s perceptions can be socially influenced (Gelo, 2012; Merriam, 2009). Gelo (2012) explained the epistemological assumption of the constructivism-interpretivism paradigm as the understanding of lived experiences and the context of those experiences, which lead to the acquisition of knowledge. The suggested methodology for conducting research using this paradigm is a generic qualitative approach, which allows myself to collect meaningful data on the lived experiences and the constructed realities of the participants.

The study's goals were to create an in-depth understanding of how organizations can foster changes in employees’ actions; therefore, it is most appropriate to use a generic qualitative approach. This approach allowed the me to gain a deeper understanding of the thoughts and feelings of the employees on this specific topic. The step of understanding the thoughts and feelings of employees aligned to approaches in both Lewin’s change model and Design Thinking. Lewin’s change model speaks about the necessity of understanding the current norms prior to enacting change. He also points out an element all successful changes is incorporating the feelings of those enacting the change (Burnes, 2004; Lewin, 1947). In Design Thinking this
step would be considered creating a point of empathy for future solutions and innovations to consider (Gibbons, 2016; Liedtka, 2014). The generic qualitative approach also accounts for the constructivism-interpretivism scientific paradigm by using in-depth interviews to gain knowledge of the participants' perceptions of their work environment. Additionally, the broad and less defined approach to research allowed the me to understand the perceptions and needs of the individuals. The generic qualitative approach was the most effective way to gain an appropriate level of insight for this inquiry, and in turn, produce the most relevant and impactful recommendations possible.

**Methodology**

The overall objective of this inquiry was to provide public-sector organizations with insight on a method to foster employee-led innovation. As previously outlined, innovation in the public sector faces a series of unique challenges; therefore, a study of personal experiences when working in a government organization was the most appropriate methodology for this inquiry. Creswell (2011) described purposive sampling as intentionally selecting the research site based on people or places that allow the best understanding of the outcomes or results. In addition to the purposive sample, this design allowed for in-depth research and analysis of the people in the context of their work environment (Creswell, 2011). This in-depth examination led to collecting specific feedback and data from the participants concerning their wants and needs in an organization process and culture that promotes the sharing of ideas. Additionally, this information equipped the me to address specific research questions.

For this study I served as an observer practitioner. As an employee of the State of California, my insider status assisted in conducting interviews and gathering information from the study participants. Having first-hand experience in the challenges and culture of the public
sector, I leveraged my expertise and passion for improving public-sector operations to initiate the inquiry (Eriksson & Kovalainen, 2008; Herr & Anderson, 2005 Merriam & Tisdell, 2016). Being a civil servant allowed me easier access to participants and an internal perspective on the information and feelings shared. I mitigated my bias by choosing participants not employed by the same organization as myself. Additionally, I did not have any previous professional and personal contact with the selected individuals.

**Setting and Participants**

This study specifically focused on employees of California State public-sector organizations. The location of this study was Sacramento, California. Sacramento is the State Capitol, and therefore, the site of most the main headquarters of the various State Governmental organizations. The State of California is currently the sixth-largest economy in the world and employs a total of 232,328 employees with 77,991 in the City of Sacramento (California State Controller, 2020). Eight executive elected leaders lead the state, including a governor. There are nine specific officers or commissions and 11 agencies reporting to the Governor. Each Agency has a different number of Departments or Organizations reporting under its leadership structure (The California Directory, 2020). Appendix A contains the full organizational chart. The agency structure is in place for mainly oversight purposes, as each organization operates as an autonomous entity for its day-to-day operations. All organizations in the California state system run with similar rules and regulations that contribute to comparable organizational cultures.

State of California employees or civil servants fall into two main categories based on their union representation status: rank and file and excluded. The rank and file employees are those employees who have collective bargaining rights under the Ralph C. Dills Act (Dills Act),
and conversely excluded employees do not (CalHR, 2020). Additionally, rank and file employees are those who are not in a leadership role within their organization.

**Target Population**

The selection of a sample was a crucial step to the formation of a study’s methodology (Byrne, 2001; Creswell, 2011). When looking for participants within a qualitative study, Merriam and Tisdell (2016) stressed the importance of finding “information-rich” (p. 96) individuals. It was essential to the success of this study to ensure the individuals who participated had feelings and insights on the given topic. One of the ways to ensure individuals selected for this study could provide the needed perspective was to use criterion-based selection (Merriam and Tisdell, 2016; Patton, 2002). Therefore, I used the following criterion for selection of study participants: (a) aged 18 years or older, (b) currently work for a State of California governmental organization, (c) holds a rank and file or non-leadership position, and (d) have tenure with the State of California of four or more years. The precise criteria of the persons as employed by the State of California was important because the intention was to gain insight into employees of the state. To be employed full-time by the State of California, a person must be at least 18 years of age (Department of Industrial Relations, 2013); therefore, this is a needed criterion. Leadership roles come with certain decision-making authorities, and at times those roles are more oversight than completing the daily tasks. The choice of participants in non-leadership or rank and file positions was based on that majority of the employees within an organization are non-leadership, and those people who are closest to the work product. Gaining insight into motivating this population would best outcomes for an organization. Lastly, the tenure of employment is four or more years takes into account the natural decrease in
engagement employees' experience. Kular et al. (2008) connected engagement levels with an employee's willingness to be innovative and share improvement ideas.

Additionally, Brim (2002) and Truss et al. (2006) speak about the inverse relationship between a person's engagement levels and their length of tenure. Because this study was examining insights on methods that would motivate a majority of employees’ it was most appropriate to exclude those individuals who already have an increased willingness to share ideas due to their natural engagement level. The last criterion for this inquiry is that no two participants were currently working in the same organization. Participants who came from diversified workplaces allowed me to gain insights into a wider variety of environments within the state’s governmental organizations, which will allow for the recommendations formed through this inquiry to apply to the broader public-sector arena.

**Recruitment**

Recruitment proceeded using a purposive sampling strategy for this study. Purposeful sampling is useful when a researcher requires participants who have knowledge and interests in the specific topic or phenomenon under study (Creswell & Poth, 2017; Merriam & Tisdell, 2016). A purposive sample method can contribute to sample bias because the participants may not represent the entire population related to the study (Johnson & Christensen, 2014). Although bias is a risk, participants who self-select could provide the most informed group assembled for the topic under study. When an organization seeks input and ideas from the employees, the organization does not expect 100% participation, but rather, a sub-set of staff is more likely to participate. Therefore, the self-selection component of this study represents a real-life scenario for participation.
I sent an email solicitation to various civil servant networking and professional groups and instructed interested individuals to use the information provided in the email to contact me. If a potential participant consented and met the established criteria, the participant and I agreed to an interview location and time. Through this sampling method and the application of the participants' criteria, I was able to gather a group of individuals who sufficiently represented the cultural and operational challenges to innovation outlined in Chapter 1.

Protection of Participants

It is essential for all participants in the study to feel comfortable with their level of involvement in the inquiry process as I asked the individuals to share their thoughts and feelings about the topics of the injury (Merriam & Tisdell, 2016). To protect the participants and to increase their comfort in sharing their thoughts and options, I took several steps. The informed consent form outlined all the potential costs and risks. Before collecting data, I reviewed the consent form and answered any questions about the study with any potential participants. For a copy of the informed consent, please see Appendix B.

The potential benefit of the study was to provide insights on methods to increase employee-led innovation. The outcome could benefit organizations through an increase in the innovative ideas shared by employees, the establishment of a cost-effective process improvement channel, and employees who are more engaged in the operations of the business. There were no monetary costs to participants for participation in this study. The time cost for the participants was one hour.

An additional potential risk outlined in the consent form was the loss of confidentiality. To mitigate the potential risk, I used numerical identifiers for all participants and did not include any personal identifiers. Files storage was on a password-protected personal phone and laptop.
Furthermore, the informed consent form included that participants had the option not to answer any questions during any point of the study. Overall, I gave the participants every opportunity to be in a comfortable and safe environment while they shared their perspectives on the workplace.

**Data Collection**

In the generic qualitative study, the data collection tool was a series of semi-structured interviews. Interviews are well suited for this design because the participant can reveal how their experiences and environment affect their thoughts and behaviors (Merriam, 2009). Because this specific inquiry concerned insights on employees’ motivations and hindrances, interviews were the best-suited methods to collect these data. Eriksson and Kovalainen (2015) asserted that business researchers use semi-structured interviews as the most appropriate form of interviewing. Semi-structured interviews allowed me to use themes to guide the interview rather than a strict list of questions, which creates a more informal setting (Eriksson & Kovalainen, 2015; Merriam & Tisdell, 2016). An informal more conversational atmosphere allowed the participants to be comfortable with sharing personal feelings on why they would or would not communicate innovative ideas to their organization. There were 12 participants for this study. When selecting a sample size, the researcher must look for a minimum number of people who might represent the population and the topic under study (Byrne, 2001; Patton, 1990). Merriam (2002) suggested collecting a sample to support data saturation, i.e., the point when the researcher “sees or hears the same things over and over again, and no new information surfaces as you collect more data” (p. 26). Having 12 participants, who were from various organizations, allowed me to collect on a broad range of thoughts and experiences. Moreover, there were enough data from a large enough group such that data saturation occurred during the analysis.
Interviews

I used a single data collection method for this study. Percy et al. (2015) suggested that generic qualitative research is mainly concerned with exploring the lived experiences of the subjects; furthermore, Percy et al. stated that semi-structured interviews are an appropriate method to gaining unobservable information. The semi-structured interview method allowed participants to relax and be comfortable with myself and the questions. To maintain an informal atmosphere, I completed all interviews in face-to-face contact and at the location of the participant’s choice. I followed the "responsive interview model" (Rubin & Rubin, 2011, p. 38). This model allowed for the interviews to proceed in a conversational style but using an initial interview protocol (Appendix C) to guide the discussion. Using this method, I asked follow-up or probing questions after the interviewees' responses.

Data Analysis

According to Houghton, Murphy, Shaw, and Casey (2015), data analysis starts while collecting data. In addition to the audio recording and the subsequent transcription of the responses, the interviewer documented preliminary thoughts and themes (Saldaña, 2009). After transcribing the audio files, I engaged in coding and the theming of the data in two cycles. Using two distinct cycles and methods allowed for data organization and analysis using different perspectives and purposes (Eriksson & Kovalainen, 2015; Rubin & Rubin, 2011; Saldaña, 2009). The process allowed me to gain deeper insight and understanding of the connections among and different data sets collected.

First Cycle Analysis

In the first cycle of analysis, I used initial (Saldaña, 2009) or open coding (Rubin & Rubin, 2011). Initial coding allows a researcher to become familiar with the data and
complements a second cycle analysis method. In the initial coding, the data were reviewed and broken down into parts or codes; then, each code is compared to one another (Strauss & Corbin, 1998). It was essential during this first cycle for me to review all data with an open mind and allow the codes to form naturally (Merriam & Tisdell, 2016; Rubin & Rubin, 2011; Saldaña, 2009). Because a transcription service documented the audio files, the use of initial coding allowed me to review the data in-depth and to uncover nuanced information (Saldaña, 2009). The initial codes formed during the first cycle moved into the second round of analysis for deeper reflection.

**Second Cycle Analysis**

Saldaña (2009) suggested that the primary goal of a second-round analysis is to reorganize the coded data to form categories. For this study, the second cycle included a focused coding method. This method is complementary to the first cycle method of initial coding, in that the codes formed then form categories or themes. When identifying the themes, I was cautious about establishing the connections between codes first and identifying the themes (Rubin & Rubin, 2011; Saldaña, 2009). The process supported that the data and not my personal thoughts drive the theme-making. The overall purpose of the study was to identify methods or environmental elements that would encourage employees to share innovative ideas. Implementing these coding and theming methods allowed my insights to be naturally uncovered using the data.

**Causality, Trustworthiness, and Ethical Considerations**

Researchers establish trustworthiness through the reliability and validity of the data and ethical manner of the data collection process (Merriam & Tisdell, 2016). Using an interview guide for each interview and having that the interview guide reviewed are best practices for
qualitative business research (Eriksson & Kovalainen, 2015). The interview protocol and a test run of the protocol ensured the data were pertinent to the subject studied and collected fairly and ethically. Another way to increase the trustworthiness of a research study is to maintain full transparency during data collection and analysis (Merriam & Tisdell, 2016). My transcribed the audio files, notes, and coding documentation were kept in a secure location for review as needed.

Because there was no possibility for triangulation of data for this study, I increased the validity of the findings through the use of a peer reviewer, and subsequently, the themes emerged from various sources due to the multiple reviewers. Merriam and Tisdell (2016) stated that qualitative research requires the researcher to interpret the data collected, and working with an individual as a reviewer who is semi-familiar with the study methodology and setting can increase the validity of the findings. I leveraged this technique by having a peer doctoral student and public-sector employee review all codes and themes created by myself. Lastly, I validated the themes and recommendations using the multiple accounts documented across the interviews. Rubin and Rubin (2011) described increasing the reliability of findings from qualitative studies through the collection of similar perspectives from various sources.

As previously addressed, the protection of the privacy of the participants was an essential component of the design and methodology and a primary ethical consideration. For participants to trust the process and share freely, they should be able to expect that I will hold their ideas and feelings confidentially such that the responses will not be used against them later. To diminish any concerns, interview recordings contained only non-name identifiers for the participants. Additionally, the study contains only results presented in summary form with no identifiable direct quotes.
Limitations

One of the limitations of this inquiry was the single data collection method. The sole data collection method of semi-structured interviews does limit the cross-referencing or triangulation of data. Although the single data collection limits the study, the selected data collection method was an appropriate form for information gathering for the subject studied. The small sample size was another limitation of the study. Only 12 individuals participated, and the possibility exists that they do not represent the thousands employed by the State of California. There is no guarantee that the methods used in this research are replicable in a different work environment. Because the goal of the study was to uncover broad insights without defining a specific process, the other researchers might find the results as transferable and applicable in other public-sector organizations. Lastly, there is a limitation concerning my proximity to the work environment. Although there are positives and strengths through insider status, there was the potential for bias. The three approaches used could reduce the possibility for bias: (a) the use of outside transcription services for interviews, (b) a second coder to review all codes and themes, and (c) two-cycle coding process.

Chapter Summary

The overarching goal of this inquiry was to gain insight on the elements needed for a public-sector organization to foster a culture of employee-led innovation. In Chapter 3, I described the inquiry approach and methodology, which allowed me to achieve the stated goals. In addition, the chapter contains a description of the study participants, data collection plan, and analysis methods. Lastly, an explanation of trustworthiness included an explanation of the validity, ethical considerations, and limitations of the study. Chapter 4 contains the findings and presentation of results.
CHAPTER 4: DATA COLLECTION AND ANALYSIS

The purpose of this study was to: (a) review current efforts of California public-sector organizations in fostering employee-led innovation; and (b) to gain insight on potential methods in fostering a culture of employee-led service innovation. The overall objective of this inquiry was to provide critical insight into the factors which increase employee motivations to contribute to innovative process improvements. The research questions guiding this generic qualitative study were:

- What perceptions do public-sector employees have of their organization’s current practices in fostering employee-led innovation?
- How do public-sector employees view the usefulness of their organization’s current efforts to foster employee-led service innovation?

This chapter consists of a presentation of the findings, which begins with an overview of the study participants, and data collection, and analysis. The subsequent sections contain a review of the themes which emerged during the data analysis phase.

*Figure 2. Data analysis themes*
Several themes emerged during the data analysis (Figure 2). The first theme discussed is the lack of engagement in the existing formal process for the submission of employee ideas. The remaining four themes in the following sections are: (a) transparency in the process of sharing ideas and what is needed to feel motivated to participate in a formal submission process; (b) recognition and follow up including which types of follow up, and recognition are needed to feel the idea submission was worth the effort; (c) safe space including what needs to be present within the process for employees to feel safe to participate; and (d) organizational buy-in including the need for encouragement and demonstrated support from all levels of leadership.

**Participant Overview**

The participant selection and recruitment followed the procedures and guidelines in Chapter 3. I found that data saturation was achieved after analyzing the 12th participant interview. The criteria for participation were individuals who were (a) aged 18 years or older, (b) currently working for a State of California governmental organization, (c) in a rank and file or non-leadership position, (d) tenured with the State of California of four or more years, and (e) willing to participate in this study. The twelve participants who comprised the study’s participant group were six women and six men, stemming from eleven different California state organizations. The participants were assigned an identifier to keep their identities private. Therefore, pseudonyms rather than actual names reference the participants throughout the study. Table 1 displays an overview of the participant demographics, including gender and primary job function.
Table 1
*Participant Demographics*

<table>
<thead>
<tr>
<th>Participant Pseudonym</th>
<th>Gender</th>
<th>Primary Functional Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Female</td>
<td>General Analyst</td>
</tr>
<tr>
<td>P2</td>
<td>Male</td>
<td>Financial Analyst</td>
</tr>
<tr>
<td>P3</td>
<td>Male</td>
<td>Human Resource Analyst</td>
</tr>
<tr>
<td>P4</td>
<td>Female</td>
<td>Trainer</td>
</tr>
<tr>
<td>P5</td>
<td>Male</td>
<td>Strategic Planning</td>
</tr>
<tr>
<td>P6</td>
<td>Female</td>
<td>Technology Specialist</td>
</tr>
<tr>
<td>P7</td>
<td>Male</td>
<td>Social Service Provider</td>
</tr>
<tr>
<td>P8</td>
<td>Male</td>
<td>Technology Specialist</td>
</tr>
<tr>
<td>P9</td>
<td>Female</td>
<td>Administrative Support</td>
</tr>
<tr>
<td>P10</td>
<td>Male</td>
<td>Technology Specialist</td>
</tr>
<tr>
<td>P11</td>
<td>Female</td>
<td>Contract Analyst</td>
</tr>
<tr>
<td>P12</td>
<td>Female</td>
<td>Policy Analyst</td>
</tr>
</tbody>
</table>

**Research Methodology and Data Analysis**

The study was a generic qualitative research design and methodology. The goal of the analysis was to explore the lived experience of the participants (Percy et al. 2015; Merriam, 2009) and use the information collected to help define the environmental elements which foster employee-led service innovation within a public-sector organization. The analysis portion of the study included a continuous a two-step continuous coding process.
Figure 3 provides an overview of the analysis process in the application. I collected the raw data during 12 face to face semi-structured interviews. After completion of an interview, I forwarded the audio transcript to a professional subscription service that transcribed the audio file to a Microsoft Office Word document. Upon receipt of the transcript, I started the first-round coding process. The first round of coding was an initial or open coding method (Rubin & Rubin, 2011; Saldana, 2009). I read each transcript and captured an initial code for each of the participant responses. This process allowed me to spend time with each document and gain meaningful insights into the experiences and thoughts of the participants.

After completing the first round for all twelve transcripts, the second round of coding began. In this round, I clustered the initial codes clustered into broader over-arching themes. To support the quality and validity of the coding process after the themes emerged, a peer reviewer confirmed my findings. The peer reviewer and I met to review the feedback and the final themes.

**Review of Discovered Themes**

Five overarching themes resulted from the coding process: formal idea submission process, transparency, recognition, and follow up, safe space, and organizational buy-in. These themes guide the discussion in Chapter 5 and are foundational elements in providing insight into the environmental elements needed to increase an employee's willingness to share innovative ideas. Subsequently, the formation recommendations. Below is a review and detailed
Formal Idea Submission Process

One of the main points of interest for this study was to identify the different processes public-sector organizations use to collect ideas from their employees. Of the twelve participants representing eleven organizations, only seven knew of a formal idea submission process within their organization. Two of these participants were part of the same organization, which means of the eleven organizations represented by the data set; only six organizations had a formal idea submission process that was known by their employees.

During the initial coding process, participants described the various methods and processes their organizations used to collect ideas. After reviewing the various submission channels, such as informal meeting agenda items, suggestion boxes, and actual online submission portals, I formed this theme. During the data analysis, I determined that a formal submission process that includes not only the intake ideas but evaluation of these as well. Under this definition, the formal submission count did not include the informal meetings and random suggestion boxes. For additional information and direct quotes, see Table 2. Although seven of the participants did share that the organization used a formal submission process, this information does not give a complete picture. When asked to describe the process in detail, I observed participants struggling to remember the details of the process, and sometimes, the name of the process. One participant struggled so much to provide a description that they had to look up the information. In this example, there was a formal submission process which offered a substantial monetary reward for ideas the organization implemented. The participants’ lack of
knowledge of the processes demonstrates that some existing processes are not adopted into the
daily culture and operations of the organization.

Table 2
*Formal Idea Submission Process Theme*

<table>
<thead>
<tr>
<th>Participant Pseudonym</th>
<th>Direct Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>“There's always a suggestion box.”</td>
</tr>
<tr>
<td>P3</td>
<td>“I would say it's pretty informal. I don't know how many people... I'm very vocal, so if I do see something that we could do or something like that, I have a very open relationship with all of my chain of command, basically.”</td>
</tr>
<tr>
<td>P4</td>
<td>“In my current job there was a way to share ideas, and it was an online social networking for professional networking.”</td>
</tr>
<tr>
<td>P5</td>
<td>“We do not”</td>
</tr>
<tr>
<td>P6</td>
<td>“We have a system already, that I think is just like a submittal system where you submit your suggestion, and they actually have a payout program. If your suggestion gets implemented, you get cashed out for it. I'm trying to remember what it's called, just trying to look up the information about it.”</td>
</tr>
<tr>
<td>P7</td>
<td>“I haven't had any formal like this is where you come to bring your idea.”</td>
</tr>
<tr>
<td>P8</td>
<td>“At my current job, I'm not so sure there is. I mean our Executive Office has a thing called ask his name, and you can supposedly send him an anonymous email and he'll take it under consideration.”</td>
</tr>
<tr>
<td>P9</td>
<td>“All three of the agencies I've been in have suggestion box types of emails. If you have an idea, submit it.”</td>
</tr>
<tr>
<td>P11</td>
<td>“You can go online and put in recommendations, questions, anything you're thinking.”</td>
</tr>
<tr>
<td>P12</td>
<td>“So, my prior organization, we implemented a space to where people who work on the team can submit ideas to the process.”</td>
</tr>
</tbody>
</table>

An observation related to this theme is that of the seven employees who knew of a formal idea submission process, only two had used that channel to share an idea with their organization.
This observation emerged from the participants’ accounts of how they went about sharing an idea and how many used this opportunity to take part in the formal submission process. All the participants were able to describe an incident where they shared an idea they had with their organization. Participants 8 and 12 gave accounts of using the organization's formal submission process. Of these two, one had a negative experience when engaging in the process and stated they would not use it again. When asked further about the experience, this participant expressed frustration in how the process unfolded such that individuals might submit their idea to a senior leader and receive an encouraging response, and then find that others responded negatively. As the participant remarked, “he punted it to our (another senior leader).” The participant expressed that the leader did not genuinely consider the idea, and when the idea was discussed, it did not resemble what they had submitted originally. When asked what they would do in the future, this participant said they would share with their direct supervisor only. The response is consistent with those of the other participants in similar circumstances. Thus, among the twelve participants interviewed, only one suggested they would use the formal submission process to share an idea. The low participation in the submission process suggested a disconnect between the channels of idea submission offered versus the needs of the employees who might engage in the process. Table 3 contains quotes that reflect conclusions related to this observation. The participants' preference for sharing with a direct supervisor versus using a submission channel aligns with the theme of the need for transparency in a submission process.
Transparency

When asked about the current processes used to submit or express ideas, and the ideal elements of an effective process, many of the participants spoke about needing some transparency in the process. The initial coding revealed it was not enough for the participants to know where to submit an idea. Some specific kinds of information the participants sought was related to these questions: Who is the person or persons evaluating the idea? Do these evaluators have any biases, such as rejecting an idea if it results in more work for them? What are the
criteria used to determine the viability of an idea? A review of the specific quotes shared is in Table 4.

Overall, participants wanted to know the pathway an idea takes from its submission to evaluation and the final decision. Most of the participants expressed that they were going above and beyond when sharing ideas. They viewed their activity as supporting business growth, but the sharing of ideas was outside the scope of their job duties. Additionally, when the participants described taking the extra step to share an idea, they explained the idea in a tone and manner as if they shared a physical part of themselves. Based on these expressions concerning the sharing of ideas, the participants demonstrated a strong need to have their idea viewed fairly and respectfully. Having a transparent process was one of a few distinct themes that emerged concerning the treatment of ideas after they are submitted. Having transparency in a formal submission process should allow employees to track their idea through the process so that they know who is handling or reviewing it, and the outcomes that occur from their submission. Having this knowledge gives the submitter a sense of respect by being informed and having oversight to see if there was any mishandling of the submission. In addition to transparency, the participants need recognition and follow-up after submission, either through a process or direct submission to leadership.
<table>
<thead>
<tr>
<th>Participant Pseudonym</th>
<th>Direct Quote</th>
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<tbody>
<tr>
<td>P1</td>
<td>“I don't. I don't know if they have to go through management and be like what it could possibly do. I know some of them have gone through and we would try it and we would experiment with it, and be like, well at least we tried it. It didn't work. Or if it did work, okay we'll keep it. But yeah, I don't know where it goes from after it goes in the box.”</td>
</tr>
<tr>
<td>P3</td>
<td>“Yeah. Transparency and accountability is really... I think a lot of organizations have a perception problem, and it surrounds transparency and accountability. So, if you have ideas and then they're shot down without reasons given, then it kind of feels like people will just nay it for no reason. Right?.”</td>
</tr>
<tr>
<td>P4</td>
<td>“I thought that was really cool, because not only did people put ideas, they would update, they would put a message up when the idea was being taken to the committee for review. And then they would report back on what the committee decided, whether they were going to move forward, and how so. Or if they couldn't, and the reasons why. But yeah, we don't have that anymore.”</td>
</tr>
<tr>
<td>P5</td>
<td>“So the ideas don't just get generated and then they die off. But like there's some formal process where the maximum values kind of derived from those ideas … That's what's missing I think is-some type of committee that would on a semi regular basis help vet the ideas and things like that” “And then definitely some dedicated resources to that and some visibility.”</td>
</tr>
<tr>
<td>P6</td>
<td>“We have a system already, that I think is just like a submittal system where you submit your suggestion, and they actually have a payout program. If your suggestion gets implemented, you get cashed out for it. I'm trying to remember what it's called, just trying to look up the information about it.”</td>
</tr>
<tr>
<td>P7</td>
<td>“Basically what I'm saying is like the measurable and tracking things to me at least matter when there's little, when there has been no trust in terms of or there's like negative and you're trying to earn trust again after having broken it.”</td>
</tr>
<tr>
<td>P8</td>
<td>Researcher, “Would you want to know exactly who is evaluating your idea or where it's going?” P8, “Yeah, I would. I actually know I would. I definitely would want to know that.”</td>
</tr>
</tbody>
</table>
"Lots of communication. Kind of like the ________, like it's out there, but there's not really a lot of communication around it or transparency to see what's happening or what's coming out of those. And you know, just knowing who's making the changes and who to go to and seeing them or be aware of who they are."

**Recognition and Follow Up**

Participants expressed interest in the recognition of those individuals who submitted ideas and of follow-up on the outcome of the submission. Although the suggestions for the types of recognition and follow-up varied across participants, there was a consistently expressed need for these steps. As P4 expressed, "And since their idea wasn't accepted, or acknowledged, or adopted that rather than continuing to share ideas for process improvements, they're no longer doing that." Even when there were submission processes that had monetary awards attached, an interesting outcome was that the offering of that incentive was not enough for the participants to engage in the process. The participants considered the processes for monetary rewards as too impersonal. The opportunity to be paid for an idea did not outweigh the desire for specific recognition and feedback.

Additionally, many participants indicated that knowing that others received recognition for submission could encourage them to share an idea. Table 5 shows additional quotes that support the recognition and follow-up theme. Recognition and follow-up relate to needs for transparency; employees desire to know who is viewing their submissions as a sign of respect for going beyond job requirements to engage with the organization. These activities and the mentions of a transparent process leads to another central theme: creating a safe space for people to share ideas.
<table>
<thead>
<tr>
<th>Participant Pseudonym</th>
<th>Direct Quote</th>
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</thead>
<tbody>
<tr>
<td>P1</td>
<td>“Or maybe even a reward or an acknowledgement, I think would be nice. And you'd probably get more suggestions than what's in the box.”</td>
</tr>
<tr>
<td>P2</td>
<td>“So as long as they're acknowledging that at the highest level, which they always do.”</td>
</tr>
<tr>
<td>P3</td>
<td>“It would make me more likely to share, because it's acknowledging, I think, that we have an open dialogue, a two-way street of communication and ideas, and that it's valued if that message is acted upon.”</td>
</tr>
</tbody>
</table>
| P4                    | “I thought that was really cool, because not only did people put ideas, they would update, they would put a message up when the idea was being taken to the committee for review.”  
“So my biggest thing would be, actually follow through and act on the suggestions that you're getting, and then recognize the people who are giving good ideas, and make it a positive thing.” |
| P5                    | “Getting some resolution in some fashion.”                                                                                                 |
| P6                    | “Usually they say who made the suggestion, and then if any or all of it was implemented, they'll detail what parts of it or how much of it was implemented. If they have any results or numbers on it or data on it at that point, they'll share that data as well. Then they'll tell us how much they made when they cashed them out, so that it's an incentive for more people to give ideas.” |
| P7                    | “If there's a way to show there's recognition and care without the measurement and tracking and I guess I'm fine with it, right? Because the whole reason for I want to track the process was just me saying I want to know that what I said actually goes somewhere, right?” |
| P8                    | “My direct supervisor and his supervisor, they're very open and honest and they take suggestions and so they're very open about it and they'll listen to what you have to say and if they think it's a good idea they'll push it up, but if they don't then they'll tell you why at least and be upfront about it.” |
| P9                    | “At least seeing their ideas grow and get looked into, which I think inspired others to participate as well. And promoting those people, because I think everybody wants to do well in their job.” |
Table 5 (continued)

<p>| | |</p>
<table>
<thead>
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<th></th>
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<tbody>
<tr>
<td>P10</td>
<td>“I think follow up be really helpful and that would help motivate it too. If you know what's going on versus presenting an idea and then not really hearing anything back about it.”</td>
</tr>
<tr>
<td>P11</td>
<td>“I think if it was shown maybe somewhere how, you know, this suggestion was made and now we have these and this was the answer to it. I don't know that everybody sees what comes out of people using that process. So I think if people were to see what came out of it would be more real and not just seem like people could complain or talk or put in suggestions to like an empty abyss and nothing ever happened.”</td>
</tr>
<tr>
<td>P12</td>
<td>“Following up on things that maybe weren't applicable to what they were trying to accomplish, but still, that's kind of the voice of the people. They want to be heard, and you should address their concerns.”</td>
</tr>
</tbody>
</table>

**Safe Space**

In addition to mentioning specific steps in the submission process, the participants also expressed that safety established when sharing ideas. Repeatedly, participants expressed an interest in having environmental and cultural conditions to support them in the process of submitting an idea. The initial codes which lead to this theme were: fear of retaliation from leadership for bypassing them and creating more work, resentment of other business areas for airing concerns, negative reception of ideas that are submitted and shared in a public forum, and creating a sharing space that is not private or personal enough. When reviewing these codes, I grouped them as related to the creation of a perceived safe space to share thoughts and ideas. Table 6 contains details for further information from the participants related to the theme.

Similar to the observations made with the number of participants who used the formal submission process, I found a specific element of the safe space concept as mentioned frequently enough to merit the theme of organizational buy-in.
Table 6  
Safe Space Theme

<table>
<thead>
<tr>
<th>Participant Pseudonym</th>
<th>Direct Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>“If it wasn't in public or if there wasn't other people that could downgrade my ideas, I would probably have more ideas or share more ideas of what I would have.”</td>
</tr>
<tr>
<td>P2</td>
<td>“A lot of people, they're not comfortable suggesting their ideas out in the open like that, but if you're in an office or a small conference room where doors are closed, no one can really hear, and then they'll open up.”</td>
</tr>
<tr>
<td>P3</td>
<td>“I think making it a safer space for those kinds of ideas, really cultivating that.”</td>
</tr>
<tr>
<td>P5</td>
<td>“So someone again from that sponsorship perspective, someone that's willing to promote it and encourage it. Create that safety, a sense of safety around people participating.”</td>
</tr>
<tr>
<td>P7</td>
<td>“You have to have changed management or innovation oriented or open door policy oriented management that can deal with the natural issues of people not wanting to be forthcoming. People see in retaliation, people feeling like their ideas are not heard.”</td>
</tr>
<tr>
<td>P10</td>
<td>“I don't know, that one on one instead of having the team meeting, like you have the team meeting and talk about technical stuff and whatnot. But the one on ones, you can talk about technical stuff, but you can also talk about other things. I don't know, it makes me feel a little guilty or whatnot, putting work off on other people.”</td>
</tr>
<tr>
<td>P11</td>
<td>“I think it's more personal and I have a good rapport with my leadership. So I tend to be more comfortable to go to them, and then, I don't know, just typing something up on a website, it doesn't seem very personal.”</td>
</tr>
<tr>
<td>P12</td>
<td>“A lot of people express the need for some sort of safe environment to share an idea, so they sometimes create that space between their manager and themselves, so it's a more private thing.”</td>
</tr>
</tbody>
</table>

**Organizational Buy-In**

Encouragement and support from all levels of leadership contribute to the idea of a safe space, and the participants mentioned these issues often enough to justify a theme. This final
theme reflects the need for continual expression support and engagement for the sharing of ideas. Participants expressed that not only does the organization need to appear to support the behavior, but leadership at all levels should promote and embrace the culture as well. My initial codes which lead to this grouping were discussed by participates and included: (a) middle management stopping the promotion of ideas, (b) leadership seeing idea submissions as bypassing the chain of command, (b) fear of management seeing idea formation as not being productive, (d) the willingness of the recognition to implement valid and useful ideas, and (e) the formation and sharing of ideas to be seen as part of the employees’ responsibilities. The significance and importance of the theme increased as all the participants expressed they were more inclined to share it with their direct supervisors than with others. Table 7 displays additional support and context for this theme.

Table 7
Organizational Buy-In Theme

<table>
<thead>
<tr>
<th>Participant Pseudonym</th>
<th>Direct Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>“I think if I had that encouragement and that bond between the higher leader, yeah, I think it would be better.”</td>
</tr>
<tr>
<td>P2</td>
<td>“I didn't want to ruffle any feathers, because that agency has been known for, &quot;This is how we've been doing it for years and years and years,&quot; and they don't want to rock the boat. They don't want to break a cycle, even if it does end up being something that saves them time or maybe eliminates a process, shrinks it or saves money in the long run.”</td>
</tr>
<tr>
<td>P3</td>
<td>“We've done Lean Six Sigma, leaning all of our processes, getting everybody trained. And I think that that kind of has a way of promoting your thoughts, your ideas matter. So, I think it is kind of formally inducted into our culture a bit.”</td>
</tr>
</tbody>
</table>
Table 7 (continued)

<table>
<thead>
<tr>
<th></th>
<th>Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>P4</td>
<td>“It really has to be an initiative through leadership to support it within an organization, for people to actually be given the time to go and participate in.”</td>
</tr>
<tr>
<td>P8</td>
<td>“I could tell she wasn't having any of it. So, I was like, oh that's the last time I'm going to do that. Because I could tell she really doesn't care.”</td>
</tr>
<tr>
<td>P9</td>
<td>“So having that additional level of support from... It's not exec down. It's exec, your chief, your immediate supervisor, all being supportive in you taking the time to do your work and present a quality suggestion.”</td>
</tr>
<tr>
<td>P10</td>
<td>“No one wanted to present anything because they knew they were going to get hit with a hundred questions and it wasn't positive at all. There was no backing from the management and even then, if it had to go above her, she would just pretty much shoot it down because she didn't want to want to, as she would say, rock the boat. That was a big thing.”</td>
</tr>
<tr>
<td>P11</td>
<td>“I guess if everybody, I mean I think when you reach out to other areas you think maybe there'll be a little offended if you're requesting or suggesting changes to them? So maybe if organizationally as a whole there was something available that says, &quot;Let us know if you think anything can be done better in these areas. We're happy to entertain those ideas.&quot;</td>
</tr>
<tr>
<td>P12</td>
<td>“It lacked kind of the visibility of senior management, which I think is important because, in some instances, the buck kind of stops there, where to make really big changes, you need kind of that senior level leadership to be involved in it.”</td>
</tr>
</tbody>
</table>

**Data Analysis and Findings**

Through the first part of the data analysis, the following themes emerged: formal idea submission process, transparency, recognition and follow up, safe space, and organizational buy-in. These themes represent the stories, experiences, and perspectives of public-sector employees who shared ideas with their organizations. My observations and reflections are a complement to the data analysis. I reflected these findings through the lens of the guiding inquiry questions. These findings subsequently informed the recommendations in Chapter 5.
Organizations’ Current Practices

The first guiding question was: what perceptions do public-sector employees have of their organization’s current practices in fostering employee-led innovation? The first observation made is that although only half of the employees expressed knowledge of a formal submission process, they knew little of the backend of the process. They were unaware of who reviewed the submissions, and the criteria for evaluation of ideas. Additionally, many remarked they had received little feedback on whether the idea was implementable and the reasons it might not be. This lack of information also exists for employees who shared with their direct supervisors except when the supervisor had decision-making authority to implement an idea. The distinction between these circumstances becomes interesting when combined with the participants’ preference for sharing ideas with a direct supervisor versus using a formal submission process. Moreover, using a channel with current leaders aligns well with the themes of transparency, recognition and follow-up, and safe space.

The preference for sharing ideas with direct leadership rather than through a formal submission process leads to a discussion of the power balance in the employee-manager relationship. Participants expressed the need for a safe space and organizational buy-in to encourage their willingness to share ideas. Therefore, elements such as trust and open communication should be present in relationships with direct managers. Participants related some experiences of choosing not to share ideas. Most of these instances concerned leaders whom participants viewed as untrustworthy or critical in the reception of new ideas.

As for the participants’ perceptions of how their organization encourages the sharing of ideas, most did not know of any formal marketing or engagement efforts. The majority of the employees could only recall a few verbal announcements and encouragements from the direct
leadership chain. Examples of encouragement were announcements at team or division meetings, informational webpages on the organization’s intranet site, and emails from senior leaders. This lack of formal organizational push to share ideas and use the formal submission process conflicts with the theme of organizational buy-in and a safe space. Employees expressed concerns about offending their managers in the chain as well as those in other business areas if these leaders perceived the ideas as airing problems and creating more work. Without top-down communications encouraging and promoting a culture of innovation, many employees felt uncomfortable or not required to share their thoughts and solutions.

Other observations reflected the perceptions of participants concerning the use of a public forum for idea solicitation and evaluation. For most of the participants, the practice of soliciting ideas through large meetings and online forums served as a deterrent for sharing. Two participants did not mind submitting an idea to a public forum, but the majority of the participants found it as an impediment. A third participant discussed how the public forum used at their organization was only helpful if the idea submitter was properly guided and trained on making a pitch, which they currently were not. An outcome of the data analysis revealed that employees preferred transparency in the submission process, and using public forums for idea submission or evaluation countered the sense of a safe space. This outcome leads to an observation concerning the need for a balance between the sharing of information and maintaining a safe and productive space for employees to operate.

Usefulness of Current Efforts

The second and final guiding question was: how do public-sector employees view the usefulness of their organization’s current efforts to foster employee-led service innovation? The most striking observation on the perceived usefulness of the organizations’ efforts is that half of
the organizations represented did not have formal submission channels for ideas. Of the seven organizations with formal submission processes, only two of those participants had used the process to submit an idea. Of the two participants who used their organization’s submission process, one was satisfied with the experience, and the other was not. The outcome is that one of the 12 interviewees had the opportunity and willingness to use a formal submission process to share an idea.

The negative experience of the participants who used the organizational submission process included that after submitting their idea, the organization’s senior leader shifted the submission to another executive-level leader. The leader who secondarily received the idea responded to it with a generic dismissal. The transferring of an idea from person-to-person led employees to believe that the leaders were escaping accountability for giving feedback on an idea. Although a system was in place for submitting ideas with transparency, the response was generic, such that the employee perceived no safety, and organizational buy-in.

Among the instances of employees sharing ideas with their direct leadership, these submissions were not due to organizational effort and a purposeful process. Therefore, episodes unattributed to a useful organizational effort. An additional observation is that all ideas shared with direct managers were ideas on innovations for the particular team’s work, and not at an enterprise level. Although this study did not differentiate the type of ideas shared, it is interesting that all the ideas were limited in subject matter, and the true benefits might not be achieved if ideas are of similar scope.

**Chapter Summary**

Chapter 4 included the outcome of the data analysis, which was a synthesis of the participants' expressed opinions, attitudes, and experiences. My analysis provided insights into
environmental elements that could motivate the sharing of innovative ideas with an organization. After collecting and analyzing the data, five major themes emerged: formal idea submission process, transparency, recognition and follow-up, safe space, and organizational buy-in. I used these themes to review the findings through the lens of the inquiry questions. Chapter 5 contains the conclusions of the study and a discussion of the interpretations, reflections, and recommendations.
CHAPTER 5: DISCUSSION AND RECOMMENDATIONS

Governmental organizations should modernize the conducting business using current technologies to create a paradigm shift from a monopoly of service to a service provider (Newsom, 2014). To support the transition, there is considerable research concerning organizations seeking innovative ideas and process improvements from front line staff (Kunz & Linder, 2015; Stewart-Weeks & Kastelle, 2015). A need for a rapid pace for innovation is pertinent to contemporary events such as the recent outbreak of the COVID-19 pandemic. These crisis events expose public-sector organizations such as the State of California organizations, as unprepared to shift swiftly in changing business environments while maintaining services. Although California State leaders recognized the need for State organizations to develop plans for teleworking back in 2010, the March 2020 Emergency Declaration showed that the state had made little progress in this area (Venteicher, 2020). Because employees have the most insight into ways to improve or modernize business, organizations should solicit their feedback when trying to innovate operations. The aim of this study was to describe the experiences of front-line employees concerning the processes to solicit and access ideas with the potential for improving the process. The outcomes could provide strategies to increase employee willingness to share.

Initially, the design for this study was an action research using a design thinking approach to allow employees of a specific California State governmental organization to share their views on how to encourage and collect innovative ideas. I began engaging with senior leaders over a year to secure support for a specific study site. The process of securing an organization to study proved to be a challenge, and ultimately led to the conclusion that a detailed qualitative study might produce a description of the current state of idea submission in
California public-sector organizations. For example, when I started discussions with senior leaders, many expressed that their organization had sufficient culture and processes in place to solicit and collect ideas from the staff. Those who did express concerns about their processes included the processes collected ideas concerning culture more so than about innovations. If a senior leader agreed to facilitate an opportunity to do the project, the leader often passed me to another leader, and the process began again. After many months of follow-up without responses, I moved the efforts to other organizations. This cycle continued for over a year without success. I then realized that the first step could be to elicit employees’ responses and focus on those concerning the need for change rather than the ambitious goal of integrating design thinking and innovation into the daily culture and ongoing operations of a public-sector organization.

This report began with a review of the purpose and significance of the study in Chapter 1. Chapter 2 included a review of the literature on the historical perspectives of the public-sector organizations and theories that could influence the collection, evaluation, and implementation of innovations. Chapter 3 consisted of the details of the data collection methodology and procedures that underlie the presentation of the analysis process and outcomes in Chapter 4. This chapter concludes the study with a review of the project, discussion of the findings regarding the previously reviewed literature and theories, and additional reflections on implications and further research.

**Summary of Study**

Traditionally, public-sector organizations have not operated under the pressure to keep up with changes in technology and operational processes. When questioned about the delay in modernizing, public-sector organizations have cited financial, legal, and risk management obligations as barriers to change and innovation (Kaul, 1997; Stewart-Weeks & Kastelle, 2015).
This standard mode of operation is now being challenged and changed in various states across the US including California, Colorado, Illinois, Minnesota, and Washington (Government Innovation Awards, 2019; Government Innovation Awards, 2018; Illinois Government Innovation Academy, 2019; State of Colorado, 2018).

To address these ongoing challenges, public-sector organizations require a new way to source ideas on how to improve business and solutions to operational problems. The method of organizational innovation is a strategy commonly used. Employee-led innovation is the strategy of leveraging the knowledge and experience of those people immersed in the operations of the business. This approach to innovation includes the promotion, creation, and submission of these employees’ ideas on how to improve the process and products delivered. Front-line employees have the most exposure and experience working with operational processes; thus, innovations inspired from the bottom up can be more impactful and provide long-term solutions (Kunz & Linder, 2015; Stewart-Weeks & Kastelle, 2015).

The study aims were to review current efforts of California public-sector organizations in fostering employee-led innovation and gain insight into potential methods for fostering a culture of employee-led service innovation. The overall objective of this inquiry was to provide explanatory insights into the factors which increase employees’ contributes to innovative process improvements. Additionally, I used the following guiding questions:

- What perceptions do public-sector employees have of their organization’s current practices in fostering employee-led innovation?

- How do public-sector employees view the usefulness of their organization’s current efforts to foster employee-led service innovation?

I leveraged theories concerning public-sector innovation (Walker et al., 2011), more specifically service innovation (Vargo & Lusch, 2004), as well as Lewin’s unfreeze/freeze
change management (Harper, 2017; Nixon, 2004), and design thinking (Brown, 2009) to guide and provide a deeper understanding of the elements needed within organizations to foster the sharing of innovations.

The design and methodology were consistent with a generic qualitative inquiry; I used semi-structured interviews with a purposive sample of participants to collect the data. All participants were aged 18 years or older and worked for a State of California governmental organization in rank and file or non-leadership positions, and who had tenure with the State of California of four or more years. Twelve participants, representing eleven California public-sector organizations, were interviewed by me. After conducting the interviews and transcribing the data, I engaged in a two-step coding process, which led to overarching themes. To increase the validity of the data analysis process, a peer reviewer assisted in confirming the findings. The use of these themes led to the formation of recommendations.

**Discussion of Findings**

Through the data analysis, the following themes were determined: formal idea submission process, transparency, recognition, and follow up, safe space, and organizational buy-in. These themes support the public-sector employees’ narratives concerning their experiences and perspectives of sharing ideas with their organization. The presentation of findings consists of two distinct discussions; the first is my reflections and interpretations of this study. Secondly, I used the information collected and the findings to make recommendations for public-sector organizations to increase employees' motivation to share ideas.

**Reflections**

When reviewing the conversations with senior leaders in public-sector organizations, I found that many expressed satisfaction with the idea submission processes that were in place as
well as the use of design thinking. These discussions were in contrast to the findings of this study, in which most of the employees interviewed knew little about formal idea submission processes. The contrast suggests a basis for this study because stakeholders in these organizations potentially gain insights into the adequacy of their efforts to obtain innovative ideas.

An unexpected finding concerns connections the interviewees made between being asked to share innovative ideas and requests for input into other aspects of the business. I revisit this observation in the discussion of recommendations, although it is interesting as a reflection as well. Employees viewed the requests for input as the same regardless of the intent of the requestor or the content expected. Thus, whether the request concerned culture, innovation, or any other idea, the employees' reactions were similar. Therefore, if leadership did not take input seriously or mishandled it, then the employees’ willingness to share was similarly diminished.

Through the review of employee experiences, it was clear they viewed the sharing of ideas as not required for their employment. In some cases, participants expressed that sharing problems or ideas to address problems are seen as airing others' weaknesses and issues. These opinions lead to a reflection on the need for leaders to reset the norms of the organization. Leveraging Lewin’s Change Model is essential for businesses to establish a healthy flow of ideas from employees. The formation and sharing of ideas should not be an extra task but should be a norm for the business.

The last reflection on the interviews is the difficulty all employees had with understanding the scope of the innovative ideas. Many of the interviewees started with ideas they had related to completing their assigned tasks; however, these do meet the concept of innovation. Even after I offered many prompts, the first examples the participants shared were
workarounds made while completing tasks, rather than more disruptive innovations. The result suggests a concern that even if a formal idea submission process is available, additional efforts are necessary to set expectations for the level of innovation.

**Recommendations**

The overall purpose of this study was to allow public-sector employees to voice their experiences and allow me to formulate explanatory insights on the factors which could increase employee contributes to innovation. The following recommendations originated using the themes identified in the data analysis and the discussion of the guiding inquiry questions above. These recommendations involve the elements needed in a formal submission process or organizational efforts to promote the use of a submission process.

![Figure 4. Recommendations](image)

The first recommendation is that most processes should be transparent and easy to use. Because many employees see the formation and sharing of innovative ideas as an effort beyond their required duties, the process of submitting an idea should be straightforward and not require tremendous effort. If an employee cannot find the submission channel information or finds the...
submission too cumbersome, their willingness to share could diminish. When asked about their organization's formal submission process, most of the employees had difficulty remembering the program titles, and even more so, the details of using the process. Additionally, the steps of the process should be well known and publicized. Lewin's change model supports transparency in the process; Lewin recommended allowing the submitter to remain involved while the idea moves through the various stages of evaluation and implementation (1947). Employees take the time to share their thoughts and solutions, and they consider these ideas as an extension of themselves. They prefer to remain informed about who is evaluating the idea, the timeline for evaluations, the criteria used, and the reasoning as to why the final decisions were made.

Knowing who is evaluating the ideas submitted is not enough for people to be willing to engage in the process. The people tasked with judging these ideas should be trustworthy and unbiased evaluators. The participants’ preference for sharing with trusted front-line leaders supports the conclusion above. Many participants expressed concerns about sharing ideas with some specific leaders because they expected these leaders might not assess the idea objectively and could be motivated to avoid offending other staff and creating more work. Lastly, the group or individuals reviewing the submitted ideas must have the authority to act. Many participants expressed frustration when they shared ideas, and no action followed. One idea that suggested by a few participants included the use of an innovation group or team to evaluate the ideas. Participants expressed that an innovation group could have the expertise to assess the viability and be unbiased if they are independent of the business area under scrutiny. Having an innovation group to evaluate ideas could help the idea submitters feel more comfortable than circumstances without independent evaluators. One of the primary guiding principles of design
thinking is for the team of innovators to remain unbiased and bring diverse perspectives (Brown, 2008; Brown, 2009; Brown & Wyatt, 2010; Liedtka, 2018).

The recommendation for providing meaningful and specific follow-up on ideas submitted is not just for an innovation process. Many of the participants described how the organization requested that they provide input to the organization in a variety of ways; these include surveys and overt engagement efforts. These employees did not differentiate requests for feedback on an organizational engagement survey versus submitting an innovation idea. Therefore, if the organization fails to follow-up and acknowledge responses in any of these communication channels, then employee motivation to share could decrease. The feedback given on an idea should be a private exchange and in a personal way. These processes do not necessarily mean that a face-to-face meeting must occur, but leaders should share the outcomes of submissions using specifics concerning the details of evaluations. The transparency of the process is related to the Lewin Change Model and the principle of keeping the idea submitter involved throughout the evaluation process (1947). These steps are consistent with recognizing the effort made and showing the respect due to the submitter.

Although there were many criticisms of public submission and evaluation of ideas, the time for a public discussion may be best when promoting the implemented ideas and recognizing the originator of that idea. Many of the participants were positive toward the information, and messaging co-workers received congratulating them on an idea. Additionally, these employees expressed valuing recognition over incentives. Even when asked about monetary compensation, most employees did not value receiving money as a replacement for recognition.

Beyond the elements identified for an idea submission process, the participants expressed an overwhelming need for an organizational culture that promotes and supports participation.
This culture entails communication and demonstrated support from all lines of leadership, not just executive-level staff. If employees do not perceive buy-in from all levels of leadership, they assume they risk management viewing them as not doing their job, and instead, that leaders might view their ideas as negative, skipping the chain of command, and creating more work rather than solving problems or growing the organization. Lewin includes these issues in the first step of the Change Model, as well as actively supporting people when they break away from the business as a usual mindset (Burnes, 2004). The supportive culture also entails the positive reception and constructive evaluation of ideas. Many of the participants described instances in which ideas are shared and criticized publicly by leaders. These occurrences created an untrusting environment for the participants, and subsequently, a negative effect on engaging in idea submissions.

**Implications**

The findings from the analysis addressed the study’s research questions and provided recommendations on how to increase employees' contributions to innovation. Beyond these findings, the results revealed several significant implications for the solicitation of innovative ideas from employees and the use of design thinking practices in governmental organizations.
Figure 5. Implications

Comparing the interview data and the information gathered during the effort of my original dissertation proposal showed a clear implication of the existence of a significant disconnect between employees needs to be comfortable sharing an idea and how the organization provides it. This gap between the needs of the employees and the leaders’ provisions was evident before the start of the research. While discussing the topic of design thinking with senior leaders, many spoke about how this approach was used in their workplaces, which included soliciting ideas for their front-line staff. These perceptions that senior leaders relayed before the study commenced were inconsistent with the experiences and information relayed by employees in the subsequent interviews. If there is a process or culture established, most employees were not aware, and in some cases, if they knew of processes, they did not trust or support the use of these. Showing the gap in perceptions between employees and leadership, created some inspiration because before organizations can empower staff to innovate, the discrepancy in views must be documented for the leaders.
Besides exposing the gap between what employees need versus what the organization provides, senior leaders suggested on the rare occasions when employees submitted ideas, these ideas are not about improving the business. Many ideas involved superficial work changes such as a juice bar or cleaning bike cages. Moreover, I had to continually prompt the interviewees to turn the discussion to submissions of innovative ideas; thus, supporting that most of the discussion involved ideas that are not truly consistent with innovation. The employees first thought was to talk about their responsibilities and cultural ideals.

An additional implication of this study is that no matter the perception of current leaders about the use of design thinking or innovation, leader engagement is not enough. When asked about organizational innovation and using design thinking approaches, leaders cited a five-month-long training in design thinking and innovation and that most employees receive training in LEAN White Belt and Human-Centered Design. However, these leaders did not recognize the benefits of these practices for advancing organizations or increasing the responsiveness to change. The recent COVID-19 pandemic illustrates the implications of these attitudes. The issued orders to Stay at Home for employees showed that all the governmental organizations were entirely unprepared to meet the request, in both a cultural and technological sense. As much as two decades ago, the state instructed governmental leaders to consider teleworking for their employees. Nonetheless, in 2020, the institutions had no telework plans nor the proper technology, although both the technology and the best practices are available in the marketplace. Human-centered design and innovation practices are mentalities used to approach challenges and workload. These practices take a commitment of all parties involved to execute these fully; it is clear that this cultural shift and commitment are present in California state governmental organizations.
A final implication concerns the strength of organizational commitment needed to encourage innovative practices. Having a robust process is not enough to motivate staff to develop and share innovative ideas. When asked about examples of innovative ideas, the participants' responses showed a mindset that they are only responsible for problem-solving their work. They suggested it is outside their responsibilities to consider how they might better the organization as a whole. Although the recommendations from the study outline the type of cultural and process elements needed, the implication above suggests that a paradigm shift must occur before employees can identify with roles as innovators. People at all levels of the organization should understand that in addition to completing daily tasks, they are essential for problem-solving and improving the business. Leaders must also put aside a risk-averse mentality and create a culture where people are unafraid to fail. The task is not easy because the state government has traditionally operated in a mode where the decision-making authority equates to job level and pay grade. If governmental organizations pursue the benefits of having innovative practices, then they must accept some decision-making at all levels of the organization.

In times of crisis, we hear of people putting their heads together, or that the government deploys a task force. In most of those crises, the high-level leaders become the innovators. Why? Because they have the authority to make decisions and test out theories without going through several layers of approval. Innovation in state government should not be a practice that only happens in times of turmoil and by senior leaders. Innovation should be a daily occurrence carried out by all levels of staff. Only when these organizations fully embrace a culture of giving everyone some responsibility and authority to be innovative, will real innovation occur.
Areas of Further Study

The data collection method and the number of participants selected were sufficient for an explanatory study such as this. However, to expand on the findings and provide more insights, additional data collection methods could be useful in subsequent studies. In addition to the use of other methods, increasing the number of participants could provide a better representation of the California civil servant population. Additional studies to examine more public-sector organizations and develop a more extensive data set will allow for the segmentation of the data to determine whether there are differences between age, tenure, ethnicity, and occupation.

Future studies may also expand the data set to additional states because this study was limited to State of California employees. Although the scope of California public-sector organizations was sufficient in this study, additional information from other public-sector organizations could reveal whether circumstances outside of the work environment influence the employees' perceptions and needs. These studies could prove beneficial in identifying whether the environmental elements needed are sector or location-specific.

Additionally, one of the findings from this study not fully explored was the impact of having an innovation group on employees' willingness to submit ideas. A team of perceived experts who are evaluating ideas may support many of the recommendations of this study. Although the process should incorporate the recommended elements found through this study, other studies on this subject could inform how an innovation group might influence participation rates.

The last area for future study concerns the original design of this study, i.e., action research. In an action research study, a group of employees from a public-sector organization could work together to define best practices for the idea submission process. This group would
implement and evaluate the process in three iterated cycles. This design could include the Lewin change model and design thinking approaches.

Chapter Summary

The objective of this inquiry was to provide explanatory insight on the factors which increase employee motivations to contribute to innovative process improvements. The findings of this study revealed (a) a lack of engagement in the existing formal process for the submission of ideas, (b) the need for transparency in the process of sharing ideas, (c) recognition and follow-up on ideas submitted, (d) safe space for employees to feel comfortable to participate, and (e) organizational buy-in including demonstrated support from all levels of leadership. The findings led to recommendations for public-sector organizations to implement for increased participation in the sharing of ideas. These recommendations included having a transparent and easy to use process, working with trusted and unbiased idea elevators, providing specific and personal follow-up on all submissions, recognizing those whose ideas were implemented, and creating a culture that supports and promotes the innovation processes. Furthermore, the results implied that significant disconnects exist with (a) employees' needs for comfort when sharing an idea and their comfort with the existing processes, (b) insufficient efforts of current leaders to promote and execute innovation within their organizations, and (c) the need for a paradigm shift to culture and operations that support innovation at all levels of an organization. Lastly, findings identify and propose future research to help public-sector organizations gain meaningful insights into fostering a culture of employee-led innovation.
REFERENCES


International Organization for Standardization.


APPENDIX B: INFORMED CONSENT

Research Title: Innovation Within Regulations: Gaining Insight on Cultivating Employee-Led Innovation in California Public-Sector Organizations

Lead Researcher: Rebecca Franklin

Faculty Advisor: Dr. Brett Taylor Ed.D.

RESEARCH DESCRIPTION: Your consent is being requested to voluntarily participate in a research study on seeking insight on what environmental elements are needed within an organization’s culture to promote and encourage employee-led process level innovation. You will be asked to participate in one, possibly two, interviews on your feelings and perceptions on cultivating and sharing innovative ideas. All data collected will be done at a time and location of your choosing. It is at your discretion whether you would like to participate in this study.

TIME INVOLVEMENT: Your participation will take approximately one to two hours over the course of three months through your participation in (1-2) one-hour interviews.

RISKS AND BENEFITS: There have been minimal psychological and sociological risks identified to your participation in this study. In response to these risks, every effort will be made to maintain your confidentiality throughout this study. Additionally, you will always have the option to not answer any question being asked or terminate your participation. There are no foreseeable emotional, financial, legal, or physical risks associated with this study beyond those encountered in everyday life. We cannot and do not guarantee or promise that you will receive any benefits from this study. Your decision whether or not to participate in this study will not affect your employment status, performance, or any other benefits to which you are entitled.

COMPENSATION: You will receive no compensation for your participation.

PARTICIPANT’S RIGHTS: If you have read this form and have decided to participate in this research, you understand that your participation is entirely voluntary and your decision whether or not to participate will involve no penalty or loss of benefits to which you are otherwise entitled. If you decide to participate, you are free to discontinue participation at any time without penalty or loss of benefits to which you are otherwise entitled. You have the right to refuse to answer particular questions. The results of this research study may be presented at scientific or professional meetings or published in scientific journals. It is possible that we may decide that your participation in this research is not appropriate. If that happens, you will be dismissed from the study. In any event, we appreciate your willingness to participate in this research.
CONFIDENTIALITY: Every effort will be made to keep any information shared through the interviews confidential. Participants will be recorded with number identifiers rather than names for all interviews. During the interviews, an audio recording will be made and subsequent transcript for documentation purposes. Recordings be destroyed after transcription. Your responses to the interview will be kept strictly confidential, and digital data will be stored in secure computer files. Any report of this research that is made available to the public will not include your name or any other individual information by which you could be identified.

ADDITIONAL COSTS TO SUBJECT: There is no cost to you for participating in this study.

DISCLOSURE OF ANY CONFLICTS OF INTEREST: It shall be disclosed that the main researcher is employed by the State of California, although no individual identifying information will be shared at any point during the study.

CONTACT INFORMATION:

Questions: If you have any questions, concerns or complaints about this research, its procedures, risks and benefits, contact the Lead Researcher at [phone/email] or the Faculty Research Advisor, Dr. Brett Taylor at 916-325-4627 or btaylor@pacific.edu.

Independent Contact: If you are not satisfied with how this study is being conducted, or if you have any concerns, complaints, or general questions about the research or your rights as a participant, please contact Office of Research and Sponsored Programs to speak to someone independent of the research team at (209)-946-3903 or IRB@pacific.edu.

Appointment Contact: If you need to change your appointment, please contact Rebecca Franklin at 707-718-0310.

I hereby consent: (Indicate Yes or No)

To be audio recorded during this study.

___Yes  ___No

The extra copy of this signed and dated consent form is for you to keep.

Your signature below indicates that you have read and understand the information provided above, that you have been afforded the opportunity to ask, and have answered, any questions that you may have, that your participation is completely voluntary, that you understand that you may withdraw your consent and discontinue participation at any time without penalty or loss of
benefits to which you are otherwise entitled, that you will receive a copy of this form, and that you are not waiving any legal claims, rights or remedies.

SIGNATURE ___________________________ DATE _______________________

Research Study Participant (Print Name): ________________________________

Participant’s Representative (Print Name): ______________________________

Description of Representative’s Authority: ______________________________

Researcher Who Obtained Consent (Print Name): __________________________
APPENDIX C: INTERVIEW PROTOCOL

PARTICIPANT #: ____________________________
DATE: ____________________________
TIME: ____________________________
LOCATION: ____________________________
INTERVIEWER: ____________________________

INSTRUCTIONS
I’d like to thank you once again for being willing to participate in the interview aspect of my study. I am currently conducting a study that seeks to understand what organizational environmental elements are needed to increase the willingness of employees to share process-level innovative ideas. Ultimately, this research is to gain insightful approaches for organizations to encourage employees to be innovative and creative in their jobs. Our interview will last approximately one hour during. I will be asking about your current work environment, your willingness to share innovative ideas in your organization, and experiences you have had with innovation in the workplace. With your permission, I will be recording our conversation. I would like to focus on our conversation, the recording will be used to capture additional details missed during our conversation later.

You completed a consent form indicating that I have your permission (or not) to audio record our conversation.

Am I still allowed to record our conversation today? ___Yes ___No

• If yes: Thank you! Please let me know if at any point you want me to turn off the recorder or keep something you said off the record.
• If no: Thank you for letting me know. I will only take notes of our conversation.

Your comments will only be used for this study, and not made available outside of this research. At the conclusion of the study, the recordings will be deleted and not used for any future research. If any information from this interview is to be used for future work, I will request permission or request an additional interview.

Before we begin the interview, do you have any questions?

[Discuss questions]

If any questions (or other questions) arise at any point in this study, you can feel free to ask. I would be more than happy to answer your questions.
[Note: the researcher will use phrases such as “Tell me more”, “Could you give me an example?”, “Could you explain that?” as prompts to solicit more detailed information when needed.]

QUESTIONS

Introduction

1. To get started, I would like to know more about your work environment. Please describe the duties of your job, how long you have been in this role, things you like and dislike about your roles, and share thoughts of your leadership teams support of innovation.

Current Processes and Culture

2. Can you describe the process you would take to share an idea on improving a process or service? If there an overall organizational process where people can submit ideas?

3. Can you describe the ways your organization encourages its employees to develop and share process or service level improvements? If there any differences between your personal team versus the whole organization?

Personal Reflection

4. How do you feel about the processes and encouragement your organization uses to promote employee’s sharing innovative ideas? In what ways could it be improved?

5. Have you ever thought of a process-level improvement or innovation? What were the circumstances? Did you share it?
   • If so, how was your idea received? Was it implemented?
   • If not, what could have been done for you to want to share it?

Potential Improvements

6. Can you think of anything that your leadership team or the organization could do to increase your willingness to share creative and innovative ideas?