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**Employee-driven innovation. Unleashing the creative potential of employees in the cruise industry.**

Master's Thesis

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ABSTRACT OF THE MASTER'S THESIS

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<p>How could employees' knowledge and experience contribute toward the development of innovative solutions? And how could employees' everyday interactions with customers bring competitive advantage to a company?</p> <p>All employees possess an essential expertise that could help companies produce great ideas. However, in traditional hierarchical settings employees do not have the rights to make decisions and are unable to bring their ideas to the front of the innovation process. This is particularly true in the cruise industry, which is characterized by strong rules and a specific management style. This thesis contributes to the unleashing of employees' creative potential in the context of the cruise industry.</p> <p>The extensive literature review has identified the concept of employee-driven innovation (EDI). This concept aims to recognize ordinary employees and unleash their creative potential by providing the tools to innovate, an atmosphere to support the generation of ideas, and a work culture that enhances and encourages employee involvement.</p> <p>The main purpose of this study was to contribute to the development of the EDI at Royal Caribbean Cruises (RCL), the world's second biggest cruise line company. This study was conducted aboard the Oasis of the Seas by applying qualitative methodology. Particularly, interviews and design probes were used to gain deep insights into the lives of the crew, and to build a concept based on their needs.</p> <p>Based on these insights, seven guidelines for successful implementation of the EDI aboard the cruise ship were created. Implementing the guidelines would provide RCL the competitive advantage of successfully utilizing hidden knowledge about customers and contribute to its employees' well-being.</p>		
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# Table of Contents

- 1. Introduction..... 1
  - 1.1. Background ..... 1
  - 1.2. Research Gap and Research Questions..... 3
  - 1.3. Definitions..... 5
  - 1.4. Thesis structure ..... 5
- 2. Theoretical background ..... 6
  - 2.1. Emergence of employee-driven innovation .....7
    - 2.1.1. Prerequisites for EDI..... 7
    - 2.1.2. Historical overview ..... 10
    - 2.1.3. The concept of EDI ..... 12
    - 2.1.4. Levels of involvement and the process..... 16
    - 2.1.5. Benefits of EDI..... 21
  - 2.2. Employee-Driven Innovation: factors ..... 25
    - 2.2.1. Diversity ..... 26
    - 2.2.2. Creativity and workplace environment..... 28
    - 2.2.3. Workplace learning ..... 32
    - 2.2.4. Motivation and engagement ..... 34
    - 2.2.5. Co-creation ..... 37
  - 2.3. Practical implementation: useful examples ..... 39
    - 2.3.1. EDI in Airline Industry ..... 39
    - 2.3.2. EDI in Hotel Industry ..... 41
  - 2.4. Studying employee-driven innovation ..... 45
- 3. Case study Royal Caribbean International ..... 46
  - 3.1. Introduction..... 47
  - 3.2 Field research context ..... 50
  - 3.3. Methodology and Methods ..... 53
    - 3.3.1. Sample..... 56
    - 3.3.2. Gaining access ..... 57
    - 3.3.3. Interviews ..... 58
    - 3.3.4. Probes ..... 60
    - 3.3.5. Observations ..... 66
    - 3.3.6. Data analysis..... 68

4. Findings.....	75
4.1. Current state of employee-driven innovation in the Company.....	75
4.2. Possibilities for EDI implementation .....	77
4.3. Summary of findings.....	79
5. Discussion and conclusions .....	80
5.1. Creative potential of employees in the cruise industry.....	81
5.2. Practical implications.....	82
5.3. Evaluation of the study .....	94
5.4. Further research.....	96
5.5. Conclusions .....	97
References .....	99
Appendix .....	108

## **Figures**

- Figure 1. The research scope and the research gap
- Figure 2. Thesis structure
- Figure 3. Literature Map
- Figure 4. Ten types of innovation
- Figure 5. Interrelated elements of EDI
- Figure 6. Ideal type of the EDI organizational structure
- Figure 7. Sources of EDI
- Figure 8. Factors that influence EDI benefits
- Figure 9. EDI attributes
- Figure 10. Conceptual model underlying assessment of perception of the work environment for creativity
- Figure 11. Employee engagement model
- Figure 12. Four-step innovation process at Ritz-Carlton
- Figure 13. The map of senses
- Figure 14. Sample representation
- Figure 15. Diary content analysis process
- Figure 16. Affinity mapping process
- Figure 17. Combined analysis
- Figure 18. Current state of the EDI
- Figure 19. Findings related to the EDI implementation
- Figure 20. Employee-driven innovation guidelines
- Figure 21. Company vision strategy
- Figure 22. Supervisor-crew member professional roles
- Figure 23. Challenge example
- Figure 24. Proposed EDI system onboard the cruise ship
- Figure 25. Employee's appreciation

## **Tables**

- Table 1. Examples of chaordic frameworks at Ritz-Carlton
- Table 2. Employees interviewed
- Table 3. Probes participants
- Table 4. Probes content analysis

## **Pictures**

Picture 1. The Oasis of the Seas, Royal Caribbean International biggest ship

Picture 2. The route of the field research (was taken in reverse direction)

Picture 3. Participant is getting familiar with the diary

Picture 4. Probe kit

Picture 5. Disposable camera with instructions

Picture 6. I-95 Oasis of the Seas

Picture 7. Training for new comers

Picture 8. The ship tour

## **Abbreviations**

CEO Chief Executive Officer

EDI employee-driven innovation

EO entrepreneurial orientation

HCD human-centered design

HII high-involvement innovation

IWB innovative work behavior

JMT job methods training

LO Landsorganisationen i Danmark (The Danish Confederation of Trade Unions)

NCR National Cash Register

OA Oasis of the Seas

PBI practice-based innovation

QC quality circles

R&D Research and Development

RCL Royal Caribbean International

TWI training within industries



# 1. Introduction

*'Everyone is talking and writing about innovation'* (Vogel et al., 2005). Companies have recognized that in order to find a way to their customers and employees' hearts and minds, they have to innovate. Over the years, the understanding of innovation has been connected with creating new products (Schumpeter, 1934) and technologies (Mishra, Srinivasan, 2005) that would satisfy the customer and open new markets. In modern fast developing world creating the new product or service is not enough. The entire innovation system including business processes, core processes, product performance, services, channels, customer experience and brand should be designed in order to provide value for the customer (Doblin, 2012). Taking into account such complicated structure of innovation and high demand for breakthrough solutions, generating new meaningful ideas becomes harder than ever.

## 1.1 Background

Traditionally, the right to innovate inside the company has been possessed by a limited number of people such as managers, Research and Development (R&D) department, top management (Chesbrough, 2003). However, the majority of great ideas are not discovered behind the closed door by an exclusive group of people. They are discovered by people who deal with everyday problems, facing the customer and providing a service to different stakeholders. The notion that employees from all levels of the company can produce valuable solutions and by doing this bring competitive advantage to their company is often underestimated by senior management. Recognition of ordinary employees (Kesting & Ulhøi, 2010) who are in most cases excluded from the innovation and decision making processes serves a new dimension for innovation activity that continuously produces new knowledge, ideas and solutions.

*Employee-driven innovation (EDI)* aims at unleashing the power of employees to bring their opinion and ideas in the innovation process and to grant them responsibility and authority to make decisions how improve their performance. Although the term *employee-driven innovation* eventually became widely

spread just recently (Kesting & Ulhøi, 2008; Høyrup, 2010), recognition of employees as active participants of the innovation process has been in practice for almost a century (Schroeder & Robinson, 1991; Robinson & Stern, 1997). Employees can innovate in different ways: they can generate and implement new products/services/technologies, they can as well contribute to the development of the internal processes, practices and outputs (Price et al., 2012) where innovation embedded in daily work activities and social processes in the organization (Høyrup, 2012). At first, this simple idea of unleashing employee's creative potential seems to be relevant for many organizations. However, in most companies the systematic use of ideas and knowledge coming from the employees of all the organizational levels (Aasen et al., 2012) have not been recognized as a source of innovation.

This study aims at explaining an emerging phenomenon of employee-driven innovation, describing the main factors of employees involvement and recogn.yla.fi

ition and exploring the possibilities of its implementation the in case of the Royal Caribbean International (RCL), the world's second biggest cruise line company (Royal Caribbean, 2011).

RCL, one of the main players in the cruise industry, has been an innovation playground for many decades, especially in the area of customer experience (Dodgson et al., 2008). Since its foundation in 1968, the Company has been innovating in product and service development (entertainment, hospitality, and ship building). At the moment Royal Caribbean Cruise Lines is operating 39 ships (with the capacity of 92650 beds) across five brands: Royal Caribbean International, Celebrity Cruises, and Azamara Club Cruises, CDF Croisières de France, TUI Cruises. The Company operates worldwide to approximately 460 destinations on all seven continents *'including Alaska, Asia, Australia, Bahamas, Bermuda, Canada, the Caribbean, Europe, the Middle East, the Panama Canal, South America, South Pacific and New Zealand'* (Royal Caribbean, 2011, 9).

The growth of the cruise industry and its development (Dawling, 2006) has led to the increased demand for trained and efficient workforce. Lee-Ross (2006, 41) claims that *'the [cruise] sector remains relatively free from substantial academic inquiry, particularly from the human resource perspective'*. Material available only outlines the duties and the working conditions of the crew. *'Cruise tourism is yet to undergo significant study in the field of organizational behavior'* and the potential of employees related to the producing innovative solutions on their daily basis and participation in the innovation practices. These factors *'present a unique opportunity for future research and a greater understanding of cruise ship workers'* (Ibid, 41).

## **1.2. Research Gap and Research Questions**

The research scope is built around the understanding of the EDI phenomenon in the context of the cruise ship industry. Extensive literature review has led to the identifying the need for engaging employees in the innovation process and recognizing their creative potential. Figure 1 represents the research scope and the research gap of the study.

Starting from the general emergence of the EDI phenomenon (overviewed in the theoretical part of the thesis), the research moves to the practical part that is based on the case study - Royal Caribbean International. The main interest of the research is placed on the practical implementation of the EDI principles onboard the cruise ship. During the field research, the research gap was identified in relation to the employee's involvement in generating of new ideas and its successful utilizing onboard particular cruise ship.

To fill in the gap of how employees could be engaged in the innovation process on the practical level, the project is aimed at gaining deep insights into the crew's life and getting an understanding in employee's motivation towards EDI approach. Current perception of the EDI inside the Company will be researched as well as successful examples of EDI onboard the Oasis of the Seas, RCL's biggest and the most advanced cruise ship. The project strives to explore the

way of providing an access to employees expertise and utilizing the essential knowledge in order to provoke powerful exchange of ideas.

The main objective of the thesis is to contribute to the development of the EDI system onboard the Oasis of the Seas. The system should encourage a daily employees involvement in the idea generation process that would bring value to the Company, contribute to the employees wellbeing, provide new experiences for customers and create new opportunities for business.

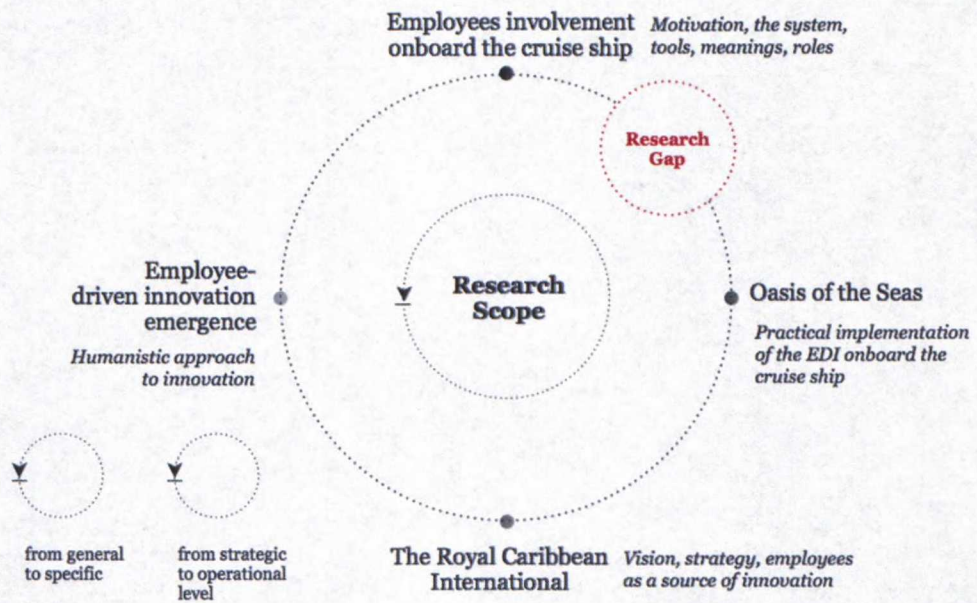


Figure 1. The research scope and the research gap

Taking into account the research scope and the research gap, the research questions are following:

(1) *Why should employees participate in the EDI practices?*

This question will be answered by conducting an extended literature review.

(2) *What is a current state of employee-driven innovation in the Company?*

(3) *How could EDI be implemented on the cruise ship?*

The question (2) and (3) will be answered by conducting a research onboard the Oasis of the Seas and applying qualitative research methods such as interviews, probes and observations.

### **1.3. Definitions**

Employee-driven innovation is aimed at bringing employees to the front of the innovation process by providing them tools to innovate, atmosphere to support the generation of ideas and work culture that enhances and encourages employee involvement.

The Danish Confederation of Trade Unions (LO, 2008, 10) states that EDI is characterized *'by the all-inclusive involvement of both skilled and unskilled workers in different innovation processes in order to create value for the organization'*. Creating value *'involves not only the creation of an idea, the discovery of something, but also the introduction and application of that idea with the intention to provide a benefit'* (De Spiegelaere & van Gyes, 2012, 232).

EDI refers to the highlighting of the 'ordinary' employees (from shop-floor workers to middle managers) who usually have no rights to make decisions (Kesting & Ulhøi, 2008) as a driver for organizational innovation and their participation in the innovation process. This view underlines a humanistic approach to innovation and emphasizes the organization-individual interaction where innovation arises from the everyday cultural practices of workers. EDI highlights a new source of innovation: company internal employees (Høyrup, 2010).

### **1.4. Thesis structure**

The thesis is divided into five main chapters (see figure 2). Chapter 1 gives an introduction into the topic presenting the background, stating the relevance of the study and raising the research questions. Chapter 2 represents the theoretical background of the study including the emergence of the employee-driven innovation phenomenon, factors based on the literature review and the practical examples from the airline industry and the hotel industry. Chapter 3 introduces the case study based on the Royal Caribbean International, the world's second largest cruise line company and includes field research description, methodology and the analysis of findings. Chapter 4 represents the

findings according to the research questions. Chapter 5 concludes a discussion with practical implications of the research, evaluation of the study and the further research.

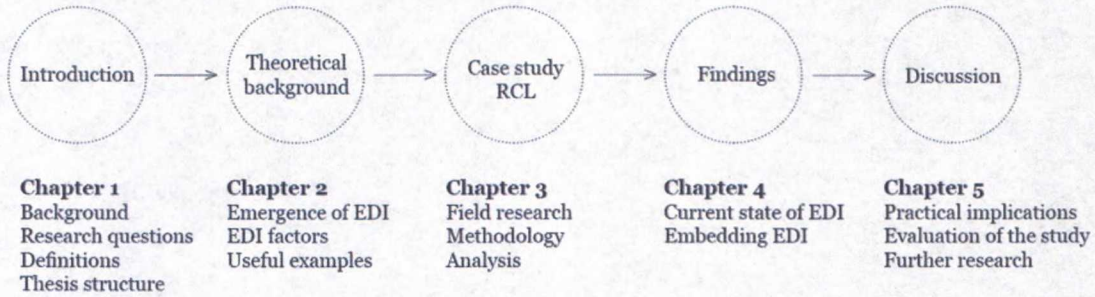


Figure 2. Thesis structure

## 2. Theoretical background

The theoretical understanding of the employee-driven innovation phenomenon is composed from the three main literature clusters: innovation, organizational behavior, and human-centered approach to innovation. Figure 3 represents the literature map.

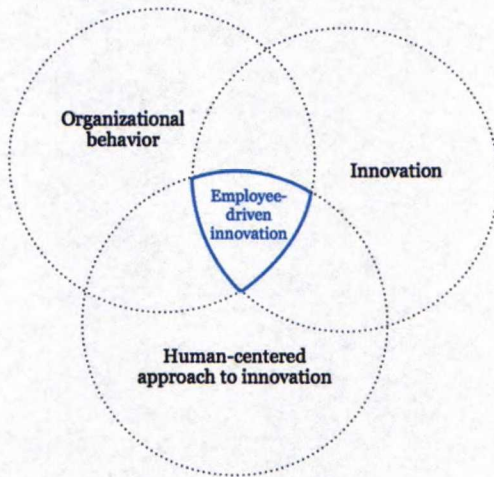


Figure 3. Literature Map

As the employee-driven innovation is relatively new concept, there is not much literature available. In order to present the holistic understanding of the phenomenon, it was decided to combine three areas relevant to the topic. Literature on *innovation* gives an understanding of the innovation practices,

their change towards more systematic approach and realizing new sources of innovation. *Organizational behavior* literature highlights professional roles of employees, their motivation, workplace learning and knowledge exchange. Human-centered approach to innovation brings a humanistic perspective on innovation placing people, their latent needs and desires at the core of the innovation practices.

This chapter presents the emergent field of employee-driven innovation emphasizing the humanistic approach to innovation, EDI factors based on the theory review and the practical examples from the industry.

## **2.1. Emergence of employee-driven innovation**

In this subchapter the prerequisites for EDI emergence and the historical origins of the concept will be presented. The modern understanding of the employee-driven innovation will be overviewed. Furthermore, the three levels of employee's involvement (Høystrup, 2012) will be described with the stress on the 'ordinary' employees (Kesting & Ulhøi, 2010), the process of involvement and the benefits of EDI.

### **2.1.1. Prerequisites for EDI**

The original notion of innovation belongs to Schumpeter (1934) who stated that the crucial aspect for every innovation is to realize invention (creation of a new idea) (Schumpeter, 1934; Johnson, 1975). According to Schumpeter, an invention becomes an innovation when it is implemented and commercially successful. "*Innovation is composed of two parts: (1) the generation of an idea or invention, and (2) the conversion of that invention into a business or other useful application...*" (Roberts, 1988, 12).

In Schumpeter's theory innovation is closely linked with the theory of economic value that is spread across the organization: (i) the introduction of a new good

or a new quality of a good (*product innovation*); (ii) the introduction of a new method of production, including a new way of handling a commodity commercially (*process innovation*); (iii) the opening of a new market (*market innovation*); (iv) the conquest of a new source of supply of raw material or intermediate input (*input innovation*); and (v) the carrying out of a new organization of industry (*organizational innovation*) (Schumpeter, 1934, 66).

Despite its age, the theory (Schumpeter, 1934) is still relevant today. However, the majority of companies still try to compete on products rarely thinking about the supporting services and the customer experience. The dominant model of 20th century that is based on creating products is being replaced by the concept of holistic systems where several aspects of the innovation ecosystem matter. Doblin (2012), an innovation consultancy, underlines that there are more opportunities for creating competitive advantage in the other types of innovation rather than just in products and services. The Company proposed ten types of innovation that tackle different areas of company development (see figure 4). There are four groups of innovations that enable company to succeed: Finance, Process, Offering, and Delivery. Doblin (2012) states that the right combination of the minimum 6 elements positions company to success. The framework is a bright example of the systematic approach to innovation that creates the value by combining different elements of innovation together.



## Doblin's Ten Types of Innovation

### Finance

- ① **BUSINESS MODEL** How the enterprise makes money
- ② **NETWORKING** How your value chain and partners make your offering distinctive

### Process

- ③ **ENABLING PROCESS** Assembled capabilities you typically buy from others
- ④ **CORE PROCESS** Proprietary processes that add value

### Offering

- ⑤ **PRODUCT PERFORMANCE** Features and functionality
- ⑥ **PRODUCT SYSTEM** Extended system surrounding an offering
- ⑦ **SERVICE** How you service customers

### Delivery

- ⑧ **CHANNEL** How you connect customers to your offering
- ⑨ **CUSTOMER EXPERIENCE** How you create an integrated experience
- ⑩ **BRAND** How you express your value to customers

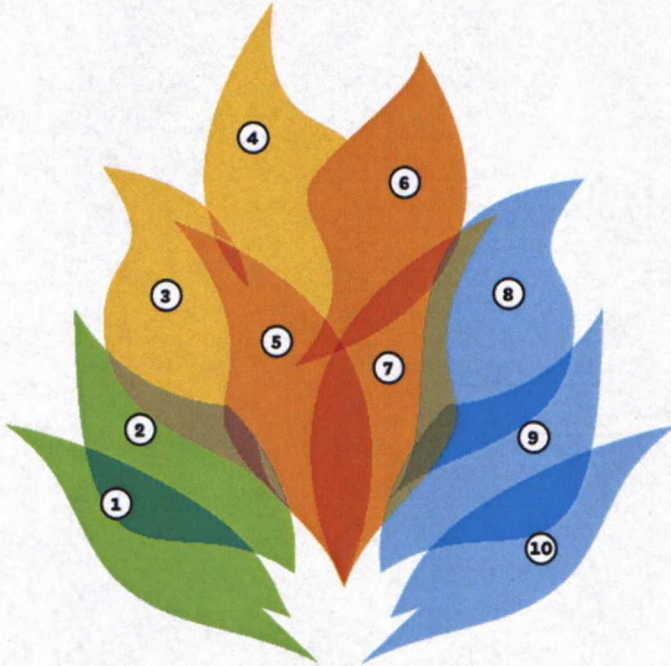


Figure 4. Ten types of innovation

Source: Doblin (2012, 1)

Obviously, dealing with such complicated structure of innovation, new sources of idea generation are needed. Moving away from traditional approach to innovation, being discovered behind the closed door of the R&D department, innovation is becoming embedded in daily work activities and social processes across the organization (Høyrupe, 2012).

Opening the borders of communication leads to the incorporation of the internal and external innovation sources. The concept of 'open innovation' introduced by Chesbrough (2003) suggests an approach that underlines the knowledge sharing inside the organization as well as outside. Chesbrough (2011) points out that useful knowledge, technology and information become widely available which makes exchange of ideas easy and fast. In this context, 'companies commercialize external (as well as internal) ideas by deploying

*outside (as well as in-house) pathways to the market'* (Chesbrough, 2006, 129). The boundaries of the organization tend to melt enabling generation and exchange of ideas from variety of recourses.

This view underlines humanistic approach to innovation and emphasizes on the organization-individual interaction where innovation arises from the everyday cultural practices of workers (Kesting & Ulhøi, 2010). Involving employees in the innovation process brings pure knowledge and expertise that cannot be copied and imitated by competitors. Therefore, this makes employees being the most important factor in the innovation creation and offers a promising basis for knowledge production and expertise in the field of innovation (Høyrup, 2012).

Employees expect to go away from '*command and control*' to more open and collaborative environment (Holbeche & Matthews, 2012). Price et al. (2012) states that workers are not only expected to take responsibility of their own learning, processes and development but also to take responsibility of the tasks that are not directly defined by organization and related to their job. The initiative becomes to arise from the bottom to the upper level of the organization and position workers as powerful drivers of innovation.

Recognition of ordinary employees who are in most cases excluded from the innovation and decision making processes serves a new dimension for innovation activity that continuously produces new knowledge, ideas and solutions (Kesting & Ulhøi, 2010).

### **2.1.2. Historical overview**

Although the term *employee-driven innovation* eventually became widely spread just recently (Kesting & Ulhøi, 2008), its initial findings bring us back to 1880 to the Scotland shipyard (Schroeder & Robinson, 1991; Robinson & Stern, 1997). William Denny, who took over his father's shipyard, decided to initiate a new suggestion system that would bring Company on a new level. He created a set of simple rules with the purpose not only to make the shipyard efficient and safe but also to engage employees in the efficiency and safety. The rules were

brief and straightforward. For example: suggesting new ways of reducing the waste of materials, improvements to use of machines, new tools to work. In general, any change that could contribute to increasing of the overall work performance. For each of the idea, Denny has been giving small rewards to the employees (Schroeder & Robinson, 1991). The system boosted the employees involvement and '*stimulated the intelligence of its workforce*' (Robinson & Stern, 1997, 67).

Another attempt to engage employees into generating valuable solution was born in 1892, on the other side of the world by the legendary founder of the American Company National Cash Register (NCR), John Patterson. Calling his Company a '*hundred-headed brain*' (Robinson & Stern, 1997, 71), Patterson has been known for his invented organizational pyramid where decisions about improvements have sometimes been made without the direct management approval. His system was more personal and engaging than Williams' one and was based on the intrinsic motivation (Csikszentmihalyi, 1996). He brought the extensive training and educational programs to boost employees creative potential and professionalism. Moreover, successful ideas were publicly announced in front of all the employees and their families including unofficial gathering with food, drinks and music. Being famous for his leadership skills, Patterson's way of employee's engagement has influenced the course of American business (Robinson & Stern, 1997).

Until the Second World War, Kodak, Ford and NCR had the most successful suggestions systems in the world (Robinson & Stern, 1997). The story has changed when Japanese manufacturers decided to take over the US Training within Industries (TWI) system. This brought Japan on a new level with its well-known *kaizen teian* (*continuous improvements*) system. The push came from TWI's JMT (Job methods training) program that concentrated on bringing ideas (small improvements) from employees and realizing worker's creative potential. The method is aimed at empowering workers to make a suggestion for the improvement by themselves and submit it to their managers. Moreover, employees have been always told that they have to produce improvements constantly. JMI aimed at giving training to employees who would be afterwards

spreading the knowledge and giving this training by themselves to other employees inside the Company. Therefore, during the short period, the system would be spread among all the levels in the organization. Invented in 1950s, the system has remained almost the same without any changes for almost twenty years. Toyota and other car industry companies have adopted TWI according to their specific requirements.

Another system of continuous improvements, Quality Circles (QC), has been introduced in Japan in the early 1930s and became widely spread in the 1960s (Nonaka, 1993). Soon after that the tool became very common across the United States and by the end of the 1980s more than 44% of US companies (with more than 500 employees) had quality circles implemented (Schroeder & Robinson, 1991). QC is a group of company volunteers who discuss internal problems and suggest meaningful improvements and solutions for quality and productivity (Tang et al., 1987, Schroeder & Robinson, 1991). QC do not necessary involve everyone in the organization and clearly state top-down approach to employee innovations. Every idea coming from QC should be documented and controlled by the management. Therefore, QC has no decision-made power (Schroeder & Robinson, 1991). Usually QC meetings happen parallel to the actual work so if management is not satisfied with the quality of ideas, the meeting can be easily cancelled without any major costs. However, in order to implement QC employees need to get training on problem-solving methods, group processes that might result in the costs for the Company. In this regards, Japanese TWI *kaizen* system seems to be more efficient.

### **2.1.3. The concept of EDI**

Despite of the fact that employees participation in the innovation has been known for more than a century (Schroeder & Robinson, 1991; Robinson & Stern, 1997), Kesting & Ulhøi (2010, 67) state that '*research on EDI is still in its infancy*'. The authors see the importance of defining the term 'Employee-driven

innovation' at this early stage in order to allocate and link research with different aspect of innovation and understand the wider implication of EDI.

In this regard, Kesting & Ulhøi (2010, 66) define EDI as '*a generation and implementation of significant new ideas, products an processes originating from a single employee or the joint efforts of two or more employees who are not assigned to this task*'. EDI refers to the highlighting 'ordinary' employees (from shop-floor workers to middle managers) as a driver for organizational innovation and their participation in the innovation process. The authors also emphasize on the change of a company routine that is driven by the ordinary employees who usually have no rights to make decisions (Kesting & Ulhøi, 2008).

The Danish Confederation of Trade Unions (LO, 2008, 10) states that EDI is characterized '*by the all-inclusive involvement of both skilled and unskilled workers in different innovation processes in order to create value for the organization*'. Therefore, EDI is seen as a bottom-up approach that includes all the employees in the company whose knowledge is essential when generating ideas. It emphasizes the systematic and active interaction between the management and the different groups of employees.

Following the line of the bottom-up approach and employees' initiative De Spiegelaere & van Gyes (2012, 232) connect EDI with an Innovative Work Behavior (IWB) which '*involves not only the creation of an idea, the discovery of something, but also the introduction and application of that idea with the intention to provide a benefit*' (De Spiegelaere & van Gyes, 2012, 232). IWB provides the mindset in which employees are motivated to generate ideas on their daily basis provoking workplace social dialog and being involved into the process.

Including the aspect of direct participation and the process of involvement, Høyrup (2012, 8) expands the definition of Kesting & Ulhøi (2010) and describes EDI as a combination of '*generation and implementation of ideas, products or services - including the everyday remarking of jobs and*

*organizational practices - originating from interaction of employees, who are not assigned to this task'* and the process in which employees could be included in the innovation process of the organization and drive the process.

Focusing on humanistic and social approach to innovation, Høystrup (2010) draws a fine line between the employee-driven innovation and high-involvement innovation (HII) (Tidd et al., 2005). HII emphasizes that everyone in the company possesses problem-solving abilities and the attitude. The culture of support and trust defines the way people feel to find solutions to the problem on their daily basis, experimenting, failing often but learning and sharing the information with other people to discuss and explore issues together.

Continuing the Høystrup's emphasis on the innovative process, The Norwegian Confederation of Trade Unions (Aasen et al., 2012, 58) defines EDI as *'innovations (product, processes or services) brought about through an open and including innovation process, based on the systematic use of ideas, knowledge and experience of employees, which have a positive impact on the organization's overall innovation capability'*.

EDI stresses the interaction between the managers and the employees blurring boundaries and building communities. Opening the dialog between different stakeholders of the organization gives a variety of perspectives on the current situation inside the company and provokes an interactive and open communication. Bringing diverse team members together allows embedding co-creation practices that are crucial to open up innovation process.

Employees' initiative emphasizes a bottom-up approach to innovation. Generating ideas on the daily basis, trying and failing opens up possibilities for organizational learning on the basis of the everyday workplace practices. Informal settings for the interaction and changing the work behavior towards an open and trustful approach allow unleashing the creative potential of the employees, increasing work engagement and motivation.

Aasen et al. (2012, 57) indicate that EDI is about ‘*how the managers and employees see and perform their roles and less about formal structures*’. Authors propose a framework describing the ‘*joint innovation effort*’ (Ibid, 57) consisting of three main elements: professional roles, cultural characteristics, means and tools (see figure 5).

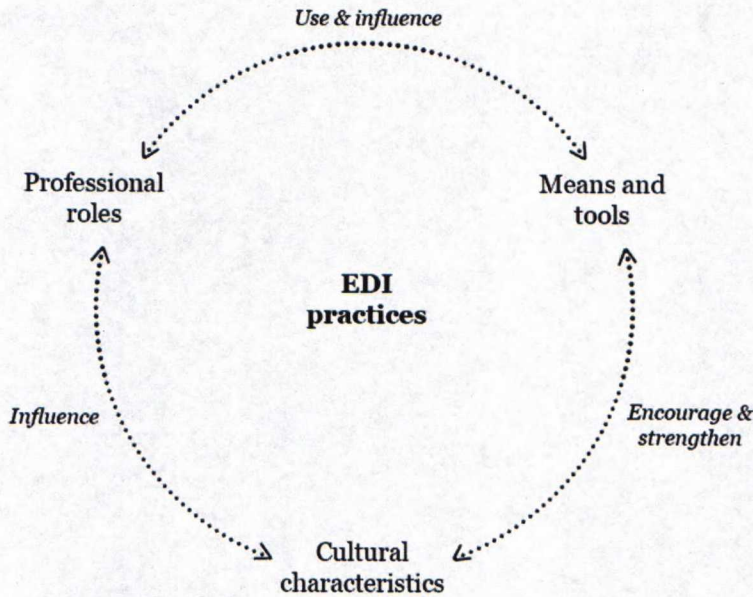


Figure 5. Interrelated elements of EDI

Source: Modified from Aasen et al. (2012, 68)

*Roles in the organization* define relationship between the managers and the employees at different levels of the organization as well as the way people perform their roles and interact with each other. In this context, EDI refers to the openness towards change and confidence in the delegating responsibilities. The leader’s role shifts from dictating to facilitating, cooperating and empowering. Moreover, delegation of the authority in which leaders are not involved (Tidd et al., 2005) gives a sense of responsibility to employees and a feeling of trust by stressing their importance in the innovation process.

*Cultural characteristics* describe a set of cultural features that define the way people act and think in the organization. Aasen et al. (2012) distinguish three sets of characteristics. The first one includes *commitment, cooperativeness and pride*. In the study of 20 Norwegian companies and their perception of EDI, it

was found out that people are willing to extend their working responsibilities and put an additional effort in their job in order to improve and support a company strategic goal. Constructive dialog and involvement has been seen as a crucial factor in order to extend the boundaries of the communication across the vertical and horizontal levels in the organization. Aasen et al. (2012, 69) state that *'conversation is a part of the idea generation and realization'*. *Trustfulness, autonomy, tolerance and feeling of security* define the second set of characteristics. The set describes the employees' ability to carry out their job independently and being trusted by the leader. The climate where the information is shared freely between the diverse member of the organization and ideas are expressed constantly provides an environment for organizational learning and ability for improvement. The third set highlights *openness and transparency* in decision-making process where the results are visible throughout the organization.

Means and tools are meant to support employee's involvement as well as to gather and develop their ideas. It allows to exchange ideas, register them, evaluate and improve collaboration by making ideas visible throughout the organization (Aasen et al., 2012).

As *'employees often end up finding what they were not looking for initially but discovered during the process'* (Teglborg et al., 2012), the interrelation between the main elements of the framework is considered to be highly important. Without the right environment, employee's motivation and the ability to innovate will decrease; without useful tools and the support of the management, the fruitful interaction and collaboration would not be possible. Therefore, the combination of the elements guarantees the employee's engagement, fruitful collaboration and a high return on investment per employee.

#### **2.1.4. Levels of involvement and the process**

Employees can innovate in different ways: they can contribute to the creation of the new product/service, they can generate/test/implement new technologies



and processes, and they can influence the way in which company generates new innovations and adapts new ideas (Price et al., 2012).

Management and R&D department do not possess all the knowledge in the company (Kesting & Ulhøi, 2010). The number of people holding management positions and R&D department specialists is reasonably small compared to a number of employees who are not involved in the decision-making process (Hasu et al., 2011). Employees interact with customers on their everyday basis, provide the value and supervise internal processes. Thereby, employees can contribute with their practical cognition. Being mentioned above, EDI focuses on bringing employees from all levels of the organization to contribute with their applied knowledge. Therefore, it seems to be important to make a distinction between the management (upper echelon) and the (ordinary) employees (Kesting & Ulhøi, 2010).

*Management's* core task is seen as an ability to make decisions on the company strategic level, including decisions related to innovation (Kesting & Ulhøi, 2010, 70). Decision-makers often possess some specific knowledge about the company overall strategy and tactic goals, future trends and company plans, market overview, technological developments and regulations. However, on the tactical and operational level management's information is usually incomplete and lacks the understanding of '*what precisely is going on down there*' (Kesting & Ulhøi, 2010, 71). Moreover, managers are usually excluded from the routine day-to-day processes obtained by employees and do not possess technical knowledge and expertise related to the actual activities.

*Employees*, on the contrary, possess an in-depth and exclusive knowledge that managers do not have an access to. Their primary role is to implement already-made decisions. However, employees are lacking the understanding of the company overall strategy and its future plans and directions. The decisions made by the management and the actual routine work made by employees could differ in a way that both sides perceive changes. As a starting point for spreading the decision-making process and knowledge sharing Nayar (2010) proposes a 'small exercise called 'mirror mirror' which is aimed to show the current

situation that employees have. The exercise involves talking with employees about *'the truth as they see it and getting them acknowledge the reality and look at themselves in the mirror and describe carefully and truthfully what they see'* (Nayar, 2010, 24). Therefore, this small exercise serves as prerequisites for the changes. In addition to that, LO (2008) brings a term 'shop stewards' as persons responsible for the cooperation between employees and managers linking both sides in order to produce meaningful collaboration.

The expanding of the decision-making process and sharing the employees knowledge is seen as a core concept behind EDI. Teglborg (2010) states that EDI could be a 'part-time' activity where employees are involved in the innovation process by being invited on the project-based basis or an integral part of their daily functions. Thus, employees are:

- *Entirely free to participate or not.* Employees can choose whether they would like to contribute with their knowledge to the innovation process or not. This point emphasizes on the spontaneous nature of innovation.
- *Invited to participate.* This process indicates that employees are considered to apply their commitment to the company and that their knowledge is seen to be crucial for this kind of project.
- *Encouraged to participate.* Employees are encouraged to contribute to the innovation process in a manner of their choosing.
- *Vigorously encouraged to participate* employees contribution is seen as integral part of their functions and applied knowledge is crucial.
- *Entirely free to choose,* employees define the way in which they would like to participate.

Thereby, building on these insights, EDI could be seen as a combination of top-down (management distributes decisions to employees) and bottom-up (initiative comes from all level employees) approaches. In this regard, Høyrup (2012) distinguishes three levels of the employees participation: *first order EDI, second order EDI and third order EDI.*

*First order EDI*, which is a pure bottom-up process, results in the innovation practices arising from employees without interfering from management:

worker's everyday cultural practices, the way of working, interaction between the members of the organization. In this sense, employees are able to remake their jobs by '*drawing on knowledge, experience and understanding*' (Price et al., 2012, 82). These practices are usually '*initiated not with an innovation in mind but where innovation occurs as an outcome*' (Price et al., 2012, 78). In this context, Teglberg et al., (2012) arise a term Entrepreneurial Orientation (EO) that results in the encouraging employees to develop the attitude of contributing their ideas, take responsibility, evolve skills and improve employability. Nayar (2010) goes even further and proposes to invert the organizational pyramid from the traditional top-down approach to the pure bottom-up where employees become the top of the organization. Social interaction and exchange is held on the everyday basis reflecting the work practices between employees and managers (Kesting & Ulhøi, 2010). However, this freedom-oriented direction may result in a chaotic and unpredictable flow of ideas that may lead to the breaking the decision-making system (Høyrup, 2012).

*Second order EDI* describes the innovation process where all the ideas and initiatives come from employees but systematized and controlled by managers. This approach is seen as a fruitful combination of bottom-up and top-down way of employee's engagement. Kesting & Ulhøi (2010) propose a framework (see figure 6) where initiatives come from employees and management delegates the decision-making process with feedback and revision. Proposals coming from employees are driven by the *management support* (P1) where managers provide a 'license' to allow employees step out from their daily routine and spend some time on the idea generation and dialog (Teglberg et al., 2012); *an environment* (P2) that provides a dynamic, iterative and inspiring interaction process involving many individuals; the incentives (P4) and corporate culture and climate (P5). Joint determination of a frame includes as well a *decision structure* (P3) that defines how employee's ideas could be implemented and realized by the management.

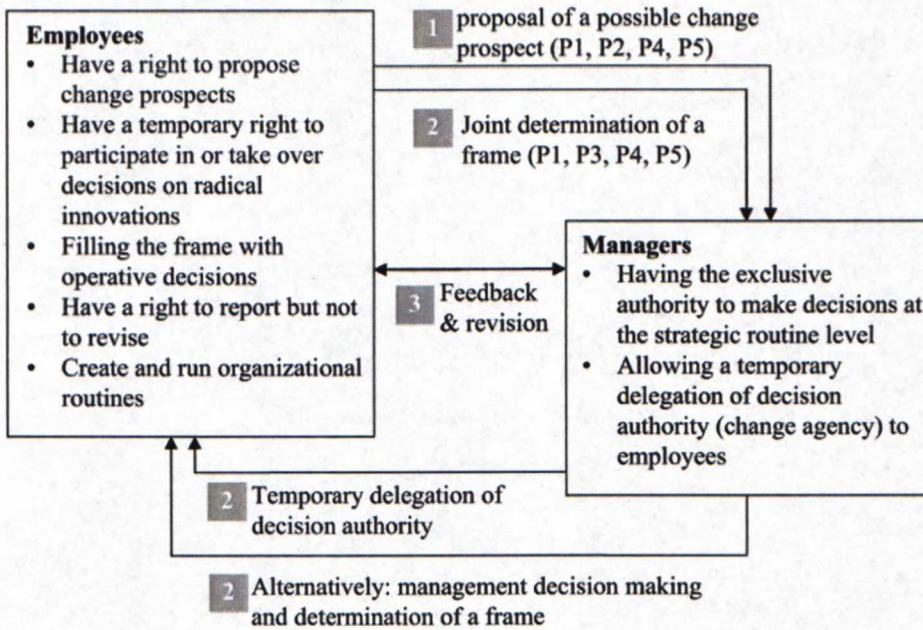


Figure 6. Ideal type of the EDI organizational structure

Source: Kesting and Ulhøi (2010, 75)

*Third order EDI* is a pure top-down approach where managers, R&D department or other innovation related decision-makers invite employees to give their feedback (Høyrup, 2004) on a new concept, product/service or process, evaluate and in some cases develop it further being a part of the development group or a project. This approach seems to be a traditional one-way communication where management decision is seen as dominant (LO, 2008). Nayar (2010) refers to the traditional system as *'the age-old pyramid'* describing a clearly top-down structure of the organization where there are few people on the top, most on the bottom, and many in between.

LO (2008) presents another angle of employee's involvement that is connected to the original source of innovation (see figure 7). The *research-driven innovation* involves non-academic employees and emphasizes the feasibility of the practical implementation of the research produced by production leaders. *The user-driven innovation* accents on the employee's knowledge related to the customers/users understanding regarding actual and potential demand. *The price-driven innovation* applies to the employee's knowledge about the internal processes: production, materials, marketing, logistics, delivery that could be

utilized to improve company competitiveness. These different perspectives on employee's participation contribute to the product/service/process innovation and thereby deal with the complex system of the innovation (see figure 4).

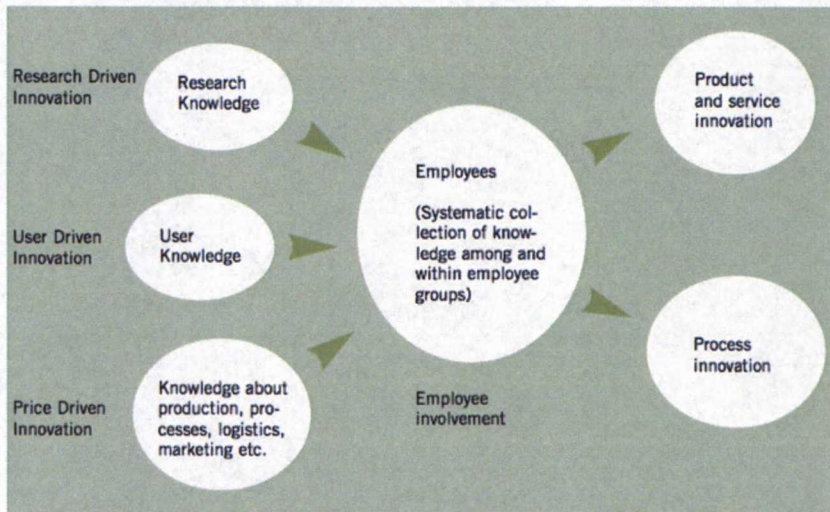


Figure 7. Sources of EDI

Source: LO (2008, 13)

### 2.1.5. Benefits of EDI

Even though employee-driven innovation could be applied in the completely new context or be based on the existing practices (products/services), in both cases it creates a novel outcome (Kesting & Ulhøi, 2008). EDI builds an innovation by discovering and applying the 'hidden treasure' of the company and emphasizes the employee's ability to innovate in order to solve company challenges. Kesting & Ulhøi (2010) claim that *'this potential can be made visible, recognized, and exploited to the benefits of both: the company and its employees'*. However, before going into details of the EDI benefits, it makes sense to overview the factors that might influence on its development. Figure 8 presents the main factors that have significant impact on the extent of the benefits coming from EDI processes (LO, 2008).

Applying EDI requires management's support to employees' recognition. Every idea that is coming from the employee should bring the value to the company. Managers have to be able to recognize the value behind the idea and support its realization. There should be a room for failure and learning lessons. Even if idea

wasn't relevant or successful, employees should be there should be encouraged to continue generate meaningful solutions (LO, 2008) and learn from mistakes. EDI requires leaving one's comfort zone and emerging into the new and inexperienced context. Employees should have an ability to see the routine from another angle. Therefore, it requires training and development of new skills. Systematic incorporation of customer's opinion would accelerate the innovation process and make ideas meaningful and less risky. It would help to build a trustful relationship between the customers and the company. Employees should be aware of the company overall strategy and have a clear vision of where the company is heading.

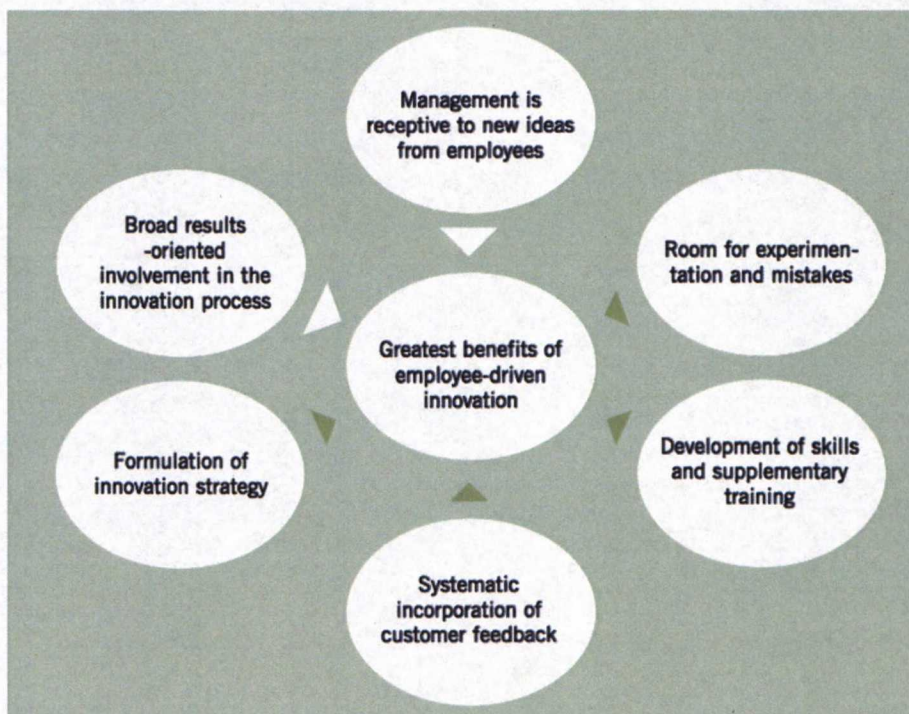


Figure 8. Factors that influence EDI benefits

Source: LO, (2008, 35)

The Danish Confederation of Trade Unions (LO, 2008) reports that 59 percent of companies with EDI considered their processes having a positive impact on the bottom-line results. In contrast, only 41 percent of non-EDI companies assessed their outcome positively. Improving bottom-line results is closely connected with improvements in efficiency and quality of the product/service.

Realizing employees potential opens a door to the unlimited experience-based knowledge produced by employees on their daily basis. Interaction with customers, understanding of the internal processes, awareness of the market situation, networking inside the company as well as outside makes employees a crucial resource of innovation. Everyday problems that employees face could be solved through the workplace innovation (De Spiegelaere & van Gyes, 2012) that makes sure whether proposed solution and innovations are practically applicable. As the knowledge that employees possess is unique, the outcome is hard to copy by competitors (Kesting & Ulhøi, 2010).

Although employees are seen as central players in creating the value for the customer, Nayar (2010) argues that employees themselves are the value that company creates. Comparing to the traditional approach where *'the value zone is often buried deep inside the hierarchy'*, the author outlines that *'by putting employee first you can bring about a fundamental change in a way that company creates and delivers unique value for its customers and differentiates itself from its competitors. Through a combination of engaged employees and accountable management company can create extraordinary value for itself, its customers, and the individuals involved in both parties'* (Nayar, 2010, pp.7-11).

On the practical level EDI contributes to the reduction of absence due to sickness and negative results (LO, 2008) encouraging flexibility, increasing productivity and company growth (Teglborg et al., 2012). EDI could be applied in the context of both: radical and incremental innovations (so-called hybrid innovation) that encourage different actors of the company to work together and to form social bond (Teglborg et al., 2012). The bottom line is that EDI is easy to implement (when having the right tools, the right environment and the right people) and that it does not require any major radical changes in the organization (LO, 2008).

For the employees EDI means unleashing their creative potential and allowing individual and independent thinking and self-expression. Granting employees a

time to think across the borders of their daily routine brings positive impact on their psychological well-being. Employee-driven innovation encourages entrepreneurial orientation that contributes to their sense of '*accomplishment and professional fulfillment, while at the same time developing their skills and improving their employability*' (Teglborg et al., 2012).

Providing an access to the information inside the company, EDI builds a bridge between the employees and the organization, making employees interested in the company overall direction and consider their own contribution to its development (Aasen et al., 2012). Since employees are encouraged to look beyond their own tasks and expertise, collaborate with people from different backgrounds and be more responsible and independent having a right to make decisions, EDI increases job satisfaction. Reducing the borders and hierarchy between the management and the employees creates a cooperative climate and builds a trustful relationship (Aasen et al., 2012). Giving responsibility and independence to employees results in the learning inside the organization, particularly in the getting new skills and widens the horizon of employee's practices. Pleasant workplace and the learning environment (Teglborg et al., 2012) inspire employees and raise an interest in their job.

As the study aims at contributing to the development of the EDI, several clusters were identified in order to support the application of the phenomenon. Stated above joint innovation effort of employees (Kesting & Ulhøi, 2010; Aasen et al., 2012) contributes to the *co-creative practices* providing an opportunity to solve complex issues together. Direct participation of employees from all levels of the company mentioned by Høyrup (2012) brings *diverse factor* that helps to involve employees from all levels of the organization. Openness towards change and confidence (Aasen et al., 2012), supportive relationships between employees and management lead to trust and the feeling of security. Expanding the decision-making process by granting employees an opportunity to take decisions by themselves (Kesting & Ulhøi, 2010) contributes to the development of the *creative workplace environment*. Providing a room for failure, allowing individual thinking and self-expression leads to the workplace learning (Teglborg et al., 2012) and gives employees an opportunity to look at their job



responsibilities from another angle. This serves a basis for the constant *workplace learning* and improving the results on the daily basis. Providing autonomy to employees and transparency of all internal processes, reducing the hierarchy leads to the development of the *intrinsic motivation* that is at the heart of the EDI.

The next chapter will give an overview of the clusters stated above and describe them in more details.

## **2.2. Employee-Driven Innovation: factors**

The extensive literature analysis has lead to the creation of the unique attributes (or clusters mentioned above) of the employee-driven innovation. The inspiration comes from the chapter *2.1 Emergence of EDI* that presents the overview of the phenomenon and provides prerequisites for its emergence. The attributes represent various aspects of the employees' involvement into the innovation process and provide a holistic understanding of the phenomenon taking into account employees engagement as well as organizational settings. In the context of EDI all the elements are crucial when bringing innovation to the bottom of the organizational structure and providing employees the right to generate ideas and produce meaningful innovative solutions. The combination of the attributes would lead to the development of the innovative culture inside the organization.

Figure 9 represents the attributes of the EDI. Among them are: *diversity, creativity and workplace environment, workplace learning, motivation and engagement, co-creation.*

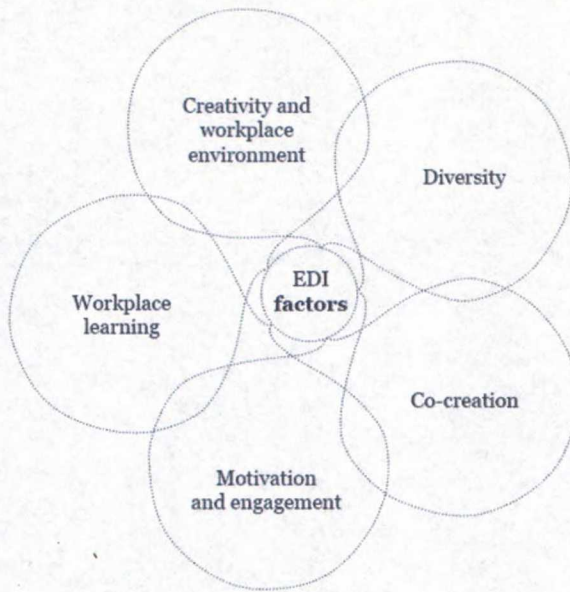


Figure 9. EDI attributes

*Diversity.* Combining interdisciplinary team of employees to solve problems collectively across the departments.

*Creativity and workplace environment.* Unleashing creative potential of employees and providing an environment where the failure is an opportunity and where their ideas will be listen to and taking into account.

*Workplace learning.* Realizing employees' abilities to be open to new challenges, being able to extend their knowledge and share it with their colleagues.

*Motivation and engagement.* Employees' behavior and willingness to contribute to the organization.

*Co-creation.* Facilitating a dialog between diverse employees in order to encourage teamwork and to bring variety of perspectives and experiences together.

### **2.2.1. Diversity**

*“Diversity fosters creativity. We need to generate the best ideas from our people in all levels of the company and incorporate them into our business practices.”*

–Frédéric Rozé,  
Chief executive officer, L'Oréal USA

As IDEO, the legendary design and innovation company says, '*all of us are smarter than any of us*'. This statement reflects the idea that in order to create successful innovation, the organization needs to involve people from variety of disciplines (Kelley, 2001).

Traditionally the right to innovate inside the organization was granted to the limited number of people. However, fast moving environment and short life-cycle of products requires innovating at all levels of the company. This requires bringing different professionals together (Forbes, 2011). The workforce becomes more diverse including people with variety of disciplines and with different demographics (nationalities and ethnicities). Employee's skills and knowledge, abilities and personality become more extended and shared (De Dreu et al., 2005). Therefore, diversity is seen as one of the successful factors of innovation.

Multidisciplinary approach aims at bringing together representatives from the variety of disciplines and organizational functions to enrich the problem solving with collective knowledge and perspective (Roberge, von Dick, 2010). A diverse and inclusive workforce fosters creative thinking (Amabile et al., 1996), guides business strategies and drives innovation (Forbes, 2011). The positive relation to innovation could be considered from the three points of view: diverse ideas, networking, various perspectives on task-related issues.

Bringing different employees together provokes generating new and novel ideas. What seems to be obvious from the one perspective might arise an important issue from another perspective. Moreover, a diverse group of people approaching the same problem from different angles are more likely to have a conflict (Justesen, 2001). Dealing with different perspectives, this conflict is supposed to evoke more complete considerations of all aspects of the problem and therefore create a complete, high-quality innovative solution.

Effective and diverse teamwork allows employees to develop a common language, utilize their potential and skills, reduce a border between different

stakeholders, and flatten hierarchy. Bringing all people at the same table joins their effort to generate and implement fresh ideas.

### **2.2.2. Creativity and workplace environment**

*“All innovation begins with creative ideas.”*

- Teresa Amabile,  
Professor of Business Administration

Creativity is seen as an important factor when generating new ideas and successfully implement those in the organizational context. Amabile et al. (1996, 1155) define creativity as *‘the production of novel and useful ideas in any domain’* and link it with a psychological aspect where employees’ motivation and creative abilities serve the initial stages of innovation. Employee’s creativity can help the company gaining a competitive advantage (Kim et al., 2010) and creating valuable and useful products/services/processes.

Robinson & Stern (1997) claim that creativity results in both improvements (changes to what is already exists in the company) and innovations (new activities). Although, most of the activities are seen as improvements, the authors emphasize that it provides the company with the long-term success and survival. Emphasizing the unexpected nature of creativity. Robinson & Stern (1997, 11) claim that a company is creative when its employees generate ideas and take potentially useful actions *‘without being directly shown of taught’*. In this context, six elements of corporate creativity can be defined as drivers for promoting creative environment (Robinson & Stern, 1997, 12):

*Alignment.* All employees are aware of the company direction and key goals so they produce solutions that are meaningful for the organization. All the ideas that come from employees should be relevant to company’s strategy and have an impact on its future direction.

*Self-initiated activity.* Proactive people will see the problem that they are interested in by themselves, take actions and initiate changes that are not a part of their normal job (Kim et al., 2010). They will be driven mainly by the intrinsic motivation and for *whatever* reason (Robinson Stern, 1997).

*Unofficial activity.* This activity is separated from the official job requirements and realizes the desire of '*designing or discovering something new*' (Csikszentmihalyi, 1996, 108).

*Serendipity.* Combining and connecting the unexpected things that are very different with the aim of providing interesting results.

*Diverse stimuli.* Searching for unexpected and different sources that would inspire employees on the creative act.

*Within-company communication.* Making the information inside the company available to all the employees providing transparency and developing trust.

New ideas are not always breakthrough actions. Sometimes they are just some improvements, new approaches aimed at simplifying the employees daily tasks and have a significant impact on the overall work environment (Kim et al., 2010). Csikszentmihalyi (1996) links creativity with the *sense of enjoyment* that requires: immediate feedback to one's action (employees need to know if their actions and ideas are relevant to the company and their contribution is meaningful); balance between challenges and skills (employees abilities are matched with their opportunities); actions and awareness are merged (mind follows the actions); the sense of time is disappearing (people enjoy of what they are working on without time notion); there is no worry for failure (trying and failing rather than not trying and avoiding risks). All these factors and the process of creativity Csikszentmihalyi (1996) calls *the flow*, '*the state of mind where time passes fast and solving the problem is more interesting than the problem itself*'. As author states it often involves '*pain, risky and difficult activities that stretched the person capacity*' and lead to the novelty and discovery (Csikszentmihalyi, 1996, 110).

The workplace should provide an inspiring atmosphere for employees where their ideas will be listen to and taken into account. The activities that are not related to their usual work routine but have an impact on the organizational practices will be encouraged. Innovative work environment is driven by the open and experimentation culture where management encourages the initiative (LO, 2008) and employees are free to come up with daily improvements and creative solutions. To this extent, Amabile et al. (1996) propose a framework

(see figure 10) underlying the work environment in relation to ‘individual’s perceptions and the influence of those perceptions on the creativity of their work’ (Amabile et al., 1996, 1157). The model represents several categories of work environment that affects the employees’ creative potential and perceptions of the work.

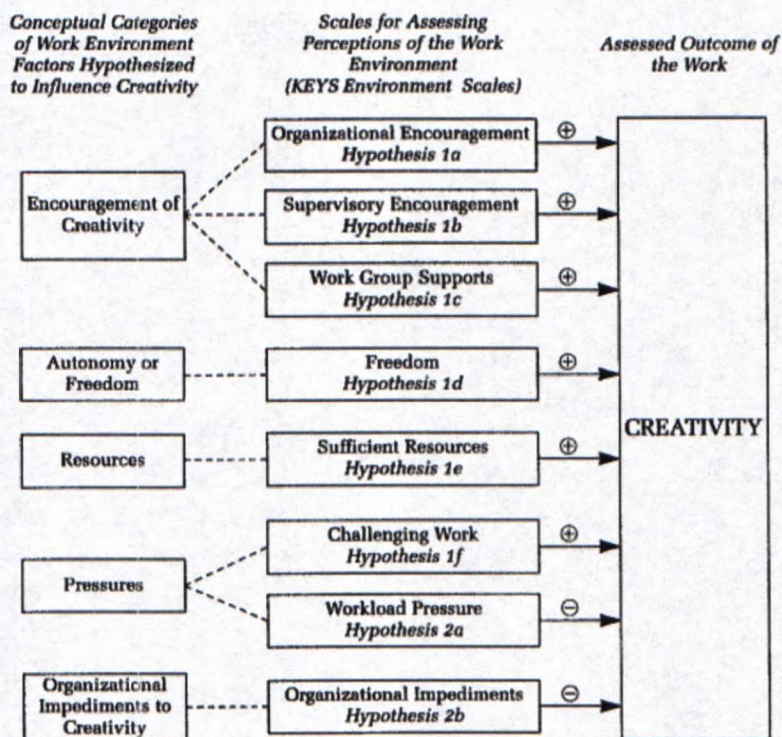


Figure 10. Conceptual model underlying assessment of perception of the work environment for creativity.

Source: Amabile et al. (1996, 1159)

*Encouragement of creativity* is closely linked with intrinsic motivation of employees where generating and developing new ideas appears on the three main levels. *Organizational encouragement* is able to recognize creativity in every employee in the company (Kelley, 2001). With this encouragement people are more likely to produce ideas since the organization provides a ‘license’ for them to do so. Participative management and shared responsibilities evolve collaborative idea flow that results in flattening the organizational structure and the encouragement of risk taking among employees. *Supervisory encouragement* emphasizes on the role of project managers or direct

supervisors, who provide immediate feedback on employee's ideas, encourage an open interaction and supervisory support of team's work or individual work (Csikszentmihalyi, 1996). They also make sure that all the employee-driven activities have clarity and goal statement that is aligned with the company overall goal. *Work group encouragement* represents work group diversity, shared teamwork commitment and constructive challenging of ideas.

*Autonomy or freedom* is positively influences the employees ability to make decisions and perform their tasks. Giving a sense of ownership increases self-responsibility of how to solve the problem and take an advantage of controlling employees own work (Amabile et al., 1996).

*Resources* allocation for project directly influences the team's creative abilities. Whether it is a human availability (management support and time), financial support, space availability and time allocation, the limitation of all these resources can physiologically influence the intrinsic motivation of employees.

Amabile et al (1996) distinguish two sets of *pressures* that influence workplace creativity including positive or negative perspectives. Challenging work, which brings positive impact on creativity, represents '*urgent intellectually challenging nature of problems*' (Amabile et al., 1996, 1161). In this case, challenges and skills of the employees have to be balanced (Csikszentmihalyi, 1996). Another pressure, workload pressure, is seen to have a negative impact on the employee's creativity.

There are several *impediments* that can have a negative influence on employee's intrinsic motivation and the ability to innovate. Among them are high hierarchy, top-down decision-making process, time constraints that are not balanced with the workload, high-pressure work environment and closed communication channels inside the company.

Creativity and workplace innovation not only influences individuals working in the company but also can help organizations to increase product/service quality,

higher flexibility, provide skilled and encouraged workers who actively participate in innovation activities (Bauer, 2004).

### **2.2.3. Workplace learning**

Moving the production of ideas from traditional R&D department to the actual place where products/services born reflects the way employees perform their daily job (Høystrup, 2010, Forbes, 2011). The workplace becomes the site for learning and a place for discovering something new (Ellström, 2010). Workplace learning is seen as '*a precondition, a stimulus and an essential ingredient for participation in EDI*' (Waite et al., 2012, 149).

Workplace learning can be understood as '*permanent or semi-permanent changes in how individuals act and think*' (Billett, 2004, 314). Berglund and Andersson (2012, 74) claim that '*knowledge and skills developed in the workplace are seldom documented or officially acknowledged*'. This leads to the thought that workplace knowledge is not shared among 'ordinary' employees and do not provoke any interaction (Kesting, Ulhøi, 2010).

In relation to employee-driven innovation, the workplace learning can be applied if organization follows several rules (Høystrup, 2010):

- there is a *coherence and balance* between the explicit (officially prescribed work process) and implicit (as it is performed in practice) dimensions of the learning (Ellström, 2010);
- management provides *support to the employees*. Providing employees with feedback of how they are doing and what they are doing and make sure that there are opportunities for developing (Høystrup, 2010). Leaders set up expectations and employees are eager to find a way how to approach the current situation without the direct instructions of the management;
- *balance between challenges and skills* (Csikszentmihalyi, 1996);
- *open environment*. Boundary-crossing multidisciplinary collaboration (Kelley, 2001) and interaction that involves employees from different departments and levels of the organization.



*Explicit and implicit* dimensions of the workplace learning mentioned above describe a way how learning can be understood and developed inside the company (Ellström, 2010). *Explicit* learning refers to a formal, officially assigned procedures that are required by the organization: rules, policy documents, standards, job description. It is mainly based on what should be done and how when performing the job.

While the learning process is seen as '*the result of complex interactions between organizational actors representing different ideas and interests*' (Ellström, 2010, 31), *implicit* knowledge refers to perceived and actually performed work process allowing workers to expand their skills (Waite et al., 2012). It is usually based on the unexpected problems that arise and occurs unofficially. Autonomy and creativity that mainly occur 'behind the scenes' contributes to so-called practice-based innovation (PBI) (Ellström, 2010).

PBI refers to a way managers and employees renew their own operations, use new working methods, routines, and involve additional products or services to simplify the process. PBI occurs in an interrelation between explicit and implicit dimensions of knowledge and presents a '*complementary aspects of the innovation process*' (Ellström, 2010, 32). Balancing between the officially prescribed work requirements and practically performed activities leads to discoveries and new fresh ideas and allows finding a way of how to handle daily workflow and generate innovative solutions (Ellström, 2010).

EDI contribution to the workplace learning is seen in moving 'from above' (implementing the practices that have been designed in advance) to 'from below' (changes in work process based on the current actually carried out practices) (Ellström, 2010). Interplay between formal (*explicit*) and informal (*implicit*) dimensions of learning '*can be powerful in creating environments and stimuli for employee involvement in innovation*' (Waite et al., 2012, 150). Organizations that support employees' development with flexible and inspiring atmosphere foster competitive advantages and develop a powerful learning environment (Teglborg et al., 2012).

#### 2.2.4. Motivation and engagement

Motivated and engaged employees are the engines of the company. When being highly involved into the job, employees could achieve individual and social growth, increase job satisfaction, unleash their creative potential and provide better service to customers. Motivation and engagement provides mental and physical commitment, in other words, serves a way to employee's hearts and minds.

Nayar (2010) defines three types of employees in relation to their motivation: *transformers, lost souls and fence sitters*. *Transformers* are active and want to change the reality immediately. This type of employees feel aggressive and even angry with the company in its current situation. They understand that they need more power and tools to make changes but feel skeptical that something could be changed. These employees are practice-oriented and not easy fooled, '*they listen closely to words but believe that proof is in action*' (Nayar, 2010). *Lost souls* are passive and hardly engaged into the actions of change. They see themselves as reality interpreters and think that whatever Company proposes is meaningless and hopeless: nothing they could change, there is no plan to follow. These employees tend to express their emotions during the meetings and being aggressive in their opinions. *Fence sitters* is a largest group of all three. People in this group rarely express their opinion. They are calm and passive, speak up the least during the meetings, watch carefully what transformers and lost souls are talking, and observe carefully.

In case of radical changes, Nayar (2010) states that in the beginning of transformations there is no need to engage all employees in the Company. It needs to have the right people who are ready to take actions. The author states that 10% of the total Company population is enough. In the case of HCL Technologies Ltd. and its radical transformation, Nayar (2010) decided to concentrate on the *transformers* as the most active and looking for a change employees. Those people would bring onboard *lost souls* and *fence sitters*.

In Nayar's opinion young people seem to be more adaptive and open to new, fresh and breakthrough ideas. *'They believe in collaboration, they share everything: information, music, ideas and feelings. They ask questions but don't expect the perfect answer'* (Nayar, 2010, 37). Changing in the nature of communication and exchange of ideas, increasing power of Social Media made it possible having people's opinion heard continuously (Holbeche, Matthews, 2012).

Employee's behavior and willingness to contribute to the organization is based on the *extrinsic and intrinsic* motivation (Robinson & Stern, 1997; Tushman, O'Really III, 1997). Csikszentmihalyi (1996) claims that both motivations are crucial. Author states that money is important driver but not the main factor. *'Money gives relief from worries, from drudgery, and makes more time available for one's real work, it enlarges a scope of opportunities'* (Csikszentmihalyi, 1996, 326). Extrinsic motivation is often based on money and can destroy the creative potential of employees. Providing rewards and incentives means that the primary goal of any job is to get a financial support. Being against extrinsic motivation, Robinson & Stern (1997) state that prospect of rewards makes people take the easiest, quickest and surest way to solve the problem. In addition it *'captures much of the interest and energy'* (Robinson & Stern, 1997, 55).

Intrinsic motivation is based on the desire to work and enjoy the process. Intrinsically motivated employees are led by curiosity and openness. They love what they do. *'It is not the hope of achieving fame or making money that drives them; rather, it is the opportunity to do the work that they enjoy doing'* (Csikszentmihalyi, 1996, 326). In addition, public recognition and management support is seen as an important driver for the intrinsic motivation (Csikszentmihalyi, 1996).

As people are the source of innovation (Holbeche & Matthews, 2012), their engagement, willingness to *'go extra mile'* is seen to be critical to business success. Engagement deals with the emotional connection of employees in the organization and to each other enabling positive relation to their job. An

'attitude of mind' or a 'psychological contract' define the relationship that employees have with their organization (Holbeche & Matthews, 2012).

Engaged employees look for new opportunities to improve their performance. They are positive about their job. They believe in the organization; they work actively and help their colleagues to perform more effectively. They see the big picture of what is happening in the organization and outside its boundaries. They stay on tracks on what in going on in their field and the other fields as well (Robinson et al., 2004).

Holbeche & Matthews (2012) propose a model that presents the main drivers for the employee's engagement (see figure 11). In this model, at the center there are three characteristics of engagement (intellectual, social and emotional) that are supported by two preconditions (trust and fairness).

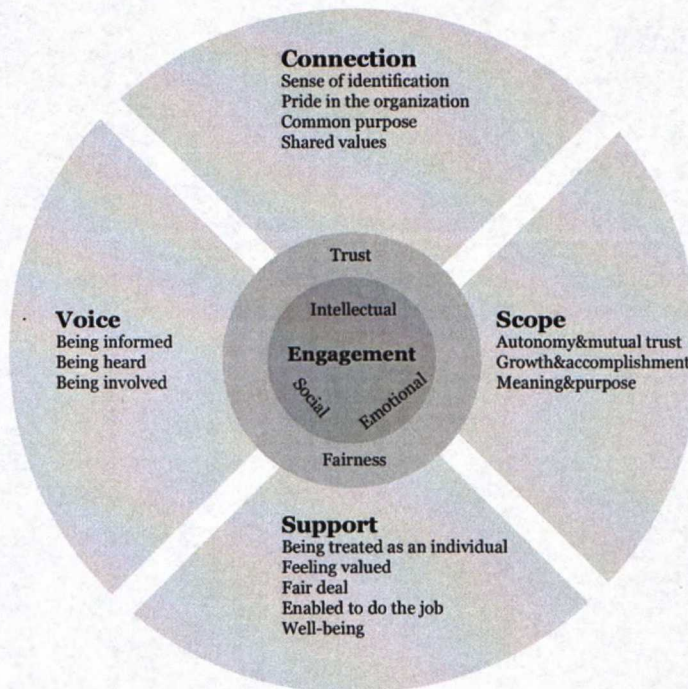


Figure 11. Employee engagement model

Source: Holbeche & Matthews (2012, 67)

Four main points (connection, scope, support, voice) represent a wide range of engagement drivers. *Connection* defines a sense of employees belonging to their

company where people share the same values, follow the same direction and understand the context in which organization is operating. *Scope* represents autonomy, professional growth and development of mutual trust (Nayar, 2010). Trust defines the relationship between the leaders and the employees and is based on the ability to empathize, demonstrate sensitivity and being honest (Holbeche & Matthews, 2012). *Support* contributes to the development of how managers guide and inspire employees to do their job (Nayar, 2010). *Voice* represents employee's ability to be informed and involved. It is based on the meaning that '*employees could feel that their opinion is crucial and that what they would say would be listened to and would make a difference in how the company operated*' (Nayar, 2010, 48).

### **2.2.5. Co-creation**

*"Conversation is a meeting of minds with different memories and habits. When minds meet, they don't just exchange facts: they transform them, reshape them, draw different implications from them and engage them in new trains of thought. Conversation doesn't just reshuffle the cards: it creates new cards. Conversation can change the way we see the world, and even change the world."*

- Theodore Zeldin,  
The President of the Oxford Muse Foundation

Conversation raises the dialog and the dialog raises an action. Co-creative actions place a focus on tapping employees hidden knowledge in order to understand unacknowledged needs (Bisgaard & Høgenhaven, 2010). Sanders & Stappers (2008, 2) define the term co-creation as '*any act of collective creativity, i.e. creativity that is shared by two or more people*'. Involving different actors of the innovation ecosystem helps to come up with the variety of solutions and identify new opportunities based on the employees own experience. The participative approach is based on the engaging multiple voices where the roles are moving from being an '*employee*' to being a '*co-creator*'. It is

driven by a genuine curiosity toward peoples' imaginative and intangible aspirations and motivations.

Employees interact with customers on their daily basis and possess a unique operational knowledge that could be crucial when creating new product/service. Employees are the experts of the industry and an important touch-point between the customer and the organization. Involving customers and employees in the co-creative practices will enchant communication and cooperation, give participants the feeling of ownership of ideas and its implementation, combine and integrate knowledge, improve mutual learning and understanding (Schuler & Namioka, 1993). Being able to solve customer's problems together allows company add a specific value (Steen et al., 2011). The wide range of values can include improving customers' loyalty, reducing costs, increasing people's well-being, and organizing innovation processes more effectively.

Employee-to-employee co-creation allows company to reduce time to solve existing problems or to realize new ones, avoid misunderstanding by sharing the relevant and timely information, being aware of what is going on in the departments, reduce the hierarchy and delegate responsibility (Kesting & Ulhøi, 2010). Employees are able to open up the borders of their daily thinking and acting, bring different perspective and fresh ideas on their colleague's job (Engine, 2011). Co-creation could be conducted by workshop gatherings or natural exchange of ideas on the daily basis. Co-creation emotionally connects employees, spark enthusiasm and inspire people to bring the difference and have an impact on what they do every day (Stickdorn & Schneider, 2010).

The employee-driven innovation attributes stated above serve a basis for the practical implementation of the phenomenon in the case study. Combining intrinsic motivation, creative environment, and diverse employees, allowing people to learn from their mistakes together provides open and trustful relationships between managers and employees. Taking into account highly hierarchical organizational structure, these attributes will be embedded in to the research design in order to validate the current state of the EDI in the Company.

## **2.3. Practical implementation: useful examples**

In this Chapter the practical implementation of the employee-driven innovation will be presented based on the two examples from the Airline industry and the Hotel Industry.

### **2.3.1. EDI in Airline Industry**

*“I’m pleased to announce the beginning of a new program that we hope will produce big changes in American Airlines. The program I’m talking about is designed to use your creativity, your knowledge, and your ideas. As you all know, to remain competitive and profitable in this ever-changing airline business, we have simply got to find new ways to control expenses and generate revenues... We want you to tell us what those better ways are... We will listen, we will respond, and we will provide rewards.”*

- Robert Crandall,  
CEO of American Airlines

Speech to employees inaugurating the IdeAAs in Action system, 1989

*IdeAAs in Action* was a system American Airlines decided to implement in order to facilitate employees to generate ideas and unleash their creative potential. In other words, the system made them look at what they were doing as daily routine from the different angle. From the beginning of the system implementation, the Company decided to make sure that all ideas would have the same starting point. Therefore, it made an alignment that was built around the *cost savings* policy.

Robert Crandall who joined American Airlines as a chief financial officer and soon became a CEO spread a message that from now on the company will be cost-conscious, which means that all the financial documentation has to be approved and strictly justified. The stories of budget-cutting initiatives by

Crandall became a legend inside the company. The olives in the salad are one of the examples. During his regular flights, Crandall noticed that 70% of passengers do not eat olives in their salad. Being curious, he ordered a study of how much money could be saved if the olive would be eliminated from the salad. Studies have shown that such kind of activity would result in \$500,000 cost savings. Soon after the Company cut the olives from the salad, olive growers found out about the situation and boycotted the American Airlines. However, the Company found a consensus. It would still store olives every flight and they would be available upon the passenger's request. This procedure requires no extra arrangements since olives have been already presented on the plane to serve martinis. The story illustrated the strong and active leadership position of Robert Crandall that was the starting point for implemented IdeAAs in Action system.

Soon after that, American Airlines launched the program that would encourage employee's come up with ideas of cost-cutting solutions. IdeAAs in Action put an emphasis on the front line employees: flight attendants, pilots and maintenance workers. By that time the program was based on the letter-submitting system that would be filled by employees and send out to the head quarters in Dallas. If the idea would be implemented the employee would get roughly 10% of the cost savings. The first year, more than 15000 ideas were submitted to the HQ. However, the method has shown that it was impossible to deal with each of the ideas in the head quarter, being far from the initial source of idea. Therefore, American Airlines decided to implement *Advocates for Ideas*, specially assigned people who carried out the task of inspiring and guiding employees thorough their idea submission process at their local station. Those people were easy going, friendly and had an entrepreneurial spirit. Their main task was to promote the IdeAAs in Action program and *'to increase participation and interest in the program and act as the 'eyes and ears' of the center in Dallas'* (Robinson & Stern, 1997, 113). Soon after implementing IdeAAdvocates in 1989, the number of ideas has increased from 16,590 to 36,800.



After saving more than \$60 million on the IdeAAs in Action system, the Company decided to thank employees and to show how the Company is proud of their joint effort. In partnership with Boeing, American Airlines decided to build its 50th airplane on the money saved from the IdeAAs in Action. That would lead to visibility of the Company and get every employee to participate and to be proud of their ideas being implemented. After two years of construction, the airplane was named as *Pride of American* suggested by one of the employees. Every time the plane travels, *'American employees recognize it and remember why it is where'* (Robinson & Stern, 1997, 116).

Success that happened to the IdeAAs in Action lies in the strong alignment that Company had before implementing the system. It usually deals with the internal culture of the organizations. In the case of American Airlines, strong leadership position and clear vision for cost-cutting strategy determined the future direction and a need for implementing IdeAAs in action. *'Clarity what the key goals of the organization'* plays a crucial role when aligning the Company (Robinson & Stern, 1997, 123). Another point would be the perception and the reaction of employees for the changes. Are they ready to participate in these actions? Are they aware of the system and have an access to it? Are they motivated to participate? Is the system able to provide an immediate feedback to their ideas? This arises another crucial point of *'commitment to initiatives that promote the key goals'* (Robinson & Stern, 1997, 123). American airlines assigned several full-time employees to deal with ideas and its realization (which cases the additional costs to the Company). Because of the motivated staff and the Company ability to see and predict its future direction *'IdeAAs in Action has become part of the daily work flow of the company'* (Robinson & Stern, 1997, 115).

### **2.3.2. EDI in Hotel Industry**

*"It's one that you walk in and you know, whether you're a guest or an employee, that you are going to be treated like nowhere else in our industry. It's taking the genuine care and comfort of our guests to the highest level. That, to me, is the Ritz-Carlton experience."*

- Tony Mira,  
Ritz-Carlton General Manager

Ritz-Carlton is a heritage hotel chain with the long-term strong traditions. The transformation of such an organization requires an effort to align traditions with the modern requirements of its customers and managing multinational culture. Being always driven by design in a sense of high-end aesthetics, Ritz-Carlton decided to move from just '*design*' to a '*sense of place*' where individual characteristics, cultural differences, and indigenous architecture became central to the interaction between the customer and the Company (Nixon & Rieple, 2010). Originally focused on improving quality of offering, the Company decided to rethink its customers' experience and the emotional engagement by moving from 'serving' to penetrating its customers and employees hearts and minds.

There were several reasons why the Company decided to challenge itself and to transform the corporate structure and its offering. In the late 80s when economic concerns have existed, the cost-cutting strategy was turned out to be harmful for the guest experience so the Company decided to apply total quality management and improve its internal processes (Michelli, 2008). Later on in 2001, Ritz-Carlton decided to shift its direction from the hierarchical traditionally organized structure to more agile in order to promote self-organizing processes among employees (Nixon & Rieple, 2010). Successful implementation of a four-step innovation process (see figure 12) allowed Ritz-Carlton to foster creativity among its employees and to provide meaningful and tailored experience to its customers. The four steps include: inspire vision, foster the right environment, stimulate ideas and test ideas (Timmerman, 2009). Creative inspiring atmosphere and corporate culture ensured that employees believe in their ideas, management supports the initiative and the environment facilitates the realization of ideas.

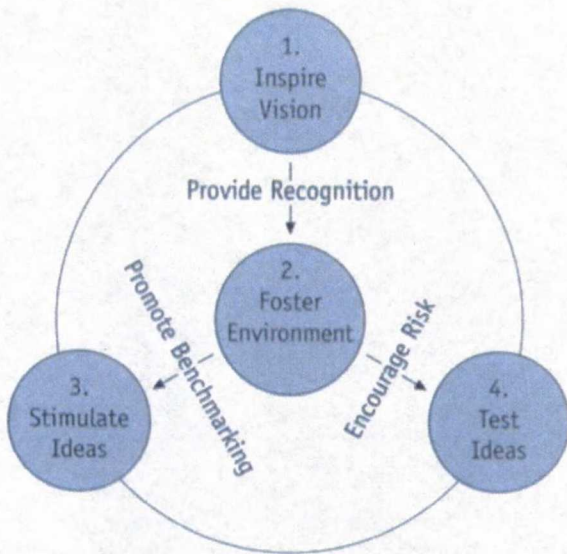


Figure 12. Four-step innovation process

Source: Timmerman, (2009, 5)

As Ritz-Carlton has more than 80 properties around the world and communicates on more than 17 languages in the daily working environment, implementing such structure has been a challenge. Nixon & Rieple (2010) identified several chaordic frameworks (see table 1) at The Ritz-Carlton that allow to unleash the creative potential of employees and emotionally engage them into the delivering excellent experience to guests.

The chaordic frameworks provide bottom-up driven behavior and innovation (Nixon & Rieple, 2010). Such structure allows to embrace innovation at the local level and place it among the front-line employees. Among implemented activities are: Line up (sharing stories and failures), WOW stories (systematic interactions, spontaneous self-organization and cross-functional teamwork), MR. BIVS (turning mistakes into the opportunities), Scenography (a workbook of the 'scenes' (Saco & Goncalves, 2008) for the customer providing a tailored approach to every individual guest), Mystique (turning employees into ethnographers). '*Ladies and Gentlemen*' mentioned in the Table 1 refers to the staff inside the Company where '*Ladies and Gentlemen serve Ladies and Gentlemen*' (Nixon, Rieple, 2010, 43). The approach is based on the self-reflection: '*the idea that a maid thinks as highly of herself as a high-net-worth*

quest provides a feedback loop that enlivens chaordic principles such as emergent leadership' (Ibid, 43).

Saco & Goncalves (2008) list four main points that helped Ritz-Carlton integrating employee-driven innovation into its strategy: culture (customer-centered direction with tailored approach), talent (hiring just superior front-line employees), development (make sure that employees are aware of the organizational values and trained to deliver great experience to the customers), measure and reward (*'systematically measure and reward customer-centric behavior and excellence in front-line personnel and support staff to enforce high standards and reinforce expectations'* (Saco & Goncalves, 2008, 14).

Table 1. Examples of chaordic frameworks at Ritz-Carlton.

Framework	Description
Lineup	A daily "huddle" style meeting of each department, at every hotel around the world, sharing stories of success and failure in customer engagement.
WOW stories	A story that reflects an employee or group of cross-functional employees' mastery of the art of anticipation.
MR. BIVS	Mistakes, rework, breakdowns, inefficiencies & variations- reported at line-up as a way to a) turn mistakes into learning opportunities in an open environment; b) collect data for improvements in future service design.
Scenography	A shift away from a centralized design aesthetic, to having each hotel's design reflect a sense of place and set a stage and scene for Ladies and Gentlemen to use as actors and improvise solutions in their efforts to deliver the art of anticipation.
Mystique	A customer management data base containing employee observations of individual customers' wants and needs in order to deliver the art of anticipation. Ladies and Gentlemen become ethnographers.

Source: Nixon & Rieple, (2010, 43)

*'The Ritz-Carlton no longer sees itself as a "hotel company"; it now considers itself an "experience and memory creator" for both customers and the Company employees (Nixon & Rieple, 2010, 41).*

Both examples show that implementing employee-driven innovation requires not only providing tools to generate ideas but also an environment to foster bottom-up behavior and innovation as well as overall alignment of the Company. In order to motivate and inspire employees company needs to provide a transparent vision so that employees are aware of the overall direction and want to contribute to its realization. Providing transparent and open atmosphere allows open thinking and opportunities to try and fail. Each idea

should be taken into account and supported by an immediate feedback that will stimulate employees to generate more ideas.

In this study, both successful stories help to contribute to the development of the EDI onboard the cruise ship by learning from the best examples and by raising important questions such as: Are employees ready to participate in the actions of sharing ideas and opportunities? Are they aware of the system and have an access to it? How are they motivated to participate?

## **2.4. Studying employee-driven innovation**

The extended literature review on employee-driven innovation has shown that several factors should be taken into account when unleashing creative potential of employees. Looking at the phenomenon from the different angles allowed to build a holistic understanding of how to facilitate employees' involvement and contribute to the development of the innovative behavior inside the organization.

Firstly, the literature analysis of this study has led to the development of the several attributes of the EDI. Among them are: Diversity (direct participation of employees from all levels of the company), co-creation (joint innovation effort of employees to solve problems collectively), motivation and engagement (providing autonomy to employees and transparency of all internal processes, reducing the hierarchy), workplace learning (individual thinking and self-expression), creative workplace environment (expanding the decision-making process by granting employees an opportunity to take decisions and providing immediate feedback on their ideas). The attributes of EDI helped to structure the research design of the case study by implementing them into the data collection methods (see chapter 3.3. Methodology and Methods for more details). For example, the attribute of motivation was embedded into the several chapters of the probe diary that was distributed to employees on the ship.

Secondly, two successful stories from the industries brought another important contribution to the phenomenon implication. Alligning the company and providing employees with an overall future direction of the organization contributes to the employee's motivation and open atmosphere. As the airline industry (taking into account security issues and hierarchical settings) and hotel industry (guest relationships and revenue management) are similar to the cruise industry, these examples were considered as highly relevant when researching the best practices of EDI. For instance, alignment strategy of the American Airlines and strong leadership position will be utilized in the case study as a starting point of the research. The benchmarking of the four step innovation process and chaordic frameworks from the Ritz-Carlton reshaped the unique recommendation for the Company (see chapter 5. Discussion).

Finally, both the theoretical implication of the research (EDI attributes) and a practical examples from the industry served a basis for identifying the sample for the case study. By accessing the information whether employees in the Company are ready to share their ideas and opportunities, whether they aware of the existing system and have an access to it, wheather they are motivated in contributing to the development of the Company, the research was built around the human needs by applying qualitative methodology.

### **3. Case study Royal Caribbean International**

This chapter presents the case study and the research project that has been held onboard the cruise ship. Firstly, the introduction of the cruise industry will be presented followed by the research questions. Secondly, the methodology will describe how the research was conducted and the findings analyzed.

### 3.1. Introduction

The cruise industry is the largest and fastest growing segment of the leisure travel industry. During the period from 1970 to 2004 the *'number of passengers in the cruise industry has increased by 2200% - from 500.000 to close to 11 million North Americans per year'* (Klein, 2006, 261). Royal Caribbean estimated that in 2010 the number of passengers across the industry has reached 20.2 million passengers (Royal Caribbean, 2011). Dawling (2006, 4) claims that *'during the last 15 years cruise ship passengers have increased by average 8% each year, and in recent years as much as 15%'*. Cruising is no longer a *'sedentary experience'* meaning just transportation but a rival to the modern land-based entertainment and leisure vacation complexes (Dawling, 2006).

It is not only the number of passengers has increased but the ships and their meaning has changed as well. The size of the ships has shifted towards more scalable and *'all-inclusive'* vessels (Dawling, 2006). The massive rapid growth in the size of the ships began in 1980s when Carnival Cruise Line introduced *The Holiday*. Three years later, Royal Caribbean Cruise Line introduced the *Sovereign of the Seas*, a ship that would accommodate up to 2850 guests (Klein, 2006). At the moment, the newest Royal Caribbean ship *Oasis of the Seas* can accommodate up to 6296 passengers and 2165 crew members (Oasis of the Seas, 2009) which makes it the biggest cruise ship in the world (see picture 1).

If in the past ships were mainly used for the transportation purposes and generated their income from the cruise fares, the modern cruise ships rely on the onboard revenue generated by the number of additional services such as group activities and recreation. Among them are bars, casinos, art auctions, restaurants, golf, games, spas and many others (Klein, 2006). The modern cruise ships are designed to satisfy new generations of guests with broader, more varied interests (Dawling, 2006). Heavily concentrated on the economy of scales, cruise companies compete on being the *'biggest'*, *'grandest'*, *'first providing experience such as first ice-skating, chapel, rock-climbing wall'* activities (Dawling, 2006, 8).

All these changes in the cruise industry, its rapid growth and development result in the high demand for trained and efficient workforce. Lee-Ross (2006, p. 41) claims that *'the [cruise] sector remains relatively free from substantial academic inquiry, particularly from the human resource perspective'*. Material available only outlines the duties and the working conditions of the crew. *'Cruise tourism is yet to undergo significant study in the field of organizational behavior'* and the potential of employees related to the producing innovative solutions on their daily basis and participation in the innovation practices. These factors *'present a unique opportunity for future research and a greater understanding of cruise ship workers'* (Ibid, 41).

Providing variety of services onboard the modern cruise ship makes employees a gate opener to the guests. Front-line employees who serve the guest directly determine the decisive moment whether the Company will succeed or fail. Carlzon (1987) refers to those moments as *'moments of truth'* where first essential 15 seconds decide on the customer's loyalty to the Company. Particular employee might be the first one and the last one person who represents the Company for the guest. Therefore, the ability to satisfy guest's needs and unleash their latent desires makes crew members a valuable source of innovation.

*'Typically, there is one employee for every two or three passengers'* (Lee-Ross, 2006). Such close interaction with guests opens up sea of possibilities to get to know customer's preferences and desires. Swain (2006) claims that more crew members per passenger usually guarantees better level of service and ensures that guests receive an enjoyable and pleasant service. As the quality of service and the value are perceived as the main factors of guest's satisfaction (Petrick & Li, 2006), employee's competence plays a crucial role when providing the service. However, the combination of low paid unmotivated staff (Klein, 2006) and their number doesn't necessary ensures that the higher number of crew members would deliver a better experience. A specific management style, organizational structure and working conditions make the cruise industry formal, complex and highly hierarchical system partly comparable to the



military structure. Working conditions on the cruise ship significantly differ from land operations. The organizational structure of the ship controls not only the working life of the employees but also their eating, sleeping and leisure activities. Employees are often treated as a 'product' instead of 'workers' that makes the environment on the ship autocratic and closed. Lee-Ross claims that this results in poor working conditions and tight relationships between the managers and the crew members (Lee-Ross, 2006).

Realizing huge opportunities for employees involvement and unleashing their hidden potential might bring the Company competitive advantage and surpass competitors. As the research on employee-driven innovation '*is still in its infancy*' (Kesting & Ulhøi, 2010, 67), the opportunities that EDI could bring to the Company are unlimited. Especially in the cruise industry EDI has a huge potential in utilizing unique and essential knowledge of the ship's workforce in order to generate additional revenue and cut costs. Utilizing internal resources will result in the more open and trustful relationships between the different stakeholders of the organization. Providing employees with tools to innovate, atmosphere to support the generation of ideas and work culture that enhances and encourage involvement would bring employees to the front of the innovation process and drive business forward.

The focus of the study was placed on the crew members of the Oasis of the Seas with an emphasis on getting insights about their daily life onboard the cruise ship. The purpose of the study was to access the information about the existing tools for collective participation in the innovation process, working environment to support employees involvement and a culture and organizational settings in which employees are able to bring their ideas.

The main aim was to gain deep insights on the system onboard and to find a solution that would encourage employee's participation, their motivation and bring new fresh ideas that would benefit the Company, employees, customers and the business itself.

The research questions are following:

(1) *Why should employees participate in the EDI practices?*

See chapter 2.2. Employee-driven innovation: factors.

(2) *What is a current state of employee-driven innovation in the Company?*

(3) *How could EDI be implemented on the cruise ship?*

The question (2) and (3) will be answered by conducting a research onboard the Oasis of the Seas and applying qualitative research methods such as interviews, probes and observations.

### **3.2 Field research context**

*“Oasis of the Seas truly represents the innovative spirit that our company is known for and to see that come to fruition is wonderful.”*

Richard D. Fain, CEO Royal Caribbean Cruises Ltd.

Royal Caribbean Cruise Lines was established in 1968 by three Norwegian shipping companies: Anders Wilhelmsen & Co., I.M. Skaugen & Company, and later Gotaas Larsen. In 1970 Company introduced its first ship the Song of Norway (Soinila, 2011). At the moment, Royal Caribbean Cruise Lines is the world's second biggest cruise line company operating 39 ships (with the capacity of 92650 beds) across five brands: Royal Caribbean International, Celebrity Cruises, and Azamara Club Cruises, CDF Croisières de France, TUI Cruises. The Company operates worldwide to approximately 460 destinations on all seven continents *‘including Alaska, Asia, Australia, Bahamas, Bermuda, Canada, the Caribbean, Europe, the Middle East, the Panama Canal, South America, South Pacific and New Zealand’* (Royal Caribbean, 2011, 9).

The Company has been innovating for over 40 years. Innovation has began with the development of the first-at-sea *‘circular observatory lounge cantilevered from the funnel’s aft end’ - the Company’s first landmark - The Viking Crown’*. Other innovative solutions include the grand architecture with atrium, large

open decks, indoor Lido cafes, the Royal Promenade, Ice skating, climbing walls and golf. The biggest ship at the moment, Oasis of the Seas, has a split structure with a central park accommodating 12175 live plants, Boardwalk and Flow Rider (Oasis of the Seas, 2009; Soinila, 2011).

The current research on the topic has been held on the Oasis of the Seas, RCL's biggest cruise ship. The vessel was chosen due to the greatest technological development, size and newness. The ship was built in 2009 at STX Europe, Turku, Finland. It took six years in total to design and built the floating city. *"The completed vessel represents the work of the largest creative team ever assembled to bring a single cruise ship to life: no fewer than 37 design firms, 20 architectural firms, the 130 members of Royal Caribbean's Newbuilding & Fleet Design group and an equally large staff of architects and engineers from STX Europe's shipyard in Turku, Finland"* (James, 2012, 35).

Oasis of the Seas is 360 meters long and accommodates 6,296 guests and 2,165 crew members from over 65 nationalities (Oasis of the Seas, 2009). Being a part of the new Oasis class, Oasis of the Seas is 45% wider than its forerunner from the Freedom Class Independence of the Seas. Combining latest technology onboard allows the ship to be the most stable ship ever built.

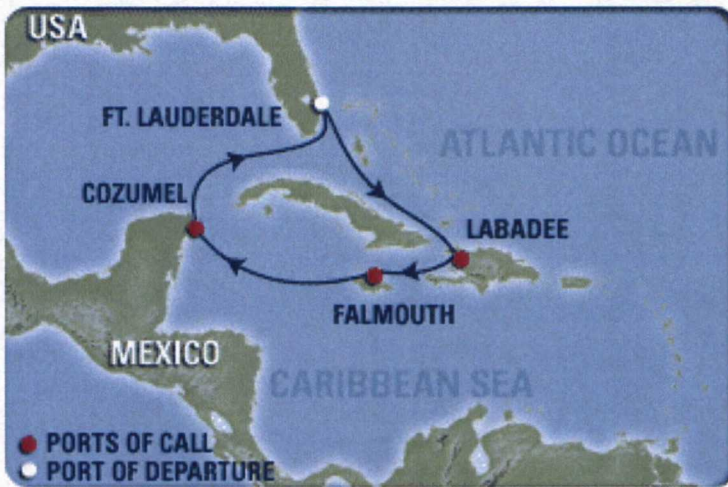
As a part of the innovation strategy, Oasis of the Seas adopts the concept of neighborhoods including seven distinct theme areas across 18 Decks. Among them are Central Park, Boardwalk, the Royal Promenade, the Pool and Sports Zone, Vitality at Sea Spa and Fitness Center, Entertainment Place and Youth Zone. Neighborhoods concept provide guests the opportunity to choose the personal and customized experience and style.

Comparing to the other ships, crew areas onboard the Oasis of the Seas have been significantly upgraded with an emphasis on the employees' comfort. Upgrades included a higher number of single cabins, flat screen TV with wireless keyboard, full Wi-Fi access for every crew berth onboard, crew coffee shop, retail services and 24-hours Windjammer cafe (RCL, 2012).



Picture 1. The Oasis of the Seas, Royal Caribbean International biggest ship

Another factor of choosing the ship was Caribbean. The area accounts for almost half of all passengers' capacity and remains the most popular destination among North American passengers (Lee-Ross, 2006; Wilkinson, 2006). The Western Caribbean route included four destinations: Labadee, Haiti, Falmouth, Jamaica and Cozumel, Mexico and Ft. Lauderdale, The United States (see picture 2). Due to the Hurricane Sandy in November 2012, the ship had to change the route from the beginning of the journey, starting from Cozumel, Mexico. The time of the field research was chosen due to the places available onboard and the convenience for the Master's thesis field trip when the theoretical part of the study was finished.



Picture 2. The route of the field research (was taken in reverse direction)

### 3.3. Methodology and Methods

*“What I hear, I forget. What I see, I remember. What I do, I understand.”*

- Lao Tse

How can we design meaningful solutions being distant from the people we want to benefit from these solutions? Conducting the research in the cruise ship environment would have been impossible without being close to employees observing their behavior, feeling the atmosphere and being deeply engaged into the conversation.

As employee-driven innovation is an emerging field (Kesting & Ulhøi, 2010) in the cruise industry and the research material is limited, the case study approach (Eisenhardt, 1989) was chosen to explore the possibilities of the EDI. Starting from the empirical data by gaining employees insights would lead towards constructing a theoretical explanation of the phenomenon. Case study method is aimed at providing a description, testing theory or generating theory. It is built around the evidence of ‘why’ and usually combines numerous flexible and opportunistic data collection methods (Eisenhardt, 1989). Bridging practice and theory, the research is concentrated on the problem-solving process where researcher is assumed to be actively involved. The main aims are (1) to explore

new alternative solutions, (2) explain the process, (3) improve problem-solving process (Holmström et al., 2009).

As qualitative research is aimed at gaining deep user insights by being actively involved in the research process, this method was chosen as the main tool to generate knowledge. Having limited access to the previous studies of EDI in the cruise industry, the importance of capturing employee's experiences in their natural settings was considered as a main characteristic for conducting the research. Maykut & Morehouse (1994, 45) state that "*extended amounts of time with people in the places they inhabit is a critical feature of indwelling, fostering the development of both explicit and tacit knowledge*".

Being exploratory by its nature, qualitative research is built around the unknown and emphasizes on the human-as-instrument (Maykut & Morehouse, 1994). The main objective is to understand how people make sense of the world around them (Kelley, 2001) and explain '*a wide variety of social, cultural and political factors*' that might influence the phenomenon (Bhattacharjee, 2012, 40). It is based on the understanding of the situation as it is constructed by the participants.

Maxwell (1996) describes five particular research purposes when qualitative approach is especially appropriate. Among them are:

1. *Understanding the meaning.* Participants of the study are seeking the explanation of the events, actions, behavior in their lives and experiences.
2. *Understanding the particular context* and the influence that this context has on their act and experiences.
3. *Identifying unanticipated phenomenon.* Generating new-grounded theories by experiments and exploring the future scenarios.
4. *Understanding the process.* Taking into account the process and the details that lead to the outcome.
5. *Developing causal explanations.* Exploring the reasons how *x* lays a role in causing *y* by conducting a field research.

The qualitative research is closely linked to what people say, how they act, what they feel and what they think (Koskinen et al., 2003). Figure 13 represents the map of senses that describes the nature of qualitative research.

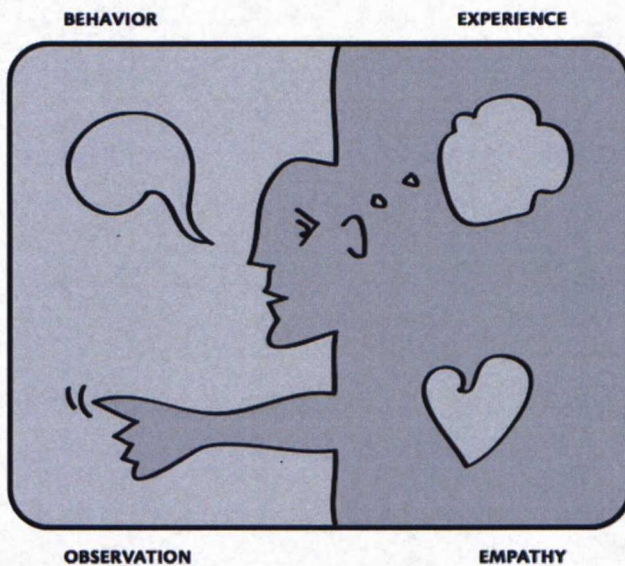


Figure 13. The map of senses

Source: Koskinen et al. (2003, 55)

Observation allows immersing in the lives of the people by experiencing their daily habits (Stickdorn & Schneider, 2010). It is not enough just asking people whether they like particular product or not, whether the service they are using is comfortable and pleasure to use or not. People would never say what they really think or if they would say they would say thing they already know. It is important to interpret and intuit shades of meaning to divine their underlying motivations or needs. Observation is about getting under the skin and figure out what people think and do, as well as why. IDEO human factors expert Leon Segal says *'Innovation begins with an eye'* (Kelley, 2001).

Getting under the skin would be impossible without being closely linked to the people and their feelings and experiences. Empathy is what would help the researcher to stand in somebody else shoes and imagine how it feels like to be another person. Koskinen et al. (2003) describe empathy as *'an imaginative projection into another person's situation'*. It aims at capturing the emotions

and motivation of people on how they use the product, how they experience it and interact with it, what is the environment in which it happens (Koskinen et al., 2003). Therefore, this understanding goes beyond what people know: when empathizing you do not judge, you *'relate to [the user] and understand the situations and why certain experiences are meaningful to these people'* (Battarbee, 2004).

### **3.3.1. Sample**

As qualitative research is aimed at gaining deep understanding of the phenomenon experienced by carefully selected groups of people, the sample should be chosen precisely. The approach is based on the purposefully selected people representing *'increased understanding versus generalizability of results'* (Maykut & Morehouse, 1994, 56). Koskinen et al. (2003) states that whenever the aim of the research is to understand people, the number of cases/participants should be considerably small.

Maykut & Morehouse (1994) claim that the most prominent and useful strategy for qualitative research is maximum variation sampling. HCD toolkit by IDEO (2009, 26) refers to extreme users as a way to inspire new opportunities. Extreme participants help to unleash *'unarticulated behaviors, desires, and needs of the rest of the population, but are easiest to observe and identify because they feel the effects more powerfully than others'* (Bootcamp Bootleg, 2011). Figure 14 shows the sample representation of the participants according to IDEO. In order to build a holistic picture of the research, three groups of participants should be included. Among them are "ideal constituents" who are successful, adopt new trends quickly and represent desirable behaviors; the opposite extreme users who exhibit problematic behaviors; "average" people who are somewhere in between those two groups.



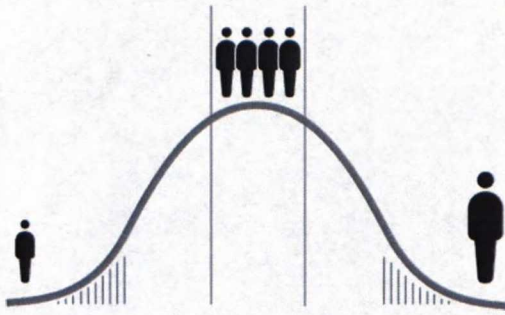


Figure 14. Sample representation

Source: *HCD toolkit*, (2009, 27)

As the Oasis of the Seas has 2,165 crew members from over 65 countries (Oasis of the Seas, 2009), the focus of interest was placed on the extreme employees: from house keeping crew members to HR managers and the Captain. Therefore, the sample map included employees from almost all levels of the organizational structure. The employees of the Departments were chosen according to their gender (possible to balance between female and male), age (from young to elderly), country of origin (diverse cultures), availability and the willingness to participate in the research. The main aim was to involve a very diverse people who possibly would have completely different insights.

### 3.3.2. Gaining access

Due to the size of the ship, unknown layout and no preliminary contacts, gaining an access to the participants required time. As the main aim of the research was to be involved in the process as a crew member, the researcher was trying to participate in the variety of activities held for employees onboard the cruise ship.

Firstly, an access to the crew areas was provided through the Marine Administrator. This gave the possibility to be at the same level as employees and gain an authentic experience of their life and free time. It was easy to contact and meet people being at their natural settings far from the guests. In order to reduce the power differential between the researcher and the participants (Maykut & Morehouse, 1994), researcher's role was to be a careful observer and an active participant of the research by sharing an own experience. Employees

had a chance to provide feedback on the data collection methods that made the research process an open-minded and collaborative effort between both sides.

Secondly, gaining an access to the participants was done in a manner of the snowball action. Participants of the research built the chain of contacts. For example, if the researcher would need to contact the person from the Food & Beverage Department, the researcher would ask recommendations from the previous participant. Therefore, the contact to the next participant would be established by the previous participant that would provide trust and reduce the randomness factor while conducting the research.

Finally, since the hierarchy is quite strong and employees depend on the relationships with the higher level, the aim of the research was to avoid contacting employees through the high-rank officers (HR and supervisors). In order to gain trust, sparkle the conversation and obtain authentic insights, all the contacts onboard were established personally by the researcher.

### **3.3.3. Interviews**

Several interviews were conducted during the research onboard the Oasis of the Seas. Interviews spark an in-depth conversation, *“which moves beyond surface talk to a rich discussion of thoughts and feelings”* (Maykut & Morehouse, 1994, 80). The main aim was to understand person’s thoughts and motivations (Bootcamp Bootleg, 2011), feel the emotions and encourage storytelling. As the research questions of the study are exploratory and aimed at discovering the unknown phenomenon inside the Company, interviews helped to generate personal experience of people and their perspective on the EDI practices.

Interviews were conducted in two different formats: a short informal daily talk and scheduled meetings. An informal daily talk was done during the employees working time, for example at 7 a.m. when there are not many guests around. No official arrangements were requires since crew was curious to talk and share their thoughts. Conducting interviews at the people’s natural workplace environment *‘allows you to see the objects, spaces, and people that they talk about during the interview’* (HCD toolkit, 2009, 28). The target audience for

the informal talks included low- and middle-level front-line employees. An average informal talk was approximately from 10 minutes to 40 minutes depending on the availability of the person. Scheduled interviews were mainly conducted with high-level officers that required special arrangements. Another type of talks included evening hang-outs with the crew in the guest area or crew areas with “no-tie” discussions and sharing the life/work experience onboard Oasis of the Seas. Table 2 presents the participants interviewed based on their Department. In total 14 people were interviewed.

Table 2. Employees interviewed

Departments (Oasis of the Seas)	Status	Occupation
Deck Department	+	Captain, Security guard
Engine Department	-	-
Hotel Director Direct Reports	+	HR manager
Food & Beverage Department	+	Waiter, Winetender
Financial Controller	-	-
Marketing & Revenue Department	-	-
Cruise Director Division	+	Acrobats, Singers, Musicians
Facilities Management Department	+	Pool attendant
Housekeeping Department	+	Housekeeping attendant
Inventory Department	-	-
Guest Services Division	+	Guest Services officer
HR Manager’s Division	+	Training & Development officer, HR
Medical Department	-	-
Information technology	-	-

Interviews were unstructured with open-ended questions followed by the free form discussion. Unstructured interviews allow discovering unexpected insights and extending of the topic (Maykut & Morehouse, 1994). Despite the openness of the process, the focus of the study should not be forgotten. *“No matter how small our sample or what our interest, we have always tried to go into organizations with a well-defined focus - to collect specific kinds of data systematically”* (Mintzberg, 1979, 585).

### 3.3.4. Probes

*“Your method is good. I think they [Company] should use something like that”*  
- crew member Oasis of the Seas

Probes is an approach of human-centered design (HCD) that aims at ‘*understanding human phenomena and exploring design opportunities*’ (Mattelmäki, 2006). The method is based on the active user participation by means of self-documenting realities of their daily life. Self-documenting means that participant fills in the information independently without the researcher being presented (Stickdorn & Schneider, 2010). The user (employees/potential participants of the research) collects and documents the information, ideas, daily habits, events, emotions and feelings in the form of assignments or tasks (Mattelmäki, 2005). Probes are the collection of the ‘*experiences in the form of actions, thoughts, attitudes, dreams and moods in real physical, social and cultural contexts*’ (Mattelmäki, 2003, 121).

A typical probe kit is a package of artifacts that includes disposable camera, cards with questions, diaries, workbooks, drawings (Crabtree et al., 2003; Mattelmäki, 2005; Koskinen et al., 2011). Every package includes instructions of how to complete the tasks and how to send it back. The package is given to participants personally by the researcher and outlines the following information: the purpose of the study/research, the time, instructions and confidentiality issues.

The primary aim of the probe kit is to produce insights into people’s lives in their natural environment where the experience happens (Mattelmäki, 2003). Mattelmäki (2005) distinguishes four reasons for applying probes: *inspiration, information, participation, dialogue*. *Inspiration* serves the exploratory mean of probes leaving the space for interpretation for both the participant and the researcher. *Information* is collected in the form of latent experiences and needs representing subjective points of view. *Participation* reflects the engaging role of the method by providing participants tools to experiment, to observe and to reflect on their own actions. *Dialogue* is established by direct interaction of the

participant and the researcher which provides continuous conversation and promotes collaboration (Crabtree et al., 2003, Mattelmäki, 2005, Mattelmäki, 2006).

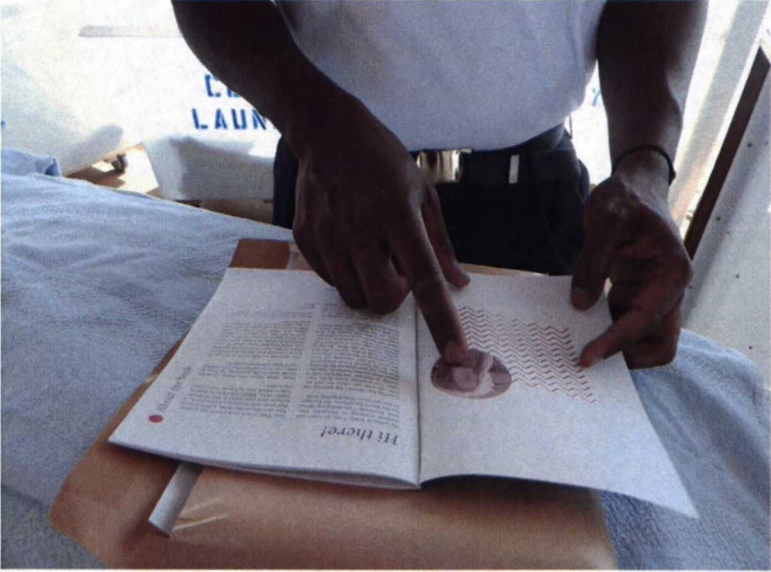
The probe kit for the Oasis of the Seas was developed in order to capture a authentic feelings and intimate insights experienced by the participants (Stickdorn & Schneider, 2010). As the topic of the verbal self-expression is sensitive in the settings of the cruise ship, the method provided valuable and engaging results. Participants were chosen accordingly to their occupation (from higher to lower level), age (mostly young people (HCD toolkit, 2009), multicultural background (from different countries), and gender (balance between female and male). Table 3 represents the participants of the research who were given the probes. The aim was to involve diverse/extreme employees. The process of recruiting employees included an observation round done by the researcher (or a snowball method by using employees personal contacts) and a short interview in order to understand the willingness to participate in the probes and provide honest and credible insights. The total number of probe participants was 5 people. The initial aims was to involve 10 people. However, due to the employees unmotivation or time constraints only 5 probes were completed.

Table 3. Probes participants

Departments (Oasis of the Seas)	Status	Occupation
Deck Department	-	Captain, Security guard
Engine Department	-	-
Hotel Director Direct Reports	-	HR manager
Food & Beverage Department	+	Waiter, Winetender
Financial Controller	-	-
Marketing & Revenue Department	-	-
Cruise Director Division	+	Acrobats (2)
Facilities Management Department	+	Pool attendant
Housekeeping Department	-	Housekeeping attendant
Inventory Department	-	-
Guest Services Division	-	Guest Services officer

Departments (Oasis of the Seas)	Status	Occupation
HR Manager's Division	-	Training & Development officer, HR
Medical Department	-	-
Information technology	-	-

The probe kit was personally given to participants and included all the necessary materials (see picture 3).



Picture 3. Participant is getting familiar with the diary

Picture 4 shows the artifacts of the probe kit: instructions, personal book, disposable camera, supply material (stickers, post-its and pens).



Picture 4. Probe kit

Instructions presented the purpose of the probe kit (see below in italics), researcher’s personal information and the content. The main idea of instruction was to get employees interested in how they are going to apply the probe kit and what kind of tasks are included.

*“My name is Nara and I am 25 years old student from Aalto University in Helsinki. My research is about employees and their ideas. Well, it is about you. Being the heart of this floating city, you know the ship better than anybody else. I believe your head is full of meaningful ideas.*

*I am curious about your life and work, I want to find out what motivates you, what are your desires and believes. The aim of my research is to find a way to bring your ideas to live. This is not a survey or feedback form, this is a set of your personal insights that would help me to design a system which will make your life onboard easier and happier.”*

*Personal Book (My life on a cruise ship)* was developed in order to get to know employees routines, document everyday life, feelings and thoughts (Mattelmäki, 2003). Diary was done in the form of a booklet including open-ended question, different tasks using stickers, drawings and mapping. Open-ended free form of tasks allowed supporting the holistic vision of the research and leaving a room for experiment. People were able to tell their personal experiences in a way they want to do it, to look at their daily routine from another angle. As Mattelmäki (2003, 126) notes '*some personal issues are easier to write than to say aloud*'. To facilitate the engagement with the book, help to describe the feelings (Mattelmäki, 2003) and make the research process more visual and playful, stickers and some support materials were used.

The book consisted of five main parts (see the full book in the Appendix):

- *About the Book* chapter included the personal story of the researcher (to facilitate a sense of empathy with the participant), the purpose of the book, six basic rules describing the vision of the book and confidentiality issue, the language, time of filling the diary and the way to deliver it back.

*'The blue diary is about you and your life onboard the Oasis of the Seas. Inside the book you will find the tasks related to your work, free time and personal preferences. You will have one week to complete the diary, use it anytime you want and do not worry, I will not share the results with anybody else'*.

- *About you* chapter asked participants to fill in their personal information, preferences (I like, I enjoy, I use, I read, I miss...), to write a story of being on the ship, present dreams, motivations, personal hierarchy of need and professional aims in life.

- *About the ship* chapter concentrated on the understanding and the perception of the ship from the participant perspective ('*What is a ship for you?*'). Simple tasks were built to map the areas people enjoy/hate onboard the ship, the communication channels and the people employees interact on their daily basis.



- *About your work* chapter presented question related to the working life and the daily activities related to the professional roles onboard. Participants were asked to fill in their responsibilities, timetable, activities during the day and night, typical day at work.

- *About your ideas* chapter provoked participants to think about the ideas they have and how to bring those ideas to live. For instance, ‘*When was the last time somebody asked you about the things you would like to improve or things you don’t like?*’ The Chapter consists of ideas brainstorming, the way to submit the idea, people involved in the process, rewards, inspirations. As the results have shown, this chapter was the most difficult for employees to fill in.

*Disposable camera* (see picture 5) was used in order to make the research playful and interactive and gain authentic visual insight of the everyday life on the cruise ship.

*‘How does it feel like to work on the cruise ship? I would like to see the world through your eyes. You can find instruction on the camera. Use it anytime you fell like taking pictures!’*

As Mattelmäki (2003, 124) describes ‘*the act of taking pictures and seeing the familiar environment through the camera lens stimulates the user to take purposeful look and reflect on the assignments*’.



Picture 5. Disposable camera with instructions

The instruction of how to take pictures as well as tasks was glued on the camera. Some tasks were documentary (*‘This is something I need, This is where I*

work, I use this everyday’) and some required interpretation (*‘I am on the ship because, Ship for me is, The best part of my job is...’*) (Mattelmäki, 2003). After collecting the cameras, the pictures were developed and the findings analyzed.

### 3.3.5. Observations

Seeing and hearing is a first step of gaining user’s knowledge and experiences. It opens all kinds of opportunities whether is it about the incremental improvements or a new meaning and deeper insights about the breakthrough product (Kelley, 2001). It is a common way of gaining user’s knowledge about the product or service. Observation is a tool that helps designers to understand what users really do. By exploring a broader set of activities, one gains deeper insight into user’s life (Lockwood, 2010). *‘Good insightful observation combines careful watching with occasional well-chosen ‘why?’ questions to get at the underlying psychology of a person’s interactions with products and services’* (Kelley, 2001).

During the field trip onboard Oasis of the Seas several activities were held in order to immerse into the crew life. Gaining the security pass opened up possibilities to observe employees in their natural settings. Walking along the I-95 (see picture 6), the main corridor of the cruise ship, crew mess and many other areas provided insights on the crew’s behavior when being far from guests and expressing ‘themselves’. Daily observations included walking on the cruise ship and observing employees when being at work and communication with each other and with the guests.



## Picture 6. I-95 Oasis of the Seas

As a part of the project, the researcher attended a training session for the new hires coming onboard the cruise ship. Two hours session included presentation of the Company, basic rules and ethics as well as several exercises (see picture 7). The session opened up possibilities for new fruitful contacts and followed interviews.



Picture 7. Training for new comers

In order to get to know the ship better, the researcher attended a tour on the Oasis of the Seas. Almost all the crew places as well as the guest areas that are usually are not available for the public audience were visited (see picture 8).



Picture 8. The ship tour

### 3.3.6. Data analysis

Gaining an empirical data was conducted by using several methods: interviews, probes and observations. Therefore, due to the large amount of data, insights were analyzed in two stages: the first stage included *analyzing the probe kit* and the second stage included *combining* impressions from interviews and observations with the probes insights.

The *probes analysis* was based on the content analysis method. The method is focused on gaining latent content of the data and identifying and interpreting an underlying meaning (Graneheim & Lundman, 2004). Units of analysis were based on the probe diary chapters (About the Book, About you, About the ship, About your work, About your ideas). All five books were analyzed together by placing the data in the table and searching for the meaning and its interpretation.

Figure 15 describes the process of the content analysis. First, the diaries were read and the most relevant and important information was placed in the table. Second, data from the each chapter from all diaries was analyzed separately by looking for similarities and extraordinary insights. Finally, similarities and latent meanings were put on the post-it notes for further combined analysis (together with observations and interviews).

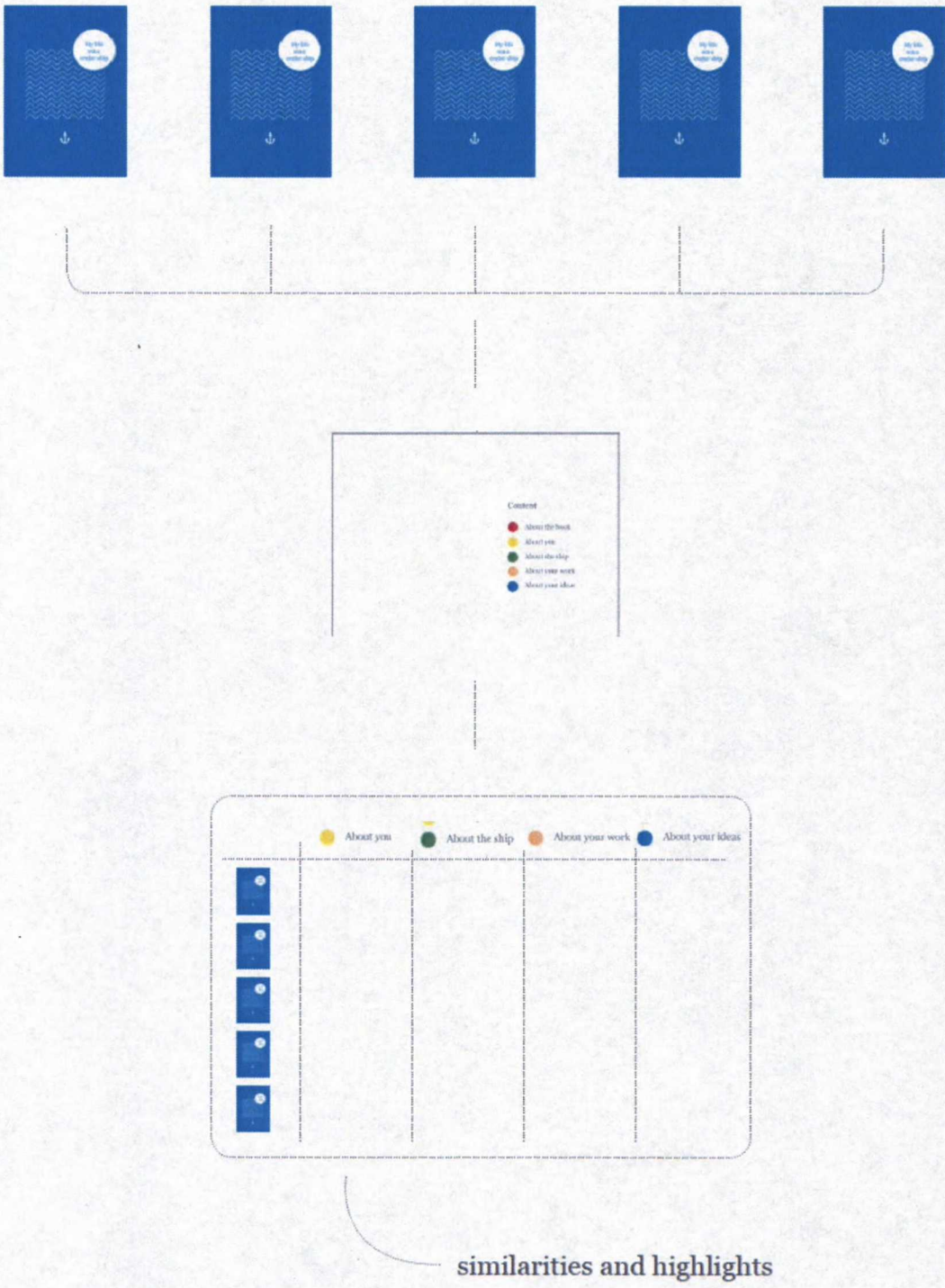



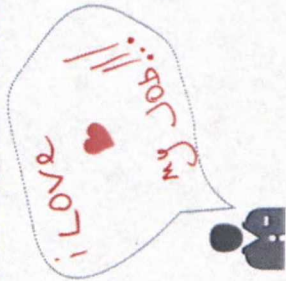
Figure 15. Diary content analysis process

Table 4 presents the data from the content analysis.

Table 4. Probes content analysis

About you	About the ship	About your work	About your ideas
<p>Probe 1</p> <ul style="list-style-type: none"> <li>- 25 years old male, 3 years of working experience on the ship;</li> <li>- Food &amp; Beverage Department;</li> <li>- came to work because of his cousin who inspired him to come and to try;</li> <li>- miss family and friends;</li> <li>- motivation: <i>"to prove myself to be appropriate and have capabilities"</i>;</li> <li>- enjoys traveling, diverse people around and getting paid for it;</li> <li>- aim: to get mature and to succeed;</li> </ul> <p><i>I enjoy doing...gatherings &amp; my job.</i></p>	<ul style="list-style-type: none"> <li>- <i>"You can not run from the person you don't like"</i>;</li> <li>- Ship is an adventure, love, relationships, an <i>"amazing vessel"</i>;</li> <li>- possesses a lot of local insights about ports;</li> </ul>	<ul style="list-style-type: none"> <li>- enjoys diverse experience when working on the ship;</li> <li>- mentioned that he does not possess the opportunity to make bold decisions;</li> <li>- dreams about having <i>"one day where [he] could do what [he] wants to do in his career and life"</i></li> </ul>	<ul style="list-style-type: none"> <li>- proposed ideas about the ship;</li> <li>- proposed ideas that could bring some revenue to the Company;</li> </ul>
<p>Probe 2</p> <ul style="list-style-type: none"> <li>- 25 years old male, 2 years of working experience on the ship;</li> <li>- Facilities Management Department;</li> <li>- came to work because of his brother who works in the industry as well;</li> <li>- miss family and friends;</li> <li>- motivation: <i>"to challenge my abilities and skills [learning new language]"</i>;</li> <li>- enjoys making people happy;</li> <li>- appreciates empathy</li> </ul>	<ul style="list-style-type: none"> <li>- <i>"You enjoy being where you are achieving your goals"</i>;</li> <li>- <i>"You hear that horn and smell the fresh sea breeze"</i>;</li> <li>- compared the ship to a city with its own rules and regulations;</li> </ul>	<ul style="list-style-type: none"> <li>- the main professional aim is to expand knowledge and gain new skills;</li> <li>- in work appreciates recognition and sympathy;</li> <li>- mentioned that enjoys delivering the best experience to guests and interacting with them every day;</li> <li>- raised the issue related to hierarchy onboard</li> </ul>	<ul style="list-style-type: none"> <li>- proposed some improvements on management;</li> <li>- mentioned that <i>"the best reward [for ideas] is to see it happen"</i>;</li> </ul>

	About you	About the ship	About your work	About your ideas
Probe 3	<ul style="list-style-type: none"> <li>- 22 years old female, 1.5 years of working experience on the ship;</li> <li>- Cruise Director Division;</li> <li>- miss family and friends;</li> <li>- motivation: to develop career (have an own show);</li> <li>- "need time for all my work ideas"</li> <li>- enjoys working, traveling and communicating with people</li> </ul>	<ul style="list-style-type: none"> <li>- described the ship as "living in a box";</li> <li>- communicates with people from the same country;</li> <li>- when being at ports enjoys exploring places and meeting new people;</li> </ul> <p>FOR ME THE SHIP IS THE PLACE WHERE EVERY CULTURE IS TOGETHER IN ONE SINGLE PLACE.</p> <p>The ship is... </p> <ul style="list-style-type: none"> <li>- mentioned that "on the ship is very hard to really trust 100% someone"</li> </ul>	<p>The best part of my job is ...</p> <p><i>I enjoy my job very very much.</i></p> <ul style="list-style-type: none"> <li>- perceives her work as seeing the world, saving the money and doing what she likes;</li> </ul>	<ul style="list-style-type: none"> <li>- proposed improvements related to the interaction between the guests and the crew members;</li> <li>- mentioned ideas on bringing different cultures together in order to get to know each other onboard;</li> </ul>
Probe 4	<ul style="list-style-type: none"> <li>- 26 years old male, 4 years of working experience on the ship;</li> <li>- Food &amp; Beverage Department;</li> <li>- came to work because of the woman (his present wife);</li> <li>- miss family and friends;</li> <li>- motivation: money.</li> <li>- the aim is to open an own restaurant in the future;</li> <li>- proud to work on the biggest ship in the world;</li> <li>- appreciates fairness;</li> </ul>	<ul style="list-style-type: none"> <li>- the main aim is to satisfy guests and to make their stay onboard pleasant and enjoyable;</li> <li>- appreciates responsibilities and people doing their job "properly";</li> </ul> <p>The best thing when working on the ship is...</p> <p>MEET A LOT OF PERSON WITH DIFFERENT CULTURE.</p>	<ul style="list-style-type: none"> <li>- has ideas how to improve working process onboard;</li> <li>- raised the issue of the Internet usage;</li> </ul>	

	About you	About the ship	About your work	About your ideas
Probe 5	<ul style="list-style-type: none"> <li>- 24 years old male, 1.5 years of working experience on the ship;</li> <li>- Cruise Director Division;</li> <li>- miss family and friends and "normal life";</li> <li>- enjoys making people happy</li> </ul> <p><i>I am motivated to work because ...</i></p> 	<ul style="list-style-type: none"> <li>- being all day in the closed area "cabin fever";</li> <li>- compared to a floating city;</li> </ul> <p><i>On Oasis is really hard</i></p> <p><i>ork</i></p> <p><i>imaging something more!</i></p> <ul style="list-style-type: none"> <li>- loves audience and people's reaction during the show;</li> <li>- communicates mostly with people from the same nationality;</li> </ul>	<p><i>My job would be perfect if ... it's perfect!</i></p>	<ul style="list-style-type: none"> <li>- indicated that inspiration comes from all around;</li> <li>- has ideas on improvement internet issues;</li> <li>- proposed suggestion for the guest areas;</li> <li>- mentioned that there should be a specially assigned person responsible for the idea submission system.</li> </ul>



The *combined analysis of findings* from interviews, observations and probes was conducted by using the method called Affinity Mapping (Koskinen et al., 2011). Affinity mapping is a brainstorming tool that is commonly used within the project management practices. It is a process that helps to structure complicated and chaotic data, insights and ideas and organize it according to the similarities existed. The process of affinity mapping is shown on the Figure 16.

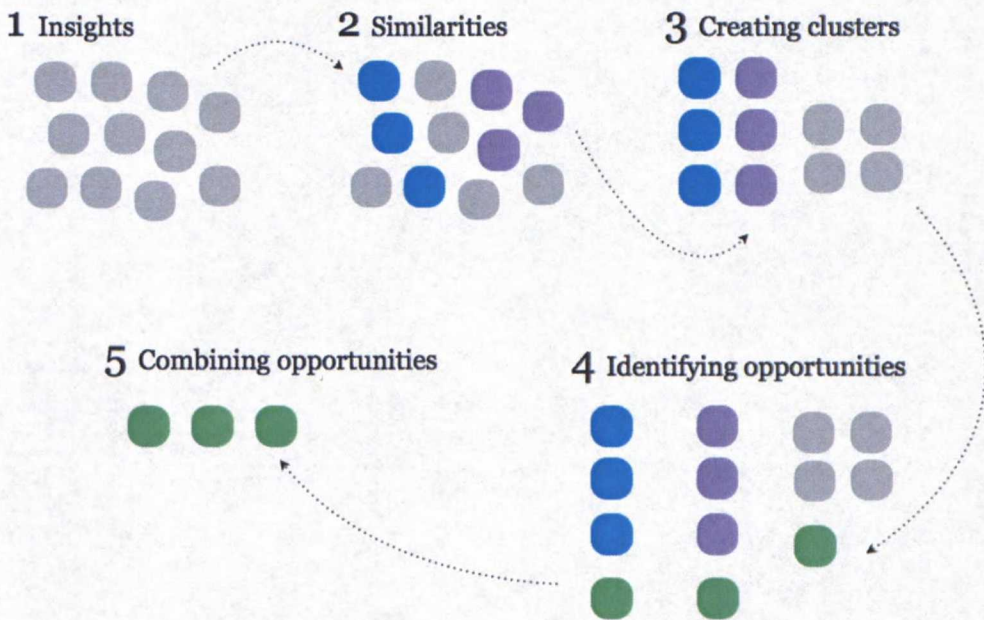


Figure 16. Affinity mapping process

- (1) All observation insights, impressions and the data from interviews is presented on a note or post-it note. The note includes short sentence of understandability, pictures, clearly written insight. The notes are spread on the wall for data visibility and clear analysis;
- (2) Insights are clustered according to the similarities found;
- (3) Similar notes are placed together and given a descriptive title that symbolizes the cluster (and clearly conveys the meaning);
- (4) Based on the data available, the insights synthesized and generated into the opportunity that represents a quick valuable solution;

(5) Opportunities are combined together in order to generate the concept.

The method is applicable when issues are complex and large and the data is unorganized and diverse (Keinonen, 2011). Data from probes, interviews, observations and books was analyzed all together placing a focus on combining and validating different methods.

As the researcher alone conducted the interviews, there was no possibility to take notes (in order to keep an eye contact with an interviewee). Recording the interview would have made employees feeling uncomfortable and more closed. Therefore, the decision was to document the insights from interviews immediately after the interview was conducted by transcribing the data and talking through it. All the insights were collected on the post-it notes together and placed on the walls where affinity mapping was done.

Nine clusters were identified with affinity mapping tool. Among them are motivation, support, self-development, communication, activities, ship atmosphere, diversity, the existing EDI onboard the cruise ship. Figure 17 presents the clusters.

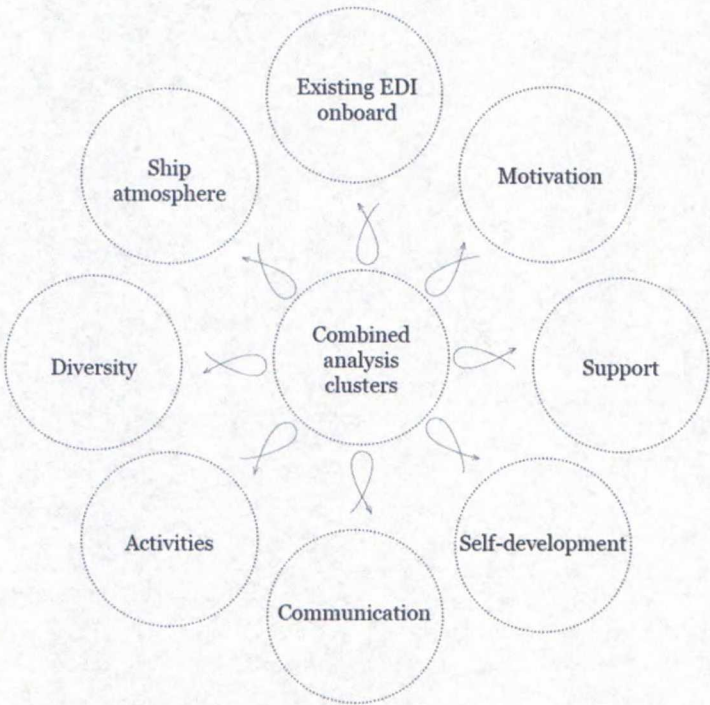


Figure 17. Combined analysis clusters

## 4. Findings

This chapter presents the main findings of the research based on the two empirical research questions (*What is a current state of employee-driven innovation in the Company? How could EDI be implemented on the cruise ship?*) First, the current state of the employee-driven innovation on the cruise ship will be presented. Second, findings on the practical implementation will be overviewed.

### 4.1. Current state of employee-driven innovation in the Company

The current state of the employee-driven innovation onboard the cruise ship was considered to be weakly presented. Figure 18 highlights the analysis clusters that contribute to the overall findings about the current situation onboard the cruise ship.

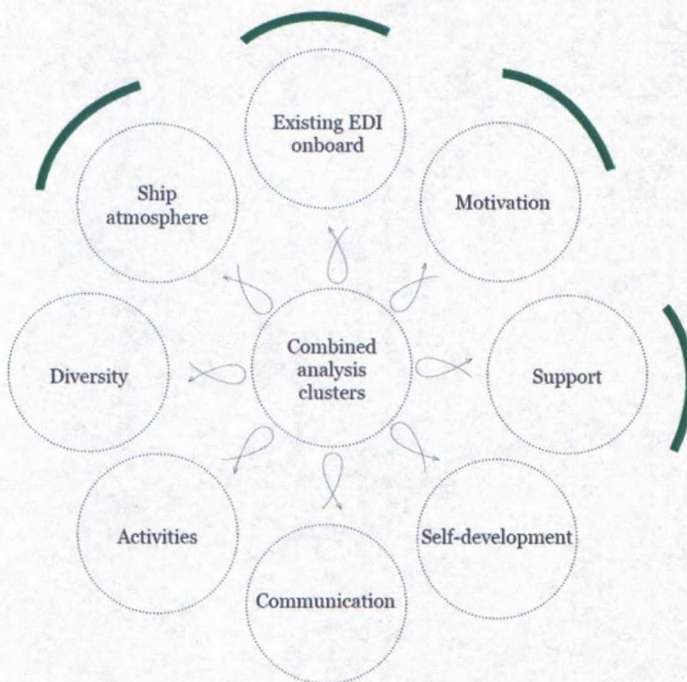


Figure 18. Current state of the EDI

*Ship atmosphere* was presented as highly hierarchical with strictly divided professional roles and benefits. Employees on the ship are divided according to their division, job and nationality. Every ship is comparable to the entire city with its own infrastructure, rules, regulations, laws and communities. Being 24 hours in the confined space, employees have to stay with the same people 24 hours a day. "You can't get away. You have to live and work with the same people," said one of the crew members. This causes competition, conflicts and enemies. Seeing different levels of the hierarchy even in the free time provokes people to be jealous and to pass on gossips that spread immediately.

*The existing EDI system* onboard is found to be implemented in four different forms. However, despite its existence, the system doesn't support the employee's involvement in the idea generation process. There is no overall understanding of the system and its main purpose among employees. 80% of the interviewed crew members stated that they are not aware of the system existence. In addition to that, there is no proper usage of the system. Employees do not understand the meaning of the system and have some difficulties in submitting the idea. Ideas are not stored properly and not available for the public. Immediate feedback is not provided which results in the abandoning the system among the crew members.

The current system onboard is based on the extrinsic *motivation* such as money. Providing financial rewards to employees does not guarantee their involvement. Despite the fact that for majority of the crew members the main motivation when working onboard the cruise ship is money, intrinsic *motivation* was found to be very powerful. Employees are very proud to work for the Company and want to contribute to the guest satisfaction by delivering the best experience. Having new guests every week (during the weekly cruises) brings employees the opportunity to interact with many different people and to be inspired by seeing the best results of their work. Self-actualization and recognition was noted to be another crucial motivation factors when working on the cruise ship. "The guests are coming onboard because of us. If we wouldn't have been here, there wouldn't have been a business" stated one of the crew members. Employees are

willing to dedicate their time and effort if they are recognized by the Company and see the value in doing it. Crew members like to take a challenge and “*to better [themselves] as an individual*”. Ship for them is “*about achieving [their] goals*”.

Being 24 hours a day on the cruise ship requires *support* and understanding from the people around, particularly from the crew’s supervisor. Working conditions on the cruise ship differ significantly from the on land operation. The organizational structure of the ship controls not only working life of employees but also their eating, sleeping and leisure activities (Lee-Ross, 2006). Strong hierarchy determines professional roles and relationships onboard. Employees who have higher rank get all the advantages. Such an unbalanced structure provokes conflicts and tension among crew members. Due to the strong hierarchy, all the important decisions are made on the higher levels on the organizational structure. However, the lower level employees do the practical implementation of the decisions.

## **4.2. Possibilities for EDI implementation**

During the field trip it was found that there are several factors influencing the implementation of the EDI onboard the cruise ship. Figure 19 presents the main clusters.

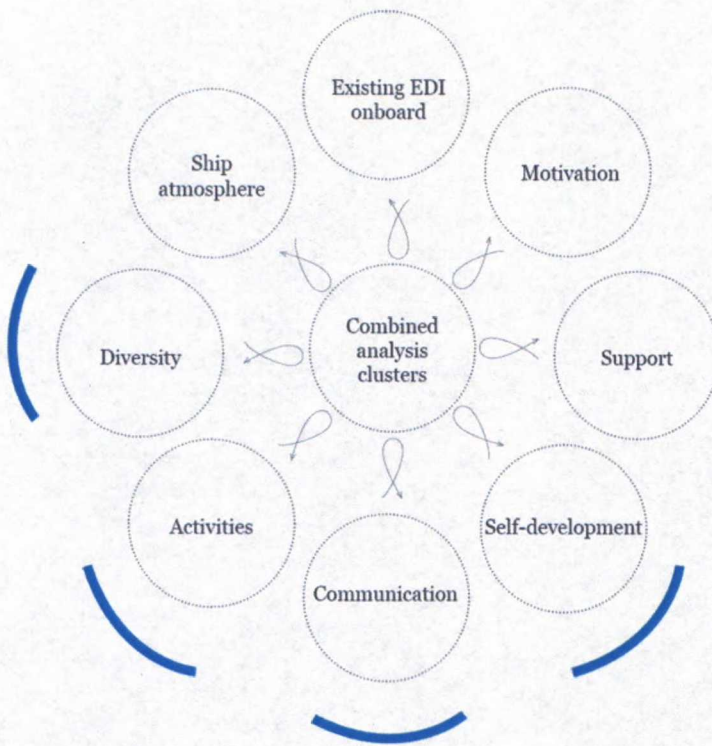


Figure 19. Findings related to the EDI implementation

Since skills and experience are highly appreciated when working on the cruise ship, *self-development* is considered as one of the driver of the EDI. Employees stated that new skills and practices could help them to be promoted and get a higher-level job. Self-development motivates crew members to acquire new skills and learn new languages. As a job on the cruise ship might be monotonic, people like to challenge their abilities and skills.

Languages are seen as an important factor when working on the cruise ship. Many crew members are willing to learn new languages. It might be an incentive to achieve higher level of professionalism and get promoted. Having more than 65 nationalities onboard makes cruise ship a unique environment.

*Communication* on the ship differs from communication on land. Being 24 hours on duty, living and working in the same place provokes conflicts that in most cases are personal. Another communication problem deals with staying connected with an outside world, more precisely with the families. Being at sea 6-9 month makes communicating with the family members the first priority

when having free time. Phone calls, Facebook, email were the most common means of communicating with home. Therefore, embedding this channel into the daily routine could contribute to the intrinsic motivation of employees.

It was found that there are plenty of *activities* onboard the cruise ship. Although it seems that Oasis of the Seas has everything people can imagine, “*it is the small things that make us happy*”, says one of the employees. For example, having an evening walk on the fresh air. The most common activities on the cruise ship are gym, crew bar and sleeping. Activity depends on the person’s working hours and motivation. The main activity remains spending time on the Internet, communicating with the families and staying connected with the outside world. Working on the cruise ship is tiring and demanding. Front line employees have an everyday pressure being an emotional labour (Weaver, 2006). This means that they have to ‘*manipulate their own emotions so as to stimulate a particular emotional response to customers*’ (Weaver, 2006, 394). This emotional load makes people exhausted by the end of the day and requires relaxation.

As Oasis of the Seas has more than 65 nationalities onboard, the ship is a truly multicultural city. *Diverse* employees are divided into the sub-communities according to their nationality. It was noted that people mostly interact with the crew members from the same culture. For example, Russian sub-community has its own evenings when people meet and discuss the latest news. For Philippine crew members the opinion of their country-mates helps to make an important decision. Some crew members mentioned that it would be beneficial to get to know other nationalities and their cultural aspects. This would help them to understand their work colleagues better and avoid conflicts.

### **4.3. Summary of findings**

The empirical data gathered onboard the cruise ship proved that EDI is a complex and systematic process that contributes not only at gaining ideas from the employees but creating an inspiring environment that facilitates the trustful and open atmosphere.

Ship environment was considered to be highly hierarchical where all the decisions are made by the higher-level officers. The processes onboard the ship are structured and codified. Instructions define the way people perform their job. It was found that crew members appreciate recognition and empathy. Despite these factors, findings from probes have shown that people appreciate being on the biggest cruise ship in the world. Most of the participants aim at bringing the valuable experience to the guests and make their stay onboard pleasant and enjoyable. This factor contributes to the intrinsic motivation of the crew members.

Despite the existence of the employee-driven innovation system onboard the Oasis of the Seas, only one of the interviewed crew members has mentioned about it. Surprisingly, in the probe diary all of the respondents proposed several ideas that could be potentially implemented on the ship. Ideas were built around the ship management, ship areas, interaction between guests and employees, utilizing cultural aspect, presenting solutions on the Internet issues. One of the crew members indicated that having onboard a specially designated person would foster ideas flow. One of the respondents proposed an idea that in his opinion could bring revenue to the Company.

Therefore, implementing EDI onboard the cruise ship should involve many aspects of EDI stated in the chapter 2.2. In order to create an engaging atmosphere, motivate people on producing ideas and contributing to the way their work and interact with the customer and provide tools, the proposed system should incorporate people's involvement and make their stay onboard pleasurable and happier.

## **5. Discussion and conclusions**

This chapter presents the main proposal for the Company including the theoretical implications and practical application of the phenomenon. The proposed solution is based on the literature analysis and the field research



conducted onboard the cruise ship. Furthermore, evaluation of the study and further research are presented.

## **5.1. Creative potential of employees in the cruise industry**

This thesis contributes to the development of an emergent field of employee-driven innovation. Going away from the traditional settings of the organization where ideas are proposed by a limited number of people at the top of the organizational hierarchy, EDI emphasizes on the bottom-up employees involvement in the generation of ideas and bringing their knowledge and expertise to the front of the innovation process.

Highly competitive business environment, open borders of the information exchange and servitization of the economy made employees valuable and strategic asset of the innovation. However, in most companies the systematic use of ideas and knowledge coming from the employees of all the organizational levels (Aasen et al., 2012) have not been recognized as a source of innovation. Being a complex system, EDI involves building a trustful and open environment, providing intuitive tools for idea generation and engaging employees in the process by granting them an opportunity to make decisions.

This study was aimed at implementing EDI on the practical level in the cruise industry. The growth of the cruise industry and its development (Dawling, 2006) has led to the increased demand for trained and efficient workforce. Lee-Ross (2006, 41) claims that *'the [cruise] sector remains relatively free from substantial academic inquiry, particularly from the human resource perspective'*.

The main purpose of the study was to contribute to the development of the EDI onboard the cruise ship and to generate new knowledge in the field. The research gap was identified in the relation to the practical implementation of the EDI on the Oasis of the Seas, the world's biggest cruise ship. Therefore, the project aimed at gaining deep insights into the crew's life and obtaining an

overall understanding of the phenomenon. Three research questions were identified as follows:

- (1) *Why should employees participate in the EDI practices?*
- (2) *What is a current state of employee-driven innovation in the Company?*
- (3) *How could EDI be implemented on the cruise ship?*

The first question was answered by conducting an extended literature review and extracting characteristics of EDI. The literature analysis has led to the identifying the need for engaging employees in the innovation process and recognizing their creative potential. Thereby, five attributes of the EDI were identified. Among them are motivation and engagement, workplace learning, creativity and workplace environment, diversity, co-creation. The question two and three were answered by conducting a field research onboard the cruise ship. Being embedded into the crew's daily life helped to gain authentic insights and engage employees in the research process. The current state of the EDI was identified and the solution on its implementation proposed.

New knowledge was generated based on the combination of the theoretical implications with the empirical findings gained during the field trip. The framework incorporates main elements of the EDI (see above) and provides an access to employees' expertise by utilizing essential knowledge and provoking powerful exchange of ideas. Including seven guidelines (state the vision, support and delegate responsibility, bring diversity, surround with creative environment, facilitate learning, provide tools, motivate and engage), the framework aimed at unleashing the creative potential of employees in order to bring value to the Company, contribute to the employees wellbeing, provide new experiences for customers and create new opportunities for business.

## **5.2. Practical implications**

Analysis of findings has shown that the existing EDI system onboard the cruise ship provides a limited access for employees and does not facilitate the crew members engagement. Working environment on the ship does not allow the

exchange of ideas and its proper documentation. Working culture onboard is seen as highly hierarchical dividing employees on the particular groups and limits their interaction.

The combination of the theoretical implication of the phenomenon (see figure 9. EDI attributes) and the main findings of the research (see figure 17. Combined analysis clusters) contributes to the development of the unique framework of the EDI. Figure 20 provides seven guidelines that are based on the case study findings, serve a basis for the practical implementation of the EDI onboard the cruise ship and contribute to the academic aspect of the research.

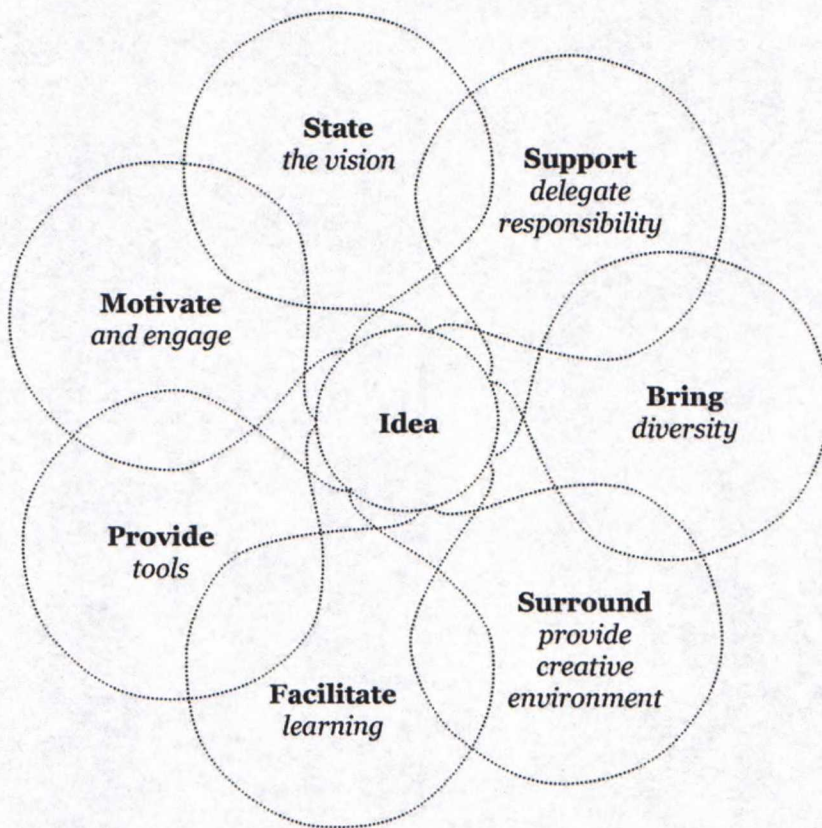


Figure 20. Employee-driven innovation guidelines

The proposed solution is based on the several recommendations that would encourage employees participation and open up a fruitful and engaging dialog between different stakeholders of the Company. Seven guidelines will be discussed with an emphasis on the current situation onboard the Oasis of the Seas.

**State the vision** (Setting up an inspiring and engaging vision of the future by emphasizing the role of employees).

In his book 'Moments of truth' Jan Carlzon describes the success of the SAS Airlines at the time of 1980s. Carlzon (1987) states that in order to make "*ideas flow freely from every division of the company*" they need to be channeled towards the same company-wide vision. As the actions are made on the lower levels of the organizational structure, it is important to provide employees with an understanding of the future direction where the Company is heading. This should be done in simple and inspiring form. To everyone in the Company - from board members to front line employee - SAS distributed a little "*red book*" entitled "*Let's get in there and fight*" that described major problems, the goal and the vision of the Company. Once employees accept the vision, understand the direction and their own position in providing the value, they '*sparkle numerous simultaneous and energetic developments*' (Carlzon, 1987, 27).

For the Royal Caribbean the book should include the Company direction where it places employees at the core of the success. Every employee should follow the vision and understand the own role in contributing to the overall development (see figure 21). The book (or simple rules) will be an effective communication tool that would provide all the necessary information (combined with the Gold Anchor Standards) and that would help to ensure employees about their abilities to take responsibility for carrying out Company vision (Carlzon, 1987). The book (rules) can be distributed with the contract or across the crew areas or placed at the working stations of the every employee.



Figure 21. Company vision strategy

**Support and delegate responsibility** (Giving the employees an autonomy and the responsibilities to make decisions).

Taking into account strong hierarchy onboard the cruise ship, the ability to make decisions is granted to the high level officers. However, front-line employees possess all the knowledge about the guest's preferences and needs. When having an authority to make decisions and obtaining all the important information, employees would contribute to the guest satisfaction. Individual's decisions should be made according to his/her responsibilities and not according to the hierarchical status (Carlzon, 1987).

Instead of approving the decisions by their supervisors or managers, employees should be able to make immediate decisions by themselves. These decisions should be aligned with a Company overall strategy (requires employees understanding of a clear vision).

*“By defining clear goals and strategies and then communicating them to his employees and training them to take responsibility for reaching those goals, the leader can create a secure working environment that fosters flexibility and innovation”.*

(Carlzon, 1987, 35)

The leadership position should be changed from assigning the task to providing the information and resources in order to create ‘*prerequisites for the work to be done*’ (Carlzon, 1987, 32). This would contribute to the act of delegating responsibilities (see figure 22).

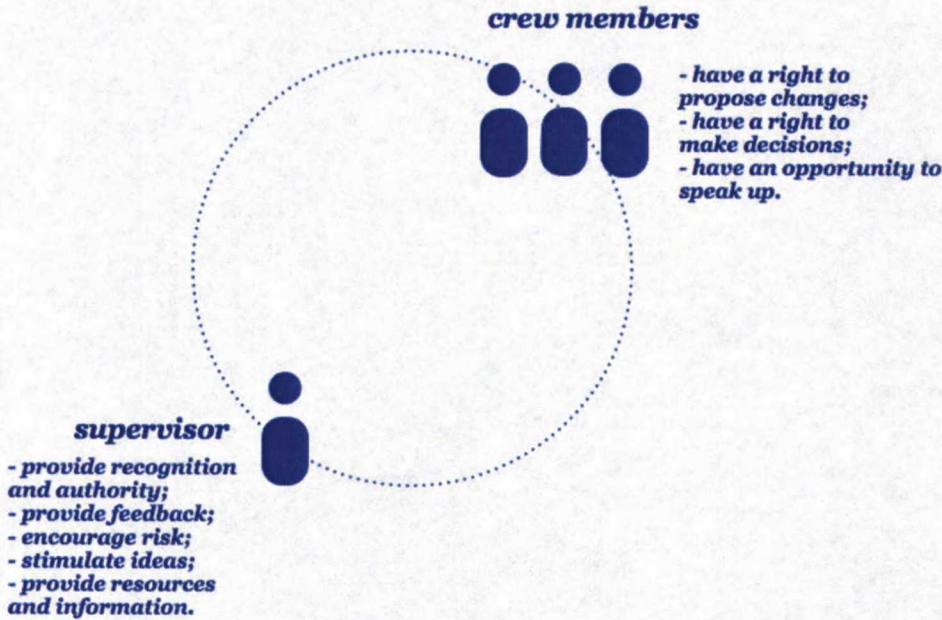


Figure 22. Supervisor-crew member professional roles

For example, engaging and supportive sessions can be held every day (evening/ during the day) to exchange ideas and talk through the working process. Ideas and suggestions should be documented (see **Provide tools** section) and given an immediate feedback on actions. In order to apply this, employees should be properly trained to answer on the customer’s unique needs with speed and courtesy (Carlzon, 1987).

**Bring diversity** (Combining diverse employees to solve problems collectively across the departments).

The combination of the 65 nationalities and various backgrounds onboard the Oasis of the Seas open up unlimited opportunities for problem solving and facilitates cultural exchange among employees.

Bringing different backgrounds and experiences together would contribute to the active conversation and ideas exchange and would provide diverse understanding of the problem (Carlzon, 1987). For instance, open challenge could be posted every week on the ship intranet (or any other communication channel including the paper submission). The big question will call for actions and facilitate employees to give their answers or to propose the solution. The winner of the challenge would be given a responsibility to solve the issue. Every person from every department would be able to participate. Rewards will be based on the individual preferences. The challenge would incorporate knowledge across divisions and make employees aware of what is going on in different levels of the organization. Figure 23 represents the challenge example.

### ***How might we prevent food waste onboard the Oasis of the Seas?***



Figure 23. Challenge example

Another opportunity in bringing different employees together would be sharing their cultural background. During the research it was found that employees lack some knowledge about their colleagues national differences. Therefore, additional knowledge would help to avoid conflicts based on the cultural misunderstanding and provide information about their background. For

instance, crew members can give small engaging educational sessions about their countries, organize traditional dinners, teach each other languages.

***Surround with creative environment*** (Unleashing the creative potential of employees).

The Company should provide an environment where the failure will be considered as an opportunity and would lead to the personal development. Encouraging risk will serve a basis for trying new and not being afraid of experimenting. Taking into account guest's satisfaction and employees well-being, crew members are encouraged to bring their personal opinion on problems and being responsible for actions.

Transparency would lead to the opening the borders of communication and exchanging the knowledge. Employees would be aware of what is going on in other departments by sharing the status updates and the latest news. It could be posted on the walls or through the crew intranet. For instance, observations about guests, activities across divisions and personal achievements could be a part of the shared information.

Opening up communication channels would give the employees an opportunity to express their opinion freely without being afraid to be punished. People can discuss problems, give open feedback and exchange their ideas. Experimentation culture and the willingness to change the environment will facilitate employees to bring creative solutions to daily improvements. Supervision' and management' support would make sure that crew members ideas are listen to and their ideas are taken into account. All the actions have to be aligned with the Company vision.

***Facilitate learning*** (Realizing employees abilities to be open to new challenges, being able to extend their knowledge and share it with the other people around).



Developing new skills and obtaining additional experiences is seen as a motivation for the personal development. Many employees have mentioned that new skills helped them to get promoted and to grow inside the Company.

Learning new languages as well as gaining an experience in other specializations could be done by the crew members themselves. Employees can teach each other and attend activities organized by their colleagues. For example, Spanish language, which is an essential mean of communication in the Caribbean area, could be taught by the native speakers onboard the cruise ship. This would break the daily routine and bring a challenge to employees. In addition, this would raise an interest in their job. As many of the crew members hold various Degrees, they could teach other courses as well. Among them could be courses on hospitality, leadership, entrepreneurship, cruise-experience, marketing and many others.

***Provide tools*** (Practical means of generating ideas and bringing them to the front of the innovation process).

The existing system onboard the cruise ship seems to be very general and does not incorporate employees specific responsibilities and professional development. In order to make ideas flow freely, there is a need to open up communication channels and to provide transparency where all the ideas will be available to every employee and immediate feedback will be provided.

Based on this, the system should be built around the personality and not around the ideas. Personalized system would bring a value to the employees incorporating their personal preferences in communication, self-development and contribution to the Company by being able to express their opinion. Figure 24 represents the proposed system.

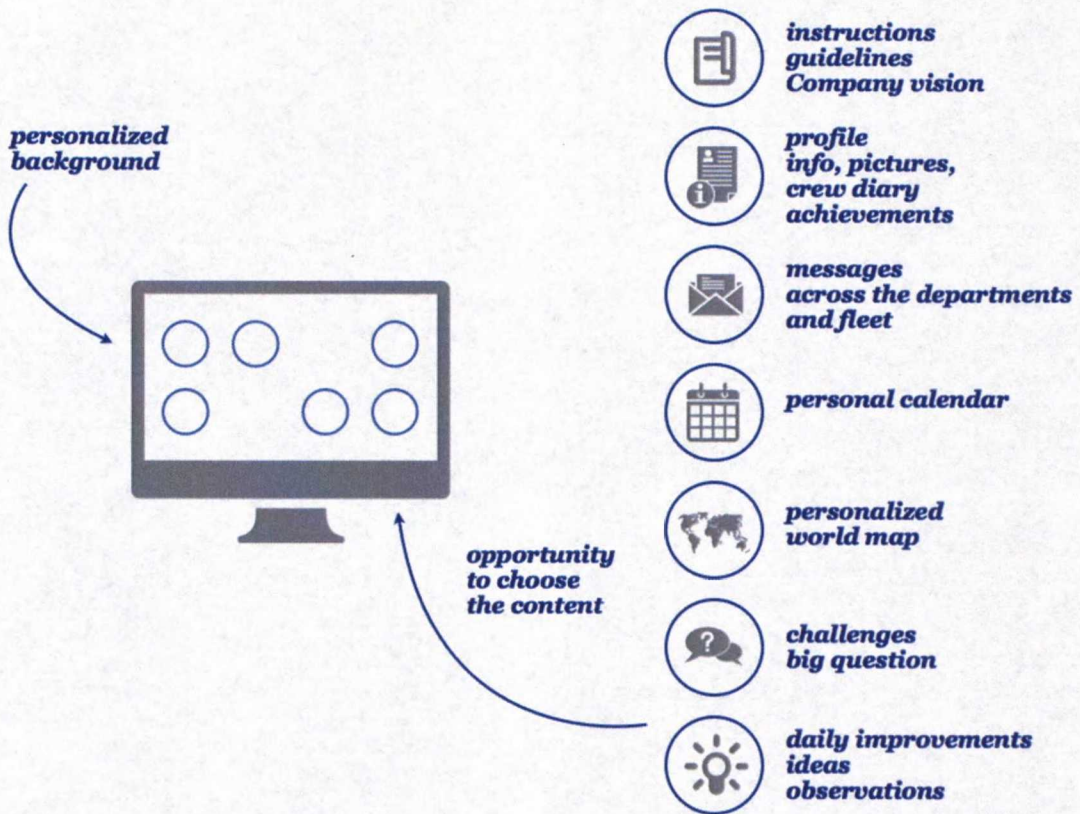


Figure 24. Proposed EDI system onboard the cruise ship

The system will be developed in a form of software or an application that could be installed on the private computers, ship computers (including crew staterooms) or mobile device using the platforms such as Android or iOS.

The system would be fully personalized which means that employees will be able to modify the content. The personal picture could be uploaded as a background. The content would include:



**instructions**  
**guidelines**  
**Company vision**

The introduction part includes instructions, guidelines how to use the system, short rules about sharing the information and terms of

usage, Company overall vision and its future direction;



***profile  
info, pictures,  
crew diary  
achievements***

The profile of the employee will give an opportunity to present themselves, to tell about the personal preferences and to record their achievements. Employees would be able to upload pictures, to post wishes or to write the crew diary. In addition, after their contract is over, there would be an opportunity to extract information in a form of a memory book that employees can bring home. Food profile would help to keep track on the nutrition balance and the calories. As most of the employees think of the ship life is something unique, the system would give them an opportunity to be a member of this unique marine "club".



***messages  
across the departments  
and fleet***

Employee would be able to send messages to any employee on the cruise ship (as well as across the cruise ships).



***personal calendar***

Personal calendar would include variety of activities held on the cruise ship. Employees would be able to organize an activity, to register (in order to attend) or arrange the course by themselves (for instance, teaching the language). The system will be transparent and available for any employee on the ship. Activities held on the other cruise ships could be available as well.



***personalized  
world map***

Employees would be able to reflect their travel experience by uploading a personal travel map. World map would include places the crew members have travelled during their contracts. In addition, there will be an opportunity to create crew member's travel guide by posting interesting facts and places about the ports.



### ***challenges big question***

The Big challenges (see Figure 23) will be posted by the crew members or their supervisors on the weekly basis. “Big questions” could be, for instance, open call for improvements or solving the particular problem. The solution will be conceptualized and implemented by the selected group of the crew members. Employees participated in the challenge will be rewarded by having a “free dinner”, free internet minutes or participation in the shore excursion.



### ***daily improvements ideas observations***

Daily improvements will be posted in a form of small observations or comments. Employees could collect the information by filling in small cards on their working stations or uploading the information directly into the system. Ideas could be posted anonymously as well. At the end of the every working day, ideas will be reviewed by the supervisor or by specially designated person and given an immediate feedback. All comments and observations will be stored in the system and available for seeing and commenting by any employee on the cruise ship. In order to bring some fun, employees would be able to share the moments related to work and free time.

The specially designated person would take care of the system. He/she would be preferably an ex-crew member who is familiar with the operations onboard the cruise ship. The person would be presented on the ship as a crew member. The main responsibilities would include inspiring employees on using the system and implementing the results. Informal workshop session will be held in order to facilitate employee’s engagement, to train how to use the system and how to apply problem-solving techniques.

***Motivate and engage*** (Employees behavior and willingness to contribute to the organization).

The current EDI system onboard is driven by the extrinsic factor such as money. When the motivation is driven solely by the money, the goal of any job become to get financial support. This makes people take the easiest, quickest and surest way to solve the problem (Robinson & Stern, 1997).

The proposed solution will be based on the intrinsic motivation such as pride, self-esteem and recognition. This would make employees being proud of their achievements and personal contributions. *“Everyone needs to feel that their contributions are noticed”* (Carlzon, 1987, 115). Active appreciation of their job would empower to take actions. Carlzon (1987, 115) states that especially in the service-oriented business, self-esteem and contribution have an *“enormous impact of customers satisfaction”*.

*‘I believe that by understanding what the employees want from their jobs, what their aims are, and how they want to develop, leaders can heighten their employees’ sense of self-worth. And the power behind healthy self-esteem generates the confidence and creativity needed to tackle the new challenges that are constantly around the corner’*

(Carlzon, 1987, 120)

As a way to contribute to the development of the intrinsic motivation, the Company could launch the program by sending a letter to the every employee working on the cruise ship. The letter would include the book describing the main purpose of the system and the perception of employees and their contribution to the Company (employee-driven guidelines), and instructions how to use the system. In addition to that, a small present such as an anchor pin (heart, or any other symbol) would describe that Company cares about its employees and appreciates their contribution to being the most innovative Company in the cruise industry (see figure 25).

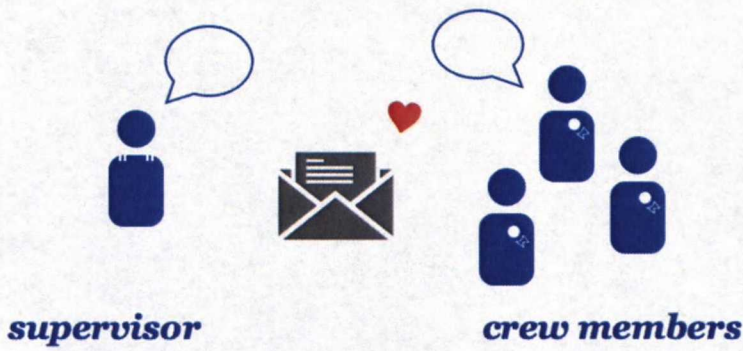


Figure 25. Employee's appreciation

*'A better reward for doing a good job is being awarded well-defined responsibility and trust' (Carlzon, 1987, 117)*

**Idea** (thinking open and differently)

Ideas that are submitted through the system could be posted in the form of a suggestion, proposal, improvement or ready solution (product/service). Any action towards the goal would be considered as contribution to the development of the EDI.

For instance, weekly challenge would encourage employee to submit a short proposal on the existing problem or to post another problem. Small suggestions and daily highlights (available through the system) will be done in a free form of a comment. Ideas can as well be written on small cards that leaders can spread among employees at the end of the working day.

### 5.3. Evaluation of the study

As the employee-driven innovation is a relatively new concept, the study reflects the exploratory nature of discovering possibilities for applying the concept of EDI in the industry. The research design was built around the discovery nature of the study with the aim to step into the crew member's lives and to capture the authentic behaviors and insights. Holmström et al. (2009) states that exploratory research is concentrated on the problem-solving process where the

main aims are (1) to explore new alternative solutions, (2) explain the process, (3) improve problem-solving process. In this sense, exploring new alternative solutions to the opportunities existing was the main purpose of the study.

The case study approach was chosen due to the specific settings of the project. Being held on the particular Royal Caribbean cruise ship, the environment in which the case study was conducted is similar to the other ships. In addition, one can assume that findings from one ship could be applicable to another ships as well due to the similar organizational structure and working regulations across the Royal Caribbean fleet. Despite the cultural differences of employees on the different ships, all vessels characterize with multicultural environment and involve interaction across variety of cultures.

The research methodology was built around gaining employees' qualitative insights emphasizing their explicit nature (Maykut & Morehouse, 1994). According to Maxwell's (1996) five principles of qualitative research, the study aimed at gaining the meaning about the phenomenon, understanding the context and the process in which it is held, developing causal explanations and identifying anticipated phenomenon.

Having limited access to the previous studies of EDI in the cruise industry, the importance of capturing employee's experiences in their natural settings (Mattelmäki, 2003) was considered as a main characteristic for conducting the research. Therefore, all three data collection methods were held in the employees premises. Observation, interviews and probes were aimed at immersing into the crew's lives and gaining authentic experiences. Triangulation of methods allowed to validate findings from every data collection methods and build a holistic understanding of the phenomenon.

Considering the sensitive environment with strong sense of hierarchy on the cruise ship, probes presented an opportunity to place the research at the core of the process, to employees' hands (Mattelmäki, 2006). Gaining first hand information without the researcher being presented unleashed the potential of employees to express themselves. Crew member could plan their research

process independently, assigning the time for completing the task, place they would like to do it, avoiding the pressure and individually reflecting their work and free time.

Dealing with the large amounts of qualitative data gathered during the field research the analysis of the data was held in two phases. Building around discovering new opportunities, probes were analyzed content-wise that allowed to extract the critical insights and look for unexpected propositions. Insights from observations and interviews were combined with probes content by using affinity mapping. The method was chosen due to the large amount of qualitative research data and its ability to structure and combine similar insights proving the validity of the data.

The procedure of the study combined the theoretical interpretation of the phenomenon at first and its practical realization following. As it was mentioned earlier, the EDI approach is under its development and have never been academically researched in the cruise industry. Therefore, theoretical interpretation of the phenomenon at first allowed to structure the research design by incorporating its main attributes and exploring the possibilities of its implementation by lately adding some specific data from the context. Therefore, one can assume that the results could be applicable across the industry.

## **5.4. Further research**

This thesis was a unique attempt to understand how the emergent field of the employee-driven innovation could be implemented onboard the cruise ship. Applying human-centered design methodology (probes, observations, interviews) has lead at discovering hidden needs and wants of the crew members and getting an access to what they appreciate in their daily life. Therefore, more research is needed on the tools helping to access the data and inspire employees to share their thoughts. Specific settings of the industry make it difficult to establish trustful relationships between the researcher and the employees onboard the cruise ship.



Cruise industry stays relatively untouched in the area of the employee-driven innovation. Therefore, more research is required in order to find a way to utilize employees knowledge and experiences when unleashing new sources of innovation. Additionally, the research on unleashing *guests' latent needs* and desires by involving employees would open up unlimited opportunities for the cruise companies.

## 5.5. Conclusions

The main idea of the present study was to contribute to the research on employees involvement into the innovation process in the context of the cruise industry. Being at the core of the services provided by the Company, shop-floor employees possess unique information about the organization internal and external processes, interact with guests on their daily basis and therefore provide the value.

However, traditional settings of organizational structure do not allow granting employees with the authority to make decisions and freely express their thoughts. As a result, all bright ideas form employees are usually buried under the hierarchical ladder.

Employee-driven approach to innovation contributes to the unleashing the creative power of employees to generate ideas and recognizing their abilities to produce meaningful and profitable ideas. EDI aims at providing tools to innovate, atmosphere to support the flow of ideas and work culture that enhances and encourages employee involvement.

The main purpose of this thesis was to contribute to the development of the EDI onboard the cruise ship by answering on the three research questions:

- (1) Why should employees participate in the EDI practices? (theoretical)
- (2) What is a current state of employee-driven innovation in the Company? (empirical)
- (3) How could EDI be implemented on the cruise ship? (empirical)

Identifying the theoretical factors (and therefore answering on the first research question) served the basis for the empirical study by helping narrowing down the focus of the study. The focus was to access the existing knowledge about the EDI on the Company and identifying employees involvement in generating of new ideas and its successful implementation onboard the cruise ship. The main objective of the thesis was to contribute to the development of the EDI system onboard the Oasis of the Seas.

The main findings have shown that then emphasis should be made on the employee's daily life. The proposed system should be incorporated into the daily flow processes and support working and free time. Due to the specific organizational settings of the cruise ship, the solution incorporated the personal aspect that made the system engaging and playful and provided an inspiring atmosphere that would foster the creative thinking.

Proposed system is based on the seven guidelines that were developed during the research process. The guidelines reflect the theoretical interpretation of the phenomenon and combined with its practical implementation in the context of a cruise ship. Implementing the guidelines would provide the company with the competitive advantage being able successfully utilize hidden knowledge about the customers and contribute to its employees' well-being.

Taking into account the growth of the cruise industry for the last twenty year, implementing employee-driven innovation opens up new opportunities for gaining an access to customers needs and desires, building innovative solutions and by doing this generate revenue for the Company by simply using company internal resources - its employees.

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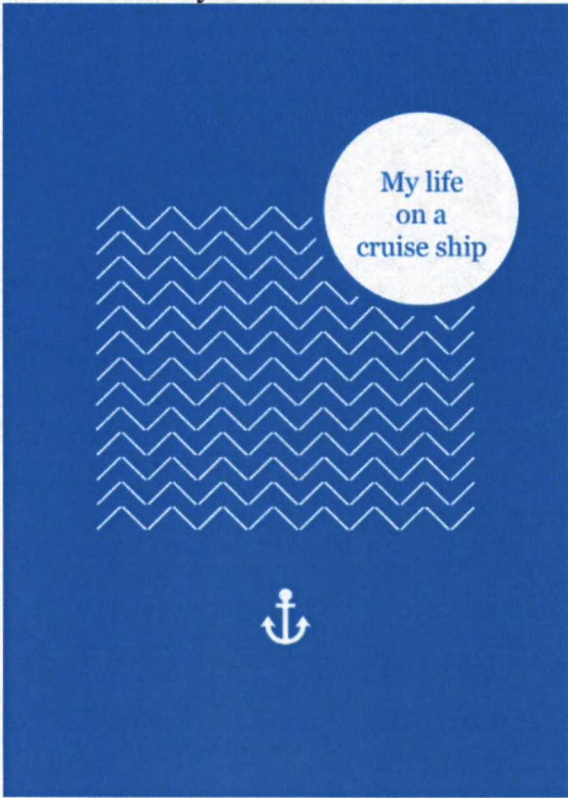
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# Appendix

Probe kit diary



## Content

- About the book
- About you
- About the ship
- About your work
- About your ideas

## Hi there!

My name is Nara, I am 25 years old student studying in Helsinki, Finland. Currently I am doing my thesis for the Royal Caribbean, the Company you are more than familiar with.

Cruising has become my passion for over one year ago when me and another 110 students from Aalto University in Finland decided to take a cruise from Lisbon to Rio de Janeiro. That was my first time on the floating city. To be honest I was impressed. We were not just cruising, we have been working on the project of how to improve crew public spaces onboard of the Vision of the Seas. Working closely with the crew, I realized that the sea life is full of surprises, excitement and hard hard work. I became inspired by the way people live and work on the boat, how they interact with each other and what makes them stay on the ship.

My thesis is about the employee-driven innovation. Basically, it is about you. Being at the heart of the ship, you provide experiences for guests, you make them feel happy.

But. This is not only about the guests, You also live on the boat, which means that your well-being is a first priority. I believe that your head is full of meaningful ideas. Employee-driven innovation is about you and your ideas coming to live.

How often have you been thinking about improving anything on board? Have you ever had an idea but nobody could help you developing it?

The purpose of this book is to get to know you and your life onboard of the Oasis of the Seas. I would like to find out what inspires you, what is your motivation being onboard, what ideas you have and how they could be realized in live. Do not worry, I will not share this book with anybody else. This is between you and me. Feel free to say anything you feel and express your thoughts.

Hope you enjoy doing it! Well, we all need a bit of fun in our lives, right?

Cheers,  
Nara

If you feel like asking something: do it!  
nargis.guseynova@aalto.fi  
www.naraguseynova.me



## To have in mind

- 1 **No right or wrong.**  
There is no right or wrong answer. This is not a survey or feedback form. This book is about how you feel, think, act and dream.
- 2 **This is a secret**  
As I have said earlier, your answers will not be available to the other people. I am not going to publish or share the information from this book.
- 3 **Go as many details as you can.**  
In order to get as many fruitful insights from you as possible please provide details when answering the questions and give our comments. Make your answers interesting and personal!
- 4 **Be honest.**  
Working in the industry with high hierarchy and full of rules I understand than being honest in this book might be an issue. Do not worry, as I said, I am not going to share any information with the other people. Being honest will help me to design a system that could make your life onboard easier and happier.
- 5 **Break the rules.**  
You do not need to follow the order in this book. Feel free to fill it in a way you think is right. However, I would appreciate if you fill in all the chapters. This would help me understand you better.
- 6 **Use it anytime.**  
This is not a typical research so I hope you have fun while doing it!

## Time

You will have one week to complete the whole book. In every task you will find the icon that shows the the average time to complete the task. However, if you feel like you need more time, just do it!

After one week, I would like to have the book back. After I analyze the results, I can send the book back to you so you can have it as a small souvenir! Just let me know.

## What is inside

Together with the book you will find some other supply materials like stickers and pens. After filling in the book you can have them all.

Go visual with the single use camera. I would like you to take pictures of the things you find interesting and useful for the research. You will find instructions glued on the camera.

## Language

In order to reach as many people as I can I decided to have this book in English. Sorry for that. Please provide your answers in English as well. Thank you!

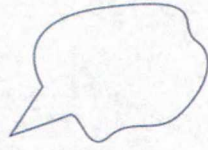
## Let the adventure begin...

I like...

I need...

You will need  
5 min

About you



Who are you?

Draw, glue your picture or  
anything that represents you

I enjoy...

I miss...

I am happy when...

I love...

I hate...

I read...

I use...

My name is ...

I am from ...

I am ... years old

I work ...

I have been cruising for ... weeks/months/years

On this ship I have been staying for ...

I enjoy doing...

I watch...

I am inspired by...

Tell the story of how you ended up working on the  
cruise ship...

You will need  
15 min

About you

On the ship I dream about ...



I am motivated to work because ...



## Your hierarchy of needs

You will need  
7 min

About you

Maslow's hierarchy of needs represents the values that are ranked according to our physical and mental needs.

On the bottom of the pyramid are the needs that you can not live without whereas on the top are the needs that you can avoid but those bring you the enjoyment and self-fulfillment.

Fill in the pyramid with your modern values...

### Self-actualization

*talent, creativity, fulfillment*

### Self-esteem

*achievement, recognition, respect*

### Belong/love

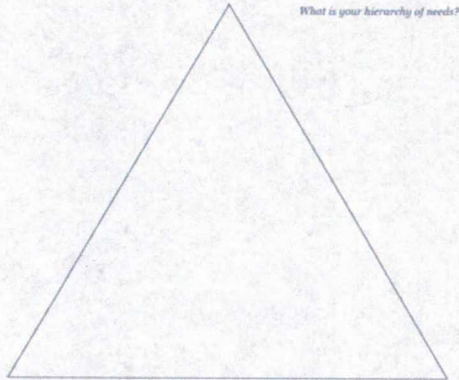
*friends, family, spouse, lover*

### Safety

*security, stability, freedom*

### Physiological

*food, water, shelter, warmth*



What is your professional aim in life?  
Has it changed during the time?

**2002**



I thought I would be ...

**2012**



My aim now is ...

**2022**



In the future I am planning ...

Back to 2009, Oasis of the Seas has been the largest cruise ship in the world\*. Apart from 3,300 miles (5310 km) of electrical cables, there is something else amazing (or not) about it.

You will need  
8 min

About the ship

What is a ship for you? It is a place where you work? Or a place where you enjoy being? Or just a huge floating city?

The ship is...



Write here

The best thing when working on the ship is...

The worst thing when working on the ship is...

\*<http://iceb.archive.org/web/20080620090722/http://www.sun-sentinel.com/business/fl-flcruse06v9ahpans10.0.5570792.story>

What are the best places on the ship?  
 What places do you enjoy visiting...

You will need  
 10 min

(please mark with a blue pen)

1. Mark the places using different pens
2. Show them on the ship layout using arrows (stickers)

For this task you will need  
 (see the supply materials):



Blue and red pens



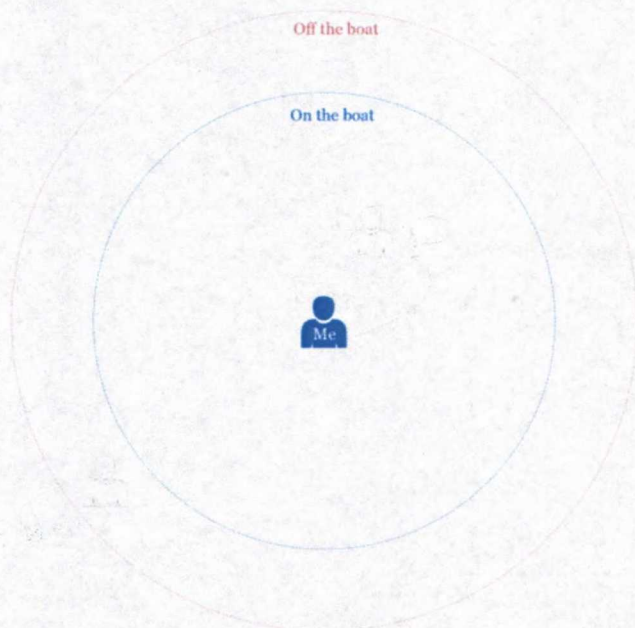
Arrow stickers

What are the worst places on the ship?  
 What are the places you just can't stand...

(please mark with a red pen)

I believe your life is full of people. In the circles below map the people with whom you interact every day (often) whether it is on the boat or offshore.

You will need  
 15 min



1. Map the people (by using stickers) and specify who they are and what they do.
2. Draw arrows to show the relationship
3. Map how you interact with them (using phone, mail, other..)

For this task you will need  
 (see the supply materials):



People stickers



Communication stickers



For some people trust is about sharing secrets, for others is about being a good friend. What is trust for you and who do you trust the most on the boat?

You can include as many people as you want.



You will need  
10 min

About the ship

1. Map the people (by using stickers) and specify who they are and what they do.

2. The more you trust the closer they are to the middle of the circle

2. Write a couple of words why do you trust the person?

For this task you will need  
(see the supply materials):



People stickers

This sweet word is **PORT..**

You will need  
7 min

About the ship

Being at port means...



What do you usually do when the ship is docked?  
Describe your typical day off the boat. Feel free to draw and use stickers.

## My work on the cruise ship...

You will need  
5 min

About your work

Draw, glue your picture or anything that represents you at work



The best part of my job is ...

My job would be perfect if ...

My job is ...

My main responsibilities are ...

I wish I could do ...

The worst part of my job is ...

Working on the cruise ship is hard and demanding. How much time do you usually spend on working and free time?!

You will need  
8 min

About your work

Example



1. Describe your typical 24 hours, what do you do?

2. Mark your working and free time...

3. Add people you spend your time with ...

4. Put an icon of how you feel during the activity (by using stickers)

For this task you will need (see the supply materials):



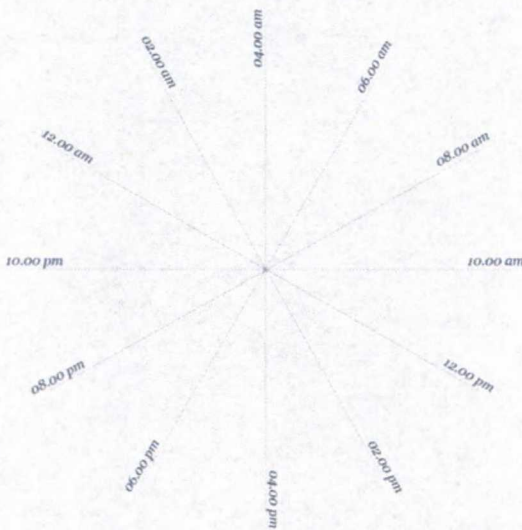
Colourful pens



Emotional stickers



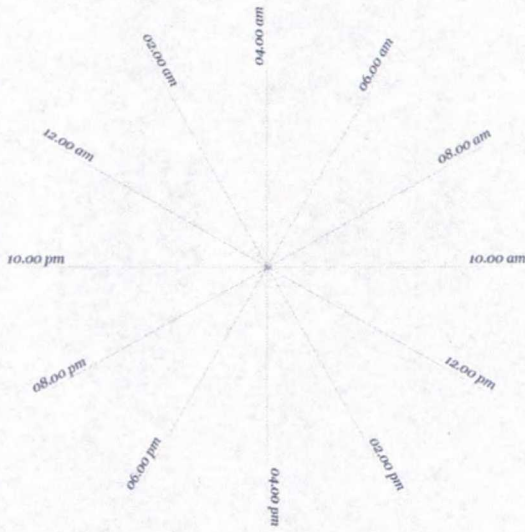
People stickers



*Ideally I would like to have this timetable...*

You will need  
8 min

About your work



Use your imagination and describe the *ideal* working day.

For this task you will need  
(see the supply materials):



Colourful pens



Emotional stickers



People stickers

*How about your day today?! Describe how it went, what was good and what was bad. What was exciting and interesting and got your attention.*

You will need  
10 min

About your work

A series of 15 horizontal lines for writing, with a dashed midline on each line to guide letter height.

*Drops of your day*



Feel free to use stickers  
(see the supply materials):



Emotional stickers



People stickers

## Activities onboard Oasis of the Seas...

Working and living on the cruise ship might be a hard task. What about your social life and free time? What do you enjoy doing the most?

You will need  
7 min

About your work

I often go to...

I would like to spend more time on ...

I wish there will be ... on the boat



Activities during  
the day

Mark the row  
of the activity!



Activities at night

Mark the row  
of the activity!

## Ideas, ideas, ideas!

'One small change in the chemistry of the organization could provoke a very powerful, and often an unexpected, escalation and acceleration of even greater change.'

Vineet Nayar, CEO of HCL Technologies Ltd.

How many times have you had an idea but couldn't find the right person to address it? What if your idea could be realized? What advantages would it bring to you, your guests or the Company?

When was the last time somebody asked you about the things you would like to improve or what you do not like?



## Get inspired!

To have a bit of **fun** with the research, I provided you a single use camera to capture the moments of your everyday life and your ideas!

You can find the instruction on the camera!



I would like to see the cruise ship as you see it. To feel it from your you point of view!

You will have **one week** to complete the roll. You can use the camera anytime you want: when you are waking up, working, having fun or taking rest!

After I analyze the pictures I can send them back to you. Just let me know.

About your ideas

Now it is a time to let your ideas fly!

You will need  
3 min

About your ideas

1

2

3

4

5



1. Think couple of minutes about the ideas you have recently had in mind? What disturbs you? What would you like to improve? Is it about the place you live or the guests? Or anything else?

2. Write them down and explain in a couple of words.

3. Do not think too much, write first things that come to your mind! You have 3 minutes to complete the task.



Use your imagination  
and creativity!



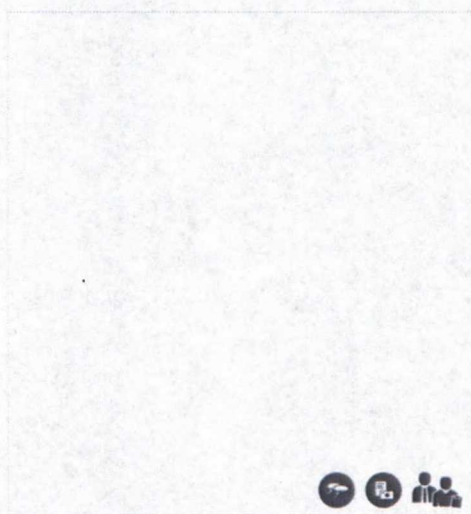
At the moment I can submit  
my idea...

You will need  
10 min

About your ideas

Think about the idea you have recently had in mind... How did you get it through? Are there any tools for submitting your ideas? How do you usually do it? Describe the process ...

Map the people who is involved into the process of ideation, submitting the idea and its realization ... Who influences the result whether your idea is taking into account or not?



For this task you will need  
(see the supply materials):



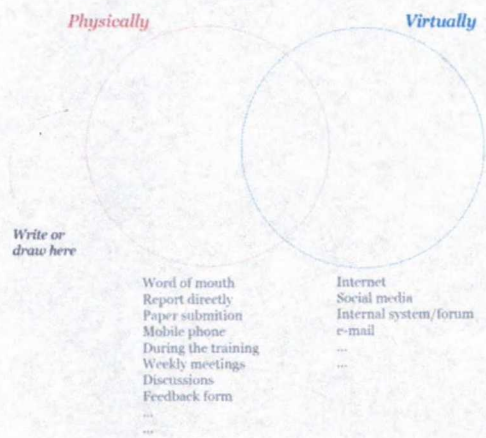
People  
stickers



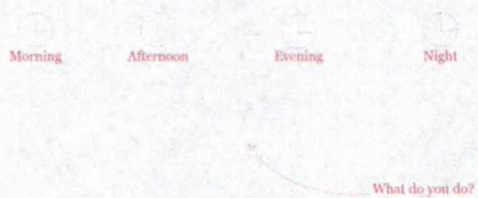
### The easiest way to submit the idea would be...

You will need 10 min

Write or draw inside the circles what **would be** the ideal way to communicate your idea. You can use words below or come up with your own...



### Inspiration comes when...



### The best reward for my idea ...

(write down what would be the best incentive for you to ideate!)

### Idea journey...

You will need 10 min

Imagine you have a **brilliant idea** of how to make your life easier or to provide an unbelievable experience to your guests...  
If **everything** would be possible, how would you bring your idea to live?



1. Mark the steps and people who is involved

2. Use the timeline below to specify the time (feel free to use stickers)

For this task you will need (see the supply materials):



People stickers



Arrow stickers

Start here

Finish

*It is done!  
Great!*

*Thank you for  
your cooperation!*

Graphics credits in the probe book:

- Magazine designed by Thomas Le Bas from The Noun Project
- Mail designed by Ahmed Hamzawy from The Noun Project
- Question designed by Anas Ramadan from The Noun Project
- Idea designed by Björn Andersson from The Noun Project
- Profile Information designed by Márcio Duarte from The Noun Project
- Cell Phone designed by Marwa Boukarim from The Noun Project
- Camera designed by Stanislav Levin from The Noun Project
- Pen designed by P.J. Onori from The Noun Project
- Mail designed by Ahmed Hamzawy from The Noun Project