

**SEARCHING FOR MEANING -
The innovation process in non-profit organisations**
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ABSTRACT

Innovation literature is rich in engineering-based problem-solving perspectives but also in market driven ones. Both the traditional technology driven perspectives of innovation, as well as the more open-ended creative approaches, risk maintaining and reinforcing existing thinking frames. To counterbalance this tendency, the aspect of *meaning* offers an additional perspective. Instead of describing products, services or systems in terms of function (the how) this perspective gives employees the chance to deeply understand the reason of *why* people are attracted to certain artefacts. In this paper, the innovation perspective of meaning will be explored in a less studied setting, the *non-profit* organisation perspective. The empirical material consists of two case studies, a regional unit of the Swedish Church and a regional unit of the Swedish School system, studied through an action-oriented research approach. Building on the existing literature, this paper describes the differences between meaning-driven innovation practices in profit-run organisations and non-profit ones. The contribution demonstrates that non-profit organisations, despite their strong mission-oriented approach 1) seek to innovate current meaning, 2) struggle to balance devotion to a higher purpose and direction of a new innovation strategy and 3) offer a greater complexity through their bonds to history, stakeholders and society. This implies that they are useful to study for all managers interested in innovating the meaning of their offer. The aim of the paper is to enrich the theory of meaning-driven innovation, providing insights useful for all types of organisations, profit-run or not.

INTRODUCTION

Innovation processes driven by meaning are well studied in business and industry settings – but look less studied in non-profit settings (Verganti, 2009).¹ Studies show that the meaning-driven innovation process combines a deep wish of employees, what they find meaningful - and the unspoken desires of people in a socio-cultural context (ibid). Findings build on the actions of employees in organisations used to *innovation* but less familiar to the concept of meaning. In a non-profit organisation, such as a school or a church, activities are traditionally not driven by a strong desire to meet a certain need, such as a market need. Therefore, the need to innovate is not as immediate as often is the case in a market-driven organisation. Instead, the perspective of *meaning*, what makes sense to people, is often a more established practice. In these environments, it could be assumed that employees are closer related to discourses built on the concept of meaning than the process of innovation.

Notwithstanding their different starting points, are the innovation practices similar in

¹ Even though some cases studied include the Grameen Bank, Kiwa Microfunds and Wikipedia as examples of non-profit organisations.

profit-run and non-profit organisations? Are there differences and if so, which ones? What are the strengths of a non-profit organisation when it comes to innovate the meaning of the offer of an organisation? What are the weaknesses?

Objective and research question

This paper aims to deepen the theory of meaning-driven innovation into the field of non-profit organisations. It is hoped that the study can inspire initiatives built on the search and change of meaning in these settings but also enrich the development of meaning-driven innovation processes in profit-run businesses.

EXISTING THEORIES

Traditionally, innovation processes have often focused on leveraging one of the two domains of new technology or business models. Studies cover aspects such as technological breakthrough (Abernathy and Clark, 1985, Henderson and Clark, 1990, Utterback, 1994), the applications of existing or new technologies (Christensen, 1997), technology foresight (Rohrbeck and Gemünden, 2011) and the penetration of new market domains (Kim and Mauborgne, 2005, McGrath and MacMillan, 2009). Innovation literature is also rich in problem-solving perspectives often coupled to engineering perspectives such as the resourced-based view, dynamic capabilities and concurrent engineering (Clark and Fujimoto, 1991, Wernerfelt, 1984, Teece et al. 1997, Krishnan et al. 1997). To compensate for the risk of a narrow perspective of existing problems and potential solutions, many different approaches have been proposed. Divergent perspectives have been encouraged through approaches such as de Bonos hats (de Bono, 1985), design thinking (Kelley, 2005, Brown, 2008), crowdsourcing (Chesbrough, 2003) and user innovation (von Hippel, 2005). The advantage of these approaches is often the creation of a vast amount of ideas. But they also hold the risk of creating favourite ideas (the so-called “darlings”) of fast brainstorming where no time is dedicated to understand the clear vision behind.

Both the traditional technology and market-driven perspectives of innovation, as well as the more open-ended creative approaches, risk maintaining and reinforcing an existing thinking frame of a product or service. Many organisations are aware of this tendency and search for methods to “think outside the box”.

In this striving, the aspect of meaning and innovation offers an enriching perspective. Instead of describing products in terms of function or visual appearance that tends to surface the product, this perspective gives employees the chance to reflect rather than brainstorm, criticise rather than being creative to deeply understand the purpose of a product, service or system.

In a process of changing the meaning of an offer like a product or a service, the innovation literature points out practices such as being critical (Jahnke, 2013, Verganti 2016), exposing yourself (Öberg, 2015), connect to external experts (Altuna et al, 2014) and forming radical circles (Altuna, 2015). These are all activities that have been observed in profit-run businesses. The difference between traditional innovation processes and meaning-driven ones can be described in several ways: as connected to an aesthetic deliberation through designing “entwined conversations”, hands-on making and material practice, (Jahnke, 2013), as the two principles of inside-out and

criticism (Verganti, 2017) or as four independent practices related to 1) an evolving understanding, 2) a structured and repetitive exposing of personal beliefs, 3) deliberate moments of being constructively critical and 4) a search for embodying new concepts physically, for example through music, movies or pictures (Öberg, 2015).

The model by Öberg contrasts traditional innovation perspectives connected to problem solving with the emerging findings of a meaning-driven innovation process. In this paper, it will be used as a frame to discuss the empirical findings. In brief, the differences between the two theoretical streams can be described as the following:

- Problem-solving innovation theory (PS-I) describes a moment of “waking up”, or **unfreezing**, an organisation from an existing thinking frame, introducing a new strategy for employees to accept, and then “freezing” the new approach (Lewin, 1947), aligning thinking and doing among the personnel. Meaning driven - or meaning making - innovation theory (MM-I), are described as encouraging the **evolving** activity of an active search, or striving, to find new meaningful directions. It is a collective activity among the many humans of an organisation and not a top-down launch of new vision.
- PS-I theory also underlines the value of a “beginners mind” (Dunbar, 1995, Brown, 2009) a type of **naïve**, unbiased starting point when in the mode of thinking “out of the box”. MM-I approaches, instead, are driven from the opposite position: a subjective rather than an objective starting point, actively **exposing** the opinions, needs and wishes of the employees. This, as meaning, is never a neutral concept but filled with every human’s own understanding.
- Further, PS-I theory describes a process of efficiently distributing information (Krishnan and Ulrich, 2001) while the MM-I theory gives importance to reflection and **being critical** rather than consuming unquestioned pieces of data.
- Lastly, PS-I enhances the idea of **outsourcing** the innovative work to an external actor or unit and then introducing the new ideas to employees and/or top management (Chesbrough, 2003). MM-I instead underlines the need of physically **embodying** new concepts through metaphors, music or artefacts.

Innovation as...	
Problem solving	Meaning making
Unfreezing	Evolving
Naïvete	Exposing
Information	Criticising
Outsourcing	Embodying

Fig. 1 Different types of innovation processes (Öberg 2015)

The model of Öberg builds on findings in profit-run organisations. How does it apply to a non-profit setting?

METHOD

This paper presents the result of two case studies on sub-units of two non-profit organisations, the Swedish Church and the Swedish School System. The first case covers one of the thirteen dioceses² of Sweden, the Diocese of Strängnäs, a region covering the south and west area of the Mälardalen Region. The second case consists of the network of school managers in Södermanland County, one of Sweden’s 20 counties. Both units are situated directly west of Stockholm, but their organisations do not cover the Stockholm area.

Both organisations expressed a need to “think new and innovative” and were guided by a facilitating researcher through a process inspired by the evolving theory of meaning-driven innovation. The start of the projects consisted of a phase of “exposing” their own ideas, problems and wishes. These were then mapped up in categories and transferred into assumptions about what could be a meaningful direction forward. Thereafter the projects moved into a critical phase where external experts participated in a so-called “Interpreter Lab”. Here, the assumptions were discussed and questioned through the reflections of the external experts and the members of the team. The last part of the projects contained a phase of re-analysing previously made ideas and assumptions building on the fresh eyes from the externals and lastly choosing a direction forward. The teams were then left to plan and implement the new innovative approach without guidance from the facilitator. The projects lasted 12 months and 5 months respectively.

The case studies have been applying an action-research oriented approach (Kaplan, 1998, Coughlan and Coughlan, 2011) where notes, observations, e-mail conversations and interviews comprise the empirical material. The collected raw material has been interpreted by using the model by Öberg, described above, with the aim of studying the practices within the two innovation processes. Researchers in innovation theory and in entrepreneurship in a school setting have been contributing to the analyses.

The Empirical Material		
Type of info	Case 1	Case 2
Length of project	5 months	12 months
No. of participants	6	17
Project Manager	Internal	External
No. of Interviews /people	2/1	Before project: 4/4 After project: 4/9

Table 1 The empirical material of interviews

THE EMPIRICAL MATERIAL

Case 1 - The Swedish Church – The Cathedral as a learning environment

General info

The Lutheran Diocese of Strängnäs is one of 13 regional units, or dioceses, in Sweden. It was funded around the year 1100 by the missionary Eskil and is thereby one of the

² A diocese is an organisational unit of the Swedish Church (in Swedish: *stift*). Its subdivisions are called parishes.

oldest dioceses of the Swedish Church. The Cathedral of Strängnäs, which originates from the 12th century, is the seat of the diocese. It was built on a spot used for Viking rituals, where the missionary Eskil was killed, on a hill with a wide-ranging view of lake Mälaren. The architecture combines traditional Scandinavian Brick Gothic style with highly contemporary elements such as the two side chapels, containing modern altars and abstract decorations and religious symbolism. The Bishop leads the work that is organised according to “project-based principles and not divided according to more traditional departmental structures” (www.svenskakyrkan.se/strangnas). For almost ten years, the parish of the Cathedral has worked according to a vision of renewing and adapting the area of the hill of the Cathedral to meet the current and future needs of humans. An architecture competition has been launched recently to expand the building of the church hill to broader activities than classical church-based ones. Their wish is to re-establish a site encompassing “all events in life and enabling meetings among many different actors”. In this way, the organisation is driven by the purpose to serve humans, enabling meetings and personal development for all citizens.

The tension

However, from time to time, the high position of the cathedral has been perceived as being difficult to reach, both geographically as the diocese stretches more than 250 kilometres from east to west, but also in terms of engagement – it encompasses 71 parishes³ and about 386 000 members. The small local churches are far away and rarely use the facilities of the Cathedral. Instead they have a need to form their own unique identity. This situation made the employees of the Cathedral reflect on the role of the Cathedral towards the local units, the parishes. Their perception was that the Cathedral holds an untapped potential as a great and unique environment for learning, their wish was to create a closer collaboration with the local units, offering new innovative activities. A project was created, named “The Cathedral as a learning environment with a project manager and five employees in communication, education and the verger (caretaker) of the facilities. The project manager did not want just “*a bunch of new, fast implemented ideas*” – she searched for a deep, well-considered platform on which ideas could be planted and grown. She wanted to understand what could make sense and feel meaningful, yet modern, for her fellow church employees. Understanding the purpose of modern learning in a Cathedral was of key importance. In short, the question asked by the project members was: What could be a new meaningful direction to build innovative learning activities in a Cathedral, for the employees in the parishes?

The Project

The project manager, a former consultant, now hired by the Cathedral, started her work by visiting several of the local churches to collect their wishes for activities connected to learning and the Cathedral. The material, including about 300 ideas, was then organised in themes during a long session. Even though the six members were overwhelmed and tired of examining all the ideas, they took the time to discuss them, aiming to understand the drivers behind the ideas. The group tried to carve out the meaning of the ideas –that is, the sometimes unspoken wishes and aspirations of the people. The practical ideas (for example to organise a bus trip from the local church to the Cathedral and back) were deeply reflected upon to understand the real purpose behind (for example the wish to independently organise an activity and discover the “big, holy Cathedral” on your own, at your own pace). By screening all the ideas, the

³ The smallest organisational unit, often equal to one church.

reflection resulted in 17 themes of drivers of the employees. These were then condensed into 12 and later to 6 main themes with the assistance of the facilitating researcher. The purpose was to catch sight of new meaningful directions. To deepen the understanding of the themes, the team were also inspired to search for their opposites. For example, the theme “Learning” and the proposed meaning of “We learn (together)” was mirrored with the opposite direction of “You teach (to me)”. Further, the theme “Digitalisation” and the proposed meaning of “Pluralism” was coupled with the contradictory theme of “Individualism”. The exercise of finding a contradictory meaning direction, not in line with what was looming in the material, made a few team members sceptical and several critical questions arose during this session.

The exercise of finding opposites served to give clues for the next step of the process: to find external experts that could help to discuss the potential new meaningful directions. For example: on the theme of Learning: Who could give valuable insights into existing and future learning styles? Or on the theme of Digitalisation: Who could provide important knowledge of digital tools? About 20 experts were contacted, covering areas from teaching and leadership to interior design and fellowship. Six of them were briefed on the work and aspirations of the Cathedral of Strängnäs. Each of them were given a theme on which they were asked to give their interpretation connected to the wish for an innovative learning environment in the Cathedral. They were then invited to a so-called Interpreter Lab, where the six interpreters met with the local team, the facilitator and the Dean of the Cathedral to discuss the six themes and potential new meaningful directions. This was the only time that the Dean, responsible for the finances of the project, actively participated.

Insights

The first interpreter worked as a preschool teacher and exhibition educator at a science and experiment centre. She underlined that learning happens when you become “one” with the object, implying that artefacts need to be touchable to encourage learning. By explaining that the environment works as a third educator, pointing and directing the attention of visitors, she underlined the physical role of the Cathedral. The second interpreter is an author and the former secretary general of one of the biggest sports associations in Sweden, with 159 local training arenas and more than half a million members (Sweden has about 10 million citizens). She described the need of “levelling up” among young people, making an analogy to gaming culture. Every human wants to improve, but also to choose the challenges themselves. Therefore a church, as a gym, needs to offer a wide and tasty assortment of inspiring offers. She underlined the importance of refining, or even ennobling content, rather than changing it. The third interpreter is a politician and city manager of a nearby city, underlining the role of curiosity in leadership, balancing the uniqueness of a church and still being relevant every day. The fourth interpreter, an interior designer, contributed by asking questions about the space of the Cathedral. Is the visit there a goal in itself, or is it a means to develop learning? The fifth interpreter, a researcher in digitalisation and learning, put forward the view that geographic distance does not hinder people now or in the future and that a digital presence is better than no presence at all. This was also underlined by the sixth interpreter, a teacher in a school with an alternative approach to learning. He explained that a digital dimension can be used to introduce a physical one, that the most important thing is to find a common nominator for people to meet, and further, that experiences, even if important for learning, become effective through development.

Process forward

During the lab, every member of the Church team took the responsibility to pay extra attention to one certain theme. Next, the team summarised their impressions from the lab, noting that some assumptions about new meaningful directions forward were confirmed and enriched by the lab, while others were less discussed. The insights guided the team to revisit and re-assess the relevance of the six themes and their directions. In this phase, the team members again demonstrated a good level of deep reflection, to question the existing status quo, to ask and ask again. Two of the proposed new meaning directions were chosen as the most promising. These were: “We learn” and “We lead” (instead of the old established meanings of “You teach” and “You lead”, signalling a more hierarchical way of enjoying church life). A third direction was woven into these two themes, namely the theme of digitalisation stressing a pluralistic approach rather than an individualistic one.

By doing this, the 300 ideas could now be read in the light of a “frame”, namely the two chosen, and well considered, directions. Innovative activities should now be led under the flag of “We learn, we lead”, in a digital and pluralistic approach. This was not an alien direction to the church, but the values behind it now became more pronounced.

The implementation work

The platform that the project manager searched for was given the name “Participation and learning in a digital context”. It showed a move from a more one-directional learning approach starting from the Cathedral, to a more distributed learning approach where the local churches would be able to design their learning experiences more independently. After the first phases of exposing and criticising, the project moved into embodying ideas into meaningful and innovative learning experiences - building on the meaning platform. A range of new activities were acknowledged through a new brochure.

First, existing learning activities were re-designed. The classic tours of the Cathedral acquired new content, both in terms of the stories told, but also as in a collection of newly-designed costumes for the young students aspiring towards confirmation. Next, four new services were developed. To create a feeling of community and shared learning, a wooden “reflection boat” was placed in the Cathedral. By choosing coloured threads and attaching them to the sails of the boat, visitors were encouraged to share their thoughts and leave an imprint in the environment. A digital screen with all types of facts, about for example the Cathedral, the diocese and the functions of a priest, was designed. Six movies with the inspiring verger were recorded and a digital guide was developed for individuals to discover the Cathedral on their own.

However, the project manager met resistance among the employees when wanting to introduce the new objects in the church. The editing of the new stories laboured and was not strongly supported by some personnel. The newly-sewn costumes needed a new storage room inside the church and it was considered inappropriate among certain employees. The position and physical stand of both the boat and the screen were questioned. Would they match the atmosphere and identity of the Cathedral? Through their strong devotion to existing routines, artefacts and environments these employees had the project manager stop, reflect and find a new way forward. It turned out that the verger, knowing the other caretakers of the buildings, and also being hired longer than

the project manager, came to serve as a bridge between the new initiatives and the scepticism from the staff. By also involving the carpenter of the church and physically experimenting on the design of the stands for the boat and the screen, the project manager and the employees managed to agree on how to proceed.

The participatory learning experience in a digital context has been the aim of the project. It came to be manifested through the re-designed and new services. The project manager and her team were supported by the Board and the Dean, who made little interference in the management of the execution phase. The result was presented in a bigger innovation project run by the Church, inspiring other dioceses. The project has developed into additional collaborations with one of the interpreters, the researcher and the institute of digital learning experiences he represents, to panel discussions and towards the vision of the Cathedral as a meeting point for different actors.

Case 2 - The Swedish School

General info

The Swedish school system is regulated through the Education Act (2010:800) decided upon by the parliament. The government instead is responsible for the curriculum, a regulation that describes the syllabuses, the fundamental goals, norms, values, knowledge requirements and the responsibility and influence of the pupils. Education in Sweden “aims at pupils acquiring and developing knowledge and values”. It should promote development and a lifelong desire to learn, establish respect for human rights and the fundamental democratic values on which Swedish society is based. School work on a daily basis is managed by the 290 municipalities, each with one administration officer assisted by the principals of the local schools. On the regional level, Sweden has 20 county councils, each with resources to support school development. The Region of Södermanland, for example, has supported the creation of a network for school managers for its nine municipalities. This network meets to discuss challenges and learn from one another. They often recall their mission as teachers and school employees, to help children learn and develop.

The tension

One of the most pressing challenges is the lack of more than 60 000 teachers in Sweden. Well aware of this problem, the school managers asked the regional directors to support an innovative approach to how this situation should be solved. The project manager at the County Council approved and involved the local university to find guidance both on educational issues but also innovation management. A project was born to create the “Best recruitment system in the world” and to ensure skills supply in the schools of Södermanland. In this phase, the school managers of the nine participating municipalities were interviewed to map their needs. It showed that they wanted not only knowledge development and theory of innovation processes but also a concrete project, resulting in practical tools for their organisations. The project therefore operated with double agendas, combining education in innovation management and the creation of models on how to attract and keep qualified teachers. Even if the school managers aimed for a practical result their approach to development and learning appeared to be clearly rooted in a purpose-driven approach where discussions and reflections were considered natural starting points.

The aim was to understand what, in the eyes of a teacher, could make him/her interested in being hired at a certain school, and what would make this individual stay over time.

In short, the question asked by the project members was: What could be a meaningful direction to be considered an innovative and attractive school employer?

The Project

The aim of the project was that each of the 9 participating municipalities created a model of innovative recruitment activities coupled with a to-do list. To assist the knowledge development a researcher in innovation was facilitating the project. In the first phase, the 17 participating school principals and colleagues all shared stories about their daily life, indicating problematic yet solvable situations. They all created a storyboard of a normal working day and time was spent to let everyone understand and perceive both challenges and happiness at work. Here, the devotion of the school managers, many of them former teachers, clearly showed through. To an external observer their job could look impossibly difficult. They told stories of handling the complexity of burnt-out teachers, schools competing and stealing each other's best teachers, the shortage of teaching competences, the demands from authorities for quality assessments, the unplanned dramas of pupils, parents and families, the society and stakeholders on a local level and the pressure from the media - to mention a few obstacles. They also created dream scenarios capturing the wishes of a more innovative and meaningful school recruitment system. This exposing of their innermost thoughts was mapped in more than 30 themes and then narrowed down to six potentially meaningful directions, this time also with assistance from the facilitating researcher.

All through this process the school managers proved to be an active and critically aware group of employees. They questioned both the process of meaning-driven innovation as well as the facilitating researcher and many other constructs. But they did it with a will to learn more, in an engaged and hearty manner. As in the Church project, the project members worked on finding opposites, to identify experts that might be helpful to discuss the assumptions of new meaningful directions. For example, the theme "Organisation" and the assumption of the need of "smart tasking" was coupled with the opposite concept of "multi-tasking", the theme "Mission" and the potential direction of creating "experiences" was mirrored with a narrower idea of purely "tasting" knowledge in a singular moment. But in this case too, some of the participants expressed scepticism about the value of finding contradictory ideas, not aligning with the proposed directions. However, the pairs of old/existing scenario and new/potential meaning still looked helpful to identify a long list of external experts that resulted in an Interpreter lab consisting of six people.

For one full day, the thoughts about what a meaningful new experience of recruitment in a school system could be were discussed. The participating school managers carefully listened and noted down insights and were given homework to revisit their assumptions made and re-evaluate those that looked most relevant.

Insights

The first interpreter was a school bureaucracy analyst giving insights in the tendency and weakness of trying to solve complex problems with simple tools and "quick fix solutions" (such as the challenge of the lack of teachers in a national system for schools). The second interpreter was a child doctor specialised in the plasticity of the brain, indicating that the brain of everyone is "lazy" and therefore schools need tools to challenge both children and teachers to move beyond the comfort zones, that is, for the schools as employers to give teachers a way to develop themselves in a profound and

meaningful way. The third interpreter, a captain of a national sports team in Sweden, gave his insights in creating individuals and teams that work and develop together and the need of a common goal and catchy slogan. Interpreter number four, a communication expert, talked about the value of evaluation and communicating the values of an organisation in a consistent way. The key to succeed with this is to be aware and map the existing values. The fifth interpreter, a “gamer” and teacher/coach, showed the links between digital gaming and achieving new “levels” and the drivers of children’s learning. The sixth interpreter, a professional recruiter, exemplified the importance of consistency throughout a recruitment process, from the social media strategy, to the entrance into the school, the digital application systems and the management of the hired teachers.

Process forward

A few weeks after the lab, the school network met to deeply discuss the insights. In this meeting, the plan was to condense their thinking into models that looked meaningful and practical enough to start working on innovative recruitment activities. Unfortunately, the numbers of participants in the project fell from 17 to 5 participants in this last meeting. One manager had to participate in a military defence exercise, another answer massive critics on a report about cut-downs in schools in his municipality. A third one had to participate in the municipality board meeting, yet another one had to participate in an investigation about a secondary school with big problems among pupils. A fifth manager quit to start a new position in a municipality external to the project. Some others became ill. A number of understandable reasons made this meeting a weak moment of the project.

Implementation

Nevertheless, the Interpreter Lab looked like an eye-opener to the participating school managers. They underlined the value of having several perspectives present, enabling them to capture the complexity of all the parameters of a school system. – *Normally, we hire one expert to come and give a seminar to all the teachers of the municipality, and we get one perspective, one of the school managers said. But now, we got more perspectives and a richer discussion in the same time spent.* When the group met again after the lab, however, the discussions were scarce. Only a very few participants showed up and none of them managed to boil down their thinking to a clear direction forward. The homework of re-assessing the six proposed meaning directions was summarised and pointed to some themes as being more relevant, namely the one of individual design support to teachers rather than general support systems (such as digital portals or manuals), the wish by teachers to be needed (not hunting them down) and to see the school system as an interesting opportunity rather than a “must”.

After two months, four interviews were held with the school managers and their employees and a survey was sent out. The project got the highest marks on organisation and learning pace; it was considered very meaningful and about 70% of the participants said the project would be of significant use to them. The part that received some criticism was the intense sharing of personal perspectives at the beginning of the project. It was considered unnecessary by a few. However, the interviews revealed that none of the managers had a plan for the next step. No one had competences in innovation management, no one had planned time for innovative initiatives and no one had an innovation strategy for how to keep the education innovative and thereby attract teachers to their schools.

Building on the lessons learnt from the project, Emily, the sponsor and Project Manager of the County Council decided to restart the project and contacted the local university again. Together these institutions offered the 9 municipalities the chance to become one of two innovation-pilots to form an executive education for a team of four school managers. Despite a strong will to continue, the responses so far have been weak. *“This is very important for us, one of them stated, but we do not want, or cannot cope with any operative work right now”*.

ANALYSIS

The two cases of the Swedish Church and the school system in Södermanland, Sweden applied theories of innovation by meaning inspired by the works of Öberg through the framework of evolving-exposing-criticising-embodiment (Öberg, 2012 / 2015) and Verganti’s principles of inside-out and being critical (Verganti 2017). Both cases started in an **exposing** phase where ideas, problems, wishes and dreams were shared, organised and discussed into themes of potential new meanings. In addition, opposite “old” or existing meanings were reflected upon.

However, the beginning of both processes struggled as several of the participants felt doubtful about the value of sharing a lot of personal content, such as stories, wishes and ideas. In addition, both innovation teams had problems in following the transition from storytelling and ideation - to the creation of themes and assumptions to discuss with interpreters. In hindsight, both projects lacked the time to deeply engage as a group in structuring the material. Instead the facilitator played a significant role in condensing the material into six assumptions, used as the basis of the interpreters invited. Too much facilitation by someone else than the project members has been noted before as a weakness of meaning-driven projects (Öberg and Verganti 2014, Öberg, 2015).

The process worked better its mid phase when the participants were asked to take part in a **critical** dialogue through a so-called Interpreter Lab. Here, the participants showed great, possibly greater interest and capability to reflect than many participants of Interpreter Lab studied in profit-run settings. The employees of these non-profit organisations appeared to be used to reflecting deeply and posing critical and difficult questions. They seemed less stressed to push the dialogue forward to draw conclusions and tangible results. In this sense, both teams encouraged an **evolving** understanding of the world, allowing complexity and ambiguity to flourish. In comparison with profit-run projects in search for new meanings they showed no hurry in creating a new status quo.

If this well-developed critical ability in the mid-phase of the projects united the two teams, the last phase did not. While one project embodied a meaningful direction through a brochure and new services, the other did not create any tangible output in terms of planning, models or to-do lists. The former organisation has an explicit strategy of working “project based” not in “departments”, and also a physical meeting place, the Cathedral, to meet and practically discuss new activities.

Differences between profit-run and non-profit organisations

Naturally, innovation processes in profit and non-profit settings share similar traits, such as the increased complexity of the world, the complexity of their own branch and the complexity of their organisation. Naturally, there is also ambition in any team of

innovation. However, when comparing the existing literature on innovation driven by meaning processes in profit-run settings with the two non-profit cases in this study, the following differences evolved.⁴

Profit-run organisations	Non-profit organisations
GENERAL	
Strong on innovation	Strong on purpose
Strong on direction and strategy	Strong on devotion
United through their product	United through their closest team (many unconnected units)
Result-oriented, increasing profit	Process-oriented, increasing understanding
Even presence and commitment through all the process	Uneven presence and commitment
Absence only if a business deadline exists	Absent due to events of people, politics or society
Clear roles from start and planned output	Unclear roles and output
Clear stakeholder	Vague stakeholder
Strong demand for next step	Slower pace to next steps
INNOVATION PRACTICES	
Evolving – a growing understanding	Yes – used to process work
Exposing – leveraging subjectivity	Yes – similar patterns
Criticising – questioning to go deeper	Yes – well-developed abilities
Embodying – artefacts to enhance direction	Yes – in one case, No – in one case

Table 2, Differences between profit-run and non-profit organisations

Strengths of non-profit organisations

- 1) The table above shows that the non-profit organisations are driven by purpose and devotion, by humans aware of the **bigger picture** as in creating space for humans to learn and develop as part of society. This probably gives them a more

⁴ Note that the table polarises situations to illustrate differences in a clear way.

long-ranging perspective and a healthy slowness that market-driven organisations tend to miss.

- 2) Their strong process focus and evolving approach to understanding make them a valuable and patient **speaking partner** with engagement in personal development and learning in a world cluttered with surface through for example the social media.
- 3) These organisations **embrace a greater complexity** than a shareholder company. One with 1000s of years of tradition to consider, the other intertwined in a web of stakeholders, representing not only the school authority of Sweden but also pupils, parents and society in general. It would be easy to focus on getting work done, and not on being innovative. Still they both show the strength of combining a complex work environment with the aim to work innovatively with their offering.
- 4) Due to the lack of nervous markets pushing for new products these organisations have developed an ability to take time to reflect regularly. Thereby they naturally nurture a **practice of being critical** to learn more and as a base for well-considered decisions.

Weaknesses of non-profit organisations

- 1) However, being strong on purpose and critical thinking makes the time to **execution slower**. An additional factor that slows down the pace of change is the complexity among these organisations, being part of larger systems. There are many steps between strategy and policy documents down to the operational level.
 - These organisations relate to their closest units, the local church or municipality. There is a risk that innovative work involving a meaning change finds **no-one in charge**, or alternatively, that this person is very far from the practical work. For example, in the case of the school project, an external authority (the county council) works as a stakeholder/project leader, but on the municipality level there is a lack of responsibility and roles.
 - Non-profit organisations might have to re-prioritise or re-organise their work as they put humans first, and this makes the **participation in an innovation process weaker**. This probably also affects the time to its execution.
 - In profit-run settings, outputs as a time plan with responsibilities are mandatory. This was a natural part in church while the school professionals did not create **any tangible output**.

FINDINGS

Finding 1 – Non-profit organisations do search for new meaning of activities

While profit organisations are guided by annual business plans, non-profit organisations relate to more long-ranging and stable documents such as the Bible or the regulations of the school authorities. These long-term guidelines serve as a reminder about the bigger picture – or purpose – of their activity. They also provide guidance of a meaning-character that might hinder (or at least not support) a meaning change and further, innovation. However, notwithstanding the fact that the non-profit organisations appear to be more used to relating to “purpose” and meaning *they still search for new directions*.

Finding 2 - The efforts to innovate in these environments point to a tension between devotion and direction

School professionals wish to secure education and their network of stakeholders in society first and foremost. Church employees, external to the innovation team, wish to maintain existing religious settings and routines. They are driven by *devotion*. Meaning change, however, calls for a change in perspective, followed by the need of *direction*. This implies additional work of another character than devotion; it brings managerial work of strategy and organisation.

Finding 3 - Non-profit organisations offer a greater complexity

Due to their institutional character these organisations have been giving hope, trust, stability, knowledge and personal development to humans. They are not market-driven, but purpose-driven. Therefore, changing their purpose is a great challenge. Studying them, however, is very helpful to deepen the knowledge about innovation driven by meaning.

Comment

It is not obvious for an organisation to search for new meaning. In religion, for example, sticking to the interpretation of old text is a core activity. All religions have a certain share of “fundamentalists”. Following well-known procedures are of major importance - while thinking new or differently might create tension or even exclusion. Changing what is “holy” is indeed a delicate subject. But also in non- religious settings humans search for and need “fixed” meaning. Yogic and Ayurvedic culture inspires Western people to the return of old texts, habits and wisdom. Politically, both extreme right parties as well as extreme left ones proclaim old values. Even at universities, the trust in old structures (such as the publications system to measure the ability of a teacher) continues to be used. These are all examples of branches in our society that encourage stability and tradition.

Further, it could be argued that the tension of devotion and direction is found in every organisation. Every employee, potentially, wishes to be driven by devotion. In a profit-run business though, being mostly focused on devotion and not direction could lead to happy employees but insufficient output. As a result, activities might have to close down due to bankruptcy (see the case of ABB in Öberg, 2012). In a meaning-driven organisation, however, devotion is prioritised, hopefully leading to happy employees who deliver a great output (happy students or members). Output is not measured in cash-flow and an unclear direction does not result in the same harsh consequences as for a profit-run activity.

In addition, if there is “devotion” on one side and “direction” on the other – there is also a centre part that could be described as a “ditch” or a “dilemma”. This happens when school principals need to solve problems of immediate attention: a teacher goes on unplanned sick leave, parents make a report to the school authority about how the school is treating their child, and politicians demand an instant explanation of the priorities of resources. In this situation, the principal ends up being not devoted to the core mission – nor in direction of a planned innovation strategy. This “ditch” looks less visible in the church case. Even if they care for humans as well, also the homeless, marginalised and lonely, the level of complexity through stakeholders and authorities seems less present.

MANAGERIAL IMPLICATIONS

When managers search to understand the meaning of their organisation's offering, research on meaning-driven innovation might serve as an inspiration. For profit-run businesses, clarifying a higher purpose of activities might offer a challenge demanding time and skills of a critical character. To non-profit organisations, these skills often look natural. Instead, managers in these contexts might benefit from studying the target-oriented and faster pace normally seen in a profit-run business. For all managers interested in a meaning-driven approach this study implies:

1 Meaning-driven innovation takes time

Compared with similar processes in profit-run organisations, the partial lack of time in the process of the cases studied created unnecessary confusion. To create a deep rooted new meaning strategy, managers need to make the team members genuinely engaged in all phases of the project. This includes discovering meaningful themes as well as labelling and embodying them to fill them as their "own".

2 - ... combined with a strong executive excellence

The ability to relate to a higher purpose, or meaning, often comes with a well-developed reflective ability but it needs to be coupled with a similarly strong ability of execution.

These implications call for managers to hire employees who can balance a reflective and an executive mode in everyday work. It implies looking for individuals with experience and knowledge in shifting disciplines, for example philosophy and anthropology contrasted with business, strategy and entrepreneurship. The project manager of the case that succeeded in creating a platform for meaning-driven initiatives represents that profile: she embodies a combination of former consultancy work in e-learning connected to universities - with a long membership and as a choir singer in a meaning-driven setting, the Swedish Church.

CONCLUSION

Research on innovation processes focusing on changing the meaning of a product or service builds mainly on studies within profit-run organisations. Existing studies underline the perspective of driving innovation from the inside-out, from the wishes and dream of employees rather than an outside-in perspective where external users drive product development. Further, the literature points to the need of a critical capability, deepening reflections on what might be meaningful by questioning and revisiting existing scenarios (Verganti, 2017). These principles align with the model by Öberg (2015) where four practices are explained as important for meaning-driven innovation processes: evolving-exposing, criticising and embodying.

The study shows that the model of four practices looks effective also in a non-profit meaning-driven innovation process. In particular, the *evolving* practice to deepen understanding – and – the practice of *criticising* to go beyond the obvious scenario. These two practices look natural and fluent in the two non-profit organisations studied. The reason for non-profit organisations to be stronger on both evolving but also deeply critical practices might be that where profit is not the main driver, **processes are slower, more reflective and more people-centred**. The complexity surrounding this type of organisation, such as hierarchies, history, rules and regulations, creates a slowness that allows time for healthy and thorough reflections. In addition, activities are implicitly driven by a deeper purpose, such as learning and personal development for the good of humans and society.

The downside of the non-profit approach to innovation driven by meaning perspectives indicates that the strong people and societal focus sometimes takes attention away from the project. It creates an uneven presence among participants, a type of **imbalance undermining common understanding, strategy building and execution**. In the complexity of their organisations, managers tend to stick with their closest, local unit, leaving the role of who to drive innovation strategy unanswered. Unclear responsibilities and demands from stakeholders are additional hurdles for a team interested in driving innovation in this context.

To conclude, the study of non-profit organisations demonstrates that they 1) do search to innovate meaning, 2) struggle to balance devotion to a higher purpose and direction of a new innovation strategy and 3) offer a greater complexity through their bonds to history, stakeholders and society. Therefore, they are useful to study for all managers interested in innovation of the meaning of their offering. By combining their differences, profit-run organisations with their strong drive of innovation, and non-profit- ones with their natural aptitude to reflect on meaning, both parties would increase their innovative capability.

CHALLENGES - FUTURE RESEARCH

This study builds on empirics discussed within the frame of the existing theory of innovation driven by a search for new meanings. The purpose has been to deepen the knowledge of this type of process. One challenge has been to objectively present the material and its conclusion as the research has been action-oriented, including the researcher in the activities and workshops. To deepen the validity the early findings in this paper would benefit from being related to theories of innovation within a non-profit setting, even if these do not include a “meaning”-perspective. An additional enrichment would be to include theories based on innovation projects in a school and/or religious setting. These are weaknesses that deserve to be addressed.

The findings indicate the need of embracing two different perspectives. The methods and practical arrangements to bridge the practices of profit-run and non-profit run actors deserve to be studied. Where do these types of cross-border meetings take place? Who arranges them? What does the conversation look like? Theories of dialogue (Isaacs, 1999, Schein, 1993) would be another way to deepen the insights made. Lastly, as the sample consists of only two non-profit organisations, the results do not aspire to be generalised but to serve as a very early proposal to build upon.

ACKNOWLEDGEMENTS

This research comes as a result of the generous support from two institutions, Mälardalen University in Sweden and Politecnico di Milano in Italy. My warm thanks to the School of Education, Culture and Communication who had the belief in supporting a researcher within an external field, the one of innovation management, to Cecilia Vestman at the Mälardalen Skills Centre for Education and Anna Knutsson at the Regional Council of Sörmland who believed in designing an executive education for innovation, but also studying the network of school managers. My admiration also goes to these managers who embarked on a journey of innovating meaning in a very complex and challenging environment. Thanks for sharing your time in interviews both initially and after the project. Warm thanks also to the employees of the Swedish Church at the Cathedral of Strängnäs who openly shared their challenges and

advancements within their meaning explorations. My appreciation also goes to the 12 invited interpreters who participated voluntarily in the project. My last deep thanks go to my research fellows at the Department of Management, Economics and Industrial Engineering at Politecnico di Milano, offering a safe and sound haven for theoretical developments since the start of my research studies on innovation and meaning.

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