

**INNOVATIVENESS IN SMALL AND MEDIUM KNOWLEDGE INTENSIVE
BUSINESS SERVICES (KIBS) FIRMS: AN EXPLORATORY CASE STUDY**

by

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A Dissertation Presented in Partial Fulfillment

Of the Requirements for the Degree

Doctor of Philosophy

Capella University

May 2019

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Abstract

The topic of this qualitative research study are the factors advancing innovativeness and types of innovation in small and medium-sized knowledge-intensive business service (KIBS) firms to answer the following question: How is innovativeness developed, sustained, and deployed in small and medium-sized KIBS firms? Extant innovation management literature suggests a more thorough understanding of service innovativeness in small and medium-sized KIBS firms is needed. An understanding that enhances KIBS firms as key contributors to the knowledge economy and positions them as an integral source of innovation while also assisting practitioners in the development of innovation strategies and sustainable business models supporting the acceleration of firm value. Data analysis was conducted on the results of semi-structured interviews of leaders of fourteen small and medium-sized KIBS firms. The results indicate small and medium-sized KIBS firms must be overtly customer centric as well as actively embrace employee engagement for innovativeness to be developed, sustained and deployed. The study drew on literature from three main theoretical viewpoints; service design theory, new solution development (NSD) processes, and innovative behavior models in KIBS firms. The conceptual framework that emerged from the analysis revealed KIBS firm leadership, customer centricity, and employee engagement as central elements. Underlying the central elements of the conceptual framework, are the principles by which KIBS leaders develop themselves to better add value to customers and employees in addition to the development and application of innovative tools in the market and within the firm. The interaction between the KIBS firm leaders and employees, their customers and the innovative culture in which they conduct these interactions, is used as a basis in furthering the understanding of service innovativeness in small and medium-sized KIBS firms.

Dedication

This work is dedicated especially to my loving wife Tisha and my kids for their unwavering support. Their immeasurable love and support impelled me to realize my potential during this journey and without them I would have not found the focus and energy to complete this work.

Acknowledgments

I would like to extend my genuine gratitude to my colleagues, friends, and family for their encouragement and support during this doctoral journey. I would like to acknowledge my mentor, Dr. Todd Weber, for his advice, direct urges, patience, and encouragement. I would also like to acknowledge my committee members, Dr. Anthony Pizur, and Dr. Jane Gibson for their experience, guidance, and support. Finally, I would like to acknowledge my fellow doctoral learners for your encouragement and shared advice during this doctoral journey.

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CHAPTER 1. INTRODUCTION

This qualitative exploratory multiple case study introduces factors advancing service innovativeness in small and medium-sized knowledge-intensive business service (KIBS) firms as a contribution to innovation management literature. The research literature on factors advancing service innovativeness and the contribution to KIBS firm performance indicates that innovativeness is one of the central elements in accelerating favorable financial performance and escalating efficacy in contemporary business (Matejun, 2016; Roach, Ryman, & Makani, 2016). Dotzel, Shankar, and Berry (2013) proposed that for innovativeness to be enhanced, firms need to raise their sensitivity to the connections between service innovativeness and critical performance indicators.

An in-depth understanding of innovativeness in small and medium-sized KIBS firms is intended to be developed through this qualitative exploratory multiple case study. The challenge in studying innovativeness is corralling the burgeoning conceptualization of the phenomena. Dotzel et al. (2013) concentrated on the internet-enabled and people-enabled service innovativeness as contributors to key performance indicators, which promoted an outcome basis of analysis. The authors' discussion of the determinants of service innovativeness expressed the need for a deeper understanding of the subject matter as an addition to the innovation body of knowledge, albeit from a quantitative viewpoint (Dotzel, Shankar, & Berry, 2013). Furthermore, Joshi, Das, and Mouri, (2015) also attempted to analyze the precursors of service innovativeness, albeit from a resource-based perspective. By presenting a qualitative interpretation of the factors

advancing service innovativeness through the lens of service design theory as well as new service development and innovative behavior models, the results of this qualitative exploratory multiple case study aspire to close the gap in innovation management literature.

In addition to addressing the theoretical gap, the results of this qualitative exploratory multiple case study propose to close the practical gap in the application of innovation management. The findings of this qualitative exploratory multiple case study aim to address the ways small and medium-sized knowledge-intensive firms maintain customer relations (toward co-creation) and nurture employee engagement that fuel innovativeness. From a practical perspective, understanding and interfacing with the customers along their purchase journey and employee engagement are determinants of innovation and small and medium-sized enterprise (SME) performance (Berry et al., 2006; Vermeulen, De Jong, & O'Shaughnessy, 2005; Tuominen & Toivonen, 2011; Zhu, Djurjagina, & Leker, 2014; Åkesson, Skålén, Edvardsson, & Stålhammar, 2016). Moreover, the limited and mixed evidence on the factors advancing service innovativeness in small and medium sized firms is conspicuous in innovation literature (Lavie, Stettner, & Tushman, 2010; Prajogo, McDermott, & McDermott, 2013; Božica & Mohnen, 2016; Matejun, 2016; Roach, Ryman, & Makani, 2016) and positions this study to address that gap in the body of knowledge.

The specific qualities that characterize service innovativeness in small and medium-sized KIBS firms will be presented through the results of this qualitative exploratory multiple case study. Agarwal and Selen, (2011) emphasized opposing perspectives in the measurement of service innovativeness in quantitative contexts leaving an opportunity for in-depth analysis of the specific qualities that characterize service innovativeness and establishing a robust comprehensive understanding of service innovativeness in knowledge-intensive environments.

This qualitative exploratory multiple case study aims to close the gap in the literature by presenting an in-depth analysis of the factors advancing service innovativeness and the qualities that characterize service innovativeness in small and medium-sized KIBS firms. The next section will provide context and background for this study.

Background of the Study

The experiential design of this qualitative exploratory multiple case study endeavors to consider the quality, causes, and effects of service innovativeness to enhance and refine the understanding of the phenomenon in small and medium-sized KIBS firms. The services sector is a substantial contributor to the global economy, representing 65% share of the world's gross domestic product (Dotzel et al., 2013; Aboal, Garda, Lanzilotta, & Perera, 2015; Storey, Cankurtaran, Papastathopoulou, & Hultink, 2016; Miles, Belousova, & Chichkanov, 2017). Therefore, both technological and non-technological services have risen in the awareness of business leaders and there has been an increase in the study of service innovation. Empirical research on innovation traditionally analyzed the connection between innovation and firm performance from the manufacturing point of view through the lens of product innovation (Lin, 2013; Carlborg, Kindström, & Kowalkowski, 2014; Janssen, Castaldi, & Alexiev, 2016). Consequently, service innovation, born out of service-based economies, is the result of the conversion from the manufacturing-based economy (Gallouj & Windrum, 2009).

Moreover, the advancements in service and knowledge-based economies, as well as global competition, have elevated the importance of studying service innovativeness. Innovativeness represents a firm's capability to develop and introduce innovations to satisfy customer needs and expand value creation opportunities (Dotzel et al., 2013; Joshi et al., 2015; Kaushik & Rahman, 2016). The contemporary literature, further discussed in Chapter 2, has

examined service innovation from the comparative standpoint with manufacturing environments, citing assimilation, integration, or demarcification as changeable premises within the same concept. The conceptual differences and the lack of experiential data associated with the analysis of service innovation have heightened the concerns of both scholars and managers seeking to better understand service innovation (Lin, 2013; Aas & Pedersen, 2011), further justifying the need for this study. Lin, (2013) further accredited the difficulty in analyzing service innovation to conceptual differences between the manufacturing and service sectors as well as to a scarcity of first-hand and pertinent data.

The subject of this qualitative exploratory multiple case study is small and medium-sized KIBS firms, which are defined as entities organized to extend services that are comprised of profitable activities meant to conclude in the formation, assemblage or dissemination of knowledge to meet client's needs (Muler, Zenker, & Heraud, 2015). Toivonen (2007a) substantiated that the study of KIBS firms has increased with an interest in the level of contribution to national and regional economies. Further, Toivonen, (2007a) suggested that the rise in the interest in KIBS is supported by the ability of the KIBS firm to provide value, understand the client business and the broadening of service solutions. Zieba (2013) also offered practical insights on defining KIBS as including formal and informal education in addition to work experience, forms of knowledge, organizational learning, and knowledge acquisition. An underlying concept in the definition of KIBS is the invisibility of services described by Prajogo et al. (2013) as a critical factor in the difficulty in studying service innovation. Although this definition of KIBS casts a comparative perspective that shares the characteristics of most technology firms, the literature suggests the importance of examining the interactions between small and medium-sized KIBS firms and their customers to make a clear delineation (Hu, Lin, &

Chang, 2013). The preceding section described the background of this qualitative exploratory multiple case study, which is to refine the understanding of the service innovativeness in small and medium-sized KIBS firms. The following section will discuss the rationale for this study.

Rationale

Addressing the conceptual differences in the study of service innovation as well as the lack of experiential data associated with the analysis of service innovation describe the need for this study. The limited and mixed evidence on the factors shaping service innovativeness in small and medium-sized KIBS firms further supports the need (Lavie, Stettner, & Tushman, 2010; Prajogo et al., 2013; Božica & Mohnen, 2016; Matejun, 2016; Moreira et al., 2017). The findings of this qualitative exploratory multiple case study aim to fill the knowledge gap by providing scholars and practitioners with the results of in-depth analysis into the factors advancing service innovativeness and types of innovations introduced by small and medium-sized KIBS firms. Service innovativeness, an inclination to launch service innovations and organizational capacity, possesses the building blocks in understanding how to optimize resources and firm performance, which also supports the practical need for this study (Dotzel et al., 2013; Kessler, Pachucki, Stummer, Mair, & Binder, 2015).

The lack of data associated with the analysis of service innovativeness further establishes the need for this study. While, service innovativeness is described as the result of a firm's service innovation ability and capacity at varying extents on intangible service offerings. (Dotzel et al., 2013; Joshi et al., 2015; Akgün et al., 2016), such a results-focused perspective leads to an outcome driven conceptual view. The empirical literature on factors determining service innovativeness and its contribution on performance indicates that innovativeness is one of the central elements in achieving high-level financial performance and intensifying effectiveness in

modern business (López & Ramos, 2015; Matejun, 2016), yet the literature lacks the evidence on how service innovativeness is developed, deployed, and sustained.

Conceptual differences and a lack of experiential data associated with the analysis of service innovativeness in small and medium-sized KIBS firms embody the need for this study. The components of service innovativeness are analyzed along with their interplay within the operations of small and medium-sized KIBS firms. Extant literature explores the definition of innovativeness as well as the varied perspectives through which innovativeness is viewed but fails to identify the factors shaping service innovativeness specifically. In the same vein, service innovation is characterized as a firm's process of leveraging current or new knowledge to develop and introduce service offerings both internally and externally (Carlborg et al., 2014; Dotzel et al., 2013; Joshi et al., 2015; Akgün et al., 2016).

Although the common theme between service innovativeness and innovation is the incentive of both the outcome and process to sustain competitive advantage and build value co-creation, for firm and customer (Akgün et al., 2016; Aal et al., 2016), this reflects a single commonality in the varied conceptual aspects of service innovativeness in literature. Adding to the varied conceptual differences, Åkesson et al. (2016) affirmed the contribution of employee engagement on service innovation to competitive advantage and customer co-creation.

In addition, by analyzing the dichotomy that exists between customer-facing activities that represent external operations and the design of internal operations to address the lack of experiential data associated with the analysis of service innovativeness, the need for this study is further substantiated. Pertinent to addressing the lack of experiential data, is the consideration of firm size to the analysis of service innovativeness. While, Prajogo et al. (2013) presented the scholarly foundation for the analysis of small and medium firms in their quantitative study, they

also set out to understand the extent by which variations in firm size are linked to differing innovation strategies and performance results. Small and medium-sized firms offering services have limitations in resources that present challenges to their leaders as well as those attempting to study their operations. Additionally, from an environmental perspective, the factors advancing service innovativeness are different from innovation in service firms. Although subtle, the difference between these concepts assist in categorizing service innovativeness, which typically reflects the technological, radical novelty that is not easily imitated yet focused on the customer experience and service delivery to the external market.

Conversely, innovations in service firms reflect the non-technological, incremental approaches that are easily copied and emphasize the internal procedures and processes. Further, this qualitative exploratory multiple case study takes advantage of the opportunity to present the results of an in-depth analysis of the drivers of service innovativeness that Agarwal and Selen, (2011) described in their quantitative view of the opposing perspectives in the measurement of service innovativeness. The findings of this qualitative exploratory multiple case study intends to address the conceptual differences and lack of experiential data associated with the study of service innovativeness in small and medium-sized KIBS firms. The next section will present the purpose of this study.

Purpose of the Study

The purpose of this qualitative exploratory multiple case study is to address the conceptual differences and lack of experiential data associated with the study of service innovativeness in small and medium-sized KIBS firms. In an aggressively competitive environment, successful firms must have an awareness and related capabilities that recognize service innovation opportunities consistently and gather new information from an assortment of

competitive sources to exploit as contributions for expanding organizational strategy portfolio (Wang, 2014).

The analysis of service innovation has been examined through the lens of manufacturing or productivity measurement concepts in the literature (Biege et al., 2013). However, in viewing the multi-dimensional makeup of service innovation, it is vital to view this conceptually as not only as the result of new ideas but an integrated process for generating and managing the inputs of innovation (Agarwal & Selen, 2011; Bassiti & Ajhoun, 2013). The data from this qualitative exploratory multiple case study proposes to assist scholars and practitioners in understanding what factors advancing service innovativeness and types of innovations implemented in small and medium-sized KIBS firms are. The data from this study may also contribute to advancing the scientific knowledge of KIBS in operation, as KIBS activity has become one of the fastest growing sectors of the global economy (Huggins, 2011; Hu et al., 2013). Consequently, a more thorough understanding of the service innovativeness of small and medium-sized KIBS firms may add to the body of innovation management knowledge and better prepare practitioners to enhance their innovation strategies that result in resilient, scalable, and sustainable business models that support accelerating firm value.

Also, this literary contribution intends to represent a theoretical linkage between the study of organizational determinants of service innovativeness in small knowledge-intensive service firms and the types of service innovation in small and medium-sized enterprises (SMEs). Further supporting this assertion, Vermeulen et al. (2005) offered an inconclusive indication of service innovativeness influenced by organizational factors. Moreover, Prajogo et al. (2013) enumerated the justification for further study of service innovation theory as well as confirmed the impact of explorative and exploitative innovation strategies on business performance in

SMEs. However, the authors provided the only commentary in their conclusions and limitations section on the organizational factors within service firms that lead to the types of service innovations investigated in their study.

Innovation is a critical contributor to competitive advantage in small and large firms alike. More specifically, competitive advantage is attained by providing unique and exceptional value to consumers (Manurung & Barlian, 2012). Further, competitive advantage is only be achieved through a sustainable business model that affords the firm the ability to generate new ideas and the capability to introduce innovations that meet customer needs and improve value creation opportunities (Dotzel et al., 2013; Joshi, Das, & Mouri, 2015).

Firm size is another distinguisher in this qualitative exploratory multiple case study. While, Prajogo et al. (2013) presented the scholarly foundation for the analysis of small and medium firms in their quantitative study, they also set out to understand the extent by which variations in firm size are linked to differing innovation strategies and performance results. Small and medium-sized firms offering services have limitations in resources that present challenges to their leaders as well as those attempting to study their operations. Moreover, the examination of service innovations has inherent challenges due to the instability associated with their development, relative invisibility compared to products, their reliance on incremental rather than radical innovations and the uncertainty of service innovation impact on performance (Prajogo et al., 2013; Khaksar et al., 2016; Moreira et al., 2017). Further, trends in digitalization have driven the increase in the interest in service innovativeness and the need for tools to analyze them (Häikiö & Koivumäki, 2016). As a final point, a case study design is employed to contribute to the linkage between competitive growth strategy and the service design theoretical framework for service innovativeness in small and medium-sized KIBS firms. The next section

will describe the impact of the findings of this qualitative exploratory case study will have in the scholarly and practitioner communities.

Significance of the Study

Offering scholars and practitioners, a literary response to the conceptual differences and lack of experiential data associated with the analysis of service innovativeness in small and medium-sized KIBS firms represents an opportunity of significance. Further supporting this significance, the findings of this study intend to respond to the need recommended by Prajogo et al. (2013). In the authors contribution to the field of service innovation, they presented an occasion to augment their work and contribute to the body of knowledge, by integrating the study of organizational factors influencing service innovativeness prevalent in small and medium-sized enterprises (SMEs).

The findings of this qualitative exploratory multiple case study of KIBS firms intend to provide scholarly communities with theoretical insight into the role of the factors that advance service innovativeness as well as the types of innovation in small and medium-sized KIBS firms in the development of modern service economies. In addition to providing theoretical insight, enhancing practitioner communities with reality-based view of the integral interplay of the factors that advance service innovativeness and the types of innovation in small and medium-sized KIBS firms with innovation development internally as well as externally, further supports the significance (Zieba & Zieba, 2014).

Also, a case study design is employed to contribute to the linkage between competitive growth strategy and the service design theoretical framework for service innovativeness in small and medium-sized KIBS firms. Consequently, offering input toward a better understanding of the linkage between competitive growth strategy and service design theory, represents an

additional support of this significance. The next section will discuss the research question and sub-questions that this study aims to answer.

Research Question

This qualitative exploratory multiple case study seeks to answer the following primary question:

How is innovativeness developed, sustained, and deployed in small and medium-sized KIBS firms?

The following sub-questions influence the research question and guide the direction of the study:

- *What are the specific qualities that characterize innovativeness in small KIBS firms?*
- *What are the factors that influence service innovativeness in small KIBS firms?*
- *How are these characteristics and factors advancing innovativeness deployed into the market to enhance firm value?*

The study of service innovativeness has become more prominent in the current and future of business environments as a tactical asset (López & Ramos, 2015). Empirically viewed as a byproduct of manufacturing constructs and marginally enabling innovation, service innovativeness has been underestimated and technologically backward in its impact on performance and competitive advantage (Cainelli, Evangelista, & Savona, 2004; Lin, 2013). Service innovativeness has been reflected scarcely in the literature while including conceptual differences (Lin, 2013). Agarwal and Selen, (2011) emphasized the opportunity for in-depth qualitative analysis of the factors advancing service innovativeness and establishing a valid, comprehensive understanding of service innovativeness in knowledge-intensive economies. This qualitative multiple case study presents research questions that responds to this opportunity in a scholarly and practical manner.

This qualitative exploratory multiple case study is designed to expose essential elements that may address the conceptual differences and lack of experiential data associated with the analysis of service innovativeness in small and medium-sized KIBS firms and advance the scientific knowledge of small and medium-sized KIBS firms in operation. Moreover, contributing to the definition of KIBS is the invisibility of services described by Prajogo et al. (2013) as a key factor in the difficulty in studying service innovation. The study of innovativeness in small and medium-sized KIBS firms offer scholars and practitioners an open area of analysis due to small and medium-sized KIBS firms ability to integrate their innovativeness into client projects (Hu et al., 2013). The impetus of innovativeness and its integration between small and medium-sized KIBS firm leaders, customers, and employees are exciting fodder for researchers of innovation and service practitioners. While this section presented the research question and influencing sub-questions, the next section will submit a definition of terms relevant to this study.

Definition of Terms

- Innovation in Service firms – new concepts and approaches applied to functional processes and internal operations; innovations in administrative areas; reflect the non-technological, incremental approaches that are easily copied and emphasize the internal procedures and processes
- Innovative behavior - all individual or group activities aimed at generating, introducing and applying advantageous novelty at any organizational level (Tuominen & Toivonen, 2011)

- Innovativeness – the innovative capacity or ability to develop and introduce innovations to satisfy customer needs and expand value creation opportunities (Dotzel et al., 2013; Joshi et al., 2015; Kaushik & Rahman, 2016)
- Knowledge-intensive Business Services – organizations created to extend services that are comprised of profitable activities meant to conclude in the formation, assemblage or dissemination of knowledge to meet client’s needs through intense relationship with customers (Muler, Zenker, & Heraud, 2015)
- New Service Development - facilitator of service competition and indicator of resources and activities required to develop new services (Mainardes, Mattos, & Alves, 2016)
- Service Design – subset of the design thinking process steps of inspiration, ideation, and implementation; primarily concerned with the practical development of customer experiences in the form of concept and delivery.
- Service Innovation – new services or changes to existing services that represent new offerings to the market; reflects the technological, radical novelty that is not easily imitated yet focused on the customer experience and service delivery to the external market

The next section will summarize the methodology, approach, and design used to solve the research problem or address the need for the study.

Research Design

In addressing the research questions that bolster the need, purpose and significance of this research study, a qualitative exploratory multiple case study design was employed with the purpose of contributing to the service design theoretical framework for service innovativeness in

small and medium-sized KIBS firms. Case study research methodology is existentially oriented and concerned with the interface of findings with the real world rather than alignment with theories or statutes (Steenhuis & Bruijn, 2006). The target population of this multiple case study is fourteen small and medium-sized KIBS firms that incorporates qualitative substantiation from in-depth interviews of KIBS firm leaders and secondary data (Eisenhardt, 1989; Ferreira & Neves Guimarães, 2014). Furthermore, the research design of this study aligns with the service innovativeness case study conducted by Gagic (2016), which included a recruitment questionnaire that asked potential participants the number of innovations introduced to the market, either technological or non-technological to preliminarily assess the level of innovativeness of small KIBS participants.

Having recruited fourteen eligible KIBS firms, semi-structured interviews were conducted with the KIBS firm leaders and managers from the sample firms to qualitatively gather evidence to assess the detailed characteristics of the service innovativeness and innovations deployed by the firm, both internally and externally. After gathering data from the semi-structured interviews, analysis and coding was conducted to assist in formulating a solid understanding of an ever-growing concept from a scholarly-practitioner perspective (Khaksar, Khosla, Chu, & Shahmehr, 2016; Moreira, Gherman, & Sousa, 2017). This section presented the research design to be employed to solve the research problems that this study will address. The following section will provide a discussion of the assumptions and limitations of this study. (See Appendix B for the interview questions.)

Assumptions and Limitations

Assumptions

This study takes a position of analysis of service innovativeness outside of manufacturing environments. Service innovation literature has been studied less than innovation in manufacturing, particularly due to the intangibility of services and the subsequent difficulty in measuring service offerings (Agarwal & Selen, 2011; López & Ramos, 2015). Additionally, as the growth of the knowledge economy has stimulated the increase in knowledge intensive business services, the rate of study of service innovativeness has not kept stride (Joshi et al., 2015). In service firms, the combination of products and services beyond the limits of service only offer insight into customer needs and value creation which improve competitive advantage (Carlborg et al., 2014; Kaushik & Rahman, 2016). Consequently, the use of a qualitative approach to analyze service innovativeness in small and medium-sized KIBS firms generates in-depth knowledge to be added to the scholarly and practitioner literature on innovation management, entrepreneurship, design, and strategic operations.

Theoretical assumptions. This research study drew upon literature from three main theoretical viewpoints that set the theoretical assumptions for this study. Service innovativeness in small and medium-sized KIBS firms will be examined through the context of service design theory, new solution development (NSD) processes, and innovative behavior in KIBS operation. While these concepts will be discussed in more detail in chapter 2, the following will briefly introduce each concept to establish the theoretical assumptions for this study.

Na, Choi, and Harrison, (2017) analyzed the influence of design on innovation as a creative process that includes; designing, design strategy, and corporate design thinking. Service design is a subset of the design thinking process steps of inspiration, ideation, and implementation. Where design thinking is an operational approach to promote creativity; service design is primarily concerned with the practical development of customer experiences in the

form of concept and delivery. Building on this model, Amara, Landry, and Doloreux, (2009) theorized two technological and four non-technological dimensions of service innovations and aligned services industries in the same manner; technological and traditional (non-technological). This study will contribute to the development of the service design theoretical framework related to service innovativeness and its link to competitive growth strategy that will cut through the challenges that researchers have had in shaping the body of knowledge related to service innovation of a technological and non-technological nature and its impact on firm value and economies (Cainelli et al., 2004; Lin, 2013; Vergori, 2014; Khaksar et al., 2016; Moreira et al., 2017).

In tracking a perspective of NSD within the various relevant models, including product service system, integrated solutions, service concept and delivery (Chae, 2012; Sangiorgi & Prendiville, 2014), integration and customizability appear to be the common characteristics of services within NSD literature (Chae, 2012). NSD has a customer facing position as a facilitator of service competition and indicator of resources and activities required to develop new services as described by Mainardes, Mattos, and Alves (2016). In addition to the NSD model, the theoretical assumptions include the theory of innovative behavior, which is defined as all individual or group activities aimed at creating , pioneering and employing advantageous novelty at any organizational level (Tuominen & Toivonen, 2011, Topalian, 2012; Oly Ndubisi & Agarwal, 2014). Particularly important and most common in the various theories of innovative behavior are its characteristics of; applicability to individual and group settings, informal and formal execution processes, iterative and concurrent performance from concept initiation to implementation (Tuominen & Toivonen, 2011). As one of the three key dimensions of consumer innovativeness, innovative behavior has emerged from an integrator perspective that underlies a

consumers prevalence toward ‘consumption of newness’ (Kaushik & Rahman, 2016).

Consequently, the researcher seeks to explore service innovativeness in KIBS firms considering the new perspective, avoiding the empirical manufacturing perspectives that has been the basis of service innovation thought and extending the novel account of innovative behavior, covering the complete integrated process of service innovation (Gallouj & Windrum, 2009; Tuominen & Toivonen, 2011; Vergori, 2014).

Limitations

There are limitations in the study of service innovativeness due to its originating in manufacturing contexts (Carlborg et al., 2014). Moreover, the heightened interest in the study of service innovativeness due to its substantial correlation to firm’s performance and subsequent pursuit of competitive advantage has prompted researchers of organizational behavior and positive organizational scholarship to examine the phenomena for factors that advance service innovativeness (Akgün, Erdil, Keskin, & Muceldilli, 2016). This highlights the favorable assumption of using a qualitative approach to analyze phenomena that can’t be measured. However, the challenge with a qualitative approach is the lack of generalizability across service industries and organizations. This challenge is exacerbated by the task of navigating the impediments of studying service innovativeness outside of manufacturing environments to construct a robust understanding of an ever-growing concept from a scholarly-practitioner perspective (Khaksar, Khosla, Chu, & Shahmehar, 2016; Moreira, Gherman, & Sousa, 2017). The study of service innovativeness includes the understanding of service innovation that includes a wide range of innovation areas and practices. Furthermore, this qualitative exploratory multiple case study is based on the specificity attributable to participant

organizations and thus is limited in its coverage. The next section will present the organization of the remainder of this study.

Organization of the Remainder of the Study

In summary, by introducing qualitative factors advancing service innovativeness and the types of innovations implemented in small and medium-sized KIBS firms as a contribution to innovation management literature, the researcher seeks to address the conceptual differences in the study of service innovation as well as the lack of experiential data associated with the analysis of service innovation. Underlying the factors advancing service innovativeness are the specific qualities that characterize service innovativeness in small and medium-sized KIBS firms. With the rise of the services sector as a substantial contributor to the global economy, the study of service innovativeness has become a prolific area of innovation management literature that has academic and practical implications. The purpose of this qualitative exploratory multiple case study is to address the conceptual differences and lack of experiential data associated with the study of service innovativeness in small and medium-sized KIBS firms. In response to this purpose, scholars and practitioners will be offered actionable contributions into the factors advancing service innovativeness and types of innovations introduced both internally and externally by small and medium-sized KIBS firms (Dotzel et al., 2013; Joshi et al., 2015; Kaushik & Rahman, 2016). This primary reason for this purpose is to take advantage of the opportunity to present results of an in-depth analysis of the drivers of service innovativeness and augment what is minimally offered in the innovation management literature. The researcher seeks to not only enhance the innovation management body of knowledge but provide practical approaches that can be applied by practitioners within small and medium-sized KIBS firms to build sustainable business models. In addition, the researcher will employ a multiple case study design

with the purpose of contributing to the linkage between competitive growth strategy and the service design theoretical framework for service innovativeness in small and medium-sized KIBS firms. While this qualitative exploratory multiple case study is limited to the inputs provided by its participants, the theoretical assumptions by which service innovativeness is viewed draws upon three main viewpoints; service design, new solution development (NSD), and innovative behavior, which provide ample coverage of the phenomena. The following will describe the structure of remainder of the paper.

Chapter two will contain a presentation of the relevant literature and detailed discussion of the theoretical framework. Beginning with a description of known qualities of service innovativeness in current literature and ending the chapter with an analysis of the theoretical lenses through which service innovativeness will be examined. Following the literature review, a description of the research design for this exploratory multiple case study will be presented. In chapter three, the research methodology used to target, collect, analyze and present the data will be discussed, followed by a description of the ethical considerations to be addressed. After the description of the planned research methodology and design, chapter four will contain a summary of the results of the data collected and analyzed. Chapter four describes the results of the study, a presentation of the data collected, a presentation of the results of the data analysis and the results of the study. Finally, chapter five will discuss the researcher's personal and professional interpretation of what the results mean, the implications and limitations of the study as well as providing recommendations for further research. Further, in addition to chapter five containing the inward reflections of the researcher, it will also contain the outward implications of the results on the scholarly and practitioner communities. The next chapter explores what are the known qualities of service innovativeness from current literary and theoretical perspectives.

CHAPTER 2. LITERATURE REVIEW

Introduction

Service innovativeness in small and medium-sized knowledge-intensive business services (KIBS) firms represents the focus of conducting this qualitative exploratory multiple case study. Strategy and innovation combined, are a practical element of the general business environment that play an integral role in the sustainability of any going concern. The best way to generate a competitive advantage and create value is through innovation (Dotzel, Shankar, & Berry, 2013; Prajogo, McDermott, & McDermott, 2013; Leovaridis & Popescu, 2015; Gagic, 2016; Sachpazidu-Wójcicka, 2017). Service innovativeness, an inclination to launch service innovations and organizational capacity, are building blocks in understanding how to optimize resources and firm performance (Dotzel et al., 2013; Kessler, Pachucki, Stummer, Mair, & Binder, 2015).

The following sections describe known attributes of innovativeness from the purview of scholarly literature. The analysis of the literature examines the definition of innovativeness as well as the varied perspectives through which innovativeness can be viewed. Beginning with organizational and cultural contributions then progressing to an exploration of the literary offerings connected to the promotion of service innovation, the review expands the understanding of service innovation in KIBS firms. This section includes theoretical contrasts and congruences in the literature that influence the understanding of trends shaping innovativeness in today's dynamic business environments. In doing so, the literature reveals innovation's input toward competitive advantage, in addition to cultivating awareness of the role that innovation has played in the history of business sustainability as fuel for its advancement

into the dynamic and often volatile markets experienced today. From this point, the literary analysis takes an inferential turn to feature the barriers to innovativeness that enlighten the known qualities of innovativeness and offer pragmatic reliefs to innovation implementation challenges.

Next, the literary analysis provides the results of an evaluation of the unknown qualities of innovativeness. Further, the literature directs scholars to the outcomes of innovativeness, which highlights the impact on firm performance yet misses the components of innovativeness. The literature in this area emphasizes the inconsistencies relative to concepts and definitions that have created gaps from scholarly and practitioner perspectives. The literature review then concludes with a synthesis of the theoretical foundation supporting this research study and how it advances the scholarly research body of knowledge relative to strategy and innovation. The next section discusses the methods used to find the literary sources used in this literature review.

Methods of Searching

This literature review is based on several searches conducted using the Capella University library of databases. The main databases used were; Business Source Complete and ABI/INFORM Collection. To identify the knowledge gap and fully understand the current body of innovation management knowledge, these databases provided the most comprehensive coverage of multi-disciplinary scholarly journals and business operation news that assisted in accomplishing this objective. In addition, the researcher leveraged the Capella School of Business and Technology Topic Areas list of Strategy and Innovation Journals to research current innovation specific literature. Further, the search terms used in these databases included key words such as; innovation, innovativeness, knowledge-intensive business services or KIBS, small and medium-sized enterprises or SMEs, and service firms or service organizations.

Additionally, the following were used as advanced key words: customer experience, entrepreneur, culture or environment, and employee engagement or empowerment. In addition, the key terms used to search and analyze the interplay of service innovativeness and the theoretical assumptions were as follows: service design theory, new solutions or service development, innovative behavior model. These terms were combined in many different Boolean forms in the database searches along with limiting the search to peer-reviewed academic journals. These terms accounted for the growing phenomenon of service innovation and its many tenets. The searches were limited to peer-reviewed journals published between 2012 and 2018, as well as English only versions that have full text, and downloadable PDF availability. The following sections will now describe the theoretical orientation that shape this research study.

Theoretical Orientation for the Study

While the study of service innovativeness seeks to gain results of the in-depth analysis factors advancing service innovations and the types of innovations and the relative implications service innovations to satiate the needs of customers and increase firm value (Dotzel et al., 2013), this dissertation research presents an input of qualitative characteristics of an innovative organization under the advanced understanding of innovation. Although the advanced understanding of innovation does not entirely dismiss its roots in traditional R&D domains, it progresses this origination point and focuses on a conceptual understanding of innovation that is beyond technological inventions (Toivonen & Tuominen, 2009; Lavie, Stettner, & Tushman, 2010). With this theoretical contribution, small and medium-sized KIBS firm leaders will be able to recognize and take advantage of their innovativeness (Bassiti & Ajhoun, 2013). Being that the advanced understanding of innovation is more relevant to small and medium-sized KIBS firm leaders and scholars that study small and medium-sized enterprises (SMEs), this research

study will promote a conceptual model (see Figure 1) that emphasizes the importance of service innovation developed in small and medium-sized firms and the impact on their sustainability.

Building on this progression, Amara, Landry, and Doloreux, (2009) theorized two technological and four non-technological dimensions of service innovations and aligned services industries in the same manner; technological and traditional (non-technological). Service design theory, particularly in a service innovation context involves understanding and planning for the value enhancing processes of the interaction between provider and customer in isolated and shared experiences (Jaakkola et al., 2015). Service design theory informs firm innovativeness as it utilizes conceptual and contextual factors to shape interfaces and integration of firms competencies, resources, and customers along their journey to solve problems, develop solutions and ultimately improve an experience (Rosensweig, 2011). This dissertation research study offer insight and identification of the conceptual and contextual factors within small and medium KIBS firms that enable service innovativeness and effectively expose the substance of service innovativeness (Eisenhardt, 1989; Steenhuis & Bruijn, 2006).

In addition to extending the boundaries of service design theory, this dissertation research study also adds to the theoretical dialogue which emphasizes the alignment of theoretical perspectives supporting service innovativeness in KIBS. The researcher expected the theoretical basis for this study to be innovative behavior as the key indicator for service innovativeness through its constituents; individuals. The talents, expertise, and intelligence of the individual employees influence the innovativeness of the firm within functional tracks (Zhang, Jin, Wang, Goh, & He, 2016). Innovative behavior is viewed from individual, environmental, or organizational viewpoints to summarize the multi-faceted ranges associated with the study of service innovativeness, including; exploration and exploitation, product and process, as well as

technological and organizational (Witell, et al., 2015; Reaiche, de Zubielqui, & Boyle, 2016). This internal behavior influences the design of services that integrate new ideas with and for customers that is reciprocally advantageous (Leovavidis & Popescu, 2015). Furthermore, service design involves the combination of proficiencies and expertise into specific bundles that transcend the needs of customers. The planning and decisions affecting service design involve the distribution of resources to execute tasks, along a chain, within a framework, applying knowledge and with a degree of exactitude (Ponsignon et al., 2012). However, it is from this input that NSD executes, circulates, adapts and concludes the offering to market. Consequently, the clarification of the context by which innovation strategies are consistently produced and implemented through NSD models is of substantial importance to scholars as well as practitioners in unstable business environments (Gremyr et al., 2014).

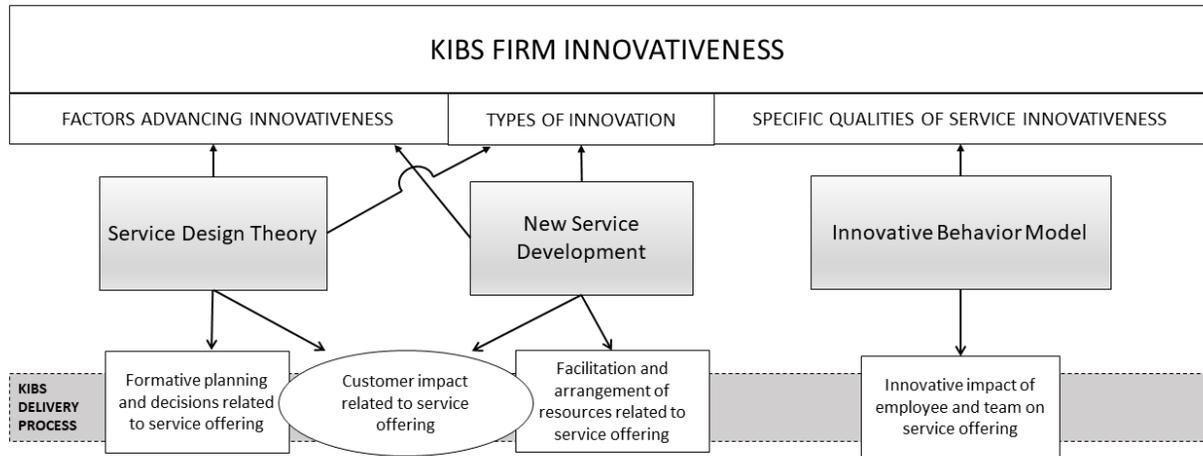


Figure 1 - Theoretical orientation is expected to be linear in flow to provide coverage of KIBS firm innovativeness within the service delivery process. These lenses will produce a comprehensive, in-depth analysis into the factors advancing innovativeness, types of service innovation, and specific qualities that characterize service innovativeness

Summary of Theoretical Orientation

In summary, the theoretical foundation for this research study will draw upon three theoretical concepts that will be used as lenses to view service innovativeness in small and

medium KIBS firms. Service design theory is concerned with the planning and decision making involved in meeting customer's needs. Complementary to the service design planning efforts are the execution and delivery of services that requires the facilitation of resources and activities in their development. NSD is the lens will be used to assist the researcher in identifying the factors advancing service innovativeness in small and medium KIBS firms. Lastly, innovative behavior considers the individual and collective skills and abilities of members of the KIBS firm and the role they play in the firm's service innovativeness.

There are three theoretical implications discussed in this qualitative exploratory multiple case study. First, extending the body of knowledge surrounding the advanced understanding of innovation, which is outside the traditional perspective of innovation as only technological inventions. Second, extending service design theory by influencing the theory with the conceptual and contextual factors within small and medium KIBS firms that enable service innovativeness and expose the substance of service innovativeness. Third, definitize the theoretical framework heirarchy by which service innovation strategies will be studied and derived going forward. The following section will present a review of the literature by first submitting an exploration of the known qualities of innovativeness from a scholarly perspective.

Review of the Literature

Known Qualities of Innovativeness

The empirical literature on factors determining service innovativeness and its contribution on performance indicates that innovativeness is one of the central elements in achieving high level financial performance and intensifying effectiveness in modern business (López & Ramos, 2015; Matejun, 2016). Among other qualitative characteristics such as, a scalable business model and continuous operational innovation, the literature states an

understanding and interfacing with the customer along their journey and employee empowerment and involvement are determinants of innovation and small and medium-sized enterprises (SME) performance (Berry et al., 2006; Vermeulen, De Jong, & O'Shaughnessy, 2005; Tuominen & Toivonen, 2011; Zhu, Djurjagina, & Leker, 2014). There is limited and mixed evidence on the factors advancing service innovativeness in small and medium-sized firms (Lavie, Stettner, & Tushman, 2010; Prajogo et al., 2013; Božica & Mohnen, 2016; Matejun, 2016). The following section will offer scholarly support for the known qualities of innovativeness.

Importance of innovativeness. Sachpazidu-Wójcicka (2017) described the importance of innovativeness as the result of increased pressure on firms to continually progress knowledge and introduce new technologies to protect prosperity and survival beyond short term horizons. Innovativeness is described in extant literature as the ability and capacity to develop and introduce innovations both internally and externally (Dotzel et al., 2013; Joshi et al., 2015). Innovativeness requires firms to introduce new technologies, services, or organizational systems that enhances their position competitively (Sachpazidu-Wójcicka, 2017; I-Ching, Wey, Chang, & Chiu, 2018). While Dotzel, Shankar, and Berry (2013) focused on the types of service innovativeness as drivers of firm value, risk, and customer fulfilment, the authors discussion of the determinants of service innovativeness, paved the foundation for this research topic. The authors proposed that for sustainability and value creation to be enhanced, firms need to understand the interrelations between service innovativeness, customer fulfillment, firm value and risk, factors which are classified as either firm or market (Dotzel et al., 2013).

Joshi, Das, and Mouri (2015) approached innovativeness from a knowledge based view to promote the idea that the firm is a collection of value-added knowledge resources. Joshi et al.,

(2015) analyzed the antecedents of service innovativeness with the goal of assisting both scholars and managers enhance their understanding of innovativeness by highlighting the factors contributing to innovativeness. As lines between business and technology become more blurred, firms depend on their value-added knowledge resources and individual capabilities of their employees to secure competitive advantage (Joshi et al., 2015; Dell'Era, Landoni, & Verganti, 2015). Joshi et al. (2015) also conceded that although the literature on innovation is considerable, the research on innovativeness is inconsequential. From these concepts, Joshi et al. (2015) derived their purpose for examining the antecedents of service innovativeness in technology-based service organizations in their qualitative study. It must be noted, that service innovativeness covers the breadth and depth of innovation; which extends between explorative and exploitative and involves both external and internal applications.

Innovativeness in small and medium-sized enterprises (SMEs) is described by Matejun (2016) as the innovation potential of an organization that involves enhanced entrepreneurial activity, organizational agility in decision making, as well as direct relationships among members of the business ecosystem. As innovativeness in KIBS represents a major component of this research study topic, an additional delimiting factor is firm size. Prajogo et al. (2013) set out to understand the extent by which differences in firm size were related to the diversity of innovation strategies and performance outcomes. In their synopsis, the authors conceded the examination of service innovation as challenging because of the fundamental characteristics of services, including; tenuousness associated with their development, relative indiscernibility compared to products, and ambiguity of service innovation's impact on performance (Prajogo et al., 2013). Consequently, the literature highlights the need to investigate innovation strategies

further, in addition to their application to service firms and how firm size impacts firm performance is well supported and aligns with this research study.

The study of innovation, as a consequence of the broader conceptual view of innovativeness, has only recently included services as well as other types of innovations outside of traditional R&D technological inventions (Toivonen & Tuominen, 2009; Lavie, Stettner, & Tushman, 2010). Characterized in literature as innovation in service firms, these are the non-technical, organizational and procedural innovations that are easily imitable by competing firms. Lehrer, Wieneke, Vom Brocke, Jung, and Seidel (2018) emphasized the upsurge in customer demand for personalized experiences that are initiating business leaders to focus on service innovation. Tuominen and Toivonen, (2011) submitted a scholarly view of innovative performance that highlighted the many applications of innovation and confirms the need for in-depth and exploratory analysis. Accordingly, this study is designed to examine service innovativeness in small KIBS considering a point of view that conspicuously avoids the empirical manufacturing point of view that has been the basis of service innovation thought (Gallouj & Windrum, 2009; Tuominen & Toivonen, 2011; Vergori, 2014). The next section discusses what the literature depicts as the factors advancing innovativeness in organizations.

Factors advancing innovativeness. Expanding on the concept of the known qualities regarding innovation in the scholarly literature, the discussion now moves to factors that promote innovativeness in organizations. Innovation takes shape in various forms, including; product, services, processes, business model, and marketing (Reaiche et al., 2016; Meroño-Cerdán & López-Nicolás, 2017). As the literature endeavors to classify innovation into types of output (i.e., explorative versus exploitative or radical versus incremental), this literary review examines

innovation from a more general sense and seeks to focus on the literary contributions that support this line of thinking.

Woods (2016) emphasized that firms seeking to be innovative, need to plausibly arrange firm tactics with innovative substance. This coincides with both the adoption stage and firm behavior exchanges in literature that insinuates firms steadily implement innovations in reaction to internal and external forces (Kim & Chung, 2017). This approach concludes, that the inclusion of innovative objectives into a firm's strategic framework is an essential promoter of innovativeness. The case study executed by von Briel and Recker (2017) emphasized the study participant's aim on innovation by inserting innovative goals into the firm's mission statement. While this indicates a fundamental understanding from a practical standpoint, Parida et al. (2015) focused on firm capabilities that made the development of enhanced bonds among value chain participants easier. Relational models such as open innovation, provides practitioners with patterns endorsing faster and cheaper innovation practices from external sources in combination with internal designs and concepts (Prokop & Stejskal, 2017; von Briel & Recker, 2017). A determining factor in the innovativeness of an organization in an open innovation model, is an adequate regulatory structure. Outside-in and platform startup programs have become complimentary models by which larger corporate entities are engaging startups in a pursuit of agility and enhanced innovativeness (Weiblen & Chesbrough, 2015).

Germane to the conversation on factors advancing innovativeness, are a firm's resources including, the level of proficiency and aptitude of its employees (Braslina, Viksne, Upenieks, & Batraga, 2015; Messmann & Mulder, 2015; Kim & Chung, 2017). More specifically, the concept of corporate entrepreneurship tests the traditional characterization of an entrepreneur and brings a collective approach to progressions of renewal and creativity in response to vibrant

market demands (Magdinceva-Sopova, Postolov, & Petkova, 2016). Relative to service innovativeness and to extend this stream of thought, the interdisciplinary field of services science, management, and engineering (SSME) has been presented as a process of organizing the intricacies of services that necessitate the design of people and technology into value generating clusters (Wu & Wu, 2015). While SSME is still in its relative early stages as a discipline, academic literature suggests it is a common approach for managers of service firms to develop and enhance innovativeness. These concepts highlight the contribution of employees as a factor advancing innovativeness, the following provides additional details on the impact of the management of employees as service providers on service innovativeness.

In service firms, the association between providers and customers is managed through an innovation alignment that consists of operational and interpersonal attributes (Afsar, Badir, Saeed, & Hafeez, 2017; Cichosz et al., 2017; Millar, Chen, & Waller, 2017; Suseno & Pinnington, 2017). Like the description of adaptive space offered by Arena and Uhl-Bien (2016), by which Complex Leadership Theory acknowledges the friction area between a firm's two primary systems; entrepreneurial and administrative, where innovation is derived and leaders must endeavor to enable. Innovativeness is stimulated in strategic manners via collaborative frameworks that involve leadership endorsement and avoid imposed collaborations as consequence of matrix structures (Cross, Arena, Sims, & Uhl-Bien, 2017). Innovation alignment seeks to heighten innovativeness through a firm's managerial system involving, planning and metrics as well as its relational system of mutual trust and commitment (Cichosz et al., 2017).

The service encounter, representative of the interaction between service providers and clients at various intervals in the customer journey develops co-creation which is a factor advancing innovativeness (Sundbo, Sundbo, & Henten, 2015; Santos-Vijande, López-Sánchez,

& Rudd, 2016). Greer and Stevens (2015) depicted this phenomenon as collaborative innovation with customers (CIC) which leverages the unique knowledge of customers for development of services at a higher capacity. This approach when viewed through the Resource Based View (RBV) theory emphasizes an ability to advance innovativeness. Further, from a RBV perspective, variability in a firm's in-house resources equate to variability in the organization's competitive capabilities, which are integral to advancing innovativeness (Belso-Martínez, Molina-Morales, & Mas-Verdu, 2013; Meutia & Ismail, 2015). The next section will submit additional discussion into service innovativeness from the perspective of known attributes in the literature by describing types of innovation in KIBS firms.

Innovation in KIBS firms. KIBS have become one of the fastest growing sectors of the global economy, key contributor to the knowledge economy and an integral source of innovation (Huggins, 2011; Hu, Lin, & Chang, 2013). Innovation in services, originated from service based economies, and has been developed via tacit and disorganized methods as the result of its evolution from manufacturing based economies (Gallouj & Windrum, 2009; Janssen, Castaldi, & Alexiev, 2016). Mostly characterized as innovation implementation in internal processes and systems within service sector organizations and its continual reliance on customer relations, innovation in services only in recent times has been observed beyond a non-technological application (Maldonado-Guzmán, Marín-Aguilar, & Pinzón-Castro, 2017). The expansion of service and knowledge based economies as well as global competition has elevated the consideration of service innovativeness. Innovativeness embodies a firm's capacity to advance and pioneer innovations to satiate customer needs and augment value creation opportunities (Dotzel, Shankar, & Berry, 2013; Joshi, Das, & Mouri, 2015). Therefore, the literature suggests special attention needs to be paid to the constitution , sources , and outcomes of service

innovativeness as a path toward refining the discernment of this phenomenon for its importance to the sustainability of KIBS firms, and its implications on the innovation management body of knowledge (Teixeira & Bezerra, 2016; Meroño-Cerdán & López-Nicolás, 2017).

While the importance of service innovativeness is critical to KIBS firm sustainability, the study of service innovativeness lacks a solid basis, creating impediments in its exploration. The study of service innovation in the extant literature has been constructed on three premises (i.e., assimilation, demarcation, synthesis) as a relative view to innovation in manufacturing firms, which adds to the inconsistency in models submitted in scholarly literature. Lin, (2013) further credited the complexity in analyzing service innovation to conceptual differences, in addition to the insufficiency of empirical and relevant data. Much of the literature considered service innovation against manufacturing environments from a comparative perspective, naming assimilation, integration, or demarcification as diverging themes of a conceptual continuum. The absence of heuristic data associated with the exploration of service innovation is disturbing to both scholars and managers (Lin, 2013; Aas & Pedersen, 2011). Cainelli, Evangelista, and Savona, (2004) contradicted these proclamations by offering historical evidence of the nature and significance of service innovation data gathered through the Community Innovation Survey (CIS). This evidence perpetuates instability in the foundation of service innovativeness, while simultaneously leaving space for new posits on its nature. Moreover, Toivonen and Tuominen (2009) advanced an analytical and thorough debate on the nature of service innovations founded on reactive and proactive theoretical perspectives. In addition, the new staged service innovation model (SIM) presented by Song, Song, and Di Benedetto (2009) poses an alternative variation on the foundation of service innovativeness through the new product development (NPD) model.

KIBS firms have been labeled in extant literature as entities traditionally offering services that consist of profitable behaviors meant to determine the configuration, compilation and circulation of knowledge to satisfy client's needs in a business-to-business (B2B) relationship (Fischer B. B., 2015; Muler, Zenker, & Heraud, 2015; Wyszowska-Kuna, 2016). In addition, knowledge-intensive firms in service sectors have been found to be particularly sensitive to innovation implementation due to its capacity to avoid impediments that typically delay innovations (Vasilevska, Liduma, & Melberga, 2017). Toivonen (2007a) substantiated research of KIBS firms has amplified due to a rise in the awareness of their contribution to national and regional economies.

Although there is still uncertainty as to KIBS firm's fit in the service sector, its role as a creator of innovation either driven by its knowledge management needs or by customer inquiries, is more definitive (Miles, Belousova, & Chichkanov, 2017). Research has advocated the capacity of KIBS firms to provide value, appreciate the client business and expand service solutions (Toivonen, 2007a). Zieba (2013) posited that the growth in KIBS have extended the economic revolution from industrial to knowledge based. Zieba (2013) also broadened practical perceptions on the definition of KIBS, including formal and informal education in addition to work experience, ranges of knowledge, organizational learning, and knowledge acquisition. The study of KIBS offers scholars and practitioners awareness into their role in the development of modern economies as well as their interplay of innovation development internally and externally (Zieba & Zieba, 2014). This section discussed the importance of defining KIBS firms, and the following will provide literary details on KIBS role in innovation management and diffusion.

KIBS are further explained as agents between producers of knowledge and consumers of knowledge through client-dependent collaboration (Zieba, 2013). Although this definition of

KIBS creates a comparative view that shares the traits of high-technology firms, the literature justifies the purpose of examining the interfaces between KIBS and their customers to make clear demarcations (Hu, Lin, & Chang, 2013; Price & Wrigley, 2016). Miles, Belousova, and Chichkanov (2017) distinguished two types of KIBS as professional service types (also referred to as P-KIBS) and technological types (also referred to as T-KIBS). Professional KIBS, such as consultancies, accounting and marketing firms and technological KIBS, such as construction, system engineering, software design, and network security firms are consistent classifications of KIBS in literature (Zieba, 2013; Miles et al., 2017). These classifications illustrate the bridge effect that KIBS conduct, delivering services between manufacturing and industrial sectors and customers. Like the article offered by Corrocher, Cusmano, and Morrison (2009), these classifications in the innovation management literature relates to the research highlighting a practical description of KIBS and their significance in the generation of innovation.

Despite its significance in innovation generation, KIBS also hold some responsibility for the challenges impacting the study of service innovativeness. In the definition of KIBS is the invisibility of services described by Prajogo et al. (2013) as a key factor in the complexity in studying service innovation. The concept of knowledge intensity also includes IHIP (intangibility, heterogeneity, inseparability of production and consumption, and perishability) as traits of services, which construct the distinctness of KIBS function from their production (Biege et al., 2013; Ritala, Hyöttylä, Blomqvist, & Kosonen, 2013; Janssen et al., 2016; Wojciechowska, 2016; Meroño-Cerdán & López-Nicolás, 2017). KIBS function under four dissimilar characteristics: (a) heavy reliance on knowledge of experts, (b) strong collaborative relationships with customers, (c) projects are the form of organization and execution of tasks, and (d) innovation is generated without dedicated R&D resources (Biege et al., 2013). These attributes

establish the context in which service innovativeness in participant KIBS firms will be evaluated within this research study. Further, the literature on known qualities of innovativeness relative to; its contribution to competitive advantage, barriers to innovativeness, factors advancing innovativeness and the trending innovations in KIBS firms, establishes the community of service innovativeness and innovations in service firms as an empirical foundation for this research study. The next section contrasts the known with what is not known to further obtain clarity within the extant literature.

Specific qualities that characterize innovativeness. The literature submits an inconsistent indication of the specific factors advancing service innovativeness in KIBS firms (Dell'Era, Landoni, & Verganti, 2015; Muler, Zenker, & Heraud, 2015). Successful firms must have an awareness and related capabilities that diagnose service innovation opportunities consistently and gather novel information from an assortment of sources to exploit as contributions to expanding its organizational strategic portfolio (Wang, 2014; Fischer & Tello-Gamarra, 2017). Knowledge management literature addresses the detection and transmission of knowledge, yet conspicuously sidesteps the question of specific factors advancing the innovation implementation and management process (Muler et al., 2015). While Radovanović, Dmitrović, and Joksimović (2017) affirmed the continued debate on the importance of internal knowledge on advancing innovativeness, the authors emphasized the need to institute an extensive knowledge base as key to influencing innovation implementation. Such an affirmation direct scholars to corners of the literature that hold the potential to influence specific attributes that are currently unknown.

Whereas elements of knowledge management influencing service innovativeness are unknown, specific elements of small and medium-sized KIBS firm leadership as promoters of

service innovativeness are also unknown. Tuominen and Toivonen (2011) found innovative behavior of employees as an indicator of KIBS firm innovativeness. This contribution leads to the assumption that as KIBS firm leaders establish a culture of innovative behaviour, employees apply their social capital, tacit, and explicit knowledge toward innovative capabilities (Muler, Zenker, & Héraud, 2015; Camisón & Puig-Denia, 2016; Jaca, Zárraga-Rodríguez, Viles, & Jesús Álvarez, 2016). Satsomboon & Pruetipibultham (2014) purported that a continuous improvement mentality was integral in innovative cultures and how management of this mentality could facilitate or impede the development of such cultures would lead one to assume culture characterizes innovativeness. Further, Radovanović et al. (2017) maintained that a culture of knowledge sharing will improve innovativeness over a culture of knowledge acquisition. Although highlighting knowledge management as a contributor, the innovation management literature conspicuously discounts organizational learning and thus leaving a question in the body of knowledge.

A more inclusive assessment of the factors advancing innovativeness was conducted by Pallas, Bockermann, Goetz, and Tecklenburg, (2013) resulting in a multi-dimensional developmental strategic cultural model for large firms. By presenting this model for large firms, the literature highlights the question of whether this model may or may not be applied to innovativeness in small and medium-sized KIBS firms. Furthermore, Considering the unknown cultural impact of employees behavior on innovativeness, the literature on the contribution of employee creativity is varying. Mačerinskienė and Bulygina (2013) submitted creativity as the precursor to innovativeness in business organizations while also corroborating the reality that creativity is applied throughout the entire innovation process. Conversely, Dell'Era, Landoni, and Verganti, (2015) drew attention to the need to scrutinize the consistency of creativity

producing strategies in the innovation process of KIBS firms. While these contributions suitably add to the innovation management knowledge base and present sound scholarly concepts, the overall lack of consistent perspectives present challenges for practitioners in their attempt to initiate innovative objectives in their KIBS firms. This section emphasized the inconsistencies in innovation management literature that endorse the view that specific qualities characterizing innovativeness are unknown. The next section will broaden this view by examining the trends in service innovation literature that elude researchers in identifying specific qualities characterizing innovativeness.

Service innovation trends: outcomes of innovativeness. In evaluating the service innovation in small and medium-sized KIBS firms from a critical view of research methods in the scholarly literature, employee engagement and corporate social responsibility (CSR) are emphasized as current trends. Through the emphasis of contemporary service innovation developments, the literature endeavors to minimize the perplexity related to service innovation implementation and management. However, scholarly literature noticeably misses aspects that specifically promote the capacity to be innovative either technologically or organizationally in small and medium-sized KIBS firms.

As customer's values adjust fluidly and service organizations strive to meet their needs at each interaction throughout their purchase journey, employee engagement has become a pivotal attribute in the sustaining of competitive advantage (Greer & Stevens, 2015; Santos-Vijande, López-Sánchez, & Rudd, 2016; Zhang, Jin, Wang, Goh, & He, 2016). Employee engagement is fundamental to establishing the culture of innovativeness in service organizations. Current literature highlights developing engagement through customer-centric philosophical training and performance evaluation factors based on customer focused objectives (Zhang et al., 2016).

While the general effect of innovation on employment in services is challenging to evaluate (Aboal, Garda, Lanzilotta, & Perera, 2015), the impact of employees in the execution of service innovation is unequivocal. Aboal et al. (2015) asserted the decisive skills bias that is present within firms exhibiting innovativeness, which affirms the employment trends of leading KIBS firms toward top talent (Greer & Stevens, 2015; Santos-Vijande et al., 2016; Cichosz et al., 2017). Although employee engagement is understood as an integral building block for innovativeness, to what extent it induces, in combination with other factors, service innovativeness is still unknown.

In addition to employee engagement, service innovation literature positions CSR as a differentiator in the minds of customers as they evaluate quality of service and form emotional connections to branding (Zhang et al., 2016). Service companies recognize the impact of CSR on customer attainment and have leveraged CSR strategically throughout every aspect of the business (Saxena & Kohli, 2012; Zhang et al., 2016). Firms also recognize the relationship between service innovation and CSR as a method of satisfying customers, investors and establishing a positive image to the market (Kim, Brodhag, & Mebratu, 2014; Zhang et al., 2016). This contrasts and heightens an underlying view that private return-on-investment on an enhanced knowledge base track below social returns (Cowling, 2016). Consequently, scholars and practitioners call for CSR approaches that leverage innovation that is favorable to financial as well as social stakeholders. Despite the affirmation of the current trends relative to service innovation in KIBS, extant literature has yet to take the definitive step in establishing a rigorous interpretation of the factors advancing service innovativeness. Where employee engagement and CSR are considered outcome-oriented (Joshi, Das, & Mouri, 2015), the question still remains, what are the factors contributing to innovativeness which precede innovative outcomes. This

section provided a critique of the current research that emphasized the inconsistency in innovation management literature in identifying specific qualities characterizing innovativeness and the trends in service innovation. The next section will review the literature that supports the contribution of innovativeness toward competitive advantage, which provides awareness of the role that innovation has played in the history of business sustainability.

Contribution to competitive advantage. The study of the known qualities of innovativeness continues with a review of literature with a more intent discussion of the contribution of innovation towards competitive advantage. To offer a complete picture of the role of innovation, the researcher starts with Joseph Schumpeter. This foundational scholar asserted that economic development and profit are created when the symmetry between value paid and value invested are disrupted through innovation (Schumpeter, 2006). Despite its varying application in theory and business (Bowonder, Dambal, Kumar, & Shirodkar, 2010; Alfirevic, Krneta, & Pavicic, 2011), the Schumpeterian view of innovation promotes a common understanding of its significance to competitive advantage (Vega-Jurado, Juliao-Esparragoza, Paternina-Arboleda, & Velez, 2015; Reaiche, de Zubielqui, & Boyle, 2016). Extant literature defends the external environment of service firms as influencers of innovativeness, which serves as an effective method of achieving competitive advantage (Gotsch & Hipp, 2012).

The expression competitive advantage is used in academic and practitioner articles to describe the operational decisions made by functional managers to bring alignment between overall organizational strategy and functional execution (Bowonder, Dambal, Kumar, & Shirodkar, 2010; Ferreira & Neves Guimarães, 2014; Vega-Jurado, Juliao-Esparragoza, Paternina-Arboleda, & Velez, 2015). Innovation is the channel through which competitive forces create the momentum of sustainability and growth of an organization beyond strategic

objectives. Organizations are facing increasingly fluctuating business environments, globalized competitive efforts, and flat performance, which has elevated the need for organizations to be adaptive in their innovative processes (Bassiti & Ajhoun, 2013; Beh & Shafique, 2016; Lazzarotti, Manzini, Nosella, & Pellegrini, 2016). Innovation has been a significant contributor in the competitive efforts of organizations exceeding customer needs in an increasingly global economy (Bowonder et al., 2010; Woods, 2016; Reaiche et al., 2016; Cichosz, Goldsby, Michael Knemeyer, & Taylor, 2017). Additionally, the customer experience driven types of innovations encourage improvements in customer experience that create value through the inputs and concerns derived from customer participation (Tsai, Wu, & Huang, 2017). Innovation has also become a progressively significant prerequisite of public administration's in their challenge to meet societal needs that are based on changing organizational structures and challenges within the growing knowledge infrastructure (Matei & Savulescu, 2014; Jaakkola, Helkkula, & Aarikka-Stenroos, 2015; Maldonado-Guzmán, Marín-Aguilar, & Pinzón-Castro, 2017). The next section will offer additional insight into innovativeness from the perspective of common barriers in organizations to assist in establishing the known qualities of innovativeness.

Barriers to innovativeness. In gaining clarity on innovativeness in literature, principally traceable to service organizations, where marketability is commonly associated with systematic ambiguities and considerable costs, understanding barriers to innovativeness offers potential solutions to implementation challenges that prevent favorable return-on-innovation-investment (Parida, Sjödin, Lenka, & Wincent, 2015). From a categorical perspective, the differences in resource accumulations, juxtaposition to members of the ecosystem, indecisiveness of customers, and technological influences present obvious barriers to innovativeness among competing organizations (Vasilevska, Liduma, & Melberga, 2017; Miles, Belousova, &

Chichkanov, 2017). However, Maldonado-Guzmán, Marín-Aguilar, and Pinzón-Castro (2017) affirmed that the absence of knowledge about the advantages and strategic approaches of innovation in service organizations has led to a minimal adoption rate. This review takes a fundamental perspective of the challenges that organizations face in implementing or enhancing their service innovativeness.

The characteristics of services stand as clear barriers to not only an organization's service innovation abilities (Eggert, Thiesbrummel, & Deutscher, 2014) but also its ability to measure and evaluate return on innovation investment. Intangibility, heterogeneity, inseparability, and perishability (also referred to as IHIP or HIIP) distinguish services from product criteria, and affirms why measuring return on investment of service innovations from a product point of view impedes accurate analysis (Biege, Lay, Zanker, & Schmall, 2013; Janssen, Castaldi, & Alexiev, 2016; Wojciechowska, 2016). Additionally, these qualities sustain the product-driven perspective of service innovation that dominates literature and dilutes the evaluation of its impact on performance (Eggert et al., 2014). Further considering the manufacturing perspective of service innovation, the concept of a formally organized R&D function that is fully funded within the service sector is unrealistic and uncommon (Janssen et al., 2016; Meroño-Cerdán & López-Nicolás, 2017).

Elenurm and Oper (2008) pointed to cultural deficits in their comparative study of barriers to innovation, providing insight into the innovative behavior of the individual members within an organization as well as the collective towards overall innovativeness. The concept of designed failure procreates innovation and originates from a culture that shares knowledge and learning, pardons the right type of mistake, accepts intelligent risk and possibly encourages failure (McGrath, 2011). The tacit quality of services lead to communication and knowledge

transfer breakdowns and possibly inconsistent marketing messages across business units which have impediments to innovation (Elenurm & Oper, 2008; Eggert et al., 2014; Parida et al., 2015). Also highlighted in the literature as barriers to innovation, are the inability to conduct intense organizational learning and knowledge management practices coupled with the lack of perception extracted from purposeful interaction with customers and concerned with developing synergistic relationships and gaining valuable understanding of their needs (Aragón-Correa, García-Morales, & Córdón-Pozo, 2007; Elenurm & Oper, 2008; Parida et al., 2015). From a practitioner perspective, organizations that fail to encourage innovative behavior in their personnel and miss the opportunities to leverage customer acumen and partnership, will have difficulty attaining sustainability and obtaining competitive advantage.

An extension of this line of thinking as well as alternative view of innovative behavior includes managerial interpretation. An emphasis on threat interpretation and sensing has led to high concentrations of buy-in for innovation and risk taking activities in the pursuit of innovativeness (Haney, 2017). However, higher risk tolerance and aggressiveness doesn't necessarily guarantee successful commercialization of innovation and competitive advantage optimization, rather failures in implementation have had the reverse effect and become challenges for innovativeness (von Briel & Recker, 2017). While larger organizations have the resources and routines to sustain innovative activities, layers of administrative processes and bureaucracy slow down the organization's ability to respond to customer needs quickly which represents a barrier of innovativeness (Sundbo, Sundbo, & Henten, 2015). Where larger organizations lack the aggressiveness, agility and risk-taking that tend to be characteristics of startups or smaller organizations, the opportunity and methods of collaboration present barriers of innovativeness for organizations regardless of size (Weiblen & Chesbrough, 2015;

Munksgaard, Evald, Clarke, & Damgaard, 2017). Literature on the barriers to innovation contribute indirectly to assumptions about the innovative qualities of an organization within certain contexts and assists in the scholarly understanding of the known qualities of innovativeness. The following section will synthesize the research findings the presents the larger themes, inconsistencies or relevant patterns based on the literature evaluated.

Synthesis of the Research Findings

While the peculiarities and heterogeneity of services make it controversial in the discussion of innovation, the study of service innovation has traditionally been focused on the tangible manufacturing sector (Fischer, 2015). Although service innovation originated from manufacturing concepts, and has progressed beyond technological inventions, the literature is still dominated by the language and concepts born out of manufacturing environments. Services as an economic engine through new ideas, processes, or technologies has been well supported in scholarly literature (Teixeira & Bezerra, 2016; Zhang et al., 2016). In addition, innovation literature also emphasizes the diverseness among service types comparable to the difference between services and products, while also suggesting that there is no guarantee of success in engaging in service innovation (Storey, Cankurtaran, Papastathopoulou, & Hultink, 2016). Separately, these concepts have been analyzed thoroughly in the literature, yet the underlying concept of innovativeness still remains without the same scrutiny. Moreover, where innovativeness has been evaluated in the literature, it has been generally categorized as an organizational determinant to service innovation, which has only been measured or compared to firm performance. While this approach is sound, it still maintains the language and concepts born out of manufacturing environments and leaves the scholarly and practitioner communities without the deeper view of service innovativeness that the phenomena requires. Consequently,

the advanced understanding of service innovation is evaluated only slightly outside of the shadow of the general theory of service innovation, with the tenets of assimilation, demarcification and synthesis. Thus feeding into the complexity surrounding the study of service innovation and steering research toward an in-depth understanding of its impacts as it rises in its global contribution.

From the perspective of the known qualities of service innovativeness, the importance of innovativeness is clear and a common thread within the literature, particularly with the rise in the services contribution to the gross national product. Further, with the implementation of robotic process automation (RPA) and machine learning within organizations the value of knowledge gathering, diffusion, and absorption has become linked with innovativeness. However, even with service innovativeness has risen in the awareness of the scholarly and practitioner communities, the phenomena is deep and broad, which current literature acknowledges as an impediment to the advancement of the body of knowledge. Moreover, the lack of knowledge relative to the advantages and tactical approaches to innovativeness by the management personell in services firms has lead to insignificant adoption rate (Maldonado-Guzmán et al., 2017). The literature highlights the lack of practical approaches but has yet to respond to the need. Feeding the lack of practical approaches is the complexity as a result of the depth and breadth of the phenomena as well as the dilution of the evaluation of service innovativeness caused by its origination point in manufacturing environments.

In viewing the multi-dimensional makeup of service innovation, it is important to view this conceptually as not only as the result of new ideas, but an integrated process for generating and managing the inputs of innovation (Agarwal & Selen, 2011; Bassiti & Ajhoun, 2013). In that vein, the study of innovativeness in small and medium-sized KIBS firms contribute to the

diffusion, generation, and absorption of knowledge across sectors while also facilitating innovative networks in the knowledge based economy (Fischer, 2015; Wyszowska-Kuna, 2016). In the diffusion and distribution of knowledge, small and medium-sized KIBS firms link local clusters to global knowledge streams in an idiosyncratic manner as their role is dependent upon contextual influences (Herstad & Ebersberger, 2015). These type of KIBS firms have historically been overlooked because of the resource challenges they face and the impact these challenges have on their capacity to generate new ideas internally and externally. While these contextual influences assist in defining KIBS firms within the innovation management body of knowledge, Fischer (2015) focused on three factors that contribute to the scholarly understanding of the innovativeness of service companies, but also further highlighted literary gaps. The gaps include; the coverage of dissimilarities in employees as resources, the impact of regular R&D activity, and the elevation and classification of sources of innovation as influencers of innovativeness in service companies (Fischer, 2015). Again, in the current literature these gaps are sound but without a deeper evaluation of them the scholarly and practitioner communities are left with conceptual differences and a lack of experiential data. Furthermore, these gaps depict a need for specificity in the comprehension of service innovation and varied role that small and medium-sized KIBS firms play, as a source of innovation to the market or knowledge facilitator (Herstad & Ebersberger, 2015; Wyszowska-Kuna, 2016).

The preceding sections establish the lack of consistency and specificity in extant literature surrounding the qualities characterizing service innovativeness and innovation in services. Although the literature does emphasize a number of attributes relative to innovativeness, the research also highlights the need for an in depth analysis of factors advancing

service innovativeness. The next sections will now present a critique of the research methods applied in current literature.

Critique of Previous Research Methods

The specific attributes and contexts that embody service innovativeness in small and medium-sized KIBS firms are not depicted in current literature. From a contextual perspective, the factors advancing service innovativeness have been hard to pin down. This is partially due to the extension of the manufacturing perspective from which service innovation is derived and the traditional view of service activities only capable of producing a nominal innovation rate (Carlborg, Kindström, & Kowalkowski, 2014). The breadth of the subject matter presents challenges to researchers in attempting to elucidate the factors advancing innovativeness. Yet, researchers in extant literature have attempted to theorize on the effect of correlations between variables that advance innovativeness, including quality management's influence on innovation types (Antony, Setijono, & Dahlgaard, 2016).

Furthermore, quantitative methods of measuring innovativeness has benefited the body of knowledge. Quantitative studies have laid the foundation for the evaluation of service innovativeness and essentially opened the door for an in-depth analysis of the phenomena. Moreover, a quantitative research method categorizes the phenomena into general measurable attributes and statistically links direct variables with indirect variables. However, a quantitative approach would seek to apply a positivistic philosophic worldview in the research methodology execution. In other words, this approach would seek to confirm what is already known or theorized. A quantitative study would apply a statistical approach to support a descriptive analysis of inferential questions, and thus leaving the need for experiential data unanswered. These generalizations are insufficient and leave the body of knowledge vacuous of

specificities from the inclination to aggregate various determinants in the construct delineation (Antony et al., 2016). It is the discovery of these factors and their interplay that contributes to advancing service innovativeness and innovations within service firms, adding to the body of knowledge (Carlborg et al., 2014).

Agarwal and Selen, (2011) emphasized opposing perspectives in the measurement of service innovativeness in quantitative contexts leaving an opportunity for in-depth analysis of the factors advancing service innovativeness and establishing a valid, thorough interpretation of service innovativeness in knowledge-intensive environments. Carlborg, Kindström, and Kowalkowski (2014) highlighted in their meta analysis of service innovation, the need for an expansion of the conceptual approach to examinations and augmentation of the knowledge base. There is a conspicuous opening in innovation management literature where specific attributes and contexts that exemplify service innovativeness extracted by qualitative research should be.

The qualitative studies applied to the evaluation of the service innovativeness have presented a number of characteristics of modern business environments that are related to the service innovativeness but lacks the specificity suggested by the gaps in the literature. Furthermore, case study research method is existentially oriented and concerned with the interface of findings with the real world rather than alignment with theories or statutes (Steenhuis & Bruijn, 2006). The following sections will examine why empirical literature is lacking the specific attributes and contexts that exemplify service innovativeness and its relative variation. In addition, a review of the current trends in service innovation implemented in KIBS firms from a literary contribution perspective will be expounded upon to deepen the critique of research methods. The next section will summarize the main points of Chapter Two.

Summary

In summary, this chapter emphasized the gap in the innovation management literature, that this research study seeks to fill. The focus of this research study is service innovativeness in small and medium-sized KIBS firms. To highlight the literary gap, the researcher reviewed and discussed the known qualities of innovativeness in literature, the contributions of innovativeness to competitive advantage, the barriers preventing the execution of innovativeness, factors advancing the phenomenon, and trending innovations in KIBS firms. These sections emphasized the challenges and inconsistency in literature that has impeded the study of service innovativeness.

Further, the literature review then contrasts the known with what is not known of innovativeness to further clarify the literary gap within the extant literature. The researcher discusses the unknown attributes of innovativeness by identifying where literature misses the opportunity to present the specific qualities that characterize it. In addition, the researcher uses the literature to emphasize how service innovation trends have incorrectly focused on outcomes and effectively avoided exposing the substance of service innovativeness. This section exposes the lack of specificity surrounding the qualities characterizing service innovativeness in innovation management literature as well as, underscores the need for an in depth analysis of factors advancing service innovativeness.

In addition, this chapter elaborates upon the three theoretical concepts that make up the theoretical orientation of this research study. Service design theory, NSD and innovative behavior models enable the researcher to comprehensively view service innovativeness. These theoretical concepts will be used as a theoretical lens to observe services from planning to delivery as well as considering the individual and collective skills and abilities of members of the

small and medium-sized KIBS firms, in the determination of factors advancing service innovativeness.

While these concepts laid the theoretical foundation, the chapter also discussed the theoretical implications of this research study. This qualitative exploratory multiple study will be conducted using a theoretical perspective of innovation which is outside the traditional perspective of innovation, as only technological inventions. In addition, the theoretical body of knowledge will be influence with the conceptual and contextual factors that enable service innovativeness and expose the substance of service innovativeness. Lastly, the heirarchy of theoretical concepts that innovation strategy will be examined and derived will be informed by the results of this study. The following chapter will describe the nature of the study and how the research study was designed to be carried out to answer the research questions and sub-questions.

CHAPTER 3. METHODOLOGY

Introduction

In this chapter of the dissertation, a step-by-step description of the research methods and procedures will be presented. While Chapter One presented the basic research design and questions, Chapter Three will describe these and other aspects of the research methodology in further detail. Beginning with the purpose of the study, Chapter Three expounds on the research procedures that allows other researchers to replicate this qualitative exploratory multiple case study in the future and reasonably add to the innovation management body of knowledge. Following the purpose of the study, the research questions and design will be discussed. More specifically, Chapter Three reflects the methods and procedures used to answer the research questions and how the research design enabled them to be answered. In addition, this chapter will describe the population and sample, data collection procedures, and ethical considerations applied to this research study. The next section will submit the purpose of this study.

Purpose of the Study

The purpose of this qualitative exploratory multiple case study is to address the conceptual differences and lack of experiential data associated with the study of service innovativeness in small and medium-sized KIBS firms. This exploratory multiple case study seeks to assist scholars and practitioners in understanding what are factors advancing service innovativeness and types of innovations implemented in small and medium-sized KIBS firms. The practical need for small and medium-sized KIBS firms, in an aggressively competitive environment, to have an awareness and related capabilities that recognize service innovation opportunities consistently and gather novel information from an assortment of competitive

sources to exploit as contributions for expanding organizational strategy portfolio will be responded to by the results of this study (Wang, 2014).

The analysis of service innovation has been examined through the lens of manufacturing or productivity measurement concepts in literature (Biege et al., 2013). However, in viewing the multi-dimensional makeup of service innovation, it is important to view this conceptually not only as the result of new ideas but an integrated process for generating and managing the inputs of innovation (Agarwal & Selen, 2011; Bassiti & Ajhoun, 2013). This exploratory multiple case study seeks to assist scholars and practitioners in understanding what are the characteristics and factors advancing service innovativeness. In addition to adding to the innovation management body of knowledge, advancing the scientific knowledge of KIBS firms in operation serves as an additional intention. KIBS have become one of the fastest growing sectors of the global economy, a key contributor to the knowledge economy and an integral source of innovation (Huggins, 2011; Hu et al., 2013). Consequently, a more thorough understanding of the service innovativeness of small KIBS will enhance these attributes and better prepare practitioners to enhance their innovation strategies and build sustainable business models that support accelerating firm value.

In addition to the innovativeness in small and medium-sized KIBS firms being a major component of the purpose underlying this research study, an additional distinguisher is the firm size. Prajogo, McDermott, and McDermott (2013) presented the scholarly foundation for the analysis of small and medium firms in their quantitative study. However, the characteristics of small and medium-sized firms present challenges in the study of service innovativeness (Haney, 2017; von Briel & Recker, 2017). In addition, the examination of service innovations have inherent challenges due to the instability associated with their development, relative invisibility

compared to products, their reliance on incremental rather than radical innovations and the uncertainty of service innovation impact on performance (Prajogo et al., 2013; Khaksar et al., 2016; Moreira et al., 2017). Furthermore, global trends have driven the increase in the interest in service innovativeness and the need for tools to analyze them (Häikiö & Koivumäki, 2016). Consequently, the need to further investigate innovation strategies that best apply to service firms and how firm size may or may not impact firm performance aligns with the purpose and design of this research study. While this section elaborated upon the purpose of this research study, the next section will present the research questions that the results of this study aim to answer.

Research Question

The primary research question for this study is as follows:

How is innovativeness developed, sustained, and deployed in small and medium-sized KIBS firms?

While the primary research question responds to the scholarly and practical need, it is broad and not specific enough to guide the research design or develop answers that advance the body of knowledge. Consequently, sub-questions were required to draw out specific concepts that would give the primary question more depth to offset the breadth of the question. The following research sub-questions influence the primary research question and guide the direction of the study:

- 1. What are the specific qualities that characterize innovativeness in small KIBS firms?*
- 2. What are the factors that influence service innovativeness in small KIBS firms?*
- 3. How are these characteristics and factors advancing innovativeness deployed into the market to enhance firm value?*

This qualitative study presents research questions that responds to the opportunity to offer results of in-depth analysis of service innovativeness in small and medium-sized KIBS firms in a scholarly and practical manner. The study of service innovativeness has become more prominent in business environments as a tactical asset (López & Ramos, 2015). Further, service innovation has been reflected scarcely in literature and data with conceptual differences (Lin, 2013). Additionally, Agarwal and Selen, (2011) emphasized opposing perspectives in the measurement of innovativeness in quantitative contexts leaving an opportunity for in-depth qualitative analysis of the factors advancing service innovativeness and establishing a valid, comprehensive understanding of service innovativeness in knowledge-intensive economies.

The object of this research study are small and medium-sized KIBS firms and this study aims to advance the scientific knowledge of KIBS firms in operation. Moreover, contributing to the definition of KIBS is the invisibility of services described by Prajogo et al. (2013) as a key factor in the difficulty in studying service innovation. The impetus of innovativeness and its integration between small and medium-sized KIBS firm leaders, customers, and employees are interesting sources of information for researchers of innovation and service practitioners. This section presented the primary research question and influencing sub questions that the results of this study aim to answer; the next section will present the research design employed for this research study.

Research Design

The research design is qualitative, which enables meaningful exploration of service innovativeness within small and medium-sized KIBS firms (Baxter & Jack, 2008). To respond to the research questions, a multiple case study design was employed, with the intent of contributing to the linkage between competitive growth strategy and the service design

theoretical framework for service innovativeness in small and medium-sized KIBS firms. A case study research methodology is existentially oriented and concerned with the interface of findings with the real world rather than alignment with theories or statutes (Steenhuis & Bruijn, 2006). A multiple case study research design was used to explore fourteen small and medium-sized KIBS firms that incorporates qualitative substantiation from in-depth interviews of KIBS firm leaders and secondary data (Eisenhardt, 1989; Ferreira & Neves Guimarães, 2014). Furthermore, an aspect of the service innovativeness case study conducted by Gagic (2016) was represented within this research design; a recruitment questionnaire. The questionnaire asked potential participants the number of innovations introduced to the market, and whether they were technological or non-technological to initially assess the level of innovativeness of small KIBS. The use of a recruitment questionnaire ensured only eligible participants would be included in the sample. (see Appendix A for the recruitment questionnaire.) In addition to the number of innovations implemented, the recruitment questionnaire asked potential participants, their firm size, firm age, financial leverage, market size, and market participation which are all important characteristics that may impact innovativeness (Dotzel et al., 2013).

Further influencing the use of a case study research design, Dotzel et al. (2013) and Božica and Mohnen (2016) discussed factors that contribute to innovativeness as falling into two categories; technological and non-technological. In addition to providing answers to the question of factors advancing service innovativeness, this exploratory multiple case study was designed to provide results of an in-depth analysis of the types of innovations implemented in small and medium-sized KIBS firms. Technological innovations relate to product and processes, while non-technological innovations support new organizational and marketing practices or procedures (Božica & Mohnen, 2016). Upon recruiting fourteen eligible small and medium-

sized KIBS firms, leaders from the firms participated in semi-structured interviews to gather qualitative data to assess the detailed characteristics of the service innovativeness and type of innovations deployed by the firm, both internally and externally. (see Appendix B for the interview questions.) The structure of the interview embedded core questions regarding service innovativeness, including its multi-dimensional nature, which can be attributed to the time and consistency of innovation adoption, employee characteristics, market research practices and impact on customer relations (Subramanian & Nilakanta, 1996; Mortensen & Bloch, 2005). The following section will describe how the research sample was derived and what potential participants comprised the sample.

Target Population and Sample

The target population of this study was comprised of the management of small and medium-sized KIBS firms. More specifically, the study focused on leaders of the small and medium-sized KIBS at the officer level. The target population reflects the source of the key organizational factors that advance the innovativeness exhibited by small and medium-sized KIBS firms. The population of C-level leaders of small and medium-sized KIBS firms was targeted for their current impact on the service economy and future implications these types of leaders can have in developing innovative approaches which can change or create new industries. In addition, the population was identified in the membership databases of local Chambers of Commerce as well as the National Small Business Association, which is also where recruiting for the sample took place. The KIBS firm's sample characteristics aligned with the Small Business Administration's classifications of no more than 500 employees and a range of \$20 million to \$100 million in revenue. Other demographic data, including firm size, firm age, financial leverage, market size, and market growth was also used to determine the sample (Dotzel et al., 2013). In addition to the population characteristics and recruitment efforts planned

for the research sample, the researcher also had to consider the logistical aspects of working with the study participants. While the data collection was planned to be conducted in-person, a logistical adjustment had to be made to ensure the study was not imposing on the participants. The following sections will describe the populations and sample as well as discuss the implications of the setting on the study.

Population

The population was selected from the membership databases of the Prince George's County and Central Maryland Chambers of Commerce as well as the National Small Business Association. These associations represent the best sources of potential participants to identify the factors advancing service innovativeness exhibited by small and medium-sized KIBS firms. Furthermore, these organizations represent regional as well as national firms. This research study was limited to the participation of managers and leaders in innovative small and medium-sized KIBS firms and related public records. Small and medium-sized KIBS firms signified as innovative, were those that had shown the capability to introduce new concepts to the market as well as within their own organization on a more than infrequent basis.

Sample

Moreover, the sample was selected based on responses to the recruitment questionnaire that asked potential participants the number of innovations introduced to the market and preliminarily categorized them as technological or non-technological to initially assess the level of innovativeness within the KIBS firm. The recruitment questionnaire was administered through an online survey and the information provided by potential participants was further assessed through an initial conversation with the researcher. The sample was also influenced by firm characteristics of size, age, financial leverage, market size, and market participation which

are all important characteristics that may impact innovativeness (Dotzel et al., 2013). Additionally, firm size and financial leverage were influenced by the Small Business Administration's classification for small businesses as having no more than 500 employees and no more than \$20 million in revenue. These benchmarks served as guidelines in selecting the sample and were not restrictive requirements of the potential participants.

In addition, the researcher evaluated accessibility to small and medium-sized KIBS firm leaders and managers that are information rich related to the service innovativeness within their organization. Purposeful sampling was applied to qualified KIBS firms to select the leaders and managers that represent information-rich cases for in-depth analysis (Coyne, 1997; Guetterman, 2015; Prakash Pillai & Abraham, 2016). Consequently, small and medium-sized KIBS firms' leaders and business managers involved with the selection and implementation of innovations introduced by the organization, represent the source of intimate knowledge of the factors advancing service innovativeness. Additionally, small and medium-sized KIBS firms' leaders and business managers have the insight into how innovations are selected and implemented by the organization. Within the KIBS firms, these individuals may have the different job titles depending on the structure of the organization. However, the researcher would recognize the following job titles as potential participants: client relationship manager, engagement manager, program and project manager. The next section will describe the setting in which the study sample was engaged.

Setting. The individual interviews with study participants were initially planned to be conducted at a location near the participant's place of business or other location convenient to the participant. The semi-structured interviews were planned take place at an agreed upon location that was private and convenient to participants. Therefore, during the initial

conversation with study participants, the researcher suggested public library locations that were close to the participant's place of business or other convenient locations as alternatives. In addition, the researcher suggested available times and days to conduct the interview and a convenient time and day was agreed upon by the participant. However, to lessen logistical impact on the study participants and leverage the technology available, the interviews were conducted using teleconference communications software applications, including Gotomeeting, Skype, and Zoom. The following section will explain the data collection procedures performed.

Procedures

In this section a step by step description of how the research method was executed will be presented. This section is organized by the description of sampling procedures, steps taken to ensure the protection of participants and their rights, the techniques for data collection and analysis, as well as the procedures for the presentation of the findings. For every aspect of this study and the procedures that were undertaken there were additional considerations that had to be addressed. If left unaddressed, there would be the possibility that data collection and analysis would be incongruent with the research question and sub-questions. Following is the description of the steps taken in selecting the sample for the study.

Participant Selection

The sample was selected based on responses to the recruitment questionnaire that asked potential participants the number of innovations introduced to the market as well as demographic data about their organization. The population for this research study was selected from the membership databases of the Prince George's County (Maryland) and Central Maryland Chamber of Commerce as well as the National Small Business Association. These organizations represent regional as well as national firms. In order to gain access to the association's

membership databases for recruitment, the researcher pursued permission and endorsement from the executive leadership of these targeted organizations. Upon acceptance by the executive leadership, an announcement was drafted on behalf of the leadership to forward to the association's members specifying the objective and benefits of participating in this research study. Moreover, the researcher drafted a series of follow-up emails, that were sent to prospects to promote participation in the study. Copies of the follow-up emails are located in Appendix C.

In addition to specific emails to Chamber and trade association prospects, social media outlets were leveraged to promote participation in this research study. Social media campaigns were initiated and directed to the researcher's over 700 connections on LinkedIn and just under 1000 on Twitter to potentially grow sample size (Michael, 2006; Kosinski, Matz, Gosling, Popov, & Stillwell, 2015). This approach was chosen because many of these individual connections were also members of the Chambers and trade associations targeted as sources of recruitment. Furthermore, these individual connections also represented managers and leaders of small and medium-sized KIBS firms, where an association was made through the researcher's background in corporate roles or entrepreneurial ventures. Maramwidze-Merrison (2016) supported the researcher selecting organizations and individuals through social media outlets like Twitter and LinkedIn, that exhibit attributes that preliminarily respond to the research question(s). In addition, a website was developed to highlight the details of the study to include informed consent, the researcher's contact information and frequently asked questions. See Appendix D for copies of the site's webpages. The website also included a homepage that provided potential participants access to all aspects of the research study as well as to the recruitment questionnaire. The following will describe how the study participants were qualified.

Participant qualification process.

Potential participant firms were qualified in two phases, first through the internet via the website that contained links to the recruitment questionnaire that qualified the prospect's innovativeness, knowledge-intensive business characteristics, and firm demographics. The recruitment questionnaire posed general inquiry into the number of innovations adopted in the previous two years as well as knowledge-intensive attributes, firm size, number of employees, industry, and annual gross revenue. Firms qualified through the internet phase were contacted by the researcher to establish rapport, address minor questions and discuss the next level of qualification, which was to assess accessibility to the KIBS firm leaders and managers to commence the next phase of data collection procedures (Yu-Fang, 2013). This approach is supported in literature by Alam (2014) who highlighted the importance of multiple data collection methods in conducting case studies.

Stages of data collection procedures.

The data collection process was conducted in a three-staged approach to enhance the breadth of this case study research method (Seddon, Hazenberg, & Denny, 2013).

1. The initial stage collected primary data through semi-structured individual interviews and secondary data was identified in media outlets; journals, books, and the internet (Prakash Pillai & Abraham, 2016). The purpose of the semi-structured interviews was to obtain information about the innovative nature of the KIBS firm, types of innovations (i.e., technological, non-technological), details related to the types of innovation, outcomes of the adopted innovations, and overall context of the innovative capability of the participant KIBS firm(s). In conducting the interviews, the researcher adhered to the principle of social negotiation of meanings, which entails actively listening to participants

perspectives of their environment, as well as interpreting responses to produce a “context-bound” conceptualization (Mojtahed, Nunes, Martins, & Peng, 2014).

2. The second stage of the data collection strategy focused on collecting and analyzing secondary data. Secondary data was gathered from the participant’s internal records as well as from media outlets to obtain an understanding the impact of the firm’s innovative efforts on performance (Agarwal & Selen, 2011; Same, 2014). Secondary data was further examined to assist in shaping the understanding of the IHIP (intangibility, heterogeneity, inseparability of production and consumption, and perishability) characteristics of innovative service projects (Durisin & Todorova, 2012). The use of secondary data was used to triangulate the concepts and enhance the robustness of the study to counteract the lack of generalizability associated with qualitative research (Iivari, 2015).
3. The tertiary stage of data collection was to re-engage participant business leaders to confirm preliminary results of the initial data collection and to gain clarification from initial responses. This re-engagement approach produces data for analysis that is more information rich than initial interviews (Rabiee, 2004; Randle, MacKay, & Dudley, 2014).

The preceding section will describe the steps taken to protect the research study participants.

Protection of Participants

In protecting the study participants, informed consent was used to disclose the risks and nature of the study, while also explaining how participant’s confidentiality will be maintained (Frankel & Siang, 1999; Wattanasupachoke, 2012). The informed consent was introduced and discussed in the initial recruitment process, with participant agreement and signature being

obtained prior to commencing interviews. Informed consent was also provided to participants in the initial recruitment process through the recruitment web page. Participants also had an opportunity to discuss the elements of consent with the researcher at any time prior to participation in interview sessions. At a minimum of twenty-four (24) hours before the scheduled interviews were conducted, participants received a copy of the informed consent that they were required to sign and submit to the researcher prior to the interview. Signed copies of the informed consent document for each participant was retained by the researcher along with other pertinent information collected from and about the research participant.

In addition to the previously discussed measures undertaken to protect the research study participants, the tenet of confidentiality was employed. Confidentiality is a lesser form of anonymity (Bhattacharjee, 2012). Further, confidentiality is the protection of respondents input from the public forum. In this qualitative exploratory multiple case study, confidentiality was employed in the interpretation of data and development of new concepts. These aspects of the study require confidential keys that connect the findings with the data collection (Steenhuis & Bruijn, 2006). The following measures were also taken to ensure participant confidentiality was protected; 1) assigning alphanumeric codes for participants that was used on all research notes and documents, 2) keeping notes, interview transcriptions, and any other identifying participant information in a locked file cabinet in the personal possession of the researcher. These approaches support the maintenance of confidentiality as depicted in literature as the masking of research participant's identifying information by generic alphanumeric codes (Prakash Pillai & Abraham, 2016). In other words, any information provided that could identify participants such as name, age, or other personal or business information was kept confidential.

Moreover, participant data will be kept confidential except in cases where the researcher is legally obligated to report specific incidents. Research study data and records were stored as physical documents and digital copies on an encrypted USB drive in the personal possession of the researcher as well as in a secured mailbox at an undisclosed location. Both paper and electronic copies will be retained for seven (7) years and no one other than the researcher will have access to the physical documents and digital copies. Providing informed consent disclosed the confidentiality and anonymity attributes of the research design.

Data Collection

During the execution of the stages of the data collection procedures, interviews started with general conversation to re-engage the rapport built during the initial conversation and establish a comfortable but professional tone for the interview. The interview process commenced with general guiding questions, which led to more specific probing questions. : The types of innovation and innovative practice details were the themes used to shape the guiding question formulation. Moreover, the theme conveyed by the types of innovation, focused on technological innovations; which include customer facing processes and services directly impacting customer experience. Conversely, nontechnological innovations refer to organizational innovations that have more influence on internal practices, operations and functions that indirectly impact customer experience (Vergori, 2014; Khaksar et al., 2016; Moreira et al., 2017).

The interviews were recorded using the teleconference communications software applications and recordings were reduced to text using a transcription service. While the transcriptions were the major source of data for this research study, the researcher also took notes during the interviews to capture key words or phrases that the participant may have emphasized,

as well as the researcher's thoughts at the time and other qualitative aspects that could be of influence during the data collection phase. Within each transcript common themes were coded, in addition to concepts that directly or indirectly impact the research question and sub-questions. Upon completion of the coding of the individual response transcripts, the researcher aggregated the coded themes and concepts that appeared to reply to the research question and sub-questions.

Moreover, the data was then categorized into the types and factors advancing innovations in small and medium-sized KIBS firms as the major category and contextual parameters of innovations and the innovative capacity as the minor category. Following the categorization of the data, the researcher commenced a search for data about the participant's deployed innovations to execute the second stage of the data collection process. Secondary data was included in the participant's interview file and maintained with the researcher's research study files. Subsequent to the search, collection, and storage of secondary data, the transcriptions and researcher's notes would then undergo a preliminary testing of the planned coding scheme and an evaluation of the consistency of the planned coding approach. Upon completion of the cursory coding evaluation, the transcriptions and interview notes were merged into a single master database within Nvivo 12, analyzed thoroughly, and coded based on the categories developed from the interview themes. The next section will provide more detail into the purpose and use of the researcher's interview notes.

In addition to capturing the interviews via recording, the researcher conducted reflexive journaling during the execution of the stages of data collection. This is a process of capturing the research procedures and techniques at different stages of the research process for credibility, quality, and rigor purposes (Maramwidze-Merrison, 2016). This approach was used for this multiple case study to record the methodological decisions and justification for the decisions

related to the data collection and analysis processes. Furthermore, in executing the tertiary stage of data collection procedures, the interview transcriptions were sent to the research participants for review, clarification, and approval (Van Damme, Leinfelder, & Uyttenhove, 2013). Member checking the interview transcripts assisted in the data analysis for clarity and confirmed the thoughts, beliefs, and perspectives of leaders and managers regarding the KIBS firm's innovative capabilities. This section described the planned stages of data collection procedures and the next section will explain the data analysis phase of this research study.

Data Analysis

After the data collection procedures were completed, the content of the interview transcriptions and researcher's notes will be analyzed from an interpretivist perspective which best fits the existential orientation used in this qualitative exploratory multiple case study (Steenhuis & Bruijn, 2006). Qualitative content analysis was applied to the interview data using manual coding as well as with Nvivo 12 Plus to reduce the text to key categories, which were then assessed against the coding scheme, evaluated for consistency to the coding approach, and finally, conclusions drawn regarding the interrelations between interactions and frameworks (Mayer, 2015). The content analysis approach afforded the researcher the ability to formulate minor categories during the interpretation process as new frameworks and interactions arise (Bathe, Diepgen, & Mattered, 2012).

Once the coding evaluation was completed, the transcriptions of the interviews were merged into a single master database, analyzed thoroughly, and coded based on the categories developed from the interview themes (Tajeddini & Trueman, 2008; Venckuviene, 2014). The research question influenced thematic coding during the initial deductive coding process, while also allowing for emergent themes to arise from interactions with participants through an

inductive coding process (Bashouri & William Duncan, 2014). The major themes are the types and factors advancing innovations in small and medium-sized KIBS. The minor themes are contextual parameters of innovations and the innovative capability of small and medium-sized KIBS.

The objective of the data analysis phase of case study research in literature is to provide insight into the delineation of phenomenological responses from participants specific to their context or germane to the phenomenon overall (Alam, 2011). In addition, exploratory research often reveals patterns and trends that influence further research (Chelliah & Davis, 2010). The triangulation of multiple sources of data enhance internal validity and support a better foundation for developing frameworks and interactions (Eisenhardt, 1989; Durisin & Todorova, 2012; Iivari, 2015). These concepts underly the qualitative research methodology and specifically influence the research design. Furthermore, the analysis and collection of qualitative case study research data happens concurrently, effectively reiterating back and forth between analytical steps (Eisenhardt, 1989; Baxter & Jack, 2008). The next section will discuss the ethical considerations of the research study.

Instruments

For this multiple case research study, the instruments used to collect data were software applications and the researcher. The semi-structured interviews will be conducted using teleconference communications software applications, including Gotomeeting, Skype, and Zoom. Furthermore, these applications will be used to record the interviews with participants and the recordings will be transcribed by a transcription service. In addition to the use of software applications to record the responses to the interview questions, the researcher will take notes during the interviews as well as conduct reflexive journaling. These hand-written notes

will be transferred to the digital participant's file which will be maintained in Nvivo 12 Plus, the single master database. The next section will describe in more detail the researcher's role beyond the collection of data.

The Role of the Researcher

The researcher's background has spanned of over twenty years as a consultant and leader of financial functions within small and medium-sized knowledge-intensive business services organizations. In addition to the interest in business strategy and innovation, the researcher has compiled leadership experiences both in community and professional settings, that required the demonstration of emotional intelligence, communication skills and a sense of situational awareness. The researcher has also been an entrepreneur for over fifteen years, which places the researcher in the unique position of having common experiences with the study participants. These attributes assisted in building rapport and communicating interpretations with participants (Baxter & Jack, 2008).

The researcher became motivated to investigate this topic after working closely with over 50 small and medium-sized businesses supporting an engineering and personal services program at NASA Goddard Space Flight Center. It was during this time that the researcher formulated an interest in assisting practitioners as well as scholars in their understanding of innovation and the factors advancing innovativeness in small and medium-sized KIBS firms. The researcher saw first-hand what innovation and the lack of thereof, could do to a small business. The researcher was responsible for a business unit that sourced, negotiated, and procured the services of KIBS firms and was proximate to the leaders of these organizations, which presented an opportunity to have professional conversations about the challenges associated with innovating that these KIBS firm leaders faced.

While this experience created familiarity with the circumstances KIBS firm's leaders face, that same familiarity presents a possibility of interference with the researcher's objectivity. The researcher understands that experiences and prior knowledge of the subject matter may impact the objectivity of the study and thus approached each interview as an opportunity to learn about the organization's innovation capacity and not influence any aspect of that learning opportunity. The researcher was careful not to lead participants during the interview process or make assumptions that were not supported by the data during analysis (Chaochotechuang, 2016). Consequently, understanding that the researcher is an integral part of the study, notes taken during interviews and thoughts captured as they arose during analysis were assessed to ensure they were free of any biases. Additionally, the researcher is experienced in coaching, training, and facilitating in group settings, which removed any anxiety or nervousness related to speaking with accomplished business leaders. However, the researcher had no experience conducting academic qualitative research.

Further, as with most novice researchers, there was a lack of experiential confidence in conducting this qualitative case study. Although the researcher's background was extensive and emphasized the interaction with and leadership of individuals and groups, this does not necessarily translate to an innate ability to recruit participants, properly collect and adequately analyze the data. Eisenhardt (1989) highlighted the evidence of theory building using case studies in literature but also admitted the substantial confusion about how and when to conduct them as well as how to assess them.

This multiple case study was designed with the objective of providing in-depth understanding into the perspectives and characteristics of service innovation as compared to a quantitative study, while also considering the researcher's lack of experiential confidence

(Steenhuis & Bruijn, 2006; Alam, 2011). To close the experiential gap, the researcher read articles and viewed videos on conducting interviews for qualitative research. Moreover, the researcher rehearsed asking questions with family members and friends to develop a comfortable cadence for the dialogue, manage the duration, and be primed to be in the moment. The subsequent section will provide a detailed explanation of the ethical considerations relative to this research study.

Guiding Interview Questions

1. Could you describe to me your thoughts on innovativeness and how its exhibited in your business?
2. Could you describe an ‘internal’ innovation your organization implemented? Internal refers to internal operations and back end functions.
3. How has innovation played a role in meeting your customer’s needs and the way your business delivers to them?
4. What are your thoughts on customer experience? How it plays into the innovativeness of your business?
5. How does employee engagement play into the innovativeness of your business? Could you give an example of how engaging your employees has helped your business be more innovative?
6. Describe how important these approaches have been to the growth and sustainability of the business.

These questions were designed to gain insight into experiential data on how innovativeness is developed, deployed, and sustained in small and medium-sized KIBS firms. The guiding interview questions as listed, assisted the researcher in guiding the interaction with

participants. The interviews were conversational and were not as linear as displayed here. The guiding interview questions assisted the researcher in setting the stage and interviews were led by the participants. The following section presents the ethical considerations addressed in this study.

Ethical Considerations

In understanding the ethical considerations related to this research study, the context involves governments and society placing more emphasis on conducting research that has enhanced social bearing. Consequently, the expectations have been elevated intently on the researcher to ensure research is performed ethically (Greenwood, 2016). Research ethics are based on three tenets: justice, beneficence, and respect for persons. Justice is synonymous with equity in a scientific research setting and offers all members of a study's population has an equal opportunity of being selected for the study. Additionally, all members of the sample, upon being engaged by the study shared equally in the risks and benefits of the study. The researcher sought to maximize benefits of the study, while minimizing the risk exposure to participants to fulfill the principle of beneficence (Frankel & Siang, 1999). This ethical tenet was established through masking of participant information, inclusive of their responses to interview questions to maintain their anonymity.

In conducting research that involves humans, the researcher made every effort to protect the human participants by showing respect for each participant (Frankel & Siang, 1999). The moral obligation of the researcher to not cause harm or diminish any possible negative effects of the data collection procedures is the basis of ethical considerations in the scholarly research process (Stahl, Eke, & Fidler, 2015). Further, Stahl, Eke, and Fidler (2015) in their dialectical hermeneutics study, underscored the social duty and legal compulsion that researchers must

protect the undeniable rights of themselves and the research participants as members of society. In the execution of this research study, this ethical tenet was covered using informed consent to disclose the risks, benefits, and confidentiality of the study to the participants (Frankel & Siang, 1999; Wattanasupachoke, 2012). Informed consent was introduced and discussed in the initial recruitment process, then participant agreement was obtained prior to commencing interviews. Informed consent was also provided to participants in the initial recruitment process through the recruitment web page. Participants had an opportunity to discuss the elements of consent with the researcher at any time prior to participation in interview sessions. At a minimum of 24 hours before the interviews were conducted, participants received a copy of the informed consent that they had to sign and submit to the researcher prior to the interview. Signed copies of the informed consent document for each participant was retained by the research along with other pertinent information collected from and about the research participant.

In addition to the previously discussed measures undertaken to establish the ethical considerations, the tenet of confidentiality was employed. Confidentiality is a lesser form of anonymity (Bhattacharjee, 2012). Further, confidentiality involves the protection of respondents input from the public forum. Masking elements were applied to information that connect the findings with the data collection to demonstrate confidentiality in the interpretation of data and development of new concepts throughout this exploratory multiple case study (Steenhuis & Bruijn, 2006). Confidentiality was also maintained through the masking of research participants by generic alphanumeric codes for organization, interviewees, findings, and interpretations (Prakash Pillai & Abraham, 2016). Any information provided that could identify participants such as name, age, or other personal or business information was kept confidential. The following measures were also taken to ensure participant confidentiality was protected; 1)

assigning alphanumeric codes for participants that was used on all research notes and documents, 2) keeping notes, interview transcriptions, and any other identifying participant information in a locked file cabinet in the personal possession of the researcher.

Participant data will be kept confidential except in cases where the researcher is legally obligated to report specific incidents. Research study data and records were stored as physical documents and digital copies on an encrypted USB drive in the personal possession of the researcher as well as in a secured mailbox at an undisclosed location. Both paper and electronic copies will be retained for seven (7) years and no one other than the researcher will have access to the physical documents and digital copies. Anonymity is maintained when the researcher cannot associate a specific response to a participant in the final study (Bhattacharjee, 2012). Providing informed consent disclosed the confidentiality and anonymity attributes of the research design. Lastly, for this qualitative case study, the researcher spent extended time exposed to the service innovativeness in small and medium-sized KIBS firms to build rapport with participants and view the phenomenon from multiple perspectives to reduce social desirability responses in interviews (Baxter & Jack, 2008). This is another form of confidentiality employed in the data collection and analysis phases of this research study. The subsequent section will provide a detailed explanation of the credibility and trustworthiness of the data relative to this research study.

Credibility and Trustworthiness

For this research study, credibility was established through the triangulation of multiple sources of data to enhance internal validity and support a better foundation for developing frameworks and interactions (Eisenhardt, 1989; Durisin & Todorova, 2012; Iivari, 2015). The data collection process was planned and executed in a three staged approach that included;

individual interviews, secondary data identification, and a member check with re-engagement of participants for clarity and confirmation of previously discussed concepts (Seddon, Hazenberg, & Denny, 2013). Eisenhardt (1989) highlighted the evidence of theory building using case studies in literature but also admitted the substantial confusion about how and when to conduct them as well as how to assess them. Consequently, understanding that the researcher is an integral part of the study, notes taken during interviews and thoughts denoted as they arose during analysis were assessed to ensure they were free of any biases. Further, the researcher avoided any confusion in the use of the case study research method and established the internal credibility, by applying a qualitative content analysis model for transcribing interview contents and coding based on the categories derived from the interview themes (Tajeddini & Trueman, 2008; Venckuviene, 2014; Mayer, 2015).

In addition, supporting the credibility and trustworthiness of the data in this research study, Same (2014) discussed the used of concept driven coding and data driven coding as a sequential systematic approach to coding major and minor categories of data as well as emergent concepts. The major categories in this research study are the types and factors advancing innovations in small and medium-sized KIBS and establishes a concept driven or thematic coding approach. The minor categories are contextual parameters of innovations and the innovative capability of small and medium-sized KIBS, which establishes a data driven or inductive coding approach (Bashouri & William Duncan, 2014). This thematic coding was applied to the interview transcripts and was central in progressing the data analysis from a general to specific emphasis, as well as advancing the research themes toward theoretical saturation. Mayer (2015) described theoretical saturation as the goal and not necessarily the reality when attempting to extinguish variations of existing thematic categories, for generating

theory is a “never-ending process”. Following is an explanation on how the element of transferability, which sustains the trustworthiness of this research study, was established .

Moreover, the element of transferability was established through the sampling process which qualified firms based on initial responses to the recruitment questionnaire that asked potential participants the number of innovations introduced to the market, either technological or non-technological and the initial conversation with the researcher. The sample was also determined by firm characteristics of size, age, financial leverage, market size, and market participation (Dotzel et al., 2013). Firms were also qualified in two phases, the first will be through the internet; a website was developed and launched that contained links to the recruitment questionnaire that preliminarily qualified prospects based on innovativeness, knowledge-intensive characteristics, and demographics. Firms qualified through the internet phase were contacted by the researcher to establish rapport, address minor questions and discuss the next level of qualification, which was to assess accessibility to managers and business leaders for the data collection phase of the study (Yu-Fang, 2013). Next, there is an explanation on how the element of dependability was established in this research study.

Furthermore, the element of dependability was established through the extensive research into qualitative case studies in literature and formulation of detailed descriptions of the participant contexts as well as provide detailed audit trail of activities and the justification for those activities and against other approaches (Chaochotechuang, 2016). This element also required generation and maintenance of notes on the procedures undertaken as well as the researchers thoughts and perspectives at particular junctions in this case study research process (Chaochotechuang, 2016). This section provided an explanation of how the credibility and

trustworthiness was established in this research study as well as their underlying elements. Following will be a summation of the research methodology described in this chapter.

Summary

In conclusion, this chapter of the dissertation provided an overview as well as details regarding the research methodology implemented for this research study. A multiple case study design was employed with the intent of contributing to the linkage between competitive growth strategy and the service design theoretical framework for service innovativeness in small and medium-sized KIBS firms. The multiple case study design aligns with the purpose of this qualitative exploratory multiple case study, which is to provide scholars and practitioners results of an in-depth analysis into the factors advancing innovativeness and types of innovations introduced by small and medium-sized KIBS firms (Dotzel et al., 2013; Joshi et al., 2015; Kaushik & Rahman, 2016).. Underlying this type of research design are the research sample and setting. The sample was selected based on responses to the recruitment questionnaire that asked potential participants the number of innovations introduced to the market and preliminarily categorized them as technological or non-technological. In addition, the setting for the semi-structured interviews was planned to take place at an agreed upon location that was private and convenient to participants. However, to lessen logistical impact on the study participants and leverage the technology available, the interviews were conducted using teleconference communications software applications.

The data collection process was planned to utilize a number of lesser processes that when aggregated comprised a comprehensive data collection strategy. The lesser processes are recruitment, qualification and the three-stages of data collection. While this represents the comprehensive plan for data collection, there was additional discussion within this chapter on the

execution of the data collection stages. This discussion involved a description of the transcription of the interview recordings and the preliminary testing of the planned coding scheme as well as an evaluation of the consistency of the planned coding approach. Upon completion of the cursory coding evaluation, the transcripts and the researcher's interview notes were consolidated into a single master database that was used for data analysis. Following the data collection process, the data was analyzed thoroughly and coded based on the themes developed from the interview major and minor themes. The major themes are the types and factors advancing innovations in small and medium-sized KIBS. The minor themes are contextual parameters of innovations and the innovative capability of small and medium-sized KIBS firms.

After the sections on data collection and analysis, the dissertation provided input on the ethical considerations as well as the credibility and trustworthiness associated with this research study. The discussion on the ethical considerations emphasized the researcher's responsibility to ensure research is performed ethically (Greenwood, 2016). Further supporting this obligation, are the three tenets of research ethics: justice, beneficence, and respect for persons. Each tenet was explained in detail and established through an accompanying activity with the data collection and analysis processes covering the ethical considerations. In this research study, credibility was established through the triangulation of multiple sources of data to enhance internal validity and support a better foundation for developing thematic frameworks and interactions (Eisenhardt, 1989; Durisin & Todorova, 2012; Iivari, 2015). This section on the credibility and trustworthiness of the research study data concluded with an explanation of how the elements of transferability and dependability were established for this research study. The next chapter will present the results of the data analysis and discuss the findings in detail.

CHAPTER 4. PRESENTATION OF THE DATA

Introduction: The Study and the Researcher

The purpose of the qualitative exploratory multiple case study is to offer scholars and practitioners the results of an in-depth analysis of the components advancing small and medium-sized KIBS firm's ability and capacity to develop and introduce innovations both internally and externally (Dotzel et al., 2013; Joshi et al., 2015; Kaushik & Rahman, 2016). Presenting qualitative factors that advance service innovativeness in small and medium-sized KIBS firms represents the goal of this study. The results of this qualitative exploratory multiple case aim to assist small and medium-sized KIBS firms, in assertively competitive environments, enhance their awareness and ability to recognize service innovation opportunities reliably and gather novel information from competitive sources to exploit as contributions toward expanding their organizational strategy portfolio (Wang, 2014).

The purpose of this chapter is to present in detail the results of the data collection and analyzed. The results were collected and analyzed to answer the following primary research question: how is innovativeness developed, sustained, and deployed in small and medium-sized knowledge-intensive business service (KIBS) firms? Further the results were also organized to answer the following sub-questions: what are the specific qualities that characterize innovativeness in small and medium-sized knowledge-intensive business service firms, what are the drivers that influence service innovativeness in small and medium-sized knowledge-intensive business service firms and how are these characteristics and factors advancing innovativeness deployed into the market to enhance firm value?

In addition, this chapter continues the discussion on the theoretical assumptions, how the research topic was developed, and research elements revealed through analysis of the literature in

the service innovation body of knowledge. Service design theory (SD), New Service development (NSD), and innovative behavior (IB) are the key theoretical perspectives that serve as the orientation for this research study. This chapter also includes a description of the population and sample of participants involved in this research study. The sample size was comprised of 14 small and medium-sized KIBS firms that have coverage in different industries and represented varying firm demographics. The chapter also includes a summary of the methodological approach applied to the data analysis, as well as a comparison of the actual procedures to the planned analytical approaches.

Additionally, the presentation of results section includes an introduction to key thematic concepts that emerged from the data analysis. In addition, a conceptual framework formulated from the findings is presented in detail in comparison to the expectations derived from the previously presented theoretical assumptions. While new theoretical factors are introduced in this section of chapter 4, they will be discussed in detail in Chapter 5. Finally, the chapter concludes with a summary of the responses to the research question and sub-questions revealed in the data as well as offering a preview of the contents of Chapter 5 – Conclusion. The next section describes the researcher's role as well as how potential biases were addressed.

Researcher's Role

The researcher's background spans over twenty years as a consultant and leader of financial functions within small and medium-sized knowledge-intensive business services organizations. In addition to the interest in business strategy and innovation, the researcher has amassed leadership experiences both in community and professional settings, that required the demonstration of emotional intelligence, communication skills and a unique sense of awareness. Additionally, the researcher has also been an entrepreneur for over fifteen years, which places

the researcher in the unique position of having common experiences with the study participants. These attributes assisted in building rapport and communicating interpretations with participants (Baxter & Jack, 2008).

The researcher became motivated to investigate this topic after working with over fifty small and medium-sized businesses supporting an engineering and personal services program at NASA Goddard Space Flight Center, the researcher saw first-hand what innovation, and the lack of thereof, could do to a small business. It was during this time that the researcher formulated an interest in assisting practitioners as well as scholars in their understanding of innovation and the factors advancing innovativeness in KIBS firms. This presented opportunities to have professional and candid conversations about the challenges associated with innovating that these KIBS firm leaders faced

While this experience created familiarity with the circumstances KIBS firm's leaders face, that same familiarity presents a possibility of interference with the researcher's objectivity. The researcher understood that experiences and prior knowledge of the subject matter may impact the objectivity of the study and thus approached each interview as an opportunity to learn about the organization's innovation capacity and not influence any aspect of that learning. The researcher was careful not to lead participants during the interview process or make assumptions that were not supported by the data during analysis (Chaochotechuang, 2016).

Although the researcher's background was extensive and emphasized leadership of individuals, this does not necessarily translate to an innate ability to recruit participants, properly collect and adequately analyze the data. Eisenhardt (1989) highlighted the evidence of theory building using case studies in literature but also admitted the substantial confusion about how and when to conduct them as well as how to assess them.

This multiple case study was designed with the objective of providing in-depth understanding into the perspectives and characteristics of service innovation, while considering the researcher's lack of experiential confidence (Steenhuis & Bruijn, 2006; Alam, 2011). To close the experiential gap, the researcher read articles and viewed videos on conducting interviews for qualitative research. The section following will offer criteria used in selecting the research sample and characteristics of the participant sample, including demographic and other pertinent information relevant to the research questions.

Description of the Sample

In this section, a detailed description of the participant sample is presented. The description of the sample includes demographic information about all the participants as well as all relevant information that is pertinent to the findings of this study. This detail about the participants is germane to answering the research question and sub-questions. In addition, this section discusses the measures taken to protect the participants and their rights. Protecting participants of this study focused mainly on obtaining and executing the informed consent. The following section describes the participant criteria.

Participant Criteria

The population, represents the source of the key organizational factors that advance the innovativeness exhibited by small and medium-sized KIBS firms, was recruited from the membership databases of local Chambers of Commerce as well as the National Small Business Association. The sample's selection is based on eligibility criteria that measured the number of innovations introduced to the market, as well as the knowledge-intensive services that the firm delivers. Other demographic data, pertinent to firm performance, including firm size, firm age, financial leverage, market size, and market growth was also used to determine the sample

(Dotzel et al., 2013). These KIBS firms' characteristics align with the Small Business Administration's classifications of no more than 500 employees and a range of \$20 million to \$100 million in revenue. Humphreys and Jen-Hui Wang (2018) advocated that the sample is the most important consideration in the data collection stage and the effort expended recruiting and selecting KIBS firms for this study confirmed the authors sentiment.

The sample size includes 14 KIBS firms that provide a variety of services including engineering, human capital management, educational and motivational, management consulting and advisory, software application development, communication, organizational development, as well as logistic and operations services. As depicted in Table 1, the key characteristics of the participant KIBS firms include their core competencies as reflected in secondary data as well as that expressed by the interviewed business leader. Furthermore, Table 1 also shows the average business age of the participant firms was fifteen years with a median age of 16.5 years. The sample does include a start-up firm as well as five firms with a business age of at least twenty years of more. The average start year of the participant's firms was 2003. The average number of employees of the participants firms is 68 with the median number of employees in the sample being six.

The participant firms cover two main industrial categories; Federal Government Contractor and Commercial Organization. Six of the firms in the sample are Federal Government Contractors. The remaining eight firms are Commercial Organizations, which does not mean the firms do not do business with the federal government, just that most of its business is of a commercial (non-federal government) nature. To provide an additional layer of insight into the Commercial Organizations category, the firms in this category were further delineated into business-to-business (B2B) and business-to-consumer (B2C) classifications. There are five

B2B and three B2C firms in the sample. This section identifies the criteria used in selecting the research sample and described the sample characteristics. The next section provides details relative to the research methodology applied to the data analysis.

Protection of Participants

To protect the study participants, informed consent was used to disclose the risks and nature of the study, while also explaining how the participant's confidentiality is maintained (Frankel & Siang, 1999; Wattanasupachoke, 2012). Informed consent was sought from each participant in the initial recruitment process through the recruitment web page. Participants also had an opportunity to discuss questions they may have regarding informed consent with the researcher at any time prior to participation in interview sessions. At a minimum of twenty-four (24) hours before the scheduled interviews were conducted, participants received a copy of the informed consent that they were required to sign and submit to the researcher prior to the interview.

In addition to disclosing and agreeing to the elements of informed consent to protect the participants, this study employs the tenet of confidentiality. Further, confidentiality is the protection of respondents input from the public forum. In this exploratory multiple case study, confidentiality was applied to the interpretation of data and development of new concepts. These aspects of the study require confidential keys that connect the findings with the data collection (Steenhuis & Bruijn, 2006). In other words, any information provided that could identify participants such as name, age, or other personal or business information was kept confidential.

Research study data and records are stored as physical documents and digital copies on an encrypted USB drive in the personal possession of the researcher as well as in a secured mailbox at an undisclosed location. Both paper and electronic copies will be retained for seven

(7) years and no one other than the researcher will have access to the physical documents and digital copies. The next section outlines the methodology and analysis applied to the research data.

Table 2

Sample Demographics reflects the key characteristics used in the selection of the study participants

PARTICIPANT #	Age of business	Start Year	Number of Employees	Revenue & Growth History	What they do - Public Information	What they do - Interview Information	Other Demographics
1	19 yrs	1999	1	--	"We provide spacecraft and instrument thermal design, engineering, and test support" - per website	"We do engineering consulting ... we have a market niche that is called thermal systems engineering which is designing satellites for temperature control. We also do a lot of ground support designing doing thermal designing and analysis Integration and testing"	Federal Government Contractor
2	24 yrs	1994	50	\$75M per year	"We are set apart from other engineering companies by combining three key elements to our solutions: honest business conduct, technical proficiency, and responsive management." - per website	"We are a hardware builder of our products to the federal government... we design, build and test that piece of hardware to the requirements"	Federal Government Contractor
3	19 yrs	1999	15	--	"Through Software Solutions and services, we assist businesses with all of their Information Technology, Accounting/Financial, and Program Management needs. We support small businesses in attracting and managing Federal Government contracts from start to finish." - per website	"A software as a service company that provides products basically directly to federal contractors and also to the federal government for contract management and program management"	Federal Government Contractor
4	7 yrs	2011	105	\$30M per year	"To come together as elite coaches, teachers, speakers and professionals, taking our leadership training, talents and skills and adding value to people all over the world. In doing so, we continue with our desire to do something of significance, as we transform lives and carry out the work of our leader, ***** and continue his legacy, while leaving an impact of our own." - per website	"We negotiate exclusive global rights to a thought leader's intellectual property. We then create curriculum and resources to help simulate those resources to an individual who has a desire to be licensed to teach that thought leaders content out into the world and to their clients. And so we're a licensing, a certification and a trading company kind of all rolled into one."	B2C - Commercial Organization
5	11 yrs	2007	6	--	"As business advisors and strategists for publicly traded, non-profit and privately held companies, we bring a record of accomplishment and expertise to the highest levels of business. We excel at leading change to drive business objectives on a level that redefines what is possible for the organizations and leaders we represent." - per website	"We help CEOs and leadership teams get results and so we are business advisors when it comes to pre and post M&A. Also, with companies that are challenged with growth or challenged with scalability or challenged with their place in the market."	B2B - Commercial Organization
6	Startup - 13 mos FT	2017	4	--	Mobile communications application that provides users with "Endless Creativity - Limitless Reach - Absolute Privacy" - per website	"A new communications platform. It was built on the premise that the world is missing three things in how they communicate."	B2C - Commercial Organization
7	32 yrs (from original start) 6 yrs (post-retirement FT)	2012	2	--	"Through application of ***** Framework principles, SHIFT the interpersonal and intercultural focus away from difference-seeking to mutual gains-seeking so that relationships can thrive in a world steeped in difference-driven conflict." - per website	"I started out doing the sort of broad management training and coaching in the nonprofit industry, branched down into for profit, including universities... [then] I started doing consulting coaching for minorities and women. Was morphed into some diversity work."	B2B - Commercial Organization
8	16 yrs	2002	10	--	"IT Managed services provider in Maryland... a company providing cyber security, cloud services, business IT services including management, hardware and software needs, network monitoring, virtual CIO, and end user support." - per website	"comprehensive holistic approach where we did a fixed price and solved all the problems... called managed service provider."	B2C - Commercial Organization
9	33 Yrs (career) CEO for 28 yrs	1985	120	--	"Comprehensive HR solutions for advanced organizational performance." - per website	"a HR consulting agency... [that] provides HR and management advisory services to other government agency"	Quasi - Federal Government Contractor
10	27 yrs	1991	5	--	"a global leader in executive search, interim management and strategic staffing and partnering. Whether local, regional, national or international, we have the industry knowledge, the depth of experience and the recruitment services our clients require." - per website	"We are, for all intent and purposes, an executive search human capital consulting firm. So I work with companies on a global basis, mostly involved in some form of technology, whether that's in satellite and telecom and aerospace, defense, security, the government integrators, usual suspects of care, IT."	B2B - Commercial Organization
11	6 yrs	2012	6	--	"experts collaborate with institutions in developing countries and elsewhere to implement the firm's proprietary tool, a practical resource to improve organizations' management systems -- helping them become more sustainable while making them more effective stewards of donor funds and stronger partners." - per website	"We primarily work for USAID clients, either directly on projects or supporting, strengthening the organizations that work for USAID... In terms of our services, what we really focus on is management capacity."	Federal Government Contractor
12	17 yrs	2001	5	--	"The mission is to help our clients grow through compliance, process and people. We assist companies in successfully navigating the complex maze of HR while ensuring our clients' goals are met by implementing a customized HR framework that includes team engagement and risk management." - per website	"So our primary focus is on small businesses or organizations that do not have internal HR."	B2B - Commercial Organization
13	5 yrs	2013	1	--	NA	"My primary areas of focus had been, you know, I've helped several small companies on the business to business, business development side of the house with everything from process, BD process and actually growing their pipeline based on the extensive relationships that I bring." "I also have some consulting engagements of through a very unique and innovative marketing design firm, working with Cisco, helping them craft their next generation marine core strategy and to go into the future."	B2B - Commercial Organization
14	20 yrs	1998	215	\$75M per year	"an engineering and information technology solutions company with a focus on range operations, integrated logistics support and engineering services for space and combat weapon systems." - per website	"which is my federal services division, which does a bunch of DOD support. Anything from range operations and maintenance, test range operations and maintenance, information technology support, engineering and logistics support and data analytics support."	Federal Government Contractor

Research Methodology Applied to the Data Analysis

The data was collected and analyzed manually as well as using NVivo 12 Plus. Nvivo is a software application that qualitative researchers use to manage, explore, and find patterns in the data collected. A multiple case study research design was applied, which is appropriate for investigating phenomenon where the researcher has no control (Ferreira & Neves Guimarães, 2014). The phenomena investigated in this instance are the specific qualities that characterize and the factors advancing service innovativeness in small and medium-sized KIBS firms. Case studies are used to close the gap between theory and practice, ensuring research is useful for both scholars and practitioners (Choudhari, Adil, & Ananthakumar, 2012; Ferreira & Neves Guimarães, 2014). Agarwal et al. (2014) highlighted the value of case studies in their ability to gather consequential idiosyncrasies of events, while remaining authentic to the environment where the event occurs. A qualitative research methodology aligns with the purpose of this study due to it being the methodology that can fully explore service innovativeness in the real world and to deepen the understanding of the phenomena by attempting to explain it.

Data Collection and Analysis

Data was collected and in-depth analysis of innovativeness was conducted with 14 small and medium-sized KIBS firms through semi-structured interviews of leaders of strategically selected innovative small and medium-sized KIBS firms in their context (Iivari, 2015). The data was collected via recorded semi-structured interviews with business leaders of the participant KIBS firms. The recorded semi-structured interviews were transcribed using a transcription service freelancer. This service provided a convenient and accurate way to maintain the schedule of analytic tasks in conducting this case study. Firms were selected based on service innovativeness, or the inclination to introduce service innovations to satiate the needs of customers and increase firm value (Dotzel, Shankar, & Berry, 2013). The innovativeness of a firm was assessed by the number of innovations the firm implemented (Subramanian & Nilakanta, 1996; Dotzel, Shankar, & Berry, 2013; Joshi, Das, & Mouri, 2015; Gagic, 2016). In addition, the type of innovations implemented was considered in the evaluation of innovativeness, in addition to the industry, firm size, and number of employees. This approach reflected the application replicative logic in case selection, which produces a cross-sectional

view of the phenomenon that suggest cases should predict similar or contradictory results (Stake, 1995; Voss, Tsiriktsis, & Frohlich, 2002; Yin, 2003)

The collection and analysis processes in this qualitative multiple case study research data happened concurrently, essentially reiterating back and forth between analytical steps (Eisenhardt, 1989; Baxter & Jack, 2008). The analytical steps applied in this qualitative exploratory multiple case study were data reduction, data display, and conclusion development. Mayer (2015) described these processes as the three major components of qualitative data analysis, which interact with each other throughout the analysis process. The content of the semi-structured interviews was analyzed from an interpretivist perspective, which best fits the existential orientation approach used in this multiple case study research (Steenhuis & Bruijn, 2006). Inductive content analysis was applied to the interview data to reduce the text to key categories, then testing the coding scheme, evaluation of the consistency of the coding approach, and finally drawing conclusions regarding the interrelations between thematic interactions and frameworks (Mayer, 2015).

Content analysis allowed the researcher the ability to formulate minor categories during the interpretation process as new frameworks and interactions surface (Bathe, Diepgen, & Mattered, 2012). Consequently, upon receipt of transcribed interviews, the researcher would read them for accuracy and compare them to notes taken during the interview as well as capture any ideas that arose while reviewing the transcripts. The next section will discuss in detail the analytic procedures applied to the collected data.

Analytic Procedures

The transcriptions of the interviews were imported into Nvivo 12 Plus software, which served as the master database for all the interview transcription files. Once imported into Nvivo 12, the interview transcriptions were renamed according to the naming convention formulated to preserve the anonymity and confidentiality of participants. The files were then organized as cases within the application in preparation for coding. Manual analysis begun with a re-reading of the text and underlining or highlighting topics and items that have relevance to the research questions or may seem meaningful. Upon importing the transcripts, the auto-code function in the Nvivo 12 Plus software was initiated to quickly assess any broad or readily apparent themes within an individual transcript. The auto-code function searched the transcripts for common

words and references to gather them into thematic nodes. These nodes or categories are automatically generated and provided volume counts and percentages for common words and references, which is designed to make data analysis more efficient.

In addition, this initial analysis and coding exercise included written notes taken during the interviews and after the initial reading of transcripts, the researcher manually entered them into the application and appended them to the relative case (Cassell, 2018). In the second phase, the researcher again read the transcripts, however this time, considering the codes that emerged in the first phase, crafted and named general categorical themes based on the existing coding. In the third phase of analysis, the general categorical themes were further examined, and the text was read again to formulate larger categorical themes and identify patterns relative to the research questions. During the last phase of the data analysis, the researcher tested the codes for alignment, consistency and full coverage relative to the research question and sub-questions. The next section will discuss more of the code testing procedures applied and describe the relevant functionality of Nvivo 12 Plus application.

Codes Testing and Nvivo Functionality

In addition to testing the codes for coverage, the final phase of the analysis involved reviewing the thematic coding for relationships and interconnections. Nvivo 12 Plus was integral during this phase of the analysis due to its many visualization tools and diagramming functions. After the completion of the manual coding but before performing exploratory visualization exercises, a manual test of the coding scheme was conducted to examine the consistency of results and findings for coverage of the research question and sub-questions. Testing the coding scheme was accomplished by condensing the initial coding scheme, which is based on the direct responses to the interview questions, into answers to the research questions. During the testing of the coding scheme process, as new themes emerged, they were added to the coding scheme. Finally, the data is reviewed for relationships and interconnections between themes and relation to the research question and sub-questions.

After the cases are thoroughly analyzed manually, the researcher leverages the application, Nvivo 12 Plus to perform additional auto-coding based on the interviewee responses as well as the themes that the application was able to derive across the transcripts. While this approach was interesting, the auto-code approach is very generic and focused on word

frequency, which in most instances are fillers that the participants use in their normal speech. Words such as: like, customer, side, and business are all at the top of the list of themes auto-coded by the application. The researcher used the application to create nodes or thematic categories for the manually coded transcripts based on the interview themes (Tajeddini & Trueman, 2008; Venckuviene, 2014).

The research question influenced thematic coding during the initial deductive coding process, while also allowing for emergent themes to arise from interactions with participants through an inductive coding process (Bashouri & William Duncan, 2014). The major themes are the types of innovations and factors advancing innovations in small and medium-sized KIBS firms. The minor themes are contextual parameters of innovations and the innovative capability of small and medium-sized KIBS firms. After the creation of the initial set of thematic nodes, influenced by the research question's minor and major themes, additional nodes were established based on the coding of more specific themes that emerged in the subsequent review of the initial general nodes and coding. While this section described elements of the thematic coding process manually performed as well as within Nvivo 12 Plus software, the next section will present additional analytic techniques undertaken.

Additional Analytic Techniques

The qualitative research process is iterative and Nvivo 12 Plus software was used to assist with the organization of the iterations by allowing the researcher to create nodes or categories in an outline form that has the capability to be collapsed and expanded as necessary but also allowing for memos to be integrated at the appropriate node level. Consequently, as the nodes and codes became more specific, the reflexive journaling became more important in expressing and formulating ideas. After exploring the interview transcripts thoroughly and performing iterations of coding and reflective note taking, the Nvivo 12 Plus application was used to perform word search and text queries to analyze the counts and coverage of words or phrases in the transcripts as well as within the nodes. Word search queries differ from text queries in that they are automatically generated queries of common words or concepts, whereas text queries are words, phrases or sentences selected by the researcher and are more applicable to nodes.

The use of word search and text queries were used to assist in conducting data analysis that extrapolate from specific themes the general themes that advance the research themes

toward theoretical saturation. Mayer (2015) described theoretical saturation as the goal and not necessarily the reality when attempting to extinguish variations of existing thematic categories, for generating theory is a “never-ending process” (p. 60). Further, in addition to word search and text queries, a Word Tree view within the application was used to better understand the contexts of words used by participants as well as performing cluster analysis to visualize the data for patterns of similarity or differences in the codes. The following will describe the issue encountered during the data collection analysis.

Issue Encountered

The researcher encountered one issue that occurred during the data collection and analysis phases of the research study. The issue was not discovered until after the interview was conducted with a participant KIBS firm leader. The participant was a senior leader of a full-service regional accounting firm. To conduct and record the interview, the participant preferred and initiated a Zoom session. Although, the Zoom session’s recording capability was engaged, the researcher initiated a Skype session to record the interview as a back-up as well as recording the interview on a mobile device. Upon attempting to reduce the recording to text, it was determined that none of the recordings were coherent enough to be transcribed completely. The loss of this data didn’t impact the rest of the study nor did the exclusion of the researcher’s notes from the data analysis. The researcher’s notes were taken in a method that would supplement the transcripts but were determined to be less than useful as a solitary data element (Cassell, 2018). This section offered insight into the activities undertaken to analyze the data collected as well as how the activities performed compared to the planned data analysis activities. The following section will present the data and results of the analysis and provide details on the data collected and findings that answered the research question and sub-questions.

Presentation of Data and Results of the Analysis

Summary of Data Collected

During the initial phase of the data collection strategy, primary data was gathered through recorded semi-structured individual interviews and secondary data assembled through media outlets; journals, books, and the Internet (Prakash Pillai & Abraham, 2016). Alam (2014) highlighted the importance of multiple data collection methods in conducting case studies. Purposeful sampling was applied to qualified firms to select the managers and business leaders

that represent information-rich cases for the in-depth analysis (Coyne, 1997; Guetterman, 2015; Prakash Pillai & Abraham, 2016, Humphreys & Jen-Hui Wang, 2018). To lessen logistical impact on study participants, the interviews were conducted using teleconference communications software applications, including Gotomeeting, Skype, and Zoom. The preferred application was Gotomeeting, but other applications were utilized based on convenience and the preference of participants. This is a deviation from the planned approach of conducting in-person interviews at a location near the participant's place of business or other location convenient to the participant. The most convenient approach and path of least logistical resistance was to conduct the interviews using telephonic and video tools enabled by technology. The interviews lasted no longer than sixty (60) minutes to ensure participation did not impose on the schedules of the KIBS firm's leaders. Conducting interviews in an accommodating manner and the promise not to exceed the duration was in many instances the reason why the KIBS firm's leaders agreed to be interviewed.

The second phase of the data collection strategy focused on collecting and analyzing secondary data. Although secondary data was planned to be gathered from the participant's internal records, none of the participant's allowed the researcher access to their financial records neither did any of the participants have a financial category that measured the impact of implemented innovations. Consequently, secondary data was collected from media outlets to obtain an understanding of the impact of the firm's innovative efforts (Agarwal & Selen, 2011; Same, 2014). Many of the participants had videos published and articles written describing implemented innovations. In addition, some of the KIBS firms had blogs that outlined their philosophies and cultural orientation which influenced the data compiled toward responding to the research questions. Secondary data was used to triangulate the concepts and enhance the robustness of the study to counteract the lack of generalizability associated with qualitative research (Iivari, 2015).

The tertiary phase of the data collection strategy required re-engaging KIBS participant business leaders to confirm preliminary results of initial data collection and to gain clarification on initial responses. This effort produced additional information rich data for analysis than what was generated during initial interviews (Rabiee, 2004; Randle et al., 2014). This phase was conducted as planned and no areas of confusion or topics needed additional clarification

remained after the completion of this phase. This section described in detail the steps taken in collecting data. The following section will provide the results of the data analysis.

Results of Analysis

This section will present an overview of the results of the data analysis performed both within each individual participant case and across all participant cases. The data analysis and results were organized to respond to the research question and sub-questions. Consequently, this qualitative exploratory multiple case study was designed to answer the following primary question:

How is innovativeness developed, sustained, and deployed in small knowledge-intensive business service (KIBS) firms?

Innovativeness Developed, Sustained, and Deployed

In answering the research question regarding how innovativeness is developed, sustained and deployed in small and medium-sized KIBS, the data revealed that leaders of KIBS firms must have an organizationally altruistic viewpoint. This approach is not to say the leaders shouldn't be concerned with firm development and growth. On the contrary, they would identify paths of development and growth outside of themselves and their experiences. The data revealed that small and medium-sized KIBS firms must be overtly customer centric as well as actively embrace employee engagement for innovativeness to be developed, sustained and deployed. Underlying the concept of a customer centric focus, the data reflected relationships, trust, customer experience, and managing competition as integral to innovativeness in KIBS. Similarly, key concepts essential to the notion of embracing employee engagement identified in the data were; communication, perception beyond the job description, and giving authority along with responsibility. The following sections present responses to the primary research question and set the stage for the exploration through the responses to the research sub-questions.

Emergent Theme #1; Overtly Customer-centric

Sub-theme #1a: relationships are fundamental. Underlying the concept of a customer centricity, the data reflected relationships, trust, customer experience, and managing competition as integral to service innovativeness in small and medium-sized KIBS firms. The knowledge-intensive essence of the participant firms requires a deeper connection and degree of interaction

than that would be necessary in the consumption of commoditized products. Participant #2 described the degree of interaction as being “an ongoing interaction with the customer” throughout the customer’s purchase journey and further highlighting the importance of the relationship between the firm and its current as well as prospective customers. Participants repeatedly stressed the importance of the relationship with the customer, Participant #10 stated,

“its about the relationship...so as a small business, it’s all about, one, the relationship and two, it’s about the delivery.”

Considering the importance of the relationship, while being proximate to customers allow access to them, relationships aren’t developed just by being in the same environment, they are developed by intentional behavior and the identification of mutual interests. Participant #3, discussed,

“finding a champion or somebody that would be great to work with” to extend the services provided “by gauging their involvement and participation in meetings”.

Through this intentional behavior, the participant firm can position itself to co-create services that meet the exact needs of the individual customer and the overall market, while also developing relationships that encourage advocacy and loyalty that go beyond current needs.

Further, Participant #5, valued reciprocity in commitment and candor as a characteristic to look for in developing relationships with customers. The participant believed these to be prerequisite to fruitful relationships that transcended superficial acquaintances and allowed the participant as a service provider to introduce higher levels of value added services.

Intentional behavior relative to relationships include regularly evaluating the status of relationships against the firm’s core values. Participant #2 elucidated a scenario where because the relationship was no longer mutually beneficial to both parties, the participant had to make the decision to walk away from a opportunity that had the potential of generating between \$2 million and \$4 million in recurring revenue. The long term implications of staying in the relationship described as “strained” was not worth the financial benefits. By exploring relational nature of the participant KIBS firms interaction with customers a greater understanding was obtained on how relationships influence customer centricity, which underlies innovativeness in small and medium-sized KIBS firms.

Sub-theme #1b: trust is the adhesive. The data revealed that there was an intangible factor that created the adhesiveness in the relationships that KIBS firms forge with their customers. There is a reason why customers would listen to these KIBS firm leaders, consider their ideas, and be involved in co-creation activities. Participant's discussed the value of having technical competency, and ensuring they hold stakeholder's interest above their own and protect the stakeholder's interests from adverse impacts with the business ecosystem. These attributes assist in developing trust between the participants and their customers. Trust is what allows clients to open aspects of their businesses to KIBS firms. Participant #2 exhorted, "you just earn the trust of the individual." It creates the flexibility for the advancement of mutual interests that KIBS firm leaders need to introduce innovations. Without trust, KIBS firms are disparate entities that have neither the understanding of the interrelation between the client's and their own capabilities and interests nor any shared experiences that have put either party in a position to reflect what is not shown in their capability statements or other public records. Participants discussed the need to develop trust as well as continue to earn the trust of their clients. Participant # 5 insisted, "it allowed us to go deeper... so you only get their trust and you only get there through curiosity." This statement was interpreted as trust is generated through an inquisitive inclination and vulnerability executed by KIBS firm leaders.

Participant #13 offered a statement made popular by Stephen Covey, "first seek understanding then seek to be understood", which is indicative of the inquisitive slant toward customers that is necessary to build trust as well as a path toward understanding customer needs which influences customer experience. The relationship nature by which KIBS interact with their clients in most instances is directed toward understanding and meeting client's needs. The development of trust is initiated with KIBS as the exhibit a level of vulnerability, which is also expected from the client. This was exemplified in an instance described by participant #9 where feedback was provided to the KIBS firm by a customer regarding a service and instead of becoming defensive, the KIBS leader begun to ask questions in response to the feedback. Further, participant #9 offered a single driving question that shaped their pursuit of meeting customer needs and influencing customer experience, "how easy is our service to consume by the customer?" This question is further viewed through a subjective lens of whether the service fits the customer's culture, their systems and decision-making processes. Participant #9

emphasized this point with the statement, “The customer is the only one that dictates whether they are satisfied.” As KIBS firm leaders ideate on how to better meet customer needs, they assess the market for opportunities and for answers to the questions that customers are asking but the market has yet to answer. Participant #3 highlighted how they made the business decision to include customer input in their service designs because it minimized the costs associated with guessing what customers want.

Sub-theme #1c: Crafting the customer experience. In addition, KIBS firm leaders must exhibit the ability to adjust the customer experience to changes in customer needs. Participant #10 offered insight on this issue by stating, “the needs are the same... they're just going about it in a different way”. This statement was interpreted as managing the customer’s experience according to changing customer’s needs is a matter of perspective which can be viewed from a macro or micro level. Participant #12 described taking a “collaborative approach” to understanding the root cause of the change and whether its triggered by change within the customer’s organization or something derived from the industry overall. Ultimately, KIBS firms are able to manage the changing needs of customers comprehensively due to the relational nature of knowledge-intensive services. This disposition is buttressed by the trust developed and the deployment of an inquisitive approach to interactions with customers. Participant #12 confirmed this point by stating, “And we truly try to understand what our clients really need. So, we can set up a customized solution for them.”

Sub-theme #1d: Managing the competition. Managing competition as the final element underlying the concept of a customer centricity. The challenge for KIBS firm leaders is to understand the competitive landscape, while positioning themselves in the best possible manner to meet customer’s needs. Participant #3 discussed having a clear understanding of the differentiators between themselves and other actors in the market as the starting point for managing competition. Beyond the awareness of differentiators, there were two strategic classifications that were derived from the data underlying managing competition; doing things different from competition and doing what competition does, but better.

Participant #8, after identifying its differentiators, elected to use what is typically a problem for most actors in their industry, into a competitive advantage. By doing things differently than their competition, the KIBS firm was able to “be more nuanced”, to

accommodate customers particular needs “versus the argument of being cheaper”. Participant #8 further confirmed, “it’s much harder to compete” [on cost than quality of service]. Participant #14 also petitioned that doing things differently was the most appropriate way to deliver knowledge-intensive services in the manner that customers wanted. Conversely, Participant #6 discussed while leveraging the efforts of their competition, not abandoning sight of who they are and the fundamental qualities upon which the KIBS firms was grounded. “We get bits and pieces that are already out there and then we make them better and then we make them our own. I think that's probably one of the key things. We learn from them, but yet we know where our value is based”, remarked Participant #6. The next section discusses the role that actively embracing employee engagement plays in the innovativeness of small and medium-sized KIBS.

Emergent Theme #2: Embracing Employee Engagement

Communication, perception beyond the job description, and giving authority along with responsibility, are what the data reflected as the key tenets underlying the concept of embracing employee engagement. In KIBS firms, employees are not only the face of the organization but also reflect the culture of the organization. There are two perspectives embedded in the concept of employee engagement; the leader’s and the employees. The concept of employee engagement is analyzed from the leader’s perspective and how employee engagement is generated and maintained within KIBS firms. In addition, participants that had a leadership employee dynamic represented the focus of the analysis. Considering three of the fourteen participant KIBS firms had three or less employees including the owner, the data compiled is more relevant to KIBS firms with more than three employees.

Sub-theme #2a: Communication as a tool for engagement. Communication stood out throughout the data analysis phase as the leading tool exercised by leaders to engage their employees in small and medium-sized KIBS firms. In particular, Participant # 14 indicated that as being the CEO, the responsibility for setting the tone and mindset of the organization is upon their shoulders and is carried out through communication. As leaders attempt to keep their employees engaged through the effects of innovations undertaken within the organization, communication plays a key role in alleviating fears and concerns. In another instance, Participant # 9 described how the effects of an internal digital transformation initiative heightened employee’s concerns about their role in day-to-day operations. The KIBS firm leader

further explained how communication was vital in redirecting employees' uncertainties toward the value they would be providing their customers as a result of the initiative. In addition, the data revealed that KIBS firm leader's communication was used to inform, clarify, explain, as well as inspire and motivate their employees. KIBS firm leader's purpose for the use of communication in the aforementioned methods was to manage the emotions and expectations within the firm as well influence desired results within employees.

Sub-theme #2b: Perception beyond the job description. In understanding how KIBS firm leaders motivate their employees toward the execution of innovativeness, the concept of perception beyond the job description emerged as central to embracing employing engagement. KIBS leaders recognized their employee's potential outside of their employee's job descriptions for two explicit reasons; to ensure productivity is optimized and ensure employees are developing professionally as well as personally within the firm. The data confirmed that in small and medium-sized KIBS firms, there is normally more activities that need to be done than there are people to do them, and consequently managing productivity underlies employee engagement. Participant # 10 corroborated as much by stating, "I'm going to push until you [the employee] push back" describing the growth progress of a long-time employee that provided coverage for what would be several roles and responsibilities in a larger organization. The employee's growth progression from data entry, to research, to recruiting would have continued but the employee declined to get involved in business development activities although the KIBS firm leader recommended it and would have gladly allowed the employee to fully explore the role.

Furthermore, participant KIBS firm leaders attributed their willingness to perceive beyond their employee's job description, to their own experiences as employees and the leaders that have shaped their professional and personal development. Participant # 11 substantiated this assertion by stating, "Where I spent a lot of my career was in an organization that really pushed all of its staff to do more and do better and do things outside their comfort zone." To solidify this point, Participant #11 described a scenario within their firm where the leader didn't know for certain if an employee could complete an activity that was outside of the employee's job description and critical to a new innovative initiative to be implemented. However, as a result of the KIBS firm leaders past experiences and comfortability with working outside of their own comfort zone, there was a sense of openness to and understanding concerning the benefits of

allowing employees to function outside of their comfort zone and consequently their job description.

Sub-theme #2c: Responsibility along with authority. While the data reflected giving KIBS firm employees' responsibilities outside of their job description influenced how innovativeness is developed, sustained and deployed, the notion of giving authority along with responsibility emerged as being just as influential in embracing employee engagement. In essence, this concept involves allowing employees to function within a new role with new responsibilities while also giving them the authority to fully explore and carry out the role and resolve challenges that may arise. Participant #4 remarked, "torture is to give an employee responsibility without authority". As previously discussed, some KIBS firm's leaders had past experiences that encouraged working outside of their comfort zone. Conversely, others that were less comfortable with that approach and managed their skepticism by incorporating check-points or milestones within the new role and thus not relinquishing full and appropriate authority to the employee to go along with new responsibilities. This limits the effectiveness of the employee in the role and subsequently hinders the innovativeness of the firm. "And so, you can imagine how creative then you have to be, or you can't be creative if you don't have the authority to make it happen.", retorted Participant #4 in response to this limiting approach.

The data revealed that KIBS firm's leaders must find the mix of responsibility and authority that reflects their level of comfort without shackling the effectiveness and innovativeness of the employee and accordingly, the firm. This was obviously dependent on the responsibility however; incremental allowance of authority was one method used by a KIBS firm's leader that understood the value of growing their employees yet recognized their own discomfort with the notion giving authority along with responsibility. Participant #1 described a process of continual evaluation to ensure employees as well as contractors have the appropriate authority to make decisions in response to customer needs. Being small and medium-sized business has resource implications and higher exposure to risk that prompted this KIBS firm leader to be wary not to give so much authority to bind the firm to tasks or services that were undeliverable or unscrupulous. However, with continuous evaluations of situations and conditions as well as open lines of communications the KIBS firm leader found an intersection point where the level of responsibility and authority given matched their level of comfort. While

the previous sections answered the primary research question by elaborating on the primary findings that small and medium-sized KIBS firms must be overtly customer centric as well as actively embrace employee engagement for innovativeness to be developed, sustained and deployed, the following sections will present the research sub-questions and discuss their answers. The research sub-questions present an opportunity to enhance the breadth and specificity of the results of an analysis of service innovativeness in small and medium-sized KIBS firms.

The following sub-questions influence the research question and guide the results of the study:

1. *What are the specific qualities that characterize innovativeness in small and medium-sized knowledge-intensive business service firms?*
2. *What are the drivers that influence service innovativeness in small and medium-sized knowledge-intensive business service firms?*
3. *How are these characteristics and factors advancing innovativeness deployed into the market to enhance firm value?*

The next section presents the results that support the answers to the research sub-questions.

Results Related to Sub-questions

The research sub-questions were developed to influence and provide deeper understanding into the research question and guide the direction of the research study. The sub-questions explored the qualities that characterized innovativeness, the factors advancing service innovativeness, and the types of innovations in small and medium-sized KIBS. The following section presents the findings that the data revealed as the qualities characterizing innovativeness in support of how its developed, sustained and deployed in small and medium-sized KIBS firms.

Qualities Characterizing Innovativeness

The key themes underlying the qualities characterizing innovativeness were curiosity, self-awareness, accountability, customer centricity, and a growth perspective. The sub-questions explored the qualities that characterized innovativeness, the factors advancing service innovativeness, and the types of innovations in small and medium-sized KIBS firms. The subsequent sections will explain in detail the significant themes supporting the qualities characterizing innovativeness.

Concept of enhanced curiosity. The concept of curiosity was evident in the analysis of participant responses, as many of the KIBS firm's leaders discussed the need to strategically create environments for employees as well as customers to ask questions. KIBS firm employees need to be curious about customers and customers need to be curious about the service they are receiving. In addition, Participant # 8 encouraged employees and customers to be curious by defusing any anxiety preventing them from asking questions by emphatically communicating "there's no bad questions".

The KIBS firm leader embedded this notion into the culture of the firm by positioning the notion of curiosity positively on the employee's performance evaluation forms. The annual performance reports reflect whether they asked questions or asked for help in a positive light by listing it as an objective and where employees fell short of planned goals provided opportunities for managers to coach employees on being professionally inquisitive .

Heightened levels of self-awareness. An interesting source of organizational learning was identified in the data where KIBS leaders exhibited a high level of self awareness was reflected. This concept was derived from the data along three sub-topics; understanding who and what the firm is, understanding who and what the firm is not, and understanding market timing relative to the firm.

Consequently, KIBS firm leaders understanding of the values that comprise the firm, promote the execution of the firm's innovativeness. Participant # 6 exemplified viewing opportunities and threats through the lens of the foundational components of the business. "So I think that's the biggest thing that kills businesses; it's lack of focus. I know I've talked about some other things that we're looking at, but we always make sure that everything is driven on driving value", commented Participant # 6 with regard to the level of self awareness necessary to exercise innovativeness. Further, as the data revealed, KIBS leaders leverage their understanding of firm values, into innovative actions. Participant #6 supported this approach by mentioning there relentless effort to "keep focused on the mandate set for this business" while also doggedly pursuing value creation opportunities. However, innovative behavior at the wrong time can potentially have a deleterious impact on a small and medium-sized KIBS firm. Not being aware of the possible disconnection between a customer experience target and innovative behavior is not uncommon (Kwong & Thompson, 2016). This concept is the integral thread

upon which disruption theory is constructed. However, in small and medium-sized businesses, a miscalculation of this type can be significantly difficult to overcome. Further, Participant #6 referred to their understanding of marketing timing by launching an innovative initiative within weeks of the success of a previous launch. This KIBS firm leader suggested the best time to be creative is during times of victory, which is not to say that this is the best timing for all KIBS firm leaders. Consequently, as the data exposed, KIBS leaders must apply a high level of self-awareness to understand the best timing to launch innovative initiatives to maximize value creation.

Omnidirectional flow of accountability. KIBS leaders project the tone and set the value system of the firms, while also stimulating innovativeness through strategic manners via collaborative frameworks that involve leadership endorsement. The leaders of innovative KIBS firms must create an environment of accountability that supports innovation implementation while not impeding the development of its employees. Participant #7 implored, “leaders must first create an accountability structure for innovation, and by leaders, again it's all definitional, because leaders aren't always the CEOs”, when describing how accountability of and among employees is necessary for innovativeness to be executed in KIBS firms.

Further, the accountability to each employee as a collective and thus the firm, is based on, in addition to societal requirements of decency and humanity, the tenets of curiosity and self-awareness as previously discussed. The data exposed that small and medium-sized KIBS firm leaders and employees that hold each other accountable to the qualities that characterized innovativeness were able to consistently execute innovative initiatives. Participant #8 positioned curiosity as a value that supports the KIBS firm’s activities and consequently, in instances where customer facing employees need assistance beyond their capacity, it is expected that they reach out to co-workers to ask for help. Further, senior employees are encouraged to ask less tenured but capable employees for their thoughts and vice versa. This approach of omnidirectional accountability supports the tangible activities of innovativeness but also the intangible mentality necessary to be innovative.

Customer-centered solutions development. Fundamental to the qualities characterizing innovativeness in small and medium-sized KIBS firms is the concentration placed on customer needs as the center of all firm activities. Participants emphasized the importance of knowing

their customers on multiple planes of awareness. Participant # 8 described their firm's approach to ensuring customers are at the center of technical, operational, and relational solutions by devising a customer-centric strategy. Participant # 4 stated, "I know my customer" and commenced to elaborate on the different levels of customer knowledge and how that knowledge play into firm activities. This KIBS firm leader discussed what motivates their customers to make purchases, how the firm's activities are designed to assist the customer in making purchase decisions simple and convenient, how input is derived from customer interactions, as well as understanding how to anticipate customer's needs after they make initial purchases. Such a multiplanar strategy would include anticipating the future needs of customers and crafting proposals to which customers are encouraged to provide feedback.

Growth perspective to combat risk. For KIBS firm leaders to consider the future needs of customers and contemplate a customer centric approach, there must be a growth perspective prevalent within the firm's activities. Participant #6 described the "need to operate at a level that is higher than their bank account" as critical to what the growth perspective means in their firm. The growth perspective is defined by the participant KIBS firm leaders as an attitude representative of a growing firm, that must prioritize upward operational trajectory while managing the risk and uncertainty that accompany operating beyond core competencies and acceptable levels of comfort.

Despite only two KIBS firms having multinational operations, the data identified a growth perspective as an integral element of innovativeness, take into account the globalization of services. Underlying the ability to scale operations, the data distinguished the KIBS firm leader's attitude toward and capacity to manage failure. This attitude is in comparison to that of a risk adverse leader which seeks to avoid risk and likely is less innovative. Developing and implementing innovations involves managing the risk and high rate of failure that KIBS leaders must become accustom and devise strategies to mitigate. In previous sections, the attributes supporting the qualities characterizing innovativeness were explained in detail to offer scholars and practitioners insight into the elements that comprise innovativeness in small and medium-sized KIBS firms. The subsequent section will address the two research sub-questions in detail and provide an elaboration into what the data revealed as factors advancing service innovativeness.

Factors Advancing Service Innovativeness

In addition to firm growth, the data exposed the satisfaction of customer needs as the leading factor advancing service innovativeness. Service innovativeness covers the breadth and depth of innovation; which extends between explorative and exploitative and involves both external and internal applications. The data in the following sections is organized in an internal and external to firm fashion to capture the richness of the data in a comprehensive manner. Both the factors advancing service innovativeness and the types of innovations in the participant KIBS sub-questions are reflected in the following sections as service innovations serving as an external viewpoint and innovation in service firms as an internal viewpoint. In the next sections, the factors advancing service innovativeness will be detailed from external and internal perspectives.

Satisfying customer needs. The satisfaction of customer needs represents the leading driver of innovativeness in small and medium-sized KIBS firms. While this seems to be a commonly understood concept in small business operations, two categories arose in the data of how this is accomplished in the participant KIBS firms. The customers external category aggregates from the general concepts; working with customers, understanding customers, and exploring ways to create value. In addition, the cultural internal category aggregates from the specific attributes related to the leadership and management of small and medium-sized KIBS firms. This aligns with the two predominant schools of thought for analyzing innovativeness; customers, implying an external perspective and firm, indicating an internal perspective (Subramanian & Nilakanta, 1996; Dotzel et al., 2013), presents the figurative trunk of the innovation tree.

External perspective: working with customers. As professional distributors of knowledge, it's important that KIBS firm leaders connect with customers to explicitly meet their needs. The data showed that working with customers involved active listening which was pivotal in prospects dropping their "guard" according to Participant #1 and understanding what the true basis of current customer's needs are. Being relatable and earning customer's trust was also found to be an important aspect of meeting their needs. Participant #5 explained that in addition to earning their customer's trust, the KIBS leader must be vulnerable and exhibit emotional intelligence to reciprocate trust with customers. Further, participants emphasized the application of soft skills as prerequisite in working with customers toward satisfaction of their

needs. Considering KIBS firms sell intangible assets, leverage methodical competences, and provide knowledge-based services to transcend customer's needs, KIBS leaders must cultivate relationships based on non-technical matters with their customers.

External perspective: understanding customers. While working with customers involves mostly soft skills and attributes, understanding customers derived from a competency-based perspective. Participants described the ability to assess the market as essential to meeting the needs of customers. The innovativeness in small and medium-sized KIBS firms is exercised through identifying a need in the market and capitalizing on the need in a new unique way before the competition. Participant #2 summarized this by stating, "We look around and say there is a better, cheaper way to do it." Confirming a competency-based approach, KIBS firm leaders must be technically proficient to identify gaps in the market. KIBS firm leaders must also have an intimate understanding of their customers to ensure gaps in the market can translate into viable innovations. Participant #12 described a disconnect between an identified need in the market and what was believed to be a customer's needs. Clarifying customer's current and future needs is developed through intentional relationships with them as well as gaining insights about them that only can be acquired by being proximate to them over a period of time to discern a relatively unknown customer.

External perspective: exploring ways to create value. Although, knowing customers beyond the superficial doesn't guarantee technical approaches are feasible, it does place KIBS firms in a position to co-create services and create value for themselves and their customers. The data emphasized bringing something new to the market as a path toward creating value for their customers and integral to exceeding their needs. This a common consideration in the innovation management literature (Moreira, Gherman, & Sousa, 2017) yet for practitioners within small and medium-sized KIBS firms, how to create value in a systematic, efficient manner maybe elusive. Four ways to create value emerged from the data that may assist practitioners with creating value in innovative ways; 1) low cost high value services, 2) services with multiple value adds, 3) reducing services to its most relevant aspects, and 4) services that resolve issues at the intersection of technical and human needs. Table 2 illustrates the value creation channels and the associated sources or facilitators of these channels.

Low cost high value services. Participants described how the competitive analysis assisted in determining their positioning and decision making relative to pricing. With that understanding, KIBS firm leaders can assess whether to lower prices or enhance service offerings or conduct some combination of both. Participant # 5 described the how initiated the inclusion of customers in their decision-making process with the question, “well is that valuable to you?” Creating services that are low cost high value relative to competition, leads one to assume that competing on price is the only alternative that this strategy produces. However, participants described their approach to creating low cost high value services as robust because it’s being driven by market analysis and a comparative internal gap analysis.

Table 2 –

Small and medium-sized KIBS value creation channels that leverage the players within an innovative culture as well as the innovative culture itself.

Value Source	Value Creation Channels
KIBS Leaders	Low Cost High Value
KIBS Employees	Multiple Value Adds
Customers	Reduction to highest relevancy
Innovative Culture	Intersection of technical offerings & customer personas

Services with multiple value adds. Building upon this approach, participants spoke of developing services that generated multiple value adds for customers. Being so intensively connected to customers and responsible for the ongoing relationship provides KIBS firm employees with the chance to understand exactly what is valuable to customers, instead of guessing. While purposeful inquiry and testing are still necessary, KIBS firm employees are empowered to develop solutions that create value on multiple levels not just meet customer’s needs. Participant #3 highlighted engaging in a partnership with a larger service provider that not only enhanced their credibility in the market but also exponentially increased the services they could offer without having to substantially increase prices to customers.

Reducing services to its most relevant aspects. For KIBS firm leaders, it was determined that focusing on the firm’s core competencies can be a challenge, when considering and

attempting to exercise innovative capacity. Participants in innovative KIBS firms, exhibited an innate ability to maintain focus on what innovative ideas or approaches will be most beneficial to their customers and the growth of the firm. However, it is with the assistance of the customer that these ideas and approaches progress towards being commercially viable. Participant #13 explained how “you can get overwhelmed if you're trying to eat the elephant with a fork and a knife without breaking it up first” regarding the pursuit of new ideas and approaches by KIBS firm leaders. In addition, participants discussed the innovation by reduction approach that seeks to reduce customer needs down to the most relevant elements and therefore only addressing the aspects that add the most value for their customers.

Services at the intersection of technical and human needs. Finally, like the concept of developing services that generated multiple value adds, a common concept that surfaced in the data was the development of services that are at the intersection of technical capabilities underlying offerings and human personality types underlying customer needs. This concept speaks to the innovative culture that KIBS firms must maintain in their interactions with prospects and current clients. Participant #9 described it as the Amazon effect, where an organization attempts to be as technically innovative and customer focused as Amazon. While many KIBS firms can't replicate the market capitalization, many can model their approach to customer focus after Amazon. Further, Participant #9 inquired, “we can't be an Amazon but how can we bring some of that to what we provide for our customers and what we do for ourselves internally?” The previous section discussed the factors advancing service innovativeness in small and medium KIBS firms from an external perspective that fosters deeper levels of interplay with customers and the innovative culture. The next section will be elaborate on the factors advancing service innovativeness from an internal perspective that highlights the cultural attributes and leadership qualities that the data identified as necessary to enable service innovativeness in small and medium-sized KIBS firms.

Internal perspective: innovative culture elements. The other element underlying the satisfaction of customer needs as the leading factor advancing innovativeness in small and medium-sized KIBS firms is the internal culture of the firm. The culture is developed by the KIBS firm leader(s) and enacted upon by the employees of the firm. Mitran & Mohan (2016) described an innovative culture as one that facilitates the management of innovation abilities in

the firm as defined and enabled by the leaders toward unrestricted interchange of ideas and compensating creativity. Further, an innovative culture is comprised of principles and attitudes upheld by the interaction among KIBS leaders and employees that influences and reinforces innovation. From the data analysis emerged five concepts that an innovative culture must include; 1) reflection, 2) systematic approach to innovation, 3) relinquish the need to be right, 4) passion to be better, 5) values that unite the firm. The following sections will elaborate on each of these concepts.

Internal perspective: reflection as a cultural practice. Reflection has been identified in innovation management literature as vital to innovative cultures and valuable resource for employee engagement. Participants discussed the ability to step away from operations to think about what “the next thing is that I need to be working on and that other people could be working on” as described by Participant # 6. Reflection on work habits prepares employees for taking innovative approaches to conditions, assignments, and results. Further, the practice of reflection indicates positive inner emotions which influence creation and delivery of service innovations.

Internal perspective: systematic approach to innovation. Service innovation is aligned with organizational dimensions that generate new concepts, new customer interactions, and new forms of service delivery. This characterization lends to the concept of what surfaced in the data; innovative cultures approach innovation in a systematic method. Participant # 6 offered a perspective that frames their approach to innovation, “Everything is going to be changing. So, everything's a test until it doesn't work and then it's time for more testing”. Participants acknowledged the importance of innovation and managing the associated risks of innovation to the viability of their firms. Consequently, KIBS leaders unequivocally agree that their approaches to innovation have to be strategic and grounded in the culture of the firm, rather than in an unstructured and undisciplined manner. While participants agreed that approaching innovation in small and medium-sized KIBS in a systematic is most beneficial, none of participants divulged their strategic approaches due to the proprietary nature of that commentary. This was further evidenced, when KIBS firms partnering with academic researchers endeavored on an innovative initiative, faced challenges that occurred as a result of the scholar’s leisurely pace and their inability to relinquish autonomy, and produce innovations within the KIBS firm structured, disciplined approach (Lazarotti, Manzini, Nosella, & Pellegrini, 2016).

Internal perspective: relinquishing being right. Throughout the interviews with KIBS firm leaders, it was evident that technical competency was not an issue when taking into account these firms develop, dissect, and distribute knowledge. However, a recurring challenge that surfaced was the KIBS firm attempting to close the gap between an innovative solution available and offered to customers and the customers belief that the solution marginally meets their needs or doesn't meet their needs at all. Participants conferred that there may be other impediments internally driving a customer not to move forward with an innovative solution, but this possibility wasn't conciliatory to the frustration that this issue produced in small and medium-sized KIBS firm leadership.

The KIBS firm leader's frustration stemmed from the disparity between the leader's need to be right and the customer's disinterest in the solution. However, innovative KIBS firms and leaders were those that relinquished the need to be right and accepted that customers may not take their expert recommendation(s). Participant #12 offered how this is communicated in their firm, "I sometimes share with staff and the consultants that it's okay if the client doesn't take the recommendation. But as long as you provided them with enough information for them to make an informed decision, then you've done your job."

Internal perspective: passion to be better. At the essence of exceeding customer's needs is the curiosity of the KIBS firm's leaders to understand what the root cause of the need is and a continuous improvement mentality. Participant # 8 offered thoughts on this concept, "I think it's my curiosity and wanting to always improve and be better. That forces us to innovate as a company". Participants described the force that is generated by this passion to be better, as sufficient to create the momentum needed to innovate, and fuel the perspective by which challenges and gaps in the market are identified and pursued. Participant #9 described what the passion to be better means in their KIBS firm as, "that's really what charges us up about the work that we do is to really help agencies recognize that you got to be different".

Internal perspective: values that unite. As the philosophical orientation of small and medium-sized KIBS firm leader impacts the culture of innovativeness of the firm, an important aspect of the beliefs, attitudes, and principles of the participant firms was uncovered in the data. Participants described the relational nature of interactions between customers and the KIBS firm, as being maintained by communicating the values that unite and inspire both customers and

employees. With KIBS firm employees holding such a central position in the interaction with customers, they are ideally situated to convey the beliefs, attitudes, and principles that are important to the KIBS leaders and share the firm's value proposition. Participant #5 offered, "So three words are, we, with our clients are fearless and we want them to be fearless. The second word is curious, that they're asking questions. And the last one, that is unattached" as their mantra and lens by which customer interactions are viewed and conducted. In addition, Participant # 8 presented, "quality over quantity" as their value proclamation. In the preceding sections, the factors advancing service innovativeness were detailed from external and internal perspectives while providing scholars and practitioners with the relevant details and interpretations that emerged from the research data. The following section will address the other research sub-question and provide an explanation of what the data reflected as types of innovations in small and medium KIBS firms.

Types of Innovations in KIBS Firms

Service innovations. Considering service innovations in this context, being mainly focused on customer facing activities, the types of service innovations that emerged from the data were those concerned with market positioning and customer experience. Market positioning examples of innovations indicate innovative offerings that situate participant KIBS firms in position to approach customer needs from alternative perspectives. These types of innovations consider and emphasize the curiosity attribute previously referenced as a quality characterizing service innovativeness. Moreover, curiosity enables innovativeness through the KIBS aim to be curious about activities customers undertake before and after interaction with a firm's service offering. Further, market positioning types of innovations seek to gain a competitive edge through introduction of radical or incremental innovation along the innovation continuum. In addition, a competitive strategy prompts the innovative behavior of firms which supports the development and implementation of innovations the impact the firm's position in the market.

Conversely, customer experience driven innovations are examples of innovative offerings that KIBS firm participants develop and implement to improve the way customers interact with their service offerings. Table 3 lists the types of service innovations identified by the KIBS firm participants and their related commentary that provide further insight into participants perspectives on their innovations. It should be noted that Participants #1 and #7 expressed

concern regarding discussion of innovations within their firm due to the proprietary nature of the innovations. Consequently, while they provided input on the other aspects of the interview questions, there was no input that could be used on the types of innovations they've implemented. The following section will provide details on the innovations within services firms that were derived from the data.

Table 3 –

Types of Service Innovations focus on external approaches that were driven by customer experience enhancement and market positioning which is concerned with responding to and anticipating competitive forces.

Participant Number	Customer Experience Driven	Market Positioning	Innovation Description - Participant Quote
1	--	--	NA
2	--	X	-Single-person spacecraft "We believe that this is a disruptive technology and it's going to be needed as commercialization of space, you know, gather momentum. And the reason for that is, to become an astronaut, the training is pretty significant and very costly."
3	X	X	-Partnering with a large cloud service provider "Now I guess the question might be, well, how does this really benefit the user? If I was to answer that question, I think if anything it should improve response time. " "But most importantly, the one thing this will do, it will position ourselves better to have a true mobile app for our application. Today our website can run on a mobile device, but it's really just the full application, the full website, so it's not necessarily true mobile APP. Changing this approach to how we deliver content will greatly enable our ability to move to the mobile side of things. And it's just another way that our end users can benefit from the innovations that we're trying to introduce to their environment."
4	X	--	-Empowered and systematic win-win customer service "And so the starting point is acknowledging, 'let me repeat back to you what I think I heard you say... what I heard you say is you had an expectation that we didn't live into and what you're asking for now is some kind of compensation for that or whatever it is. But repeating back to them what you heard." "And so understanding what's the request and what can you do. And there's always something you can do. And for most people, all they want is to be validated and heard. They want to know that they've been heard and they want to be validated."
5	--	X	-Moving to a month-to-month relationships with clients, giving the client more flexibility "And so we made the decision to do away contracts and just go with a month to month relationship. And once we did that, you know we have clients that have been with us for 10 years; our average client is about 7 to 8years, probably between 6 to 8 years."
6		X	-Regular scientific approach to competitive assessments "what we do is we bring things that we think enhance each and every one of those...[core competencies]"
7	--	--	NA
8	X	--	-Changed cost model from time & material to fixed price "we actually switched to a comprehensive holistic approach where we did a fixed price and solved all the problems."
	--	X	-Opened and operating in a new location to leverage international clientele "So I started a new business, basically a simple company in Bolivia, which to this day still operates and is an integral part of the business."
9	X	--	-Being everything to every client; the Amazon effect "We have to figure out how to do delivery of services and products in a way that meets the customer's needs. And you may never get it to real time but you can get as close to real time as possible."
10	--	X	-Complimentary service to M&A integration "it is sort of MNA integration helping companies. Because most acquisitions, the data shows that over 70% of all acquisitions fail. "
11	X	X	-Operational assessment tool and certification program "it's being done within the AID context, actually our strategic vision for it is that it could be used in any context whether government contracting AID or not. It could also be done for supply chain actors. It could be done in terms of foundations looking at potential grantees, it could actually revolutionize economic development. " -Teaming with entities that compliment core services "can we jointly approach USAID or different clients with some other services that makes sense."
12	X	--	-Automating routine tasks withing customer engagements "So we are adopting checklists. And while we still have a somewhat manual process with the checklist, we are looking at moving to something a little more automated to make it easier for the client." "as we continue to innovate and figure out the best way to serve our clients because we want the business to be easy, to not be painful. "
	--	X	-Partnering with other organizations to enhance service offering "So one of the things that we also did quite a bit of on for our clients is recruiting. So we did find an affiliate partner."
13	X	--	-Bare necessities; innovation through reduction "So you essentially changed the message from the overall process to really focusing on the benefits which absolutely would engage the listener because that's all they really care about what's in it for them."
14	X	--	-Use of augmented reality and technology to enhance service delivery "I'm trying to convince as a service innovation the utilization of, I don't want to call it virtual reality because it's truly not, their usage of things like google glasses and Microsoft HoloLens and things of that nature for our techs. And truly now we can remotely go into anybody's screen or whatever the case may be if our techs are on site. "
	--	X	-Moving more into cyber security and data analytics "by contractual obligation you tell us that you want us to collect all this data from the range. So we're contractually obligated to collect it. And we're contractually obligated to store it and retain it. But do you think the government makes any kind of decisions based upon that data?"

Note. -- = Type of service innovation is not classified by the column header (either customer experience driven or focus on market positioning). X = Type of service innovation is classified by the column header (either customer experience driven or focus on market positioning). NA = participant did not provide information of the type of service innovation due to the proprietary nature of the innovations.

Innovation within service firms. In addition to customer facing service innovations, innovation in service firms appeared in the data as the other type of innovation implemented by small and medium-sized KIBS firms. Innovation in service firms indicate new ideas and enhancements that improve the efficiency and effectiveness of internal operations. This type of innovation was further categorized into three types; process driven, people based, and cost driven.

Process driven innovations in service firms reflect enhancements to internal processes that improve efficiency of operations. These types of internal innovations are concerned with adoption of changes that promote continuous improvement that allow risk of customer facing innovations to be absorbed more effectively. People based innovations promote engagement within the firm that facilitates the free exchange of ideas and encourages creativity. The data indicated that these types of innovations involve leader's capacity to bolster employees to take chances and spark their innate potential to innovate while retaining talent and capabilities within the firm. Like the process driven innovation types, cost driven innovations reduce costs of operations through consolidation or partnerships that eliminate inefficient or ineffective tasks. These types of innovations streamline service development through relationships and knowledge flows across firm boundaries. Table 4 lists the types of innovations in service firms identified by the KIBS participants and their related commentary that provide additional visibility into participants perspectives on the internal innovations that were implemented. It should be noted that participants #1 and #7 expressed concern regarding discussion of innovations within their firm due the proprietary nature of the innovations. Consequently, while they provided input on the other aspects of the interview questions, there was no input that could be used on the types of innovations they've implemented. The next section describes the conceptual framework that was derived from the data.

Table 4 –

Types of innovations in service firms focus on process, people and cost to promote efficiency, engagement and reduction of redundant, inefficient, and ineffective processes while also encouraging the innovative potential of employees

Participant Number	Process driven (efficiency)	People driven (engagement)	Cost driver (reduction)	Innovation Description - Participant Quote
1	--	--	--	NA
2			X	- Cross training staff to reduce staffing needs "we go after the best and the brightest and then we go after very young talent and then we marry the two together with a lot of cross training. So most of the engineers and workers within Genesis they would have two to three jobs, minimum two. minimum two. So they're able to design and then might be able to manufacture, they're able to integrate and they are able to test, probably all of the above and do the mission; so at least five. But now you don't have to hire five engineers to complete the product life cycle."
3	X		X	"Partnership with Amazon web sources to access more development tools to improve speed and functionality available to customers"; Lambda "The one thing that surprises me most about Amazon is all the things that they put in front of you to save you money. "
4		X		-Transparency at the leadership level to ensure that employees are engaged and confirming what is important "Every single week, every single person in our company, from accounting to sales to marketing, members' services, every single employee gets a weekly report of the score; what we did financially, how many sales we came in, what our revenue number was, what our margin on that revenue was, how many people we added, how many leads we generated, how many calls we handled."
5	X		X	"We started accepting credit card payments" [and got away from long term contracts], "our clients are monthly."
6		X		-Leadership applying EQ to every situation and knowing when to hand it off "The way we're growing right now in terms of learning something, become a deep expert, narrowly defined, and then as soon as you've drawn into something that is unsustainable for you to keep we handed off to someone else."
7	--	--	--	N/A
8		X	X	-Leverage software to enhance employee interaction "I encourage our staff to do is we use Microsoft teams for internal chat between everyone on the staff." -Linking customers with their preferred staff member instead of just however is available "But after that very bad encounter it was like, you know what, let's juggle and make sure that clients work with the staff that they like their, lets accommodate their personal taste." We switched from VMware software to Microsoft Hyper V. So we basically eliminated thousands of dollars a year in licensing costs that just went to our bottom line. -Purchased an enterprise solution that solved their internal documentation issue "What we did in the last few weeks as we signed up with a holistic solution that incorporates all of that data, it's basically a glorified database, but it allows us to template and replicate that data set."
9	X			"And it sounds like you're well on your way with digital transformation" "Well we do fireside chats. We do any opportunity to really get people in a circle to talk." "Once a year we take everybody offsite and we have a full day of learning and development in the morning and then we'd do a community project in the afternoon. So we're really just trying to get to people as to where they are, but not losing sight of the fact that we are still a business, we still have a customer base that we have to satisfy and continue to meet their needs." "So one of the things that I do is I do a new employee orientation with every new employee that comes to work for us."
10	X		X	"Okay. Two years ago I took my company virtual. So in order to do that we went from a very heavy paper centric type of an office. And I had five months to do this given where we were in our sort of our evolution." "So anyway, we took it, transitioned everything up into the cloud, put in an IM. So we put in various ways that we could then still operate seamlessly to our clients and communicate on a very 24/7 type of timeframe. "
11	X	X	X	-Leveraging internal staff to digitize service innovation "And our IT guy took it upon himself and figured out how to digitize it. And he's finished with a pilot of it and it's actually quite good and that was all in his initiative and he was driving the process." "so what we wanted to do was use the Michigan office and back office operations, so the bookkeeping and accounting. It could be editing and writing. It could be the proposal response section. Why can't we develop that in Michigan to support our operations here. It would provide jobs and new opportunities for them there as well as there is a cost factor because it's cheaper to operate in northern Michigan than here. And nobody, as far as we knew had really tried this."
12	X			-Teaming with entities that offer complimentary services " I don't know if you would call it that way but it's really like, can we jointly approach USAID or different clients with some other services that makes sense." "We had adopted some technology, frankly the track our time; time that we're spending on various client engagements. That's important quite frankly. "
13	X		X	-Reducing operational approaches down to most necessary information "I always really stress in my written communication and documents, less is more." "So that's where I've actually been able to implement some innovation in and talking customers through the full story of here's where you are, here's where you want to go, here's what'll help get you there and here's the core talking points along the way and just do it in one big ass piece of paper as opposed to a PowerPoint." "It's innovation through reduction. "
14		X		-Adding a self assessment to the performance evaluation process "it just didn't ring bear in my core, right. It didn't set right that we weren't allowing someone to talk about their achievements. We weren't allowing someone to talk about their accomplishments. "

Note. -- = Types of innovations in service firms are not classified by the column header (e.g., process driven, people driven, or cost driven). X = Type of innovation in service firms classified by the column header (e.g., process driven, people driven, or cost driven). NA = participant did not provide information of the type of service innovation due to the proprietary nature of the innovations.

Conceptual Framework

Based on the data, leadership, customer centricity, and employee engagement were the central elements of the conceptual framework. The data disclosed that small and medium-sized KIBS firms must be overtly customer centric as well as actively embrace employee engagement. Yet as depicted in Figure 1, it was KIBS leaders who had to manage the relationships with customers and employees to exercise innovativeness. Consequently, being knowledge-intensive organizations, the relationship with customers is vital to meet their needs and ultimately to sustain the viability of the organization.

KIBS leaders must also earn the trust of their customers, ideally by exceeding their needs but also through the visibility of their values that should be evident in the culture. Small and medium-sized KIBS leaders set the innovative tone of the firm through their personal values and organizational policies. Employees of KIBS firms enable and informally reinforce those organizational parameters that embody the firm's culture. The data showed that KIBS leader's communication was used to inform, clarify, inspire, and motivate employees toward the execution of innovativeness. Further, employees in many instances are the first line of interface with a KIBS firm for customers and will be responsible for developing the ongoing connection. Åkesson, Skålén, Edvardsson, & Stålhammar (2016) affirmed the contribution of employee engagement on service innovation to competitive advantage and customer co-creation. Underlying these central elements, are the principles by which KIBS leaders develop themselves and add value to customers and employees. Customers and employees work closely together to co-create and implement innovative tools that reflect the innovativeness of the firm.

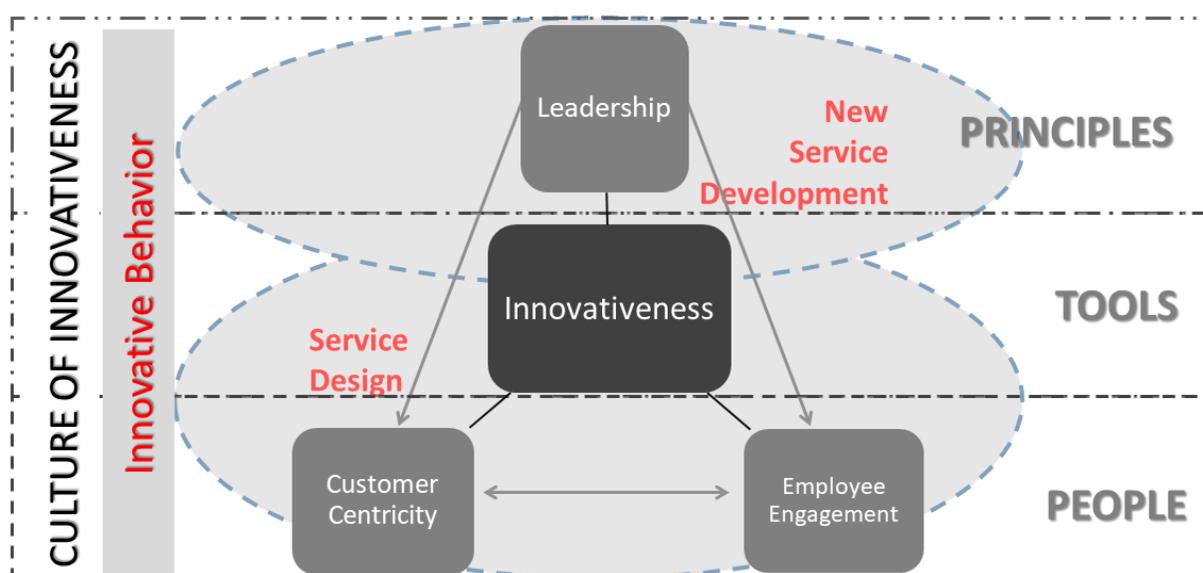


Figure 2 - Conceptual Framework based on the data, KIBS leadership influences innovativeness through customer centricity and employee engagement. These elements within an innovative culture function in an integrated manner through the leader's principles, and the people that use and develop tools to exercise innovativeness. The theoretical foundation overlays the conceptual framework to illustrate the impacts and influences that factor into the framework.

Theoretical Orientation Revisited

This research study attempted to shrink the gap between the theoretical perspectives through which innovativeness in small and medium-sized KIBS firms is analyzed and the practice of strategic management and innovation. The goal of case study methodology is to minimize the disparity between theory and practice, and thus justifying research as useful for both scholars and practitioners (Choudhari, Adil, & Ananthakumar, 2012; Ferreira & Neves Guimarães, 2014). The study drew on literature from three main theoretical viewpoints of innovativeness through the context of service design theory, new solution development (NSD) processes, and innovative behavior (IB) in KIBS operation. Following will be a presentation of theoretical impacts that emerged in the data that assist in shrinking the gap between theory and practice.

Service Design Building Blocks

The data revealed two foundational building blocks upon which innovativeness can be developed, sustained, and deployed; customer experience (CX) and market positioning (MP). Further, service design theory supports an architectural approach involving universal processes in the formulation of market offerings and value creation. In addition, service design theory informs firm innovativeness as it utilizes contextual factors to shape interfaces between firms' competencies, resources, and customers along their journey to solve problems, develop solutions and ultimately improve an experience (Rosensweig, 2011).

Small and medium-sized KIBS firms apply innovativeness to improve or enhance CX. The result of which creates long-term value, word of mouth communications, and reduction of costs (Mostajer Haghighi, Baum, & Shafti, 2014; Price & Wrigley, 2016). In addition, KIBS firms exercise innovativeness to determine their MP, which is a direct response to competitive forces and concludes with gaining a competitive advantage (Ferreira de Lara & Neves Guimarães, 2014; Wyszowska-Kuna, 2016). The concepts of improving CX and determining MP, influence the types of innovations that small and medium-sized KIBS firms develop and deploy in the market, which the data indicated were ease of interface, whether by technological

simplification or human convenience, types of innovations. The following will discuss how the NSD lens revealed the enablers of service innovativeness.

NSD and Enablers of Innovativeness

NSD is affiliated with service innovation as the designing and executing combinations of existing or new services for advantageous customer experiences (Meigounpoory, Rezvani, & Afshar, 2015). NSD is the framework utilized to conceptualize new techniques of providing services resulting in value co-creation and competitive advantage (Gremyr et al., 2014; Meigounpoory et al., 2015). Considering this perspective, during data analysis the NSD theoretical lens was reduced conceptually to the facilitation of resources and activities required to develop new services.

Consequently, there were three channels and related attributes by which innovativeness was enabled internally in small and medium-sized KIBS firms. Gremyr et al. (2014) suggested that changes in service characteristics represent an integral element of innovation and the data determined adoption of processes that promote efficiency within the firm as an enabler of innovativeness. Shifting from a haphazard, random approach to innovation to a systematic, planned and executed process is central to allowing innovativeness to be exercised (Zomerdijk & Voss, 2011). Further, implementation of engagement activities and philosophy by KIBS leadership was also indicated as an enabler of innovativeness. Fundamental to leadership is the capacity to embolden employees to take chances and kindle their innate capabilities to innovate while retaining talent and capabilities within the firm (Afsar, Badir, Saeed, & Hafeez, 2017; Millar, Chen, & Waller, 2017). Collaboration as a means to minimize service operations reflected an additional avenue of directing resources and activities toward innovativeness. The benefits of collaborations that depend on relationships and knowledge flows across firm boundaries include the streamline effect of service development (Greer & Stevens, 2015; Santos-Vijande, López-Sánchez, & Rudd, 2016). The following section elaborates on the factors that the innovative behavior lens exposed as interacting with the enablers of innovativeness.

Innovative Behavior and Leadership

Moreover, the qualities that characterize service innovativeness align with the innovative behavior model. Further, the data exposed the interplay between the factors advancing service

innovativeness or influencers and barriers of service innovativeness or blockers in small and medium-sized KIBS firms.

Leadership was identified as a primary factor because it is the factor that has the most impact on the interactions with the influencers and blockers, whether it be by mitigation or distribution. Further, leadership was the factor that was responsible for understanding and operationally highlighting the importance of innovation, which framed innovativeness within the firm. Additionally, leadership was also responsible for proactively mitigating and aggressively managing the risk of innovation, which was also determined to frame innovativeness within the firm. Concerning, alternative factors, organizational and market factors were identified as secondary players that must be taken into consideration as they assist in characterizing innovativeness as well as having an impact on the interactions with the influencers and blockers of service innovativeness in small and medium-sized KIBS firms.

The theoretical basis elicits innovative behavior as the key indicator for service innovativeness through its constituents; individuals. While the research study affirmed innovative behavior's influence on the construct of services that integrate new ideas with and for customers that is equally advantageous (Leovaridis & Popescu, 2015), the data exposed a difference in the order of the theoretical elements than what was initially planned. Theoretical implications prior to collecting and analyzing the research data suggested that service design may influence new service development in the offerings that ultimately go to market. However, the research data supported a different proposition, which entails new service development's approach to arranging and organizing internal resources and capabilities in a manner that focuses on adoption of efficient processes, implementation of engagement activities and collaboration to minimize service operations. Figure 3 depicts these new insights on the theoretical orientation and the flow of inputs of innovativeness internal and external to the KIBS firm. These notions appeared to influence service design which is focused on the external offerings of the firm through CX and MP. Although this could be described an overlap of similar theoretical stances, or explained as a minimal difference, the data affirmed the difference in the theoretical alignment as depicted in the research plan and initial theoretical discussion. The next section summarizes the results presented in this chapter.

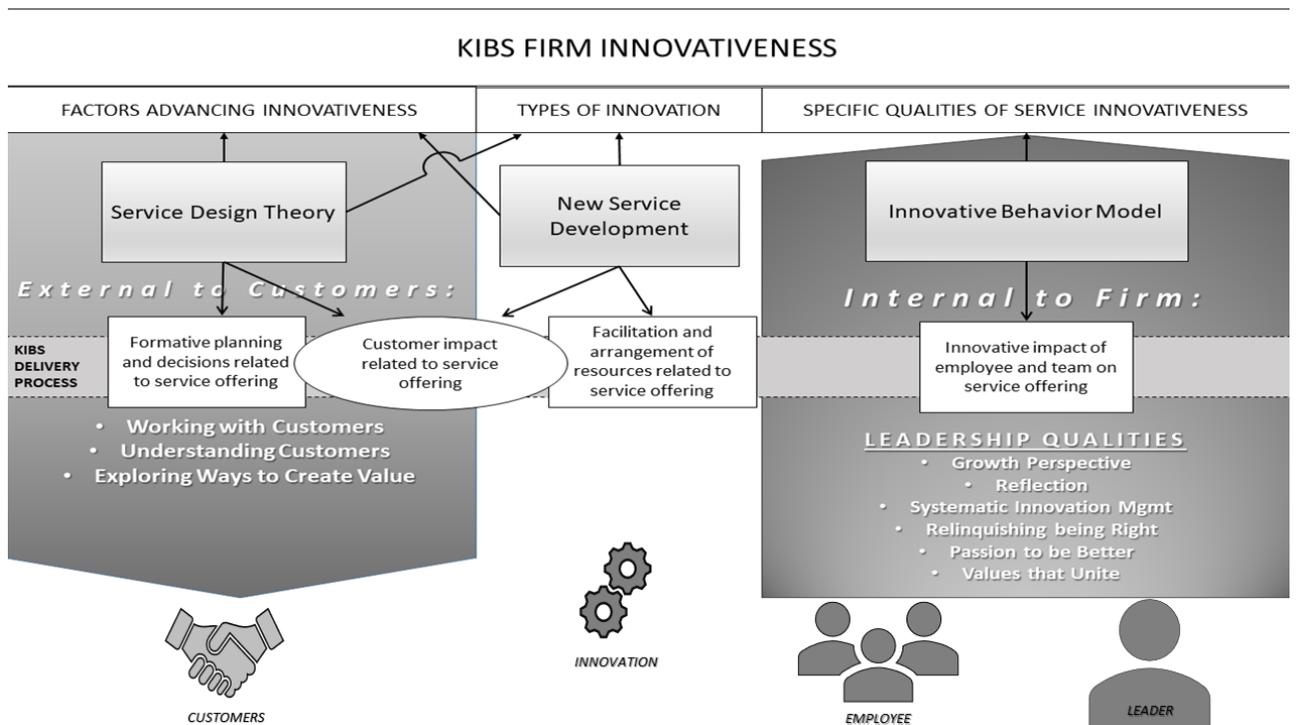


Figure 3 - Theoretical orientation revisited. This illustrates the changes in the theoretical orientation that resulted from the data analysis. Specifically, the overlap in Service Design theory and New Service Development in analyzing and developing factors advancing innovativeness and types of innovations that spur growth and value creation.

Summary

To present qualitative factors that advance service innovativeness in small and medium-sized KIBS firms represents the goal for this qualitative exploratory multiple case study. The data revealed that small and medium-sized KIBS firms must be overtly customer centric as well as actively embrace employee engagement for innovativeness to be developed, sustained and deployed. Underlying the concept of a customer centric focus, the data reflected relationships, trust, customer experience, and managing competition as integral to innovativeness in KIBS. Participant's discussed the value of having technical competency, and ensuring they hold stakeholder's interest above their own to protect stakeholders from adverse impacts within the business ecosystem. KIBS leaders assess the market for opportunities and for answers to the questions that customers are asking but the market has yet to answer. Three concepts emerged as factors underlying employee engagement; communication, responsibility without authority, and functioning beyond job descriptions.

The research study's sub-questions explored the qualities that characterized innovativeness, the factors advancing service innovativeness, and the types of innovations in small and medium-sized KIBS. The data reflected the key attributes underlying the qualities characterizing innovativeness were curiosity, self-awareness, accountability, solutions development, and a growth perspective. The conceptual framework that emerged from the

analysis indicated leadership, customer centricity, and employee engagement as central elements. Underlying these central elements, are the principles by which KIBS leaders develop themselves and add value to customers and employees as well as the development and application of innovative tools that reflect the innovativeness of the firm.

Conclusion

In conclusion, Chapter 4 presented an overview of the results of the research conducted and data collection as described previously in Chapter 3 and builds on the theoretical framework, how the research topic was developed, and research elements revealed by analyzing the literature. The approach was to conduct in-depth analysis of innovativeness in fourteen small and medium-sized KIBS firms through interviews of leaders of strategically selected innovative small KIBS in their context (Iivari, 2015). This chapter also introduced the findings related to the research questions. The underlying concept shaping the importance of customer's experience relative to innovativeness in KIBS was the relational nature of knowledge-intensive services. In addition to presenting the results of data analysis, the conceptual framework formulated from the data was presented. The theoretical foundation was also revisited and reframed considering the concepts that arose during data analysis that attempts to close the gap between theory and practice. While this chapter introduced the findings that emerged from the data analysis, chapter 5 provides the detailed insight from the participants that fulfills the original intent of the study to offer scholars and practitioners understanding into the innovativeness of small and medium-sized KIBS.

CHAPTER 5. DISCUSSION, IMPLICATIONS, RECOMMENDATIONS

Introduction

The purpose of Chapter 5 is to elaborate on the results of this research study. The results answer how innovativeness is developed, sustained, and deployed in small and medium-sized KIBS firms. This chapter discusses the conclusions and recommendations derived from the data collected, analyzed and introduced in Chapter 4 – Results. While Chapter 4 introduced the findings that emerged from the data analysis, this chapter provides the detailed insight from the participants that fulfills the original intent of the study to offer scholars and practitioners the results of the in-depth research conducted on the innovativeness of small and medium-sized KIBS. In addition to a summary and discussion of results, this chapter presents a comparative analysis of the results within the service innovation body of knowledge and assess how the research results fit the gap in the literature. The chapter also describes the limitations of the study and how they may be mitigated through the recommendations for further research.

Chapter 5 is the culmination of the research design and methodology developed, as well as the data collection and analysis performed to answer the research questions and influence the research problem. It extends and elaborates on the results that were introduced in Chapter 4 – Results. This chapter also interprets the study results through the theoretical lenses discussed earlier and the lens of the existing findings in the service innovation literature.

The chapter begins with a summary of results, which reiterates the findings introduced in Chapter 4 - Results. Following the summary of results, the relationships between the research question and sub-questions and results are discussed. This section also introduces the limitations and any design flaws of the study. Preceding the discussion of the limitations of the study, the chapter provides scholars and practitioners recommendations for areas of further study. The following section presents the summary of results.

Summary of the Results

Statement of the Need

This qualitative exploratory multiple case study intends to address the conceptual differences in the study of service innovation as well as the lack of experiential data associated with the analysis of service innovation. The challenge for strategy and innovation scholars is navigating the impediments in the study of service innovativeness and formulating a solid

understanding of an ever-growing concept from a scholarly-practitioner perspective (Khaksar, Khosla, Chu, & Shahmehar, 2016; Moreira, Gherman, & Sousa, 2017). Innovation literature discusses many varying types of innovation that encompass manufacturing, technology, and later service innovation and lead to the confusion surrounding the topic area (Mortensen & Bloch, 2005; Bednarska-Olejniczak, 2016). Service innovation literature has been studied less than innovation in manufacturing, particularly due to services intangibility and the subsequent difficulty in measuring service offerings (Agarwal & Selen, 2011; López & Ramos, 2015). The empirical literature on factors determining service innovativeness and its contribution on performance indicates that innovativeness is one of the central elements in achieving high level financial performance and intensifying effectiveness in modern business (López & Ramos, 2015; Matejun, 2016), yet the literature lacks the evidence on how service innovativeness is developed, deployed, and sustained.

Within the field of business and technology, the study of strategy and innovation in service firms has become topical in recent literature (Toivonen & Tuominen, 2009; Teixeira & Bezerra, 2016). Further, with heightened interest in the study of service innovativeness due to its substantial correlation to firm's performance, researchers of organizational behavior and positive organizational scholarship have also examined the phenomena for factors that advance service innovativeness (Akgün, Erdil, Keskin, & Muceldilli, 2016). As the growth of the knowledge economy has stimulated the increase in knowledge-intensive business services, the rate of study of service innovativeness has not kept stride (Joshi et al., 2015). The extant literature on service innovativeness is scarce and indecisive.

Significance of the Study

This research study provides a literary response to the conceptual differences and lack of experiential data associated with the analysis of service innovativeness in small and medium-sized KIBS firms. This study highlights the organizational factors that advance service innovativeness and types of innovation in small KIBS firms are highlighted by the results of this study. The study of small and medium-sized KIBS firms offers scholars and practitioners insight into their role in the development of modern economies as well as their integral interplay of innovation development internally and externally (Zieba & Zieba, 2014). This qualitative

research study produces an in-depth understanding of the specific qualities that drive service innovativeness and types of innovation in small and medium-sized KIBS firms.

Purpose

The purpose of this qualitative exploratory multiple case study is to address the conceptual differences and lack of experiential data associated with the study of service innovativeness in small and medium-sized KIBS firms. This exploratory multiple case study assists scholars and practitioners in understanding the factors advancing service innovativeness and types of innovations implemented in small and medium-sized KIBS firms. The study also advances the scientific knowledge of KIBS in operation, as KIBS activity has become one of the fastest growing sectors of the global economy (Huggins, 2011; Hu et al., 2013). Consequently, a more thorough understanding of the service innovativeness of small and medium-sized KIBS firms will add to the body of innovation management knowledge and better prepare practitioners to enhance their innovation strategies that result in resilient, scalable, and sustainable business models that support accelerating firm value.

Furthermore, this literary contribution represents a theoretical linkage between the study of organizational determinants of service innovativeness in small knowledge-intensive service firms and the types of service innovation in small and medium-sized enterprises (SMEs). The common theme between service innovativeness and innovation is the incentive of both the outcome and process to sustain competitive advantage and build value co-creation, for firm and customer, respectively (Akgün et al., 2016; Aal et al., 2016). The following section briefly indicates the literature reviewed, including new findings published while this study was completed.

Overview of literature reviewed

The empirical literature on factors advancing service innovativeness and the ensuing contribution on performance indicates that innovativeness is one of the central elements in achieving high level financial performance and intensifying effectiveness in modern business (López & Ramos, 2015; Matejun, 2016). Further, there is limited and mixed evidence on the factors shaping service innovativeness in small and medium-sized firms (Lavie, Stettner, & Tushman, 2010; Prajogo et al., 2013; Božica & Mohnen, 2016; Matejun, 2016; Moreira et al., 2017). Further supporting this assertion, Vermeulen et al. (2005) offered an inconclusive

indication of service innovativeness influenced by organizational factors. From an environmental perspective, the factors advancing service innovativeness are different from innovation in service firms. Although subtle, the difference between these two concepts, assist in categorizing service innovativeness. Service innovativeness indicates the technological, radical novelty that is not easily imitated yet focused on the customer experience and service delivery to the external market. Innovations in service firms indicate the non-technological, incremental approaches that are easily copied and emphasize the internal procedures and processes. Consequently, Agarwal and Selen, (2011) emphasized opposing perspectives in the measurement of service innovativeness in quantitative contexts leaving an opportunity for in-depth analysis of the drivers of service innovativeness. The following section discusses the new findings in innovation literature that contribute to the understanding of service innovation.

New findings in innovation literature. Since the start of this research study there have been literary contributions contrary to what was previously reviewed in the scholarly literature. The following highlights the new findings in service innovativeness. In supporting what is not known in the literature, employee engagement and corporate social responsibility (CSR) reflect service innovation trends that have newly published findings. Moreover, as customer's values adjust fluidly and service organizations strive to meet their needs at each interaction through their journey, employee engagement has become a pivotal attribute in sustaining of competitive advantage (Greer & Stevens, 2015; Zhang, Jin, Wang, Goh, & He, 2016). Moreover, employee engagement is fundamental to establishing the culture of innovativeness in service firms. Mirvis and Googins (2018) offered new findings on employee engagement as a method of developing intrapreneurship and social innovation. The authors provided four social innovation engagement platforms that shed light on how innovation is generated through engagement processes, albeit not service innovation.

In addition, firms also recognize the relationship between service innovation and CSR as method of satisfying customers, employees, investors and establishing a positive image to the market (Kim, Brodhag, & Mebratu, 2014; Zhang et al., 2016). Wijethilake, Munir, and Appuhami (2018) highlighted the importance of an environmental innovation strategy and debunked the notion that there is a positive relationship between firm performance and an environmental innovation strategy. The authors findings highlighted the value of effectively

managing an innovation strategy through managerial control processes. However, their findings construe that an environmental innovation strategy does not specifically precede to improvements in performance, yet the use of managerial control processes dictates the positive correlation between an innovation strategy and firm performance. The next section will review the research methodology.

Research Methodology

This multiple case study of the management within fourteen small and medium-sized KIBS firms incorporated qualitative substantiation from semi-structured in-depth interviews and secondary data (Eisenhardt, 1989; Ferreira & Neves Guimarães, 2014). The data was collected and analyzed manually as well as using NVivo 12 Plus. Case study research method is existentially oriented and concerned with the interface of findings with the real world rather than alignment with theories or statutes (Steenhuis & Bruijn, 2006).

The collection and analysis processes in this qualitative multiple case study research data happened concurrently, essentially reiterating back and forth between analytical steps (Eisenhardt, 1989; Baxter & Jack, 2008). The analytical steps applied, were data reduction, data display, and conclusion development. Semi-structured interviews were conducted with the management of the sample firms to qualitatively gather evidence to assess the detailed characteristics of the service innovativeness and innovations deployed by the participant firms, both internally and externally. The structure of the interview embedded core questions regarding service innovativeness, including its multi-dimensional nature, which can be attributed to the time and consistency of innovation adoption, employee characteristics, market research practices and impact on customer relations (Subramanian & Nilakanta, 1996; Mortensen & Bloch, 2005). See Appendix B for the interview questions.

Sample

For this research study, the purpose is to identify the factors advancing service innovativeness exhibited by small and medium-sized KIBS. Thus, the population was selected from the membership databases of regional as well as national professional associations. Further, the sample was selected based on eligibility criteria that assessed the number of innovations introduced to the market, as well as the knowledge-intensive services delivered by the organization. The sample was determined by other demographic data including firm size,

firm age, financial leverage, market size, and market growth (Dotzel et al., 2013). The KIBS firm's characteristics aligned with the Small Business Administration's small business classifications of no more than 500 employees and a range of \$20 million to \$100 million in gross annual revenues.

Additionally, the research sample size is fourteen KIBS firms that provide a variety of services including engineering, human capital management, educational and motivational, management consulting and advisory, software application development, communication, organizational development, as well as logistic and operations services. The participant firms covered two main industrial categories; Federal Government Contractor, of which six of the firms in the sample were and Commercial Organization, which indicates that most of the organization's business is of a commercial (non-federal government) nature. The participant firms within the Commercial Organization category, were classified as business-to-business (B2B) and business-to-consumer (B2C). There are five B2B and three B2C firms in the sample.

Data collection

The data was collected via recorded semi-structured interviews with business leaders of the participant KIBS firms. The recorded semi-structured interviews were transcribed using a transcription service freelancer. This service provided a convenient and accurate way to maintain the schedule of analytic tasks in conducting this case study.

The data collection process was conducted in a three-stage approach to enhance the breadth of the case study research method (Seddon, Hazenberg, & Denny, 2013). Alam (2014) highlighted the importance of multiple data collection methods in conducting case studies. The initial phase of the data collection strategy, primary data was gathered through recorded semi-structured individual interviews and secondary data assembled through media outlets; journals, books, and the internet (Prakash Pillai & Abraham, 2016). The second phase of the data collection strategy focused on collecting and analyzing secondary data. The tertiary phase of the data collection strategy required re-engaging KIBS participant business leaders to confirm preliminary results of initial data collection and to gain clarification on initial responses. This phase is key to achieving triangulation as well as creditworthiness and trustworthiness. The triangulation of multiple sources of data enhance internal validity and support a better foundation for developing frameworks and interactions (Eisenhardt, 1989; Durisin & Todorova, 2012; Iivari, 2015).

This section provided a summary of the overall study. The following section will present a summary of the findings.

Summary of findings

Key findings relative to the research question. In answering the research question regarding how innovativeness is developed, sustained and deployed in small and medium-sized KIBS, the data revealed that leaders of KIBS firms must have an organizationally altruistic viewpoint. This approach is not to say the leaders shouldn't be concerned with firm development and growth. This approach is on the contrary, KIBS firm's leaders would identify paths of development and growth outside of themselves and their experiences. The data revealed that small and medium-sized KIBS must be overtly customer centric as well as actively embrace employee engagement for innovativeness to be developed, sustained and deployed.

Underlying the concept of a customer centric focus, the data reflected relationships, trust, customer experience, and managing competition as integral to innovativeness in small and medium-sized KIBS firms. The results depicting relationships as integral to innovativeness align with the conclusions derived by Akgün, Erdil, Keskin, and Muceldilli (2016) who highlighted the quality of relationships have been integral to service innovativeness at the firm and employee levels. Further, the element of trust aligns with the findings submitted by Lin and Lin (2011) that indicate that trust that is developed in a relationship between a KIBS firm and their clients is leveraged to exercise service innovativeness. Similarly, key concepts essential to the notion of embracing employee engagement identified in the data were; communication, perception beyond the job description, and giving authority along with responsibility. These findings align with innovation management literature that affirms employee engagement as a determinant of innovation and SME performance (Vermeulen, De Jong, & O'Shaughnessy, 2005; Berry et al., 2006; Tuominen & Toivonen, 2011; Zhu, Djurjagina, & Leker, 2014; Åkesson, Skålén, Edvardsson, & Stålhammar, 2016).

Key findings relative to the research sub-questions. Furthermore, the research sub-questions were developed to provide deeper insight into the research question and guide the direction of the research study. The sub-questions explored the qualities that characterized innovativeness, the factors advancing service innovativeness, and the types of innovations in small and medium-sized KIBS. Innovativeness is described in extant literature as the ability and

capacity to develop and introduce innovations both internally and externally (Dotzel et al., 2013; Joshi et al., 2015). Innovativeness requires firms to introduce new technologies, services or organizational systems in order to position themselves competitively (Sachpazidu-Wójcicka, 2017).

The data reflected the key attributes underlying the qualities characterizing innovativeness were curiosity, self-awareness, accountability, solutions development, and a growth perspective. In addition to providing deeper insight into the primary research question, these findings align with those of Windahl (2017), who depicted curiosity as the process of discovering customer experiences and contemporary environments associated with the need to discern, visualize, and experience with the aim of learning. Curiosity enables innovativeness through the KIBS firm's aim at being curious about customer activities that precede and follow the business primary activities or services (Windahl, 2017).

In addition, self awareness is manifested in participant firms as organizational learning, which in the extant literature is depicted from an external perspective, learning from victories and defeats, as well as managing possible threats and maintaining advantages compared to competition (Kiziloglu, 2015; Altinay, Madanoglu, De Vita, Arasli, & Ekinici, 2016). Accountability to innovative intent is driven by participant KIBS firm's leadership (Cross, Arena, Sims, & Uhl-Bien, 2017). The data supported the primary research question and reflected a context that aligns with the findings of Arena and Uhl-Bien (2016), who described the adaptive space in which innovation is instigated and that leaders must enable. Further, Price & Wrigley (2016) elaborated on the value of gathering insights beyond those found in normal business-to-customer encounters, which aligns with the solutions development approach revealed in the data and deepens the understanding of the primary research question. The data also revealed a growth perspective as integral and involves managing the risk of innovativeness through the development of mitigation strategies (Goedhuys & Sleuwaegen, 2016; Jacobs, van Rietbergen, Atzema, van Grunsven, & van Dongen, 2016). While a growth perspective was foundational to characterizing innovativeness, the research findings indicated firm growth also was an integral element of the factors advancing service innovativeness. In addition to firm growth, the data exposed the satisfaction of customer needs as the other factor advancing service innovativeness. While, the extant literature on service innovativeness is scarce and indecisive, there are two

predominant schools of thought analyzing innovativeness; customers, implying an external perspective and firm, indicating an internal perspective (Subramanian & Nilakanta, 1996; Dotzel et al., 2013). The data reflected a similar juxtaposition in describing the types of innovations in the participant KIBS; service innovations serve as an external viewpoint and innovation in service firms as an internal viewpoint.

This section provides a summary of the results by presenting the background of study, overviews of the literature that was analyzed and the research methodology applied, as well as presenting the key findings relative to the research question and sub-questions. The key findings related to the sub-questions provide meaningful insight into the primary research question and guide the direction of the research study. The next section will provide a discussion of the results which provides the interpretations by the researcher on what the study means and why the results turned out the way they did.

Discussion of the Results

In addition to assessing the results of the study, this discussion goes a step further by discussing why the results turned out the way they did. In addition to the organizational factors that advance service innovativeness and types of innovation in small and medium-sized KIBS firms being highlighted by the results of this study, the results also answer the question of how innovativeness is developed, sustained and deployed in small and medium-sized KIBS firms. The data revealed that small and medium-sized KIBS firms must be overtly customer centric as well as actively embrace employee engagement for innovativeness to be developed, sustained and deployed. Innovativeness in small and medium-sized enterprises (SMEs) is described by Matejun (2016) as the innovation potential of an organization that involves enhanced entrepreneurial activity, organizational agility in decision making and action, as well as direct relationships within the business ecosystem.

Throughout the analysis of the data, the participants gave insightful, information rich responses that enhanced the value of the study both theoretically and practically. Interpreting the meaning of the data from the researcher's personal and professional viewpoint emphasized additional points that provide deeper insight into the primary research question. However, collaboration and the duality of innovativeness were two repeating concepts that saturated the data and served as the backdrop upon which all activities of the small and medium-sized KIBS

firm participants were influenced. One would presume that for small and medium-sized KIBS firms, creating competitive advantage and value for growth and sustainability would be the preeminent ideas driving all strategic development and subsequent execution. While this is partially true, the rudimentary catalyst behind the idea of competitive advantage and value creation that is shared by every small and medium-sized going concern and not just KIBS firms was uncovered. In addition, the results of this study exposed why there is such a challenge in executing innovativeness within small and medium-sized KIBS firms. The study produced these results because it was designed to get to the fundamental, in-depth essence of innovativeness.

Additionally, the results as interpreted in this discussion are presented through the theoretical lenses submitted in the research design but also through the lens of the researcher's experience prior to and during the data collection and analysis. While much of the discussion is supported by the data there are also points of inference that did not emerge as dominant in the data. These topics aligned with the researcher's expectations and were emphasized by the KIBS firm leaders and thus seemed important enough to warrant discussion. Again, the results of this study provided data that went beyond the surface of well-known challenges like finances, expertise, and other resources, to present the load bearing wall upon which the idea of innovative capacity is built upon. The following sections will describe in detail the concepts supporting the findings and seemed important from the researcher's perspective.

Duality of Innovativeness

Innovativeness in small and medium-sized KIBS firms is a result of a constant interchange between contrasting forces within the firm. Arena and Uhl-Bien (2016) described this phenomenon in their work on the Complex Leadership Theory. The most prominent forces are those that require focus on current operations compared to an open-mindedness to new ideas and approaches. The forces run counterintuitive to each other, making their management especially difficult. This is analogous to attempting to hold fire and ice in a single container.

The focus on current operations tends to resemble traditional business operations in that the main concerns of firm leadership is market capitalization, cash management, steady state and predictable business cadences which are usually driven by regulatory compliance. These are all aspects of business management that can be found throughout the curriculum of any business school in America. The benefit of focusing on current operations is the sense of stability and an

environment that limits uncertainty. As a consequence, KIBS firm leaders understand the people in the roles that execute and enforce the focus on current operations are naturally analytical and practical. These people also exhibit levels of perfectionism that give KIBS firm leaders that peace of mind that operational tasks will be completed with care and astuteness.

Conversely, open mindedness to new ideas and approaches calls for stretching outside of current operations and delving into a world of project funding, non-linear returns, uncertainty, and open swim lanes. Upholding the force of open mindedness are people with creative characteristics, inclined toward less restrictive environments, thrive in roles where flexibility and thinking on your feet is valued as well as see the world slightly differently than others. The benefit of this force is its ability to attract both problems and solutions unlimited by the constraints of the focus on current operations. Small and medium-sized KIBS firm owners are familiar with this type of person because their vision for the firm originated from this open mindedness to new ideas and approaches. However, without the focus on current operations the vision could not be executed efficiently or effectively. The results of this study emphasize the importance of the duality of innovativeness which considers the needs of collaborators and value-based decision making that must be exhibited by small and medium-sized firms for growth and sustainability. The next section discusses the attitude of collaboration in more detail.

Attitude of Collaboration

An attitude of collaboration seems to be an ingredient of customer experience. The KIBS firm participants did not just exhibit collaboration in the execution of innovativeness, it was an attitude that completely encompassed the firm's communications, relationship development, and image. The essence of collaboration is the cooperation between entities to produce something or realize an objective. Further, KIBS firm participants were most interested in developing and maintaining relationships with prospects, customers, and members of the ecosystem.

While KIBS firms were more likely to make all the adjustments initially to form the collaboration, customers and business ecosystem members as co-operators were also required to give some consideration. Customers and business ecosystem members have to be vulnerable and willing to listen to co-operators for the collaboration to be formed and thus the currency of trust must be exchanged, even in its smallest deposits. Conversely, the KIBS firm must deposit much more into the collaboration for it to be formed and be established. Small and medium KIBS

firms must consider how to be the ultimate partner, which the data revealed is one-sided early in the formation of the collaboration. In being the co-operator that is the ultimate partner, the KIBS firm leaders must take into account how the firm is seen by customers and business ecosystem members, how easy it is for customers and others do business with the firm, all the ways that customers and others will interface with the firm, how well the firm's services fit within the customers business, as well as taking on all the liability of the success of services to the complete satisfaction of customers and others. These considerations place the KIBS firm in a collaborative position with its co-operators and exhibits a high level of vulnerability which is exchanged for trust and will ultimately be labeled as trust earned by collaborators.

In conclusion, the discussion of the results exposed why there is such a challenge in executing innovativeness within small and medium-sized KIBS firms. Furthermore, the duality of innovativeness leverages the attitude of collaboration to contain the forces of the focus on current operations and open-mindedness to new ideas and operations, while also allowing them to flourish. The duality of innovativeness and an attitude of collaboration were two repeating concepts that permeated throughout the data. Collaboration seems to be an integral ingredient of customer experience and while it's required in working co-operators, it's an attitude of collaboration that must be at the core of the culture of the firm. The next section will discuss the conclusions drawn based on the results.

Conclusions Based on the Results

In addition to the results of this study informing innovation management and entrepreneurial communities, the results had theoretical implications. From a practical perspective, small and medium-sized KIBS firm leaders must create the structure and vision for the predominant forces within the firm to co-operate and execute innovativeness. Theoretically, the results support the known qualities of innovativeness while also aligning with the context by which service innovativeness is executed in small and medium-sized KIBS firms. Moreover, the results aligned with the researcher's expectations because it was designed to get to the fundamental, in-depth essence of innovativeness in small and medium-sized KIBS firms. However, the following section will address how the findings fit in with the previous literature and the theoretical framework.

Comparison of Findings with Theoretical Framework and Previous Literature

Additionally, the results as interpreted in this discussion are presented through the lenses of Service Design theory, New Service Development and Innovative Behavior practice models. These theoretical lenses impact how small and medium-sized KIBS firms leaders develop and execute innovativeness and subsequently their competitive growth strategy. Furthermore, the study presented and definitized a theoretical framework hierarchy that can be applied to examining service innovation strategies going forward. In addition, this study extended the innovation management body of knowledge surrounding the advanced understanding of innovation, which is outside the traditional perspective of innovation as only technological inventions. More specifically, Dotzel, Shankar, and Berry (2013) focused on the types of service innovativeness as drivers of firm value, risk, and customer fulfilment, the authors discussion of the determinants of service innovativeness, paved the foundation for this research topic. The key findings related to the primary research question and sub-questions aligns with the direction of that study as well as responding to the gap in knowledge they identified. In addition, this study presents solid evidenced-based data that responds to the limited and mixed evidence on the factors advancing service innovativeness in small and medium-sized firms (Lavie, Stettner, & Tushman, 2010; Prajogo et al., 2013; Božica & Mohnen, 2016; Matejun, 2016). Moreover, this study leverages the growth in service economies to provide theoretical and practical additions to the understanding of service innovativeness. This understanding of service innovativeness is further deepened by the exposure of the substance of service innovativeness in small and medium-sized KIBS firms.

Interpretation of the Findings

Extant literature is insufficient and vacuous of specificities from the inclination to aggregate various determinants in the service innovativeness construct delineation (Antony et al., 2016). Further, the discovery of these factors and their interplay contributes to advancing service innovativeness and innovations within service firms, adding to the body of knowledge (Carlborg et al., 2014). Consequently, the results responded to the research question and sub-questions in a way that exceeded the researcher's expectations. The results of the in-depth analysis and subsequent interpretation of those results add to the scholarly body of knowledge through

augmenting the theoretical perspectives submitted. Further, service design theory supports an architectural approach involving universal processes in the formulation of market offerings and value creation (Sangiorgi & Prendiville, 2014). The data revealed two foundational building blocks upon which innovativeness can be developed, sustained, and deployed; customer experience (CX) and market positioning (MP). This extends the service design theoretical perspectives in the literature with new experiential data and concepts.

While the NSD theoretical lens was condensed conceptually to the facilitation of resources and activities required to develop new services, this view revealed there were three channels and related attributes by which innovativeness was enabled internally in small and medium-sized KIBS firms. Again, this study extends use of the NSD lens with new data that can be used in studying service innovativeness and innovation going forward. In addition, innovative behavior model leverages individual, environmental, or organizational viewpoints to summarize the multi-faceted ranges associated with the study of service innovativeness. Consequently, the data exposed the interplay between factors advancing service innovativeness serving as influencers and barriers of service innovativeness acting as blockers in small and medium-sized KIBS firms. Further, these results and subsequent interpretation add to the practical knowledge base of entrepreneurs looking to start KIBS ventures or seasoned KIBS leaders seeking to spark the innovativeness within their firm for growth and sustainability. The next section presents the limitations inherent in this study and potential improvements that could enhance the quality of the results.

Limitations

Although the findings are encouraging and useful to scholars and practitioners, the challenge with a qualitative approach is the lack of generalizability across service industries and organizations (Same, 2014; Mayer, 2015). Relative to this study, while the participants represented several service industries, conducting interviews with multiple members of the same service industry would provide substantiated practical results that could potentially improve generalizability. The study of service innovativeness includes the understanding of service innovation that involves a wide range of innovation areas and practices. This study is based on the attributes specific to participant firms and thus is limited in its coverage. Eisenhardt (1989) emphasized the risks of case study approach to qualitative research as the researcher when

managing voluminous data that developing conclusions that lacks simplicity and an inability to elevate the degree of generality. Moreover, this study is limited to the experiences and observations of the participants that qualified and agreed to be interviewed. As previously mentioned, Participants #1 and #7 expressed concern regarding discussion of innovations within their firm due the proprietary nature of the innovations and did not provide input on the types of innovations implemented by or within their organizations.

In addition, there were areas in the study that could have been explored more but would have changed the direction of the study. For example, the data exposed the importance of innovation in small and medium-sized KIBS firms as well as how they manage the risk inherent to innovation. While these topics are certainly interesting, additional analysis doesn't align with the research question and sub-questions. Further, there were no flaws in the research identified or problems encountered that impacted the results of the study. The following section will offer insight on the implications of the research results from the literary contribution and theoretical foundation perspectives.

Implications for Practice

Compared to current service innovation literature, the findings in the present research study offers a different perspective on the known aspects about service innovativeness. This study specifically addresses from a different viewpoint the barriers to innovativeness in extant literature regarding the absence of knowledge, the characteristics of services, and the inability to establish a dedicated innovation function were presented. Maldonado-Guzmán, Marín-Aguilar, and Pinzón-Castro (2017) affirmed that the absence of knowledge about the advantages and strategic approaches of innovation in service organizations has led to a minimal adoption rate. In contrast, the participant KIBS firms interviewed for this study exhibited an astuteness relative to the value and implementation of innovation within their firms and markets. While the smaller of the participant KIBS firms faced resource challenges, indecisive customers, and the impact of technological obsolescence (Vasilevska, Liduma, & Melberga, 2017; Miles, Belousova, & Chichkanov, 2017), the majority of the KIBS firm leaders interviewed indicated a high level of awareness of their ecosystem, as well as their competencies.

Participant KIBS firms in this case study gave no indication of intangibility, heterogeneity, inseparability, and perishability (also referred to as IHIP or HIIP) characteristics

of services being a challenge in implementing or analyzing service innovations or innovations in services. IHIP distinguish services from product criteria and affirms why measuring return on investment of service innovations from a product point of view impedes service innovation analysis (Biege, Lay, Zanker, & Schmall, 2013; Janssen, Castaldi, & Alexiev, 2016; Wojciechowska, 2016). Participant #14 acknowledged the uncertainty intrinsic in the pursuit of innovativeness, yet this was considered by the researcher as evidence of the acumen of the KIBS firm leader and not a lack knowledge driven by the characteristics of services.

In addition to dispelling the perceived impediment related to the characteristics of services, this study addressed another aspect of service innovation in small and medium-sized KIBS. Service innovation literature highlights the concept of a formally, organized R&D function that is fully funded within the service sector as unrealistic and uncommon, albeit from a manufacturing perspective (Janssen et al., 2016; Meroño-Cerdán & López-Nicolás, 2017). Service innovation in the small and medium-sized KIBS firms that participated in this study offered mixed responses to this assertion in literature. As depicted in the literature, resource constraints and the owner/manager dynamic prevent participant KIBS firms from having a dedicated R&D resources (Oly Ndubisi & Agarwal, 2014; Božica & Mohnen, 2016; Roach, Ryman, & Makani, 2016; Yawson, 2017). However, the participant KIBS firms did pursue and implement innovations in a more informal and organic manner while maintaining a systematic approach in response to market and customers needs.

In addition, while the participant KIBS firm's innovativeness was developed, sustained, and deployed alongside normal operations, it was not uncommon for the small and medium-sized KIBS firm leaders to conduct mitigation efforts to manage the risk of innovation. Participant #9 described the mitigation strategy of managing the risk of exercising innovativeness in a market where it was needed. "And so for me, a lot of times when we talk about innovation and the internal drive to be better, it has to come from leadership within the client space that we should be best in class for the things that we're required to do on behalf of the citizens. And we don't see enough of that unfortunately", said Participant #9. Further, Participant #11 offered their firms approach to managing innovation risk, "Well, I guess one way is that we have currently been almost totally self-funded. So we have more freedom to take the risks that we think are necessary than if we had an investor or a huge bank loan or be dictating how we operated. We consider all

the various factors when making a decision”. The results of this research study offered additional implications, including practical and theoretical concepts that are not featured in this discussion but would be an insightful topic for additional research. The following section will provide additional discussion on the recommendations for further research.

Recommendations for Further Research

As alluded to in the previous section, the recommendations for further research will identify areas within the data as well as in the research methodology that would improve the understanding of service innovativeness in small and medium-sized KIBS firms. There were a number of concepts that emerged in the data that would produce additional practical results if researched. Of particular interest, are the challenges that participants firms face in their approach to reach their potential innovativeness. Organizational structure impediments, and the timing disconnect between exercised innovativeness and the market’s need emerged within the data as interesting concepts that would be recommended for further research. Additionally, how small and medium-sized KIBS firms mitigate the inherent risk of innovation would add to the body of service innovation knowledge and contribute to the acumen of practitioners operating small and medium-sized KIBS firms.

In considering recommendations for further research, while the importance of innovation was emphasized by the leaders in the data, the topic didn’t warrant consideration due to it not having the potential of garnering any new thought to the body of knowledge. The literature on the correlation between KIBS firm performance and innovation is proliferous and describes the importance of innovation (Teixeira & Bezerra, 2016; Moreira, Gherman, & Sousa, 2017). Further, this research study was conducted through the theoretical lenses of service design theory, new service development, and innovative behavior models, which led to a practical understanding of the importance of service innovativeness and sustainability. However, this study could have been conducted based on a different theoretical orientation, such as resource-based view or dynamic capabilities perspective. Recommending this study to be conducted under alternative theoretical foundations, speaks to the design of the study, which leaves the methodology open for consideration.

Additionally, the duality of innovativeness represents an interesting area for further research. The data supported that small and medium-sized KIBS firm’s leaders must encourage

the balance between the forces that require a focus on current operations and an open-mindedness to new ideas and approaches to be at their very best without over imposing on each other. However, the KIBS firm leader is integral in offsetting this reality with a structure and rules of engagement by which both forces can be free to express themselves without any repercussions. KIBS firm participants highlighted the need to set the vision for the two forces and the importance of keeping the forces centered on the vision over time. This area is supported by the data and was interpreted as meaningful to the primary research question yet was ancillary to the purpose and need of this study. A more in-depth analysis into the duality of innovativeness would extend the key findings of this study and represent the next level of investigation into qualities that characterize innovativeness.

Another area of further research are the elements of an attitude of collaboration. Specifically, how small and medium-sized KIBS firms incorporate these elements of an attitude of collaboration into the culture of the firm such that future and potential co-operators receive the same or better experience. This represents a logical step in the pursuit of competitive advantage and value creation in any going concern, however where the KIBS firm is seeking growth and sustainability, one cannot overlook the power of being morally grounded. This study presented the values-based paradigm that small and medium-sized KIBS firm leaders leverage in earning the trust of collaborators. As KIBS firm leaders explore what it takes to earn the trust of collaborators, it can be inferred that they must also compare it to the key values that the firm is built upon and assess its impact on the culture of the firm. Although, the effects of a divergence in values seem may appear to impact the firm, participant KIBS firm leaders emphasized the source of the departure is the KIBS firm leader. Furthermore, participant KIBS firm leaders emphasized collaboration is hindered by KIBS firm leader's values that don't align with a desire for the success of collaborators, increasing collaborators return-on-consideration and ultimately executing better than competition on those values upon which the firm is established.

Consequently, it seemed as though collaboration is the amalgamation of adjustments that co-operators must make to institute the foundation of trust that must be in place for innovativeness to be executed and customer experience to be solidified. Establishing definitive elements of an attitude of collaboration would further extend the practical body of knowledge. Further, identifying how these elements interact with the effectiveness of the small and medium-

sized KIBS firm's leaders and the ultimately the success of the firm would enhance the scholarly and practical knowledge of KIBS firm operation. The ensuing section offers further recommendations based on the research methodology.

Recommendations based on research methodology

This study used a qualitative case study research design that enabled exploration of a service innovativeness within small and medium-sized KIBS firms (Baxter & Jack, 2008). However, a quantitative study would apply a statistical approach to support a descriptive analysis of inferential questions, such as how much does customer centricity and embracing employee engagement determine innovativeness in small and medium-sized KIBS firms. Given the potential of independent variables as customer centricity and employee engagement, the dependent variables could possibly be the innovation orientations: exploitation and exploration, and likely control variables would be cooperation and employee training. This recommendation would alleviate the lack of generalizability associated with qualitative research (Iivari, 2015) and offering scholarly and practical results that would add to the service innovation management body of knowledge. These recommendations for further research identified areas within the data as well as in the research methodology that would enhance the body of knowledge related to innovativeness in small and medium-sized KIBS. The subsequent section will offer a holistic summary of this contribution to the service innovation management body of knowledge.

Conclusion

The purpose of Chapter 5 was to elaborate on the results of the research study. The data revealed that small and medium-sized KIBS firms must be overtly customer centric as well as actively embrace employee engagement for innovativeness to be developed, sustained and deployed. Underlying the concept of customer centricity, the data reflected relationships, trust, customer experience, and managing competition as integral to innovativeness in KIBS. Communication stood out throughout the data analysis phase as the leading tool exercised by leaders to engage their employees in small and medium-sized KIBS firms. The data revealed that KIBS firm's leaders must find the mix of responsibility and authority that reflects their level of comfort without shackling the effectiveness and innovativeness of the employee and accordingly, the firm.

The research sub-questions explored the qualities that characterized innovativeness, the factors advancing service innovativeness, and the types of innovations in small and medium-sized KIBS firms. The data reflected that key attributes underlying the qualities characterizing innovativeness were curiosity, self-awareness, accountability, solutions development, and a growth perspective. Considering this being mainly focused on customer facing activities, the types of service innovations that emerged from the data were those concerned with market positioning and customer experience driven. The innovations in service firms reflected an inward adjusting archetype and were focused on process efficiency, people engagement and cost reduction through collaboration in service operations to promote the delivery of service innovations.

The present study contributes to the linkage of the study of organizational determinants of service innovativeness in small and medium-sized KIBS firms and the types of service innovations implemented. This present study demonstrated that the qualities that characterize innovativeness and the factors advancing service innovativeness are facilitated by the relationships developed and maintained among the leaders and employees of small medium-sized KIBS firms and the customers that they look to create value for and with. The interaction between the KIBS firm leaders and employees, their customers and the innovative culture in which they conduct these interactions, is used as a basis in furthering the understanding of service innovativeness in small and medium-sized KIBS firms.

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STATEMENT OF ORIGINAL WORK

Academic Honesty Policy

Capella University's Academic Honesty Policy ([3.01.01](#)) holds learners accountable for the integrity of work they submit, which includes but is not limited to discussion postings, assignments, comprehensive exams, and the dissertation or capstone project.

Established in the Policy are the expectations for original work, rationale for the policy, definition of terms that pertain to academic honesty and original work, and disciplinary consequences of academic dishonesty. Also stated in the Policy is the expectation that learners will follow APA rules for citing another person's ideas or works.

The following standards for original work and definition of *plagiarism* are discussed in the Policy:

Learners are expected to be the sole authors of their work and to acknowledge the authorship of others' work through proper citation and reference. Use of another person's ideas, including another learner's, without proper reference or citation constitutes plagiarism and academic dishonesty and is prohibited conduct. (p. 1)

Plagiarism is one example of academic dishonesty. Plagiarism is presenting someone else's ideas or work as your own. Plagiarism also includes copying verbatim or rephrasing ideas without properly acknowledging the source by author, date, and publication medium. (p. 2)

Capella University's Research Misconduct Policy ([3.03.06](#)) holds learners accountable for research integrity. What constitutes research misconduct is discussed in the Policy:

Research misconduct includes but is not limited to falsification, fabrication, plagiarism, misappropriation, or other practices that seriously deviate from those that are commonly accepted within the academic community for proposing, conducting, or reviewing research, or in reporting research results. (p. 1)

Learners failing to abide by these policies are subject to consequences, including but not limited to dismissal or revocation of the degree.

Statement of Original Work and Signature

I have read, understood, and abided by Capella University's Academic Honesty Policy ([3.01.01](#)) and Research Misconduct Policy ([3.03.06](#)), including Policy Statements, Rationale, and Definitions.

I attest that this dissertation or capstone project is my own work. Where I have used the ideas or words of others, I have paraphrased, summarized, or used direct quotes following the guidelines set forth in the *APA Publication Manual*.

Learner name
and date _____

APPENDIX A. RECRUITMENT QUESTIONNAIRE

Screening / Demographic Questionnaire

- How many innovations have been implemented in your company in the past two years?
 - 1-3 | 3-5 | 5-7 | 7-10 | 10+

- How many employees does your company have?
 - <100 | 100 – 250 | 250 – 500 | >500

- What is your company's approximate annual gross revenue?
 - <\$1M | \$1M-\$5M | \$5M - \$10M | \$10M - \$15M | > \$15M

- What industry does your company participate?
 - Services | Manufacturing

APPENDIX B. INTERVIEW PROTOCOL

Interview Guide

The researcher will conduct individual and group interviews during data collection and analysis stage of this qualitative case study. The researcher will use the following interview themes to shape the guiding question formulation: types of innovation and innovative details (Subramanian & Nilakanta, 1996; Dotzel, Shankar, & Berry, 2013; Božica & Mohnen, 2016). The types of innovation include technological; product and processes, and non-technological; organizational and marketing.

The individual interviews will be conducted at a location near or at the participant's office and are anticipated to have a duration of 1 -3 hours. Group interviews will take place at an agreed upon location that is private and convenient to participants.

Date: _____

Name: _____

Location _____

Interviewer _____

Interviewee _____

Release form signed? _____

Research question: How is innovativeness developed, sustained, and deployed in small knowledge intensive business service (KIBS) firms?

The following sub-questions influence the research question and guide the direction of the study:

- What are the specific qualities that characterize innovativeness in small and medium sized knowledge intensive business service firms?
- What are the drivers that influence service innovativeness in small and medium sized knowledge intensive business service firms?
- How are these characteristics and drivers of innovativeness deployed into the market to enhance firm value?

Purpose of the research: The purpose of this exploratory case study is to develop an in-depth understanding of innovativeness in small KIBS informed by service design theory as well as new solution design and innovative behavior models. At this stage in the research, innovativeness would be defined as the firm's ability and capacity to develop and introduce innovations both internally and externally (Dotzel, Shankar, & Berry, 2013; Joshi, Das, & Mouri, 2015).

To build rapport the researcher will

Why:

Build trust, enhance buy-in that sustain the research study, and make the experience as mutually beneficial and information rich as possible.

How:

Engage early with the potential participants through telephone conversations as well as video conferencing prior to in-person interviews

Accommodate the participants preference for location and time of interview

Possibly include an introductory video on the informed consent page

Get to know the participants and consistently show genuine interest in what participant is saying makes them feel comfortable and valued

Add icebreaker questions about who they are, what they enjoy, and what

Mimic gestures and mirror positive body language

Be in the moment and actively listen, engage and be conversational

The interviews will start with general inquiry questions such as:

- What primary functions does your job involve?
- Please give me an example of types of innovations your firm has implemented?
- Please describe what drives innovation in your firm?

The following draft guiding questions will be used:

- Describe how you go about learning or discovering new concepts of how services can be performed.

- Tell me what happens when a new, different and potentially better way of marketing to prospects is discovered?
 - **Probing Question:** Please tell me in your own words if your response to the previous questions would be dependent on the position or relation to the individual providing you the information (i.e., customer, colleague, competitor)
- How do you feel about new service offerings?
- Describe the process for a new service offering being implemented within the organization?
 - Describe the process of discovery of new approaches?
 - Tell me more about how new approaches are recommended or brought to the attention of the organization.
- What about new processes for service delivery, how would your response be the same or different?
 - **Probing Question:** Based on the response to the previous question; Tell me more about how long it took to implement the new service offering and service delivery process?
- Describe how does the company/organization respond to competitor innovation?
 - Do you feel like your company/organization responds well or are there areas that it could do better?
 - Describe what they do well.
 - Tell me more about how they could be better.
- Has your organization had any experience responding to competitor innovation?
 - If yes describe the scenario.
 - If no, how would you respond to discovering a competitor has implemented a new service offering or delivery process?
 - How would your response change if their process outperforms your current service offering or delivery process?
 - **Probing Question:** Based on the response to the previous question; Please tell me more about how consistent the firm is in responding to market forces
 - What is the normal response to market forces?
 - Modifying service offering or service delivery processes?
 - Or developing new service offering or service delivery processes?
- How does the firm manage decision making related to new ideas and concepts?
- Has the firm ever experienced a decision making problem relative to new ideas?
 - Describe how the firm manages an ongoing decision making problem, what would you do?
- What about client relationship management?
 - Describe what your company / organization does well in managing its clients.
 - Describe what your company / organization could be better a doing in managing its clients.
 - **Probing Question:** Based on the response to the previous question; Please tell me more about the how involved employees are in the problem-solving process with regard to:
 - decision making on new ideas and concepts
 - meeting client needs through relationship management?
 - **Probing Question:** Based on the response to the previous question; Please tell me more about the how involved clients are in resolving:
 - Decision making related to new ideas and concepts
 - challenges in meeting their needs through co-creation
- Please tell me in your own words and in detail, what examples of market research practices the firm actively conducts?
 - I'm assuming market research to be competitive analysis and understanding client's needs and motivations.
- Please tell me in your own words and in detail your perception your role and function in innovative activities?

These draft guiding questions reflect alignment with the researcher's need to understand the types and drivers of innovations implemented in small KIBS as well as the respective contexts. The probing questions reflect the researchers need to understand the contextual parameters of the types and drivers of innovations and innovative capability of small KIBS.

APPENDIX C. FOLLOW-UP EMAILS

EMAIL SCRIPT

Hello, my name is Malcolm Tyson. I am a PhD candidate at Capella University in the School of Business & Technology. I am conducting research on the innovation in small knowledge intensive business service (KIBS) firms and I am inviting you to participate because you are a KIBS business leader that has first-hand information from your own perspective that would be valuable to this study.

Participation in this research includes taking a survey, that you've already taken as well as a conversation about details of the study and logistics surrounding the interviews. This conversation shouldn't take more than 15 to 25 minutes. If you agree to participate in a follow-up interview about your view of the factors advancing service innovativeness in your firm, that will take approximately 60 to 90 minutes. In total your participation in the survey, this call and the follow-up interview, your total time commitment will be between 80 – 120 minutes.

Would you be open to a phone conversation at a convenient time to answer any questions that you may have and possibly discuss logistics for conducting the interview? If so I have availability on days /times to discuss further. If not, what days/ times work better for you?

If you have any questions prior to our conversation or would like to contact me for any other reason, I can be reached at (240) 712-4769 or mtyson5@capellauniversity.edu.

Regards,

EMAIL SCRIPT 2

Hi XXXX,

I'm reaching out to gauge your interest in assisting in a research study that I'm conducting for my doctoral dissertation. I am conducting research on innovation in small knowledge intensive business service (KIBS) firms. I will be interviewing business leaders in 10-12 innovative companies to gain insight into the factors advancing innovativeness and types of innovation carried out in these small firms.

Would you be open to a phone conversation at a convenient time to answer any questions that you may have and possibly discuss logistics of the research study? If so, I have availability this Monday, 11am - 2pm, Wednesday 1-3pm, and Friday 11am – 1pm to discuss further. If not, what days/times work better for you?

If you have any questions prior to our conversation or would like to contact me for any other reason, I can be reached at (240) 758-9966 or mtyson5@capellauniversity.edu.

EMAIL SCRIPT 2

Hello Business Leader-

My name is Malcolm Tyson and I'm a Ph.D. candidate at Capella University in the School of Business & Technology, specializing in Strategy & Innovation. I'm conducting a study on innovation in small and medium-size businesses. I am conducting research on the innovation in small knowledge-intensive business service (KIBS) firms and I am inviting you to participate because you are a KIBS business leader that has first-hand information from your own perspective that would be valuable to this study. I'll be conducting this exploratory case study on a sample size of 15 knowledge-intensive firms to how they innovate and the types of innovations they've implemented.

Would you be open to a phone conversation at a convenient time to talk to me about innovation in your business? If so, what days/ times work best for you?

If you want to learn more about the study you can click [here](http://www.stratascension.com/innovationresearchfaqs) (or paste the following URL into your web browser: *http://www.stratascension.com/innovationresearchfaqs*)

In return for your time and willingness to cooperate in this study, I propose the following offerings:

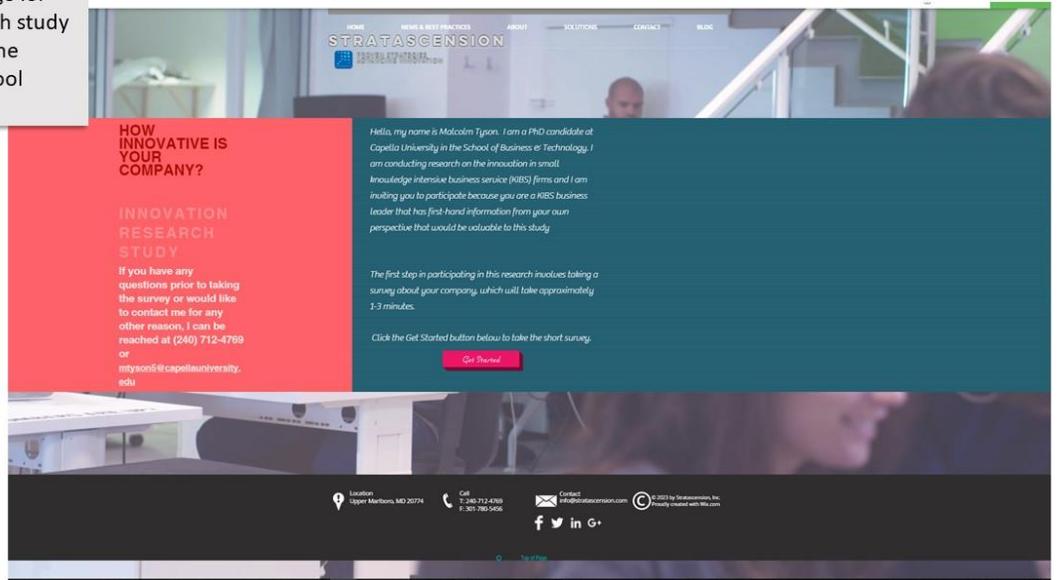
- Provide an overview of cutting-edge service innovation research (conducted over the past 2.5 years)
- White paper on “Why service innovation as a differentiator”
- White paper on “Innovation Leadership”
- Copy of E-book “Excellence is a Habit”
- Be a Guest Facilitator for Strategic Planning workshops
- Be a Guest Leadership Trainer
- Be Guest Contributor for
 - Blog Post
 - Podcast
 - Website
 - Social Media / Video
- Be a Guest Speaker or Panelist on:
 - Innovation
 - Service Innovation
 - Strategic Execution
 - Leadership
 - Innovative / Growth Culture

My goal is to develop a service design model that will help small businesses be more innovative and enhance their probability of profitability and sustainability. I hope you take this opportunity to join me in countering fail rates and help small business owners create the businesses and lives that they dreamed about when they launched into entrepreneurship.

Thanks in advance for your attention and I look forward to hearing from you.

APPENDIX D. WEBSITE PAGES

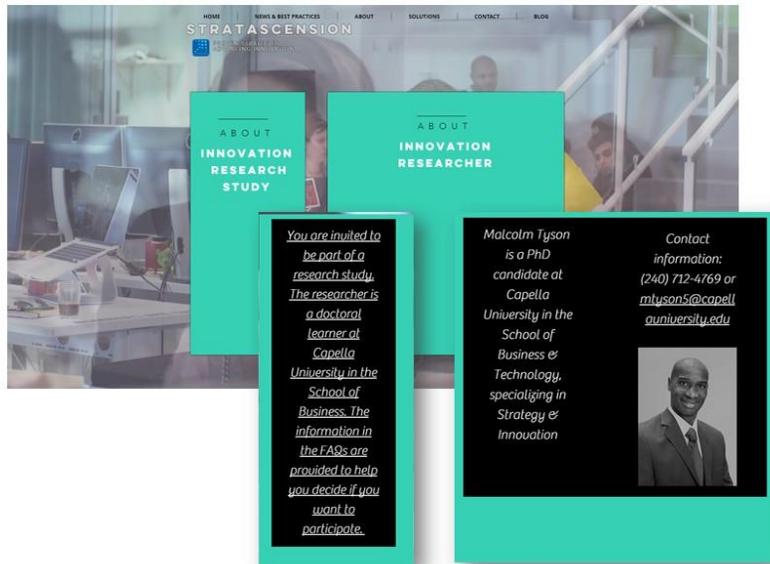
- Landing page for the Research study
- Link to online screening tool



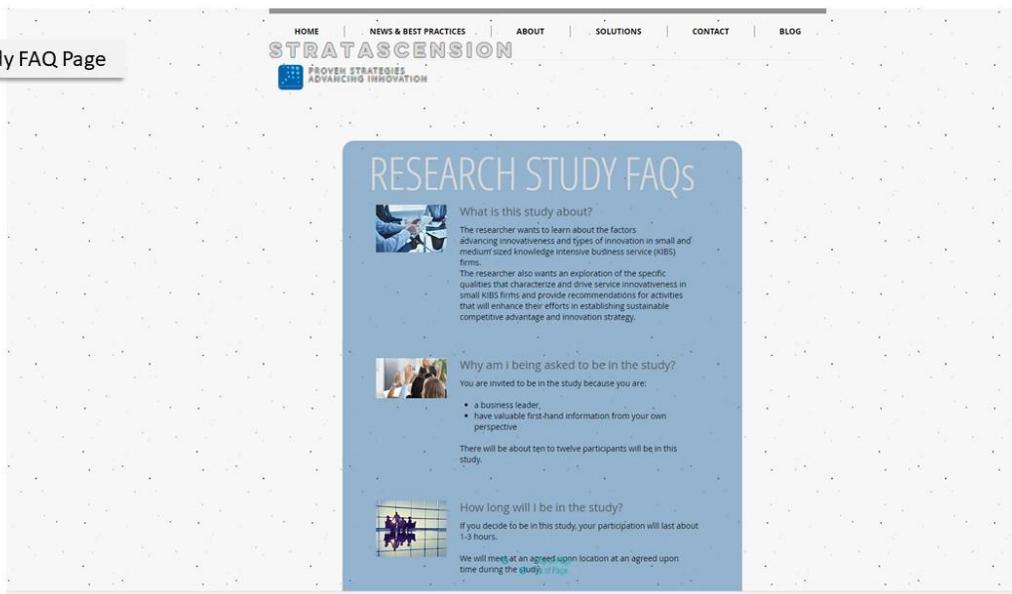
- Lightbox page 'pops up' after 3 seconds on webpage
- Link to online screening tool



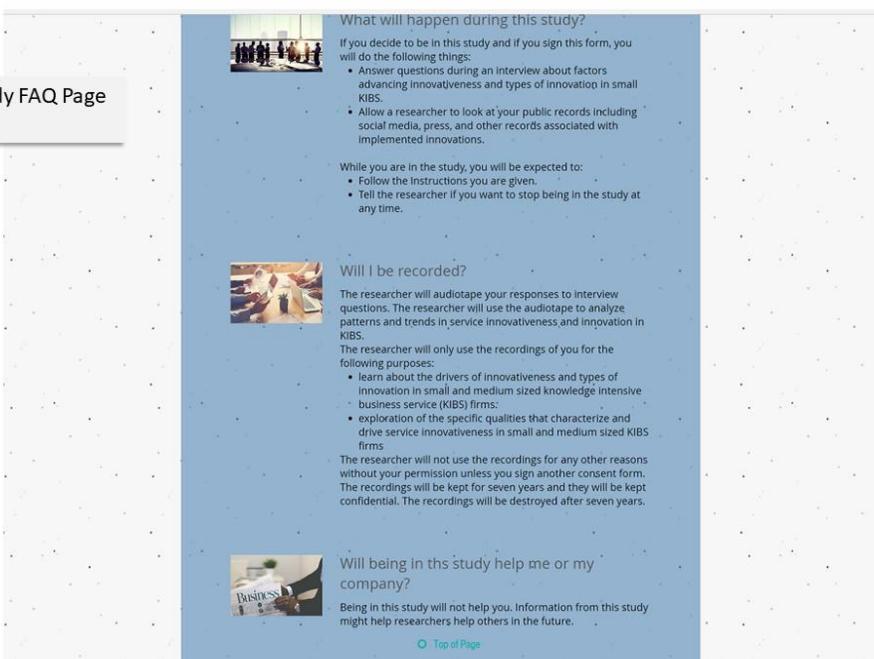
Invitation to participate in research study page



Research Study FAQ Page



Research Study FAQ Page - 2





Will I get paid?

If you participate, you will receive no payment. You will not receive any compensation from the researcher for being in the study.



Do I have to be in this study?

Your participation in this study is voluntary. You can decide not to be in the study and you can change your mind about being in the study at any time. There will be no penalty to you. If you want to stop being in the study, just tell the researcher. The researcher can remove you from the study at any time. This could happen if:

- The researcher believes it is best for you to stop being in the study.
- You do not follow directions about the study.
- You no longer meet the inclusion criteria to participate.



Who will use and share information about my being in this study?

Any information you provide in this study that could identify you such as your name, age, or other personal information will be kept confidential.

Assigning code names/numbers for participants that will be used on all research notes and documents.

Keeping notes, interview transcripts, and any other identifying participant information in a locked file cabinet in the personal possession of the researcher as well as in a secured mailbox at an undisclosed location.

Participant data will be kept confidential except in cases where the researcher is legally obligated to report specific incidents. These incidents include, but may not be limited to, incidents of abuse and suicide risk. In any written reports or publications, no one will be able to identify you.

The researcher will keep the information you provide in a secure file cabinet in researcher's personal possession as well as a copy maintained in an undisclosed location. Only the researcher, researcher's supervisor, and dissertation committee will have access to your study data. Additionally, Capella University's IRB, the Research Compliance Committee (RCC), or its designees may review your research records.

The researcher will keep the information you provide in a secure file cabinet in researcher's personal possession as well as a copy maintained in an undisclosed location. Only the researcher, researcher's supervisor, and dissertation committee will have access to your study data. Additionally, Capella University's IRB, the Research Compliance Committee (RCC), or its designees may review your research records.

Even if you leave the study early, the researcher may still be able to use your data. The samples and data that are registered about you will only be used in accordance with the purpose of the study as described above. All the data and samples will be processed without name, ID number or other directly recognizable type of information. A code number links you to your data and samples through a list of names.



Who can I talk to about this study?

You can ask questions about the study at any time. You can call the researcher if you have any concerns or complaints. You should contact the researcher at (248) 712-4769 or irb@capellauniversity.edu. If you have questions about the study procedures or if you get hurt or sick during the study.

Capella University's Institutional Review Board (IRB) has been established to protect the rights and welfare of human research participants. Contact us at 1-888-227-3552, extension 4716 or at irb@capella.edu for any of the following reasons:

- You have questions about your rights as a research participant.
- You wish to discuss problems or concerns.
- You have suggestions to improve the participant experience.
- You do not feel comfortable talking with the researcher.

You may contact the IRB without giving your name. We may need to reveal information you provide in order to follow up if you report a problem or concern.