FRONTLINE EMPLOYEES AS INNOVATORS: GENERATING INNOVATIVE IDEAS FROM CUSTOMER CONTACT SITUATIONS

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ABSTRACT

The importance of frontline employees (FLEs) for the success and effectiveness of organizations is recognized by researchers and practitioners alike (Hartline and Ferrell 1996; Singh 2000). However, their importance for the innovativeness of companies is often underestimated and has received little attention in prior research. Their boundary spanning position has them uniquely placed to listen to the voice of the customer (Griffin and Hauser 1993) and to make this voice heard in their organization. Integrating customer information in innovation processes positively influences the success of new product and service development projects (Gruner and Homburg 2000; Matthing, Sandén and Edvardsson 2004). This appears to be particularly true for the early stages of the innovation process, the generation of ideas (Alam 2002). FLEs represent a unique and valuable source for this information (Grönroos 2007; Pelham and Lieb 2004) as they are the organizations closest link to their customers (Singh 2000).

At the heart of our research interest lies the question of how companies can profit from the potential for innovation arising from the interactions between their FLEs and their customers. We look at how FLEs gather ideas, suggestions and innovative impulses from their customer contacts and then make these available to their company. We refer to this process as idea fishing – the FLEs fish for ideas in their customer contacts and then reel the ideas in for their company. Our central research question focuses on the identification of individual factors, managerial and organizational factors that explain variations in idea fishing behaviors. We develop and test a theoretical model linking antecedents to the idea fishing behaviors of FLEs. We aim to provide companies with a better understanding on how to profit more effectively more from the potential of innovation arising in customer interfaces.

As the available literature on informational boundary spanning of FLEs is limited, we took an explorative approach to help build an understanding of FLE idea fishing behaviors and their antecedents. The explorative study comprises a total of 21 FLEs, which were selected using purposive sampling (Patton 2004). The results of the qualitative study were helpful in formulating our hypotheses, leading to the definition of the idea fishing concept as follows: Idea fishing refers to FLEs (1) gathering creative and innovative ideas and suggestions during interactions with customers and (2) disseminating these ideas in the company. Several antecedents of idea fishing behaviors were discovered that were conceptualized at the level of individual FLEs and the level of FLEs' organizations.

To test our conceptual model, we collected data from different firms through online surveys. A total of 237 FLEs from 31 different firms participated in this study. Sales managers of the participating companies provided additional information on the firm level in a second questionnaire. In order to estimate the parameters of our model, multilevel modeling was used.

Our findings show that idea gathering alone is not enough to stimulate innovation. If the ideas collected in customer contact situations are not disseminated, they are lost to the company. In line with previous research on discretionary work behaviors, we find that job satisfaction and desire for upward mobility are key determinants of idea gathering. However, in our study idea dissemination was not significantly related to job satisfaction or desire for upward mobility. This is surprising, as both those factors are strong drivers of other forms of discretionary behavior. Idea dissemination is influenced by these factors only indirectly over the mediator idea gathering. In line with our theoretical assumptions, the quality of FLEs internal networks is positively related to both idea gathering and dissemination. Contrary to our hypotheses, we find that role conflict resulting from differences in available resources and demands is positively related to idea gathering. However, this type of role conflict also suppresses idea dissemination. Another result that contradicts our propositions is that intersender role conflict positively impacts idea dissemination. On an organizational level, giving FLEs feedback on how ideas fished from customer contacts are used in the organization improves the relationship between idea gathering and idea dissemination. FLEs in companies with a strong learning orientation also pass on more of the ideas gathered in customer contacts. Contrary to our predictions, market orientation and empowerment do not influence the idea gathering – idea dissemination relationship.

References Available on Request