

Executive summary

Internal innovation contests are an approach to bring the market inside the firm. They are conducted within the borders of a firm in order to work on new product ideas and innovations. Idea generation differs in the context of internal innovation contests and standard innovation processes. Taking a knowledge-based perspective, this work focuses on the comparison of these two approaches on individual, team and organizational level. For this purpose, an internal innovation contest at a multinational firm was examined as well as the standard innovation process of this firm. Five propositions are developed which apply to internal innovation contests taking place in cross-functional teams. The first highlights that the motivation of employees does not increase during internal innovation contests if they possess autonomy in the standard processes. Beyond, employees are intrinsic or internalized extrinsic motivated during both organizational approaches. Collaboration among employees increases during internal innovation contests as the tendency to link, connect and share ideas augments. Finally, the last propositions states that internal innovation contests deliver ideas with higher variety compared to standard innovation processes.