Exploring the Motivations and Adoption of Open Innovation for Social Enterprises in Hong Kong

Governments and nonprofits are increasingly adopting ICT to facilitate social innovation by engaging diverse stakeholders to address increasingly complex public problems. The open innovation model was originally initiated by the private sector to engage a network of outsiders and facilitate knowledge exchange and innovation with external actors (Chesbrough, 2006). Previous studies have demonstrated that adopting open innovation results in the realization of the wisdom of the crowd, cost reduction, and improved relationships with clients (Afuah & Tucci, 2012; Boudreau & Lakhani, 2013; Nam, 2012; Riedl & Riedl, 2013). Implementing successful open innovation requires the ability to attract diverse and capable crowds to voluntarily participate in open innovation.

Recent motivational studies on open innovation have suggested that a list of important factors, including payment, skills and self-improvement, reputation and peer recognition, and enjoyment and habits all play essential roles in determining performance in open innovation (Brabham, 2010, 2012; Frey, Luthje, & Haag, 2011; Kaufmann, Schulze, & Veit, 2011; Tokarchuk et al., 2012). While studies have been conducted to investigate the incentives for participation in Western settings, West–East cultural differences have not been sufficiently accounted for. For instance, previous studies have found that solvers who contributed to open innovation in the Chinese private sector were motivated by higher rewards (Liu et al., 2014; Shao et al., 2012) and fairness in reward distribution (Zou et al., 2015).

The purpose of this study is to bridge this gap and understand the underlying drivers for
participation in open innovation projects in the context of Hong Kong. We interviewed 4 nonprofit organizations and 3 open innovation participants, and conducted a survey with 155 respondents about their motivations in participating in open innovation. Our study maps the landscape of open innovation in Hong Kong and to identify a list of incentives for implementers to develop strategies and to attract the right participants with innovative ideas.

The results show that monetary reward is not a necessary factor for attracting participation in open innovation as evidenced by the findings that most respondents would have attempted open innovation even if there were no financial reward offered. Instead, the underlying factors motivating participation are skill enhancement, improvement of career prospects, satisfaction gained from the process of problem solving, learning opportunities and intellectual exchange. In addition, it is found that social impact and program design of the particular open innovation challenge including flexibility, transparency and ease of use of the platform are important to facilitate open innovation. Meanwhile, online security and accessibility are potential obstacles that deter participation in online open innovation. The findings will allow us to generate applications and strategies for policy makers and implementers who are interested in designing effective open innovation that facilitates social innovation in Hong Kong.

**Keyword**

ICT, Open Innovation, Social Enterprise