



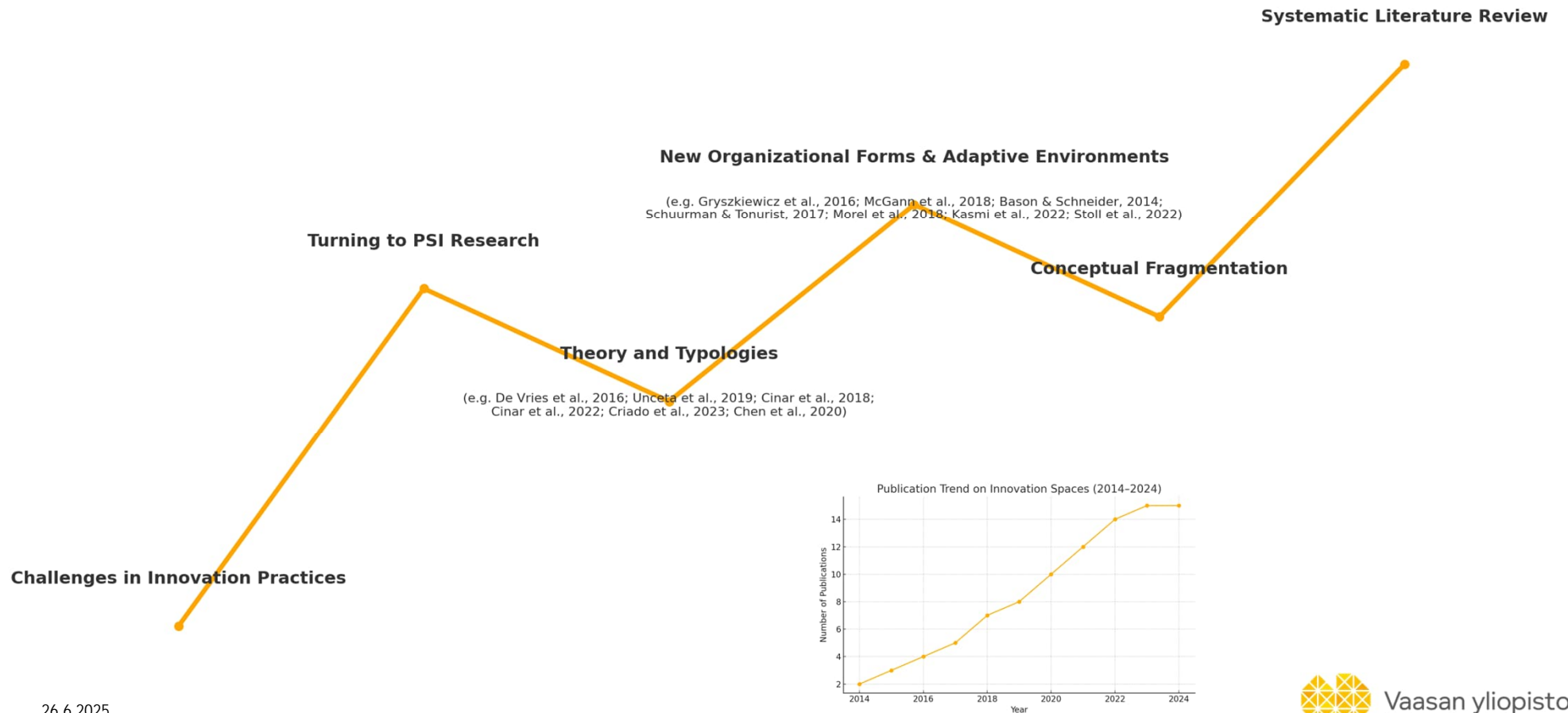
Vaasan yliopisto
UNIVERSITY OF VAASA

Understanding Innovation Spaces in the Public Sector

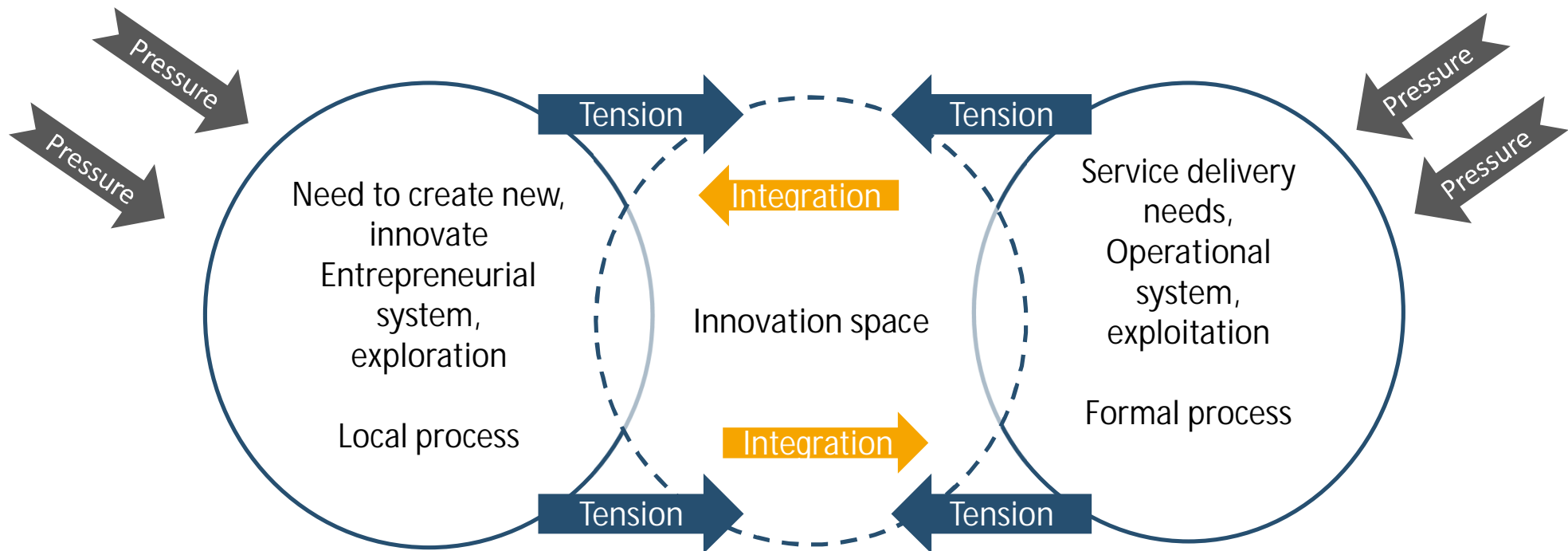
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BETWEEN THEORY AND PRACTICE



INNOVATION SPACE – NEW ORGANIZATIONAL FORM OF ADAPTIVE, COLLABORATIVE ENVIRONMENT



RQ: What is innovation space in public sector?

Sub RQ's:

What types of innovation spaces are identified in PSI literature?

What are the enablers and inhibitors of these spaces?

How do innovation space shape innovation outcomes?

METHODOLOGY & RESEARCH DESIGN

Systematic Literature Review (PRISMA-guided) of 105 peer-reviewed articles (2014–2024) from Scopus & Web of Science.

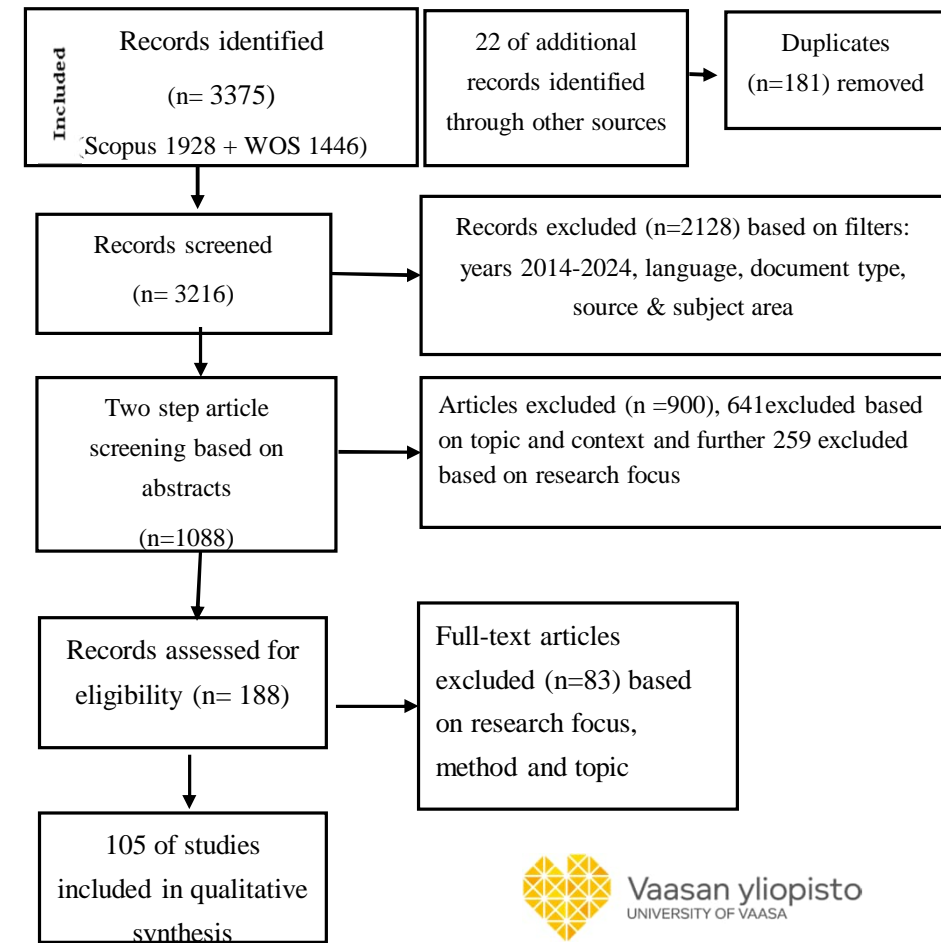
- Initial yield 3375 records

Selection Criteria:

- Empirical studies in English focusing on PSI and spatial innovation concepts.
- Excluded conceptual/theoretical-only papers and non-public sector contexts.

Analysis Approach:

- Coding scheme developed iteratively in excel and in NVivo; extracted data on definitions, enablers/inhibitors, governance, and outcomes of innovation spaces.
- Abductive reasoning used for pattern synthesis and framework development.
- ▶ Practitioner lens influenced code refinement



PRELIMINARY RESULTS

- Definitions, conceptualisations, functions, modalities
- Typology of spaces and governance positions
- Inhibitors and enablers
- Outcomes & mechanisms

WHAT IS INNOVATION SPACE?

1. Definitions: Innovation space in the public sector is commonly defined as a space, platform, or ecosystem where diverse actors jointly develop, test, and implement public innovations. They enable learning, co-creation, interaction and experimentation. Some are spatially embedded within specific regions or urban ecosystems, some operate as intermediaries between actors and levels.
2. Functions:
 - Policy and service design enabling rapid prototyping, iterative development, and evidence-informed policy innovation.,
 - User engagement and co-creation: involving citizens, stakeholders, and frontline professionals.
 - Organizational learning: serving as platforms for exploring new methods, mindsets, and institutional capabilities.
3. Modalities:
 - Physical, virtual: while many labs and platforms operate in co-located environments, some use digital platforms to coordinate geographically dispersed actors.
 - Liminal spaces: often function as transitional or hybrid zones—both materially and institutionally—that offer actors freedom from existing constraints and promote new forms of engagement.

TYPOLGY

- › Innovation Labs: government-supported or semi-independent labs focused on public service and policy innovation
- › Living Labs: real-life testing environments where users and developers co-create and evaluate solutions in iterative cycles.
- › Fab Labs / Maker Spaces / Hackerspaces: spaces emphasizing digital fabrication, grassroots innovation, and participatory design.
- › Co-working / Creative Hubs: environments for professionals from different sectors to collaborate, share resources, and incubate ideas.
- › Design Factories: university-affiliated or cross-sector labs with strong ties to design thinking and rapid prototyping.
- › Hybrid Innovation Spaces: combinations of lab types or mixed models that integrate public, private, and academic actors.
- › Open Collaborative Spaces: platforms characterized by shared ownership, networked governance, and openness to various actors.
- › Liminal Innovation Spaces: transitional or boundary-spanning environments enabling organizational change and experimentation.



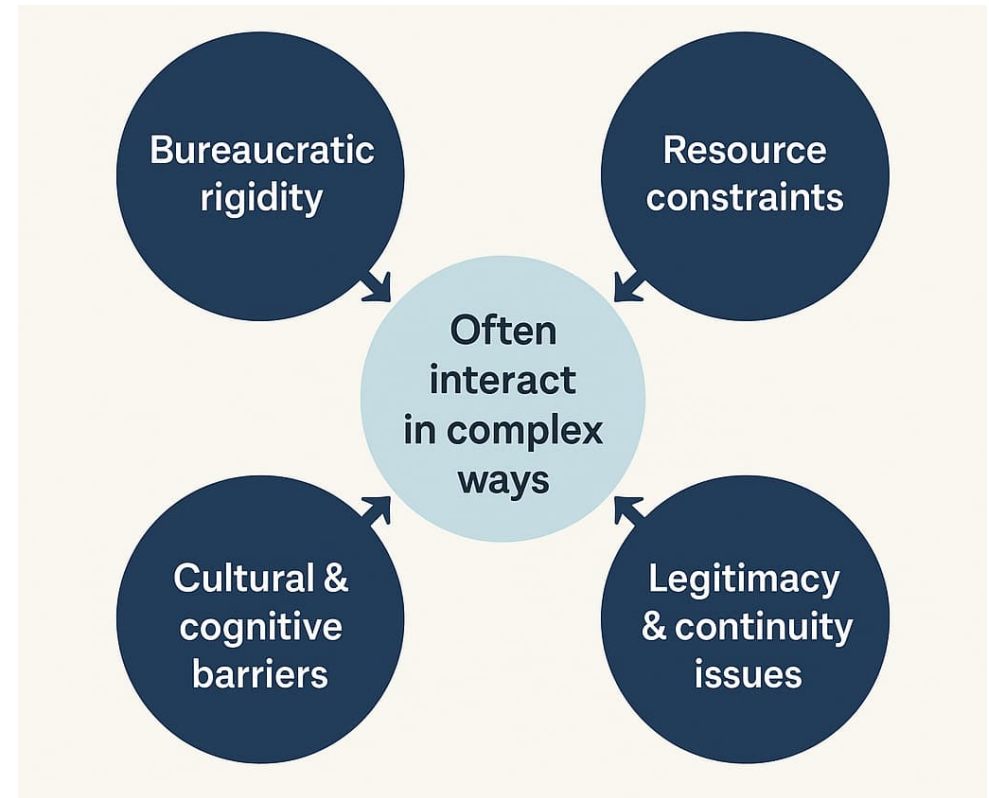
POSITION IN GOVERNANCE

- ▶ Some spaces are positioned within public agencies, others operate at arm's length outside the formal organisation, and some are hosted by external parties.
- ▶ This positioning shapes how much freedom they have, what kind of risks they can take, and how sustainable they are over time.
- ▶ This diversity of positioning illustrates the flexibility of innovation spaces to adapt to different contexts.
- ▶ Pruvot et al. (2023) make an important distinction between innovation space as a physical infrastructure and the lab as a set of strategies.
- ▶ Favoreu et al. (2024) emphasize the ambidextrous nature of innovation spaces, providing creative, cognitive, and social freedom that fosters cross-boundary learning and collaborative project development.



INHIBITORS

- ▶ Bureaucratic and institutional issues, like rigid hierarchies and poor coordination.
- ▶ Resource-related constraints — especially short-term funding and lack of skilled personnel.
- ▶ Cognitive and cultural barriers, such as risk aversion, short-termism, or lack of incentives.
- ▶ Legitimacy challenges, including political fragility or distrust across organizations.



INNOVATION OUTCOMES

Outcomes

- ▶ Impact isn't just in delivering new services or policies.
- ▶ Outcomes often intangible; trust, mindset shifts, or new relationships
- ▶ Influence on problem framing, on means of collaboration and learning.
- ▶ Beyond structure or output — *how* these spaces function, and *what kind of environment* they create.

Mechanisms

- ▶ Experimentation & Prototyping
- ▶ Cognitive Framing / Narrative Change
- ▶ Network Formation & Spillovers
- ▶ Cross-sectoral Dialogue
- ▶ Proximity (virtual, cognitive, physical)
- ▶ Reflection & Sensemaking
- ▶ Temporality (project vs policy time)
- ▶ Institutional Embedding or Scaling

CONCLUSION

- ▶ Innovation spaces are relational infrastructures.
- ▶ They create conditions for cross-boundary collaboration.
- ▶ They bridge between structured bureaucracy and adaptive experimentation.

All questions, comments
and critique and
collaboration ideas are
more than welcome.

Kiitos!
Thank you!
Danke!



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