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The inclusivity, flexibility, and creativity paradox**

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Anticipating joint value creation in a local energy transformation project: the inclusivity, flexibility, and creativity paradox

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Research problem statement

In public-private innovation projects that aim to address societal problems like climate change, inequality, and poverty in local contexts, project members have to work towards realizing envisioned possible futures from within existing institutional constraints (Bos-de Vos et al., 2022; Ika & Munro, 2022; Winch & Maytorena-Sanchez, 2020). Project members represent both public and private organizations, often from different sectors. As such, they bring in various – often competing – interests and hold different beliefs about what is important for the future (Martinsuo, 2020). Regardless, they need to jointly create future value with their project for many stakeholders, including stakeholders that are responsible for the project (e.g., project partners from industry, academia and/or government), stakeholders that are interested in the project (e.g., local governments, local businesses), and stakeholders that are impacted by the project (e.g., the local physical and natural environment, residents).

Anticipating joint value creation is challenging in all interorganizational projects (Matinheikki et al., 2016). It concerns multiple stakeholders and different dimensions of future value (such as social, economic, and ecological) (Zerjav et al., 2021). What makes it even more complicated for projects that aim to contribute to transforming existing systems, is that the scope, goals, and deliverables of such projects are typically ambiguous and ill-defined (Jaafari, 2003). Project partners and other stakeholders, as well as the contexts these are embedded in, may become more or less important over time (Bos-de Vos et al., 2022), and project members need to navigate a continuously evolving situation (Winch & Sergeeva, 2022). This makes it difficult to project the course of the joint value creation and project members need to be flexible, creative, and inclusive to progress. Due to the complexity, uncertainty, and messiness involved, joint

value creation often remains implicit in the front end of projects, leading to conflicts, delays, and frustrations in the collaboration and suboptimal outcomes in answering pressing societal challenges (Bos-de Vos et al., 2022).

Studies of value creation in projects often tend to focus on understanding the co-creation of value through a select number of key stakeholders, such as clients (Fuentes et al., 2019), clients and main contractors (Chi et al., 2022). For an increasing number of projects, including projects that aim to contribute to addressing grand societal challenges (Ika & Munro, 2022), such stakeholders do not necessarily represent the most salient interests, warranting a broader stakeholder perspective. To realize value for (and potentially even with) all stakeholders, project members need to collectively co-envision what value the project will deliver upon completion, and during its lifecycle (Artto et al., 2016; Chang et al., 2013). Drawing upon prior literature, we recognize three activities that anticipating future value creation may consist of: 1) identifying stakeholders and their values to understand and operationalize future value (e.g., by stakeholder mapping, value mapping); 2) aligning among stakeholders to negotiate and prioritize future value (e.g., by shared vision, risk management); and 3) aligning across contexts to embed/integrate future value into existing systems (e.g., aligning with strategic objectives organizations, defining KPIs early on, monitoring and adapting).

Although there is knowledge of the value anticipation activities that happen in specific projects and how these play out, there is little insight into how activities are executed and combined in the micro-level interactions between project members and how this supports anticipating future value creation (Kier et al., 2023). To better understand how joint value creation is anticipated in system transformation projects and how it enables or hinders progress and reaching successful outcomes (Müller & Locatelli, 2023; Winch, 2022), we therefore focus on answering the following research question: *How do members of public-private innovation projects that address societal problems in local contexts anticipate future value creation in their interactions?*

Research methodology and approach

This study focuses on project members' practices of anticipating future value creation for the responsible, interested, and impacted stakeholders of a local energy transformation project in

the Netherlands. The members of this local energy transformation project, which can be considered a multiparty, socio-technical innovation project, are actors from multiple public and private organizations, including a research institute, two universities, two governmental organizations, seven businesses, two community parties, and one NGO. Citizens are also involved in the project, but not as part of the project's consortium. The project is funded through public and private funds and aims to contribute to making the current energy system future-proof through local experimentation (Schot & Geels, 2008). The project specifically explores the investments needed and possibilities for sharing energy among public and private stakeholders to address increasing energy demand, energy surplus, and congestion in the network. The development of a mutually reinforcing digital twin of the local energy system (technical innovation) and a social platform for energy exchange (social innovation) form the basis of the experiments.

We investigate the interactions between project members to understand how they collectively identify and negotiate the value they aim to create with their project for the diverse stakeholders and try to integrate this into existing institutional contexts. As part of an ethnographic study of the project, we gathered data from a series of meetings in which project members collectively discussed the project's aims, progress, and intended outcomes. In several of these meetings, future value (for responsible, interested, and impacted stakeholders) was explicitly discussed using workshop templates that focused on identifying and mapping envisioned value exchanges between stakeholders.

Between November 2022 and November 2023, we observed, audio recorded, and photographed five project meetings; collected documents related to the meetings (e.g., slide decks, meeting notes, and other outcomes) and the project (e.g., website texts, project reports, presentations); conducted interviews; and kept field notes of informal conversations. The meetings include three partner events and two use case sessions. The partner events lasted between three and four hours. They consisted of a plenary introduction presentation, workshops in smaller groups, and a plenary discussion. All project members were invited to the partner events and around twelve members (including representatives of technical and social partners) attended the meetings. The use case sessions aimed to speed up the process of envisioning the future by focusing on specific use cases, for example, the existing battery of the stadium, which could be used to share redundant energy within the neighborhood. A selection of project

members were invited to the use case sessions, and around six people (representing both technical and social partners) attended the events.

Our data analysis, which is currently still ongoing, consists of three steps that are iteratively developed. We first focused on generating a broad understanding of the project and how it evolved. We developed a visual process map that captured the involved stakeholders, interactions, decisions, and external influences (cf. Brunet et al., 2021; Langley, 1999). In the second step, we focused on the interactions between project members in the observed meetings. We discussed our observations with the two authors and two other researchers involved in the data collection process. We used the recordings to bring back any moments of the meetings that raised confusion or disagreements. During this first step of the analysis, we identified interactions between project members in which value creation was consciously anticipated (e.g., by naming, describing, discussing, and visually mapping). Due to the project's focus on delivering both economic and social value, we found many interactions where economic value creation and technical feasibility were anticipated, interactions in which social value creation was anticipated, and interactions in which both were anticipated. We noticed that the focus on social value creation often moved to the background or even disappeared during the interactions, which was surprising as realizing social value is a core objective of the project. We visualized how the anticipation of social value creation and economic value creation/technical feasibility co-evolved across the project meetings in another process map. In the third analytical step, we focused on further detailing what happened in the interactions where the anticipation of value creation raised our attention (because (parts of) it emerged, changed, or disappeared). We investigated how specific actions of individuals in the meetings influenced (or were brought about by) the value anticipation and how value anticipation was affected or influenced by activities or decisions at the overarching project level. We captured these details in vignettes (Winch & Sergeeva, 2022), which we used for further analysis. Using the vignettes and our collected documents, interviews, and notes, we arrived at the understanding that the evolution of project members' future value creation anticipation is influenced by three underlying paradoxes, which we labeled the *paradox of inclusivity*, the *paradox of flexibility*, and the *paradox of creativity*.

Emerging findings

Our ongoing data analysis reveals that project members' anticipation of future value creation can be understood as navigating paradoxes of inclusivity, flexibility, and creativity in the interactions between project members. While similar paradoxes may exist at the project level, our explanation of these paradoxes is limited to the level of project members' interactions.

The paradox of inclusivity

The paradox of inclusivity relates to *who is interacting*. At several moments in the project, the project coordinator and/or other project members invited additional actors such as students and researchers into the team. This allowed allocating more time and resources to the anticipation of joint value creation and brought in additional perspectives. The new members were warmly welcomed into the project by most existing team members. Yet this inclusive approach towards anticipating joint value creation, also resulted in the value creation becoming less inclusive. Certain project members felt less part of the team and interactions about value creation became more distributed across project members. The inclusive approach also complicated the progress of anticipating joint value creation as every interaction involved long rounds of introductions and the remaining time was often insufficient for in-depth discussions.

The paradox of flexibility

The paradox of flexibility relates to *how the interactions are organized*. In the project, members could arrange the content of their interactions freely, while the project's management team primarily focused on planning and coordinating interactions. The laid-back approach of the project management team allowed maximum flexibility for addressing the project's emergence and unfolding needs of responsible and interested stakeholders. However, it also made the anticipation of future value creation less flexible. Project members repeatedly fell back into discussing the value that was of interest or obvious to them and did not know how to communicate about value that seemed important for other stakeholders, such as social value for the residents that are to be impacted by the project. Even though social value was frequently at the start of an interaction, the interaction often ended in discussing only technical and economic value dimensions. The lack of clear guidance in what to discuss about joint value creation, when

and how, led to meetings without clear conclusions or next steps, a lack of follow-up in new interactions, and feelings of repetitiveness or redundancy among project members.

The paradox of creativity

Finally, the paradox of creativity relates to *how the interactions are executed*. The social researchers in the team took the lead in designing many interactions among the project members. For example, they developed multiple frameworks for workshops that allowed project members to anticipate potential value exchanges between responsible and interested stakeholders. The design of these frameworks stimulated creativity by allowing shared exploration. Yet, the open-ended nature of the frameworks also made it difficult for project members to connect and understand what they exactly needed to do. This restricted their thinking and acting, decreasing creativity in the anticipation of joint value creation. For example, members representing the technical partners used technical diagrams in discussions of social value creation, which directed the discussion back toward economic value creation and technical feasibility.

Our analysis of the local energy transformation project illustrates how project members' conscious anticipation of joint value creation, is executed on an ad-hoc basis without attention to the paradoxes the team is navigating in their interactions. We show how responses to the inclusivity, flexibility, and creativity paradox influence the process of anticipating joint value creation, including its efficiency and effectiveness in incorporating stakeholder perspectives (or lack thereof).

Implications

We contribute to the existing literature on value creation in projects (Green & Sergeeva, 2019; Kier et al., 2023; Laursen & Svejvig, 2016; Willumsen et al., 2019), by providing detailed insight into how anticipating value creation occurs and evolves in a project that aims to contribute to system transformations through local experimentation. We also show how practices that intend to balance social and technical innovation can enable but also hinder this. We conclude by proposing that 1) team size matters for navigating the paradox of inclusivity, 2) project managers need to lead by allowing flexibility within a framework for navigating the paradox of flexibility, and 3) a shared basis needs to be developed with room for interpretation for

navigating the paradox of creativity. These three propositions may form a basis for a research agenda on anticipating future value creation in project management and can be used by project participants to more effectively manage joint value creation in their projects.

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