

PUBLICATIONS OF THE ACADEMY OF FINLAND 5/12

RESEARCH PROGRAMME ON
BUSINESS KNOW-HOW (LIIKE2)
2006–2009

EVALUATION REPORT



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ON BUSINESS KNOW-HOW



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Members of the Evaluation Panel

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ACADEMY OF FINLAND

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ISSN 0358-9153

ISBN 978-951-715-833-6 (PDF)

Page layout: DTPage Oy

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DESCRIPTION

Publisher	Academy of Finland	Date	September 2012
Author(s)	Evaluation panel		
Name of publication	Research Programme on Business Know-how (LIIKE2) 2006–2009. Evaluation Report		
Abstract	<p>In 2004, the Board of the Academy of Finland earmarked EUR 3.5 million for the Research Programme on Business Know-how (LIIKE2) for 2006–2009. In 2010, an international evaluation panel was appointed to evaluate the programme. This report presents the findings and recommendations of the evaluation.</p> <p>LIIKE2 explored different aspects of business know-how considered important to the Finnish economy. A key question was: In what way do Finnish and Finnish-based companies improve national competitiveness through their own actions? The high number and quality of the applications provided a strong justification for LIIKE2 and its key objectives. In all 25 projects took part in LIIKE2. The project selection was sound, but the projects had a tight budget. The research of the funded projects provided a solid basis for raising understanding of business know-how in companies. The Finnish Work Environment Fund provided additional funding for three projects. The Academy showed flexibility, as subsequent projects co-funded by the Russian Foundation for the Humanities extended the original LIIKE2 programme. In the early phase of the programme, the coordination was given to an external coordinator based at Helsinki School of Economics. In practice, this outsourcing of coordination worked very well.</p> <p>The projects and their outputs tended to emphasise the empirical rather than theoretical elements of business know-how. The projects showed evidence of innovation in terms of their focus and interdisciplinary nature, the methods employed, using both qualitative and quantitative techniques, and capacity building through network collaborations. Collaboration and networking was carried out at the programme and project level both internationally and nationally. One of the strengths of LIIKE2 was cooperation and coordination in researcher training, providing opportunities for new researchers through mentoring, scientific publications and career development. Collaboration with end-users took place at several levels.</p> <p>LIIKE2 produced in all 71 degrees, 43 of which were doctoral degrees. This is a substantial achievement and represents a major contribution to Finland's expertise base. Outputs at the programme level showed a range of dissemination methods. In some respects, the actual impact on the academic and business community is difficult to assess, as much of the investment from LIIKE2 has wider impacts across the Finnish economy and society at large. Overall, the academic impact of LIIKE2, measured by publications and degree qualifications, was a major success. In the future, it may be worth considering more carefully the effect of staff composition on research programmes and how the involvement of more postdoctoral and senior researchers may affect engagement with stakeholders. Funding for longer periods is worth considering.</p>		
Keywords	business know-how, competitiveness, innovations, global business, entrepreneurship, CSR		
Name and number of series	Publications of the Academy of Finland 5/12		
ISSN	0358-9153		
ISBN	Print	PDF	978-951-715-833-6
Number of pages	37		
Distributed by	Academy of Finland, POB 131, FI-00531 Helsinki, viestinta@aka.fi		
Published by	Academy of Finland		
Place and date of printing			
Other information	www.aka.fi/publications		

KUVAILULEHTI

Julkaisija	Suomen Akatemia		Päivämäärä
			Syyskuu 2012
Tekijä(t)	Arviointipaneeli		
Julkaisun nimi	Research Programme on Business Know-how (LIIKE2) 2006–2009. Evaluation Report		
Tiivistelmä	<p>Suomen Akatemian hallitus päätti vuonna 2004 rahoittaa LIIKE2-tutkimus-ohjelmaa (2006–2009) yhteensä 3,5 miljoonalla eurolla. Vuonna 2010 Akatemia kutsui kansainvälisen arviointipaneelin arvioimaan ohjelman. Tämä raportti sisältää arvioinnin tulokset ja paneelin suositukset.</p> <p>LIIKE2 tarkasteli Suomen talouden kannalta tärkeitä liiketoimintaosaamisen osa-alueita. Avainkysymys oli miten suomalaiset ja Suomessa toimivat yritykset parantavat toiminnallaan kansallista kilpailukykyä. Hakemusten määrä ja korkea laatu osoittivat selvästi, että LIIKE2-ohjelma oli tarpeellinen ja että sille asetetut tavoitteet olivat oikeat. Ohjelmassa oli mukana yhteensä 25 hanketta. Rahoitettujen hankkeiden valinta oli onnistunut, mutta hankkeiden budjetti oli tiukka. Hankkeissa tehty tutkimus lisäsi ymmärtämystä ja tietoa yritysten liiketoiminta-osaamisesta. Työsuojelurahasto myönsi lisärahoitusta kolmelle hankkeelle. Myöhemmin ohjelmaan liitettiin myös kolme yhdessä Venäjän Humanistisen Tiederahaston kanssa rahoitettua hanketta ja ohjelmaa jatkettiin. Ohjelman alkaessa ohjelman koordinointi annettiin ulkopuoliselle koordinaattorille, joka toimi Helsingin kauppakorkeakoulussa. Käytännössä ulkopuolinen koordinointi toimi hyvin.</p> <p>Ohjelman hankkeet ja tulokset painoutuivat enemmän empiiriseen kuin teoreettiseen liiketoimintaosaamisen tutkimukseen. Hankkeet olivat innovatiivisia tutkimuksen painotuksen ja tieteidenvälisyyden kannalta, samoin tutkimuksessa käytetyt menetelmät olivat sekä laadullisesti että määrällisesti hyviä. Myös osaamista kehitettiin verkostoyhteistyön kautta. Kansallista ja kansainvälistä yhteistyötä ja verkottumista oli sekä ohjelma- että hanketasolla. Yksi ohjelman vahvuuksista oli tutkijankoulutuksen koordinointi ja yhteistyö. Ohjelman puitteissa mentorointi, tieteelliset julkaisut ja urakehitys avasivat tutkijoille uusia mahdollisuuksia. Yhteistyö ohjelman tulosten hyödyntäjien kanssa oli laajaa.</p> <p>LIIKE2-ohjelmassa suoritettiin yhteensä 71 tutkintoa, joista 43 oli tohtorintutkintoja. Tämä on merkittävä tulos ja huomattava lisä alan tutkimusosaamiseen Suomessa. Ohjelman tutkimustuloksista tiedotettiin laajasti eri tavoin. Joiltakin osin ohjelman todellista vaikutusta tiedeyhteisöön ja yritysmaailmaan on vaikea arvioida, koska tuloksilla on laajempi vaikutus koko talouteen ja yhteiskuntaan. Yhteenvetona voidaan kuitenkin todeta, että LIIKE2 oli suuri menestys mitattuna julkaisujen ja tutkintojen määrällä ja laadulla. On kuitenkin syytä miettiä huolellisesti tulevien tutkimusohjelmien ryhmäkokoontamiseksi ja sitä, miten useampien tohtoritutkinnon suorittaneiden ja kokeneempien tutkijoiden mukanaolo vaikuttaisi sidosryhmätyöhön. On myös syytä harkita pitkäaikaisempaa rahoitusta.</p>		
Asiasanat	liiketalousosaaminen, kilpailukyky, innovaatiot, globaali yritystoiminta, yrittäjyys, yhteiskunta- ja yritysvastuu		
Julkaisusarjan nimi ja numero	Suomen Akatemian julkaisuja 5/12		
ISSN	0358-9153		
ISBN	Painetulle kirjalle annettu tunnus	Pdf-versiolle annettu tunnus 978-951-715-833-6	
Sivumäärä	37		
Julkaisun jakaja	Suomen Akatemia, PL 131, 00531 Helsinki, viestinta@aka.fi		
Julkaisun kustantaja	Suomen Akatemia		
Painopaikka ja -aika			
Muut tiedot	www.aka.fi/julkaisut		

PRESENTATIONSBLAD

Utgivare	Finlands Akademi	Datum	September 2012
Författare	Utvärderingspanel		
Publikationens namn	Research Programme on Business Know-how (LIIKE2) 2006–2009. Evaluation Report		
Sammandrag	<p>År 2004 beslutade Finlands Akademis styrelse att finansiera forskningsprogrammet i affärskunnande (LIIKE 2, 2006–2009) med sammanlagt 3,5 miljoner euro. År 2010 kallade Akademin samman en internationell panel för att utvärdera programmet. Denna rapport presenterar utvärderingens resultat och panelens rekommendationer.</p> <p>Forskningsprogrammet LIIKE 2 undersökte olika dimensioner av affärskunnande som anses spela en viktig roll för den finländska ekonomin. En nyckelfråga var på vilket sätt de finländska och de i Finland verksamma företagen förbättrar konkurrenskraften med sin egen verksamhet. Antalet ansökningar och deras höga kvalitet visar klart att det fanns ett behov av forskningsprogrammet samt att dess mål var rätt ställda. I programmet ingick totalt 25 projekt. Valet av projekt som skulle finansieras lyckades väl, men projektens budgetar var mycket strama. Forskningen som genomfördes inom projekten ökade förståelsen av och kunskapen om affärskunnandet i företag. Arbetarskyddsfonden beviljade tre projekt tilläggsfinansiering. Senare beslutade man att utöka programmet med tre projekt som finansierades tillsammans med Rysslands humanistiska vetenskapsfond. På samma gång beslutade man att forskningsprogrammet skulle fortsättas. Programkoordineringen skulle skötas av en extern koordinator vid Helsingfors handelshögskola. Rent praktiskt sett fungerade koordineringen mycket bra.</p> <p>Programmets projekt och resultat koncentrerades snarare till empirisk än till teoretisk forskning om affärskunnande. Projekten hade en innovativ approach i fråga om forskningens tyngdpunkter och tvärvetenskaplighet och de metoder som användes var både kvalitativt och kvantitativt lyckade. Därtill förbättrade man kunskandet på området genom nätverkssamarbete. Både programmet och dess projekt innehöll internationellt samarbete. En av programmets starka sidor var koordineringen av och samarbetet i forskarutbildningen. Mentorskapet, vetenskapliga publikationer och karriärmöjligheterna inom programmet öppnade nya möjligheter för forskarna. Dessutom samarbetade man på bred front med slutanvändare.</p> <p>Inom programmet avlades sammanlagt 71 examina, varav 43 var doktorsexamina. Det var ett avsevärt resultat och ett betydande tillägg till den finländska forskningskunskapen på området. Information om programmets forskningsresultat spreds aktivt och på många olika sätt. Det var delvis svårt att bedöma programmets verkliga inverkan på vetenskapssamhället och företagsvärlden, eftersom dess resultat har mer vittgående inverkan på hela ekonomin och samhället. Det kan dock konstateras att forskningsprogrammet LIIKE 2 var en stor framgång mätt med antalet publikationer och examina av hög kvalitet. I fortsättningen bör man dock noggrant tänka över gruppansättningen i kommande forskningsprogram samt hur samarbetet med intressentgrupper skulle påverkas av att ha fler erfarna forskare med doktorsexamen med i gruppernas verksamhet. Man bör också reflektera över att få till stånd mer långsiktig finansiering.</p>		
Nyckelord	affärskunnande, konkurrenskraft, innovationer, global affärsverksamhet, företagsamhet, företags samhällsansvar		
Seriens namn och nummer	Finlands Akademis publikationer 5/12		
ISSN	0358-9153		
ISBN	Tryck	Pdf 978-951-715-833-6	
Sidantal	37		
Distribution	Finlands Akademi, PB 131, 00531 Helsingfors, viestinta@aka.fi		
Förlag	Finlands Akademi		
Tryckeri/tryckningsort och -år			
Ytterligare information	www.aka.fi/publikationer		

1 INTRODUCTION

1.1 Background to LIIKE2

It is widely recognised in economies and societies that dramatic changes are taking place in the global environment that affect and are shaped by human activities.

Within this, organisations are facing on-going challenges to their logics of production, distribution and exchange. These include changes in the nature of their activities, their strategies, markets, supply chain, workforce and technological capabilities. The acceleration in globalisation, in particular, continues to affect economies and organisations, presenting them with new challenges and opportunities. New competition and an uncertainty resulting from a recent global financial crisis have increased the pressures on organisations to change. For example, the rise in the BRIC economies (Brazil, Russia, India, China) brings with it new challenges to the established order, its ways of working, opportunities for organisational collaboration and new international markets for goods and services, as these economies and their populations increase their global purchasing power. Collectively, these global developments together with cyclical and structural changes have significant implications for some economies more than others.

Finland is a relatively successful, open economy with many competitive strengths, including the application of advanced information technologies. However, the rise in globalisation, heightened competition and new markets has presented Finland, its enterprises, research base and workforce, with new

challenges and opportunities. In the 2000s, it was increasingly recognised that networking between organisations was one route to increasing organisational efficiency within a new and emerging global economic order. This was especially of relevance to Finland given its strength in specific sectors that are international in nature, such as telecommunications. Networking between organisations *prima facie* provides operational, productive, innovative and market efficiencies. However, the implications of the changes in the business environment and the accompanying new and emerging business models for *company-level* behaviour and leadership have been relatively unexplored. Whilst there has been much discussion and debate of changes in the economy and society taking place at the macro-level, how such developments are affecting the operations of organisations, the knowledge embedded within their structures and the competencies of those who work within them is open to question. For Finland, this is a critical issue. How can business activity be created, explored and developed within the new world-order to the benefit of the Finnish economy and society?

The origins of the LIIKE2 programme are grounded within the mission of the Academy of Finland and operate within the context briefly set out above. The challenges of globalisation were recognised in the early 2000s by the Academy of Finland with the decision taken by the Board on 21 March 2000 to launch a three-year programme under the title “Finnish Companies and the

Challenges of Globalisation,” otherwise known as LIIKE. The first LIIKE programme¹ ran from 2001–2004 and focused on how Finnish companies emerge and change in the new business environment; what kind of company-level processes are involved; and how is it possible to develop new and innovative forms of business know-how that are better suited to the new environment (cited in: Research Programme on Business Know-how, LIIKE2, Programme Memorandum, p. 41). Although the LIIKE programme was the biggest research programme in Finland, in terms of resources and number of universities involved in the area of business know-how, the Board ‘...recognised a clear and obvious need to further strengthen research in the field’ (Research Programme on Business Know-how, LIIKE2, Programme Memorandum, p. 41).

However, as LIIKE progressed there became an increasing recognition to develop the programme with a focus on business know-how. At its meeting on 16 December 2003, the Academy’s Board decided, in connection with its treatment of the action plan and budget for 2005–2008, to grant the Research Council for Culture and Society negotiation authority to plan and design a four-year research programme aimed at strengthening business know-how. It was logical that the steering group for the first LIIKE research programme would also prepare the new LIIKE2 programme, given that it was in the same broad area of business know-how. The LIIKE2 programme was, in essence, designed to examine the level of ‘know-how’ within an organisation.

Details of the steering group membership, chaired by Professor Anne Kovalainen and vice-chaired by Professor Juha Sihvola, can be found in the Programme Memorandum (pp. 41–42). An exploratory workshop held in August 2004 attended by 70 experts in business know-how was followed by a proposal submitted to the Research Council for Culture and Society. In November 2004, the Board of the Academy of Finland earmarked EUR 3.5 million for the funding of the LIIKE2 research programme 2005–2009.

1.2 Aims of LIIKE2 and Programme Memorandum

In any evaluation, a fundamental starting point is to establish the main aims of the programme. In the case of LIIKE2, these are explicit. The Programme Memorandum set these out:

“The research programme had the aim of exploring different aspects of business know-how that are considered important to the Finnish economy. Business know-how consists of each company’s different functions. It also comprises the competitive application and development of the company’s resources. One of the aims of the research programme has been to integrate the analysis of business know-how with the current situation in the national economy, thus a key question to the researchers has been: *in what way do Finnish and Finnish-based companies improve national competitiveness through their own actions?*”

¹ For the purposes of clarity in this evaluation of LIIKE2, we will refer to the first LIIKE programme as LIIKE1. However, it must be noted that when LIIKE1 was launched it was called LIIKE as there was no indication that there would be a subsequent LIIKE programme.

The LIIKE2 research programme has the following general aims:

- To strengthen research in business know-how
- To improve the societal and economic applicability of business know-how
- To promote national and international research cooperation
- To strengthen research training and research careers.

With a view to achieving impact, special focus has been given to disseminating information about the research and its results.”

Source: LIIKE2 Programme Memorandum (2005), p. 44.

Business know-how is not a widely recognised term across the social sciences or business and management. However, the concept is central to LIIKE2 and so it was essential that this was explained.

In this regard, business know-how is defined as “...the ability to create, explore and develop business activity [...] The main focus in the research programme is on business know-how in companies and their environment; on the processing of innovations and ideas into products and services; on the emergence of companies and entrepreneurship; and on networks and other factors with a direct bearing on business know-how”.

Source: LIIKE2 Programme Memorandum (2005), p. 45.

The (initial) thematic profile of the LIIKE2 research programme was as follows:

1. Innovations, knowledge, know-how and related product development and commercialisation in business activities

2. Local, regional and global dimensions of business know-how: the new challenges for business in the global economy
3. Business know-how in new-business growth and the new challenges of entrepreneurship
4. Business regeneration and change in the global information society
5. Business environment and social responsibility as part of business know-how.

An integral element of LIIKE2 was the opportunity for the Academy to organise funding and other cooperation with the Finnish Work Environment Fund, the Finnish National Fund for Research and Development (Sitra) and the Ministry of Trade and Industry. The latter option was realised at a later stage through the LIITO Programme (Innovative Business Competence and Management, 2006–2010) of Tekes, the Finnish Funding Agency for Technology and Innovation. The breadth of the LIIKE2 programme was also demonstrated in the emphasis on interdisciplinary approaches and cooperation at both national and international levels.

1.3 Process of selecting projects to be funded under LIIKE2 and timetable

The process of the application procedure for research grants under the LIIKE2 programme involved two stages: first, a call for plans of intent from researchers (no later than 13 May 2005) from which a shortlist was to be drawn; and second, a full application from those shortlisted (by 2 September 2005). The programme steering group and expert members reflected the breadth of scientific issues to be covered. The content of the plans of intent were

clearly specified in terms of length (no more than five pages) and headings.

The evaluation criteria for funding was published in the Programme Memorandum (p. 53) and covered:

- Project compatibility with the research programme
- Scientific quality and innovativeness of the research plan
- Viability of the research plan
- Competence and expertise of the applicant/research team/consortium.

The call for outline proposals proved popular: 150 plans of intent were received in spring 2005. Four external reviewers commented on the plans. On this basis, the programme steering group invited 67 applicants to submit a full application by 2 September 2005. An evaluation panel with six members convened on 24–25 October 2005 (see Appendix 1: Evaluators of Proposals). On the basis of the discussions, the steering group suggested that 22 applications (out of 67) are provided with funding. Three projects received partial funding from the Finnish Work Environment Fund (Työsuojelurahasto; the projects led by Schienstock, Näsi and Ropo). At a later date, the Academy of Finland and the Russian Foundation for

the Humanities organised a joint call for research on business know-how. By 2 June 2006, eleven applications were received. The applications were reviewed by eight reviewers. On the basis of their reports, the steering group of the LIIKE2 programme suggested that three projects were to be funded and included in the LIIKE2 programme. The funding from the Academy of Finland for the three projects (led by Liuhto, Kosonen, and Tuominen) was EUR 750,000 for the years 2007–2009.

1.4 Description of projects and funding

Overall, 25 projects (13 individual projects and 12 belonging to five consortiums) took part in the LIIKE2 research programme of the Academy of Finland. They received research funding for a period of three or four years between 1 January 2006 and 31 December 2009; and one project (Liuhto) to December 2011. The total Academy funding to LIIKE2 projects was EUR 3.5 million which rises to EUR 4.25 million when additional funding from other funding agencies is included.

A description of the projects and the amounts received is shown in Appendix 2: LIIKE2 Funding Granted.

2 EVALUATION BRIEF, PROCEDURE AND WORKING METHODS

The brief for the evaluation panel was set out in the letter of invitation to the panellists. This referred to the original objectives set out in the Programme Memorandum. Of specific interest are the programmatic approach, added value and programme impacts, interdisciplinarity, applicability of research, networking and dissemination of results. The letter of invitation stated:

Hence, this evaluation and its report will cover these issues together with other salient findings as they emerged. Such flexibility is important in any evaluation, in order to capture any additional process and outcome activities that developed during the life of the programme.

In the evaluation report, the panel is expected to assess the programme as a whole and reflect especially the following issues:

1. Planning of the research programme
 - Preparation of the programme and planning of the contents of the programme
 - Research projects funded and funding decisions in creating the necessary preconditions for the programme
2. Scientific quality of LIIKE2
 - Scientific quality and innovativeness of the research
 - Scientific competence of the consortia
3. Success of the implementation of the programme goals and objectives
 - Concordance with the objectives of the research programme
 - Functioning of the programme
 - Added value of the programme
 - Contribution to enhancing inter- and multidisciplinary in research
 - Scientific and administrative coordination
4. Contribution to researcher and expert training
5. Collaboration and networking
 - Collaboration within the programme
 - Collaboration with other Finnish teams
 - International cooperation
 - Collaboration with end-users
6. Applicability of research and importance to the users
 - Contribution to promoting the applicability of research results
 - Relevance and importance to the users
 - National and international impact of the programme
7. Recommendations for the future (incl. the justification for the recommendations)

2.1 The evaluation panel

The steering group appointed a scientific evaluation of the LIIKE2 programme in November 2010. The evaluation panel members involved: Professor Robert Blackburn (Chair of the panel; Kingston University, UK); Associate Professor Paula Liukkonen (University of Stockholm, Sweden), Director Tuomo Alasoini (Tekes, Finland) and Dr Johanna Vesterinen, secretary of the panel (Aalto University, School of Economics, Finland). The panel met in Helsinki on 13 December for dinner and subsequently held meetings over the 14 and 15 December at the Academy. The work of the panel included an examination of the LIIKE2 reports, self-evaluation assessments, other evidence and outputs from the programme and discussions with the programme steering group, researchers and programme coordinators. A schedule of the meetings is shown in Appendix 3.

2.2 Evaluation evidence sources

The documentary materials sent to the evaluation panel members prior to the meeting in December included:

1. Assignment letter
2. Evaluation meeting schedule (suggested programme for the two full days)
3. Programme memorandum
4. LIIKE2 programme in brief (incl. report of key outputs of the research programme, drafted by the coordinator on the basis of research reports)
5. Composition of the programme steering groups
6. List of reviewers (the letters of intent in 2005; the full applications in 2005; the applications related to Russia in 2006)
7. Table of funded projects
8. Research reports prepared by project leaders 8a) project descriptions and results in print, 8b) full reports only in memory stick, partly in Finnish
9. Publications and degrees of the projects
10. Self-evaluations by the (10) project leaders
11. Coordination report 2006–2010, including Programme Manager’s self-evaluation
12. Coordination budget 2006–2010
13. Interim evaluation report 13 a) in English and 13b) in Finnish)
14. LIIKE2 results, some examples (14 a) only in print, partly in Finnish, 14 b) additional info – e.g. programmes of events – in memory stick, partly in Finnish)
15. Example of the table of contents of an evaluation report of a research programme
16. Academy of Finland in Brief brochure

These documents proved invaluable for the panel members both as a means of briefing them on the LIIKE2 programme and helping them prepare for the evaluation meetings, including flagging up any initial concerns or questions. LIIKE and LIIKE2 were not, however, totally new programmes to the panel members. Two had some previous involvement as evaluators of LIIKE2 proposals (Blackburn) and LIIKE (Liukkonen) and were thus *au fait* with some of the background, origins and objectives of the programmes.

This evaluation is based on documentary evidence and notes from meetings with project leaders, researchers, Academy of Finland programme managers and the LIIKE2 steering group. The evaluation panel was, in general, satisfied with the breadth of the materials received. There were some unfinished self-evaluations

from some projects which raised questions, although it was drawn to our attention by the programme managers that these were not regarded as compulsory. The meetings arranged by the Academy of Finland with people involved in LIIKE 2 demonstrated the various roles and activities involved in the programme, ranging from co-ordinators, project leaders through to researchers at the sharp end.

Of course, the scope of any evaluation is contingent on the evidence collected. Collectively, the documentary material and primary evidence from meetings provided a sound basis on which to produce an incisive and robust evaluation. We accept that evaluation timing is always challenging: if undertaken too early and it will not pick up all of the outputs and impacts; too late and it will miss the dynamics of the project, staffing effects and student activities. It has to be recognised that this evaluation report is based on the evidence collected and what the evaluation team has witnessed. Undoubtedly, the broader impacts of LIIKE2 will be ongoing. For example, some of the projects started later than others making it difficult to garner evidence on impacts.

Given the array of sources, it was important that we marshalled all the available evidence when evaluating the programme. Our working methods involved reading and familiarising ourselves with the programme and sharing any issues that we believed pertinent for questioning in the evaluation panel meetings. In the face-to-face meetings with those involved in LIIKE2 (project leaders, researchers, administrators), the evaluation panel agreed in advance who would be covering which line of questioning to ensure all areas were covered. An *aide memoire* was used by the evaluators when meeting the recipients of funding to ensure that as much information as possible was collected to give a true and fair record of the discussions. The conduct of the meetings tended to be formal although these were friendly and cordial and taken in the spirit of what can be learnt from the programme.

3 SCIENTIFIC QUALITY AND INNOVATIVENESS OF THE LIIKE2 PROGRAMME

3.1 Project selection and funding

Our assessment of the process of selection of projects is that it was clear and transparent and fulfilled the obligations of the Academy. The aims of LIIKE2 and its thematic priorities were coherent. However, it must be noted that LIIKE2 was conceived and launched before the end of LIIKE, which meant that the theoretical and practical outcomes and lessons learned from running the projects in LIIKE were not systematically fed into LIIKE2. This is not a fundamental flaw in the design and commissioning of projects under LIIKE2, and we observed that tacit knowledge and experience of the ongoing activities of LIIKE were taken on board in LIIKE2. However, whether or not it would have been better to wait until the end of LIIKE1 before LIIKE2 was launched remains open to question. Whether or not the definition of business know-how was also comprehensive enough may be open to question. For example, there was a notable absence of themes explicitly related to leadership, culture and personnel, which may be questionable given their significance to business development.

The logics for supporting LIIKE2 have been discussed earlier in this report and are set out more comprehensively in the Programme Memorandum. It was clear that LIIKE2 was to compliment LIIKE with *a greater emphasis on what goes on within the organisation, a focus on business know-how and network collaborations*. As such, launching a continuation programme for LIIKE was warmly welcomed and even considered necessary by many of the academics that were interviewed by the evaluators.

The popularity of LIIKE2 amongst researchers is unquestionable in the light of the following figures, too (Table 1): the first call for projects received 150 plans of intent and 67 full applications. This compares with 77 and 52 for LIIKE. Clearly, there was a hunger for research in the field. However, it is noticeable that even though more projects were funded in LIIKE2 (22) than LIIKE (18), the total amount of funding was smaller (EUR 3.5 million for LIIKE2 compared with EUR 4.73 million for LIIKE). Certainly, the lower than average amount of funding per project (EUR 159,000 in LIIKE2 compared with EUR 262,777 in LIIKE1) suggests that there was as strategy to spread funds across a larger number of projects rather than going for concentration on a few.

Table 1. LIIKE2 and LIIKE Applications, Projects and Funding. Source: Academy of Finland. The above table excludes the funding from the Russian Foundation for the Humanities, which if included brings the total to EUR 4.3 million.

	LIIKE2	LIIKE
No. of plans of intent	150	77
Full applications	67	52
Supported	22	18
Funding (€)	3.5m	4.73m

In our investigations, it was reported to us that the steering group, in assessing which projects should be funded, looked favourably upon complimentary projects, rather than merely relying on a simple numerical scoring system for each individual project. This implies that economies of scale and scope were taken into account when deciding which projects

to support. The evaluation panel welcomes this approach. Having complimentary projects raises the potential for value-added activity in terms of the research process, such as motivation between researchers to collaborate and the impact of the outputs which are likely to be stronger than a series of unrelated projects even if within the same broad programme. In addition to this approach, it is also notable that five LIIKE2 projects (VALUENET (Alajoutsijärvi, Halinen-Kaila, Möller), INVnet (Kock), Work Environment (Näsi) also had funding in LIIKE (2001–2004). It seems that the network research groups VALUENET and INVnet were financed over a long term, hence providing them with the opportunity for high levels of networking and output, given the continuity in support from the Academy of Finland.

A further strength of the LIIKE2 programme was the ability to attract additional funding from collaborative bodies, including the Finnish Work Environment Fund and the Russian Foundation for the Humanities. In addition, the LIITO programme of Tekes, started in 2006, acted as an important supplementary source of funding for about a half of the projects involved in LIIKE2. Flexibility was also shown by the Academy of Finland, as subsequent projects co-funded by the Russian Foundation for the Humanities extended the original LIIKE2 programme. The evaluation team did not explore the reasons behind this extension but it does represent a positive element of the programme.

The project criteria and selection processes of LIIKE2 were clear for all to see and showed particular strengths. On the other hand, the lower than originally expected amount of funding was of some concern. Some project leaders we interviewed

suggested that the funding was not enough to satisfy all the original goals of their project, a finding clearly revealed in the programme's interim evaluation as well. Project leaders talked of having to 'reduce' their original budget estimates. On average, the projects had to be cut down by around 30% of their original budgets. Of course, it is a characteristic, if not an obligation, of researchers to secure large amounts of funding to pursue their research interests if they are to make impacts and such calls for more funding are not uncommon. However, the evaluators' finding of being financially 'over-stretched' was not confined to academic project leaders. Coordinators and managers in the Academy involved in LIIKE2 also provided evidence of insufficient financial and time resources. The high quality of applications put pressure on the Academy steering group who had only one day to make the final decisions on which proposals should be funded. This, perhaps, suggests that a longer time period should be allowed for making important decisions on which projects should be supported, especially when large numbers of applications are received, as with LIIKE2. On the other hand, the high number and quality of the applications provides a strong justification for LIIKE2 and its key objectives.

Overall, it is our assessment that the project selection in LIIKE2 was sound but staff had to work within a tight budget. As a result, some of the projects were under-capitalised and led to a sub-optimum scale of activity. Thus, the lower than expected amount of resources for projects and its coordination has to be considered detrimental to the implementation of LIIKE2 and the broader effects of the programme as a whole. On balance, however, we would not apportion substantial weight to this weakness,

especially given the substantial impacts that we have witnessed to date. Rather the funding affected the type of staff employed in the research and the level of external support. Hence, this weakness was also partly overcome by the fact that many of the projects managed to find additional sources of funding, as discussed above, and project leaders employed Master's and PhD students to perform research.

3.2 Main research areas and approaches: basic and applied research

The thematic priorities of the LIIKE2 programme were set out in the call for projects. As expected, the projects that were funded followed these themes although, inevitably, there was some unevenness in coverage. Of the five thematic focus areas in the programme, 'local, regional and global dimensions of business know-how' and 'business regeneration and change in the global information society' were best covered by the projects. There were, hence, notably high numbers of applications covering globalisation, innovation, networks, business growth, and strategy and knowledge development. On the other hand, there was a lower than expected number of proposals from researchers showing interest in human resource management, leadership and personnel, working life, business ethics and entrepreneurship. It may be that the lower than expected number of proposals in these fields were a reflection of the way in which the thematic priorities and the definition of 'business know-how' were tightly focused. The additional projects co-funded by the Finnish Work Environment Fund and the Russian Foundation for Humanities enhanced the breadth and depth of the research themes. Overall, it is our

assessment that the subject matter of the funded projects fulfilled the thematic areas suggested in the Programme Memorandum and provided a solid basis for raising our understanding of business know-how in companies.

In examining the evidence, the projects and the outputs from LIIKE2 tended to emphasise the *empirical* rather than *theoretical* elements of business know-how. Our examination of the evidence and interviews with researchers found an emphasis on theory testing rather than building and the transfer of research methods and know-how concepts to new contexts. This is not surprising given the relative newness of the areas under study and the high level of cross-border research. For example, the collaboration with Russian researchers involved considerable effort on pursuing data collection and the development of comparative analyses. However, for some research projects this was not so much new territory and we may have expected more fundamental contributions to theory, especially in cases where research groups have received support for a number of years prior to LIIKE2.

The projects under LIIKE2 showed evidence of innovation in terms of the focus and interdisciplinary nature of the projects, the methods employed, utilising both qualitative and quantitative techniques, and capacity building through network collaborations. Compared with LIIKE, there was a greater emphasis on practical challenges of organisations in their environments, networking and international studies. LIIKE2 was also able to attract collaborations with Tekes and the Russian Foundation for the Humanities showing value added through partnerships.

3.3 Outputs from LIIKE2: Project and programme levels

The reported immediate outputs from LIIKE2 are shown in Table 2. Overall, almost 800 outputs have occurred from LIIKE2 and the bulk of these are refereed publications.

Table 2. Output of LIIKE2 2010. Source: Academy of Finland Project Research Reports 2010–2011.

Articles in refereed scientific journals	216
Articles in refereed scientific edited volumes and conference proceedings	329
Monographs published	37
Other scientific publications	101
Text books and other research-related publications	41
Other (seminar/conference presentations, columns...)	73
Total	797

These data were compiled during 2010 and for one project (Liuhto) in early 2011 because of later start. Inevitably these numbers will increase with time. The evaluation team is not able to investigate the *precise* connection between activities of the LIIKE2 programme to these reported outputs for a number of reasons. For example, academics often combine more than one dataset, or project, in their journal publications, and it is naïve to think that new concepts and ideas are developed within the boundaries of one project. However, if we are to take the number and type of outputs reported at face-value, they represent a major contribution to the scientific base. The bias towards conference papers is to be expected, given that this is relatively early-days in the dissemination process and it can take years to be published in ‘A’ rated

academic journals. Moreover, the publications are a reflection of the scale of the dissemination activities embedded in the LIIKE2 programme and the attention paid to the user community. The outputs we were presented with derived from both *project* and *programme* level activities.

The reported publications *by each project* is shown in Figure 1. There are obvious differences in the volume and type of outputs between projects. However, all the projects have so far been able to produce scientific edited volumes and conference proceedings as well as refereed journal articles.

The evaluation team received 23 extended abstracts of outputs for each *project* which described their context, objectives, methods and results. In eleven cases, the summary of the results were only in Finnish making it difficult for all the evaluation panel to be able to glean the results. However, these abstracts were supplemented with information collected in the meetings with project leaders and researchers.

The evaluation panel was also presented with a number of examples of outputs at the *programme level*, that is, across the LIIKE2 as a whole, which showed a range of dissemination methods. These included an article based on studies of the Baltic Rim which drew upon three of the LIIKE2 projects with Russian partners; a Sino-Finnish seminar held at the Shanghai Academy of Social Sciences with researchers from the LIIKE2 programme; and two chapters in an edited book on internationalisation, Nummela, N. (2011) (ed.) *International Growth of Small and Medium Enterprises*, Routledge, London and New York. Other communications included a report on a final seminar in

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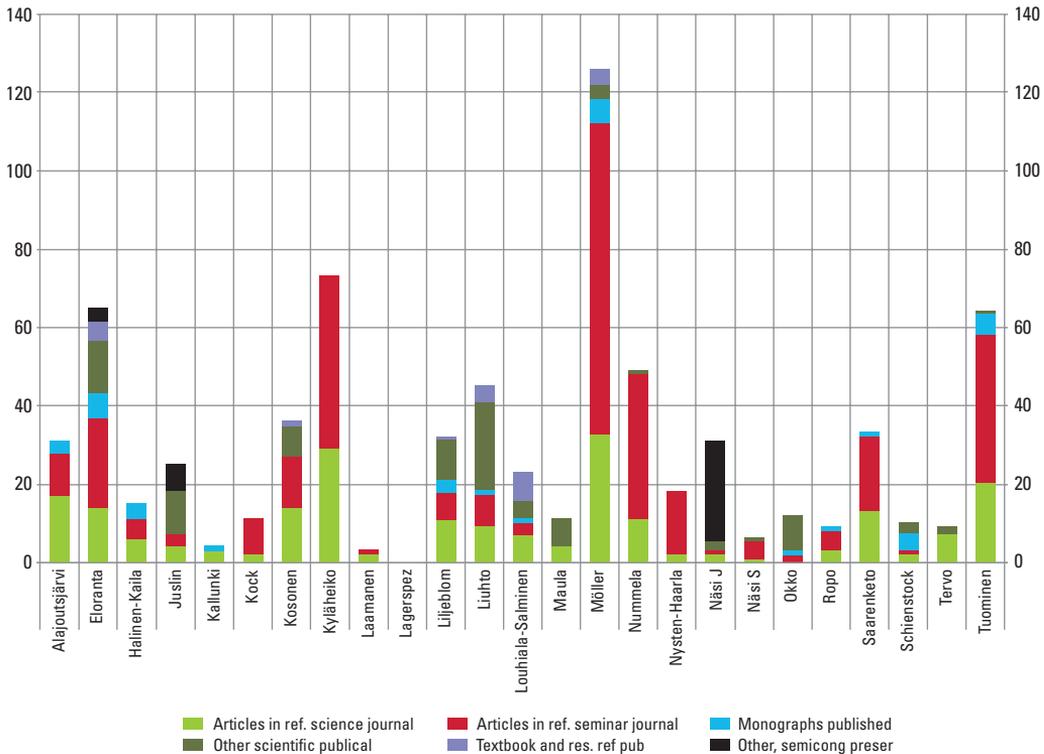


Figure 1. LIIKE2 Publications. Source: Project reports from LIIKE2 Project Leaders (2010) and Liuhto (2011).

Finland; the contents of a special issue in *Idäntutkimus* (The Finnish review of East European Studies); and articles in *A propos*, the news bulletin of the Academy, directed to its stakeholders.

3.4 Competency of the research groups

Overall, LIIKE2 involved 989 person months of time (or 82.4 years). The type of research personnel involved in LIIKE2 varied between different projects (see Figure 2). Student involvement, that is, those already holding a Master’s degree, licentiates or those working on a PhD, was widespread across the programme. For example, the bulk of personnel in the projects led by Alajoutsjärvi (Value

Networks), Halinen-Kaila (Value Networks), Kock (International Growth of SMEs) and Lagerspez (Corporate Social Responsibility and Its Links to Business Competence) held Master’s degrees; whilst Eloranta (Economics, Strategy, Policy, and Operations in a Globalizing Economy) and Kyläheiko (In Search of Sustainable Competitive Advantage) held doctorates (see Figure 2).

It is difficult to assess with precision how competent the personnel involved in LIIKE2 were for the projects although assessing what was produced, and the extent to which the programme’s objectives were achieved, is a useful indicator. Given the overall scale of activity and breadth of outputs discussed in 3.3, we would suggest

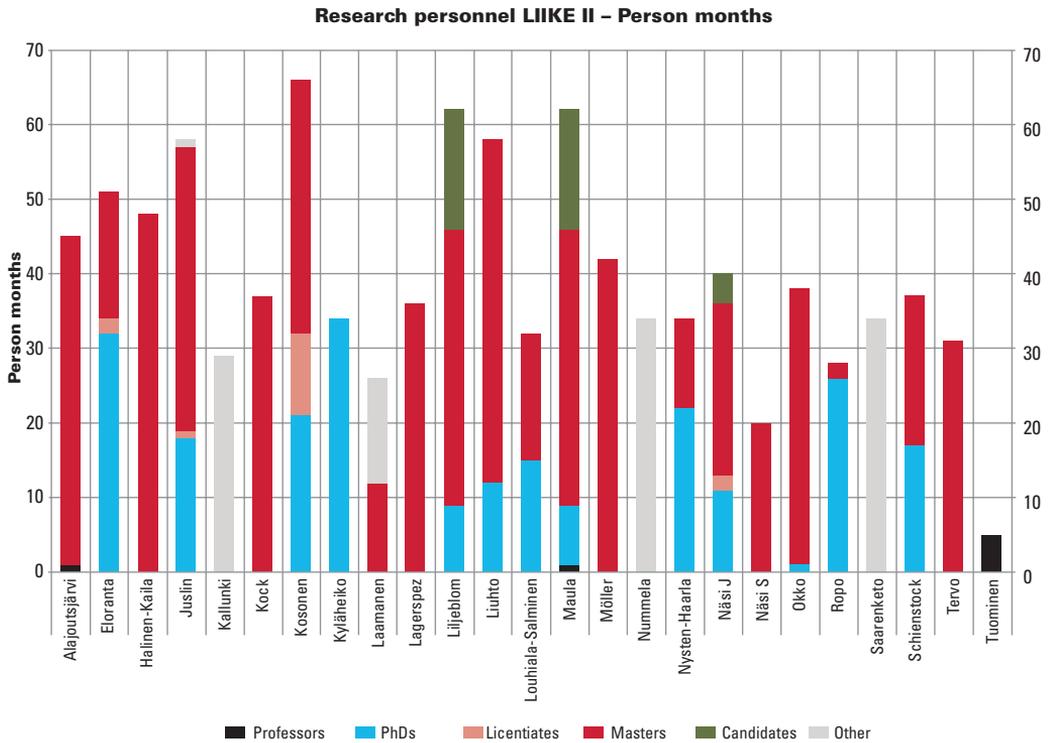


Figure 2. Research Personnel: Person Months. Source: Project reports from LIIKE2 Project Leaders (2010) and Liuhto (2011).

that the personnel working on the projects were appropriate. However, the dominance of doctoral and Master’s degrees and low number of professors, may have influenced the nature of outputs and their emphasis on empirical and knowledge generation, rather than broader theory development. This may particularly be the case as research students seek to balance working on their next qualification and LIIKE2 commitments, unless of course the LIIKE2 work contributes to their next degree.

3.5 Contribution to researcher and expert training

The documentation and the evaluation panel’s discussions with staff provided clear evidence that LIIKE 2 has provided

opportunities for new researchers through mentoring, scientific publications and career development. Four major training workshops or seminars were held between 2007–2009 at the programme level, sometimes in collaboration with organisations outside LIIKE2, which covered (i) research methodology, (ii) media training, (iii) a doctoral workshop and (iv) a seminar on publishing. Individual projects and consortia also arranged researcher training. Together these suggest that there was certainly an input into the training of researchers and especially students: however, the proof is what was actually produced?

The numbers in Table 3 show that LIIKE2 has produced 71 degrees overall, of which 43 are PhDs. Compared with LIIKE, at a

similar evaluation point, 21 PhDs had been produced and a further 8 were pending. This is a substantial achievement and represents a major contribution to the research expertise base of Finland.

Table 3. Degree Qualifications from LIIKE2.
Source: Project reports from LIIKE2 Project Leaders (2010) and Liuhto (2011).

PhDs	Licentiates	Masters	Others	Total
43	2	22	4	71

An examination of the contribution to the degree qualification totals *by each project* is shown in Figure 3. As can be seen, even though it is relatively early in the cycle to expect a large number of degrees, a number of completions is emerging and evidently in most projects.

Evidence from the Academy of Finland reported that the doctorates also received funding from sources in addition to LIIKE2. In 15 cases, LIIKE2 funding accounted for less than 30% of the costs of the degree and in 13 cases 30–89%. Nine doctorates were reported to have been cooperating closely within the LIIKE2 project, without any direct funding from it. This suggests that there was a great amount of leverage from the LIIKE2 funding as it was used to attract resources from elsewhere.

In some respects the actual effect on the academic and business community is difficult to assess as much of the investment from LIIKE2 leads to wider impacts across the economy and society broadly. We currently do not have an appropriate methodology to analyse such dispersed impacts. However, we found evidence on personnel involved in LIIKE2 finding full-time positions in academia, including Finnish universities and abroad, including London Business School. The funding also facilitated study leave for staff in order to allow integration with the research community and people in the same field of study. The value added of LIIKE2 in this respect was substantial.

A useful metric of the impact of LIIKE2 is the number of completions per person hours and cost of LIIKE2. We estimate that LIIKE2 cost EUR 6,662 per degree completion; and EUR 5,935 per research output. In terms of time, LIIKE2 cost 13.9 months per degree and 1.2 months per research output.

The numbers reported in these tables and figures and our metric calculations are obviously a snapshot in time and inevitably they will increase as time elapses. In sum, however, the academic impact of LIIKE2, measured by publications and degree qualifications, is a major success.

REPORTED DEGREES - LIIKE II

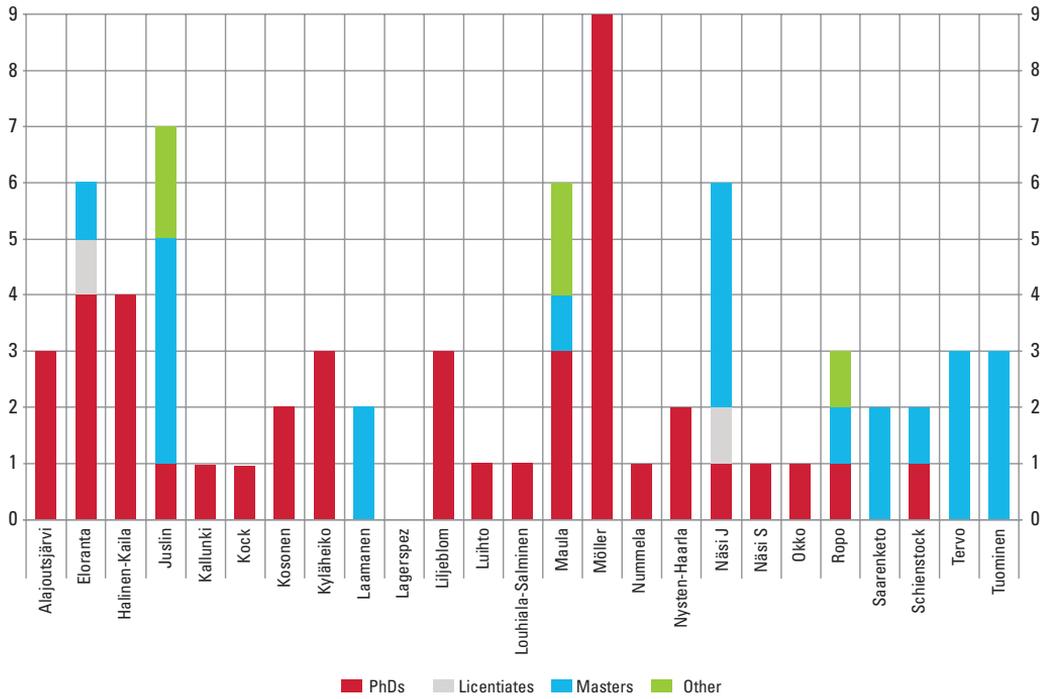


Figure 3. Degree Qualifications from LIIKE2 by Project. Source: Project reports from LIIKE2 Project Leaders (2010) and Liuhto (2011).

4 COLLABORATION AND NETWORKING ACTIVITIES

The main aim of LIIKE2 was to ‘promote national and international cooperation’ (Programme Memorandum, p. 44). A number of themes emerged in our review of the evidence and interviews with researchers, project leaders and Academy of Finland staff. There was certainly a lot of goodwill and effort towards cooperation. Cooperation was stimulated obviously through the *raison d’être* of LIIKE2, that is, the bringing together of staff funded through projects and consortia which would not otherwise occurred. An indication of this was the fact that at the project selection phase, funds were spread across a large number of projects, with the potential of collaboration and networking, rather than concentrating on a few. Collaboration and networking in LIIKE2 was operationalised through a number of programme and project level activities at both international and national levels.

4.1 Cooperation within LIIKE2

A series of planned events, organised by LIIKE2 programme managers and coordinators, brought together researchers from across the LIIKE2 programme. The opening LIIKE2 seminar at the Academy of Finland, in February 2006, provided a solid platform for researcher interactions, knowledge development and sharing and raised expectations in terms of cooperation. This was followed by a series of events within the programme, which mainly took a seminar format. The final formal seminar of LIIKE2 was held in August 2010 and was attended by over 100 delegates. Clearly a cooperation

infrastructure was evident in LIIKE2 and researchers were engaged in these events.

Our investigations found mixed evidence as to whether or not the potential for cooperation resulting from LIIKE2 was fully realised, or mobilised, by researchers. Certainly cooperation was strong *within* projects and consortia but it appears to be less so *across* the whole programme. This may be a result of a number of factors. Although researchers may have been eager initially to start something across projects, with time and as the realities of project work and PhDs etc. began in earnest, this may have been difficult to undertake because of time constraints as well as the finding that projects were sometimes at different stages of development. Some researchers were also perhaps deliberately less willing to collaborate than originally thought, either on grounds of focusing on their specific subject niche or even for protecting their ideas. Hence some of our interviewees stated: ‘Everybody wanted to benchmark but didn’t want to give anything’ and ‘...LIIKE2 can spark collaboration but cannot force it.’ These comments reflect, rather strikingly, the inherent tension built in programmes like this between the two equally important goals of ensuring academic freedom and bringing about programme-level collaboration and learning.

4.2 International collaboration

One of the significant aspects of LIIKE2 was the high level of networking outside the programme. International cooperation

was evident throughout LIIKE2 and embedded in prominent activities including researchers' visits to the Shanghai Academy of Social Sciences and a special session on Russia at an international conference. The international collaborations through consortia were particularly strong where they involved projects with non-Finnish partners, further demonstrating the benefits of co-funding. Numerous other dissemination events have also been held, providing opportunities for knowledge generation as well as the dissemination LIIKE2 programme activities and findings. The delegates attending these events included researchers from inside the EU, as well as Russia, New Zealand, Australia and China thus exposing LIIKE2 researchers to ideas and networks outside LIIKE2. This was quite different from LIIKE where international collaboration tended to mean engagement with US-based scholars.

4.3 Collaboration with end-users

A further dimension to the aims of LIIKE 2 is the need to collaborate with end-users. This occurred at a number of levels. First, much of the research and data collection involved direct involvement with businesses. These businesses received feedback on the results and were invited to seminars and workshops. Second, there was a series of end-user seminars, including those co-organised annually with the more practice-orientated LIITO programme of Tekes, where results were disseminated to practitioners, as well as academics. The practitioners included businesses, consulting companies, educational institutes or government agencies, depending on the case. Joint seminars with other programmes of the

Academy of Finland were organised as well, showing connectivity and cooperation with other Finnish research programmes. The project coordinator arranged events but it was up to researchers to attend and it was not compulsory that they presented or attended. We are not able to comment, however, on the level of success of these events because there was no detailed evidence from users. In some cases, the number of delegates was reported whereas in others, this information was not provided. The evaluation panel would have benefitted from more information on the type of engagement with end-users at the level of each project. However, the amount of engagement and interaction with end-users was widespread and is very likely to have had impact on practitioner circles.

4.4 Lessons from collaboration

A clear lesson emerges from the experience of LIIKE2: creating and cultivating academic networks and collaboration is not simple. Collaboration and networking has to be based on the commonality of subject matter together with a motivation on the behalf of researchers to be outward looking. In many respects, projects and consortia in LIIKE2 appeared to be more successful in networking and collaboration outside the programme rather than within the programme. On the other hand, it is notable that many project leaders and researchers brought with them their existing networks, providing the opportunity to further strengthen and spread these networks among other LIIKE2 projects. A further strength of LIIKE2 was the cooperation and co-ordination for researcher training (as discussed in Section 3.5). Whether or not

the lower than expected levels of networking within the programme other than those activities arranged by the programme manager is a weakness, is open to debate. In some respects this lower than expected level of project integration within the programme echo those found in LIIKE. Driving the general programme

aim of 'promoting national and international cooperation' into a number of more detailed subgoals might have been helpful for the steering group and the programme coordinator to focus their work input in a more efficient way for the promotion of collaboration within the programme.

5 PROGRAMME MANAGEMENT, COORDINATION AND ACTIVITIES

Managing a large-scale programme, involving numerous research groups and multiple stakeholders is a complex task. In the case of LIIKE2, the responsibilities for ‘management’ operated at a number of levels: the steering group, programme coordination and the project and consortia leaders. In our deliberations, we were able to meet staff at all these levels to gain a view of how LIIKE2 was managed.

Our evidence found that the steering group was involved in establishing the overall mission of LIIKE2, recommending which project should be funded, appointing the coordinator and reporting to the Academy. In these respects, the steering group was very well qualified to perform such roles and ensure continuity, for example with other Academy programmes, including LIIKE. Our interviews with the steering group, both collectively and individually, found that the amount of time that members could devote to LIIKE2 was limited. However, during the period of operation the steering group held 14 formal meetings and other forms of communications, including email. Our observations suggested that they worked effectively with other members of the Academy, notably with the coordinator, to enable the programme to flourish and realise its potential. On reflection, the steering group could have perhaps been more involved in the international projects, such as with Russia, to reinforce the collaborations but time was a significant constraint in developing such relations.

5.1 Programme coordination: Roles and contracting out

A key role, if not a central one, in LIIKE2 is that of the programme coordinator. It is this function that is the linchpin between the steering group and the projects: the day-to-day contact for project leaders; the catalyst for collaboration across LIIKE2; and the initiator of seminars and dissemination events. During the running of LIIKE2, this function experienced some changes of staff and location. We are not able to say how frequent such a change in personnel is across the programmes funded by the Academy. It appears that the outsourcing of the coordination function is rare but is an option that is more likely to be considered in time. In the early phase of LIIKE2, the original coordinator resigned and following an open call, the function was given to external coordination based at Helsinki School of Economics, which included a programme manager and a secretary. As of May 2006 till the end of the programme, Professor Asta Salmi served as programme manager and Ms Ann-Mari Wright-Hyttinen as programme secretary. In practice, this ‘contracting-out’ of the coordination function worked very well and the evaluators were able to meet the programme manager and administrator.

During the course of their duties, the programme manager visited all the individual project leaders and continued to communicate via email or telephone and through seminars and dissemination events. However, whether or not this experience validates a model of outsourcing the coordination function is

open to debate. On cost grounds, the approach may be justified: the Academy covered 60% and 30% of the manager's and administrators salaries: including costs these totalled almost EUR 400,000, or 10% of the total costs of the programme. In this case, the manager was also *au fait* with the general subject matter and the location of the contractor was in Helsinki, thus making routine visits to the Academy time-effective. On the other hand, concern was expressed regarding the loss of coordination capacity within the Academy of Finland, a lack of previous knowledge of LIIKE, and there is no guarantee that the expertise and location of future contracted out roles would be as appropriate or convenient.

5.2 LIIKE2 interim evaluation

A relatively novel aspect of the LIIKE2 programme was an interim evaluation, undertaken in early 2008 by the Helsinki School of Economics Executive Education unit. This exercise was planned in the early stages of LIIKE2 and undertaken in order to support the management and co-ordination of the programme, identifying the needs of projects and researchers with the ultimate aim of realising the goals of the programme, including the dissemination of the research findings. The Interim Report relied on interviews with the programme steering group, a survey of project leaders and researchers, and a workshop. We were able to glean the materials produced from this process as well as discuss it in our interviews. Whether or not the interim evaluation was of use to the programme is questionable. The number of participants in the survey of researchers was relatively low compared with the total number of researchers (response rate of 64% for project leaders and 38% for other researchers in the projects) and it was reported to us in our meetings that these

were also less inclined to attend the workshop. As a result, the evidence collected in the interim evaluation was described to us as 'too thin to lead to any major conclusions and actions'. Indeed, the reports that we were able to glean from the interim evaluation were quite short (5 pages) and in Finnish. The fact that not all the researchers or projects were represented in the interim evaluation makes it a less effective exercise. The reasons for non-participation demonstrate two significant principles to arise from LIIKE2: first, many researchers were heavily engrossed in their own projects and saw this as a priority over an interim evaluation across the programme. Second, interim evaluations take time. Even those participating in the interim evaluation raised issues regarding their involvement at a time when they should have been pursuing their research project objectives. A final limitation of the interim evaluation was its timing. The summary report, including a number of recommendations, was ready by 30 April 2008. At this rather late stage in the programme's life-span, it was in practice very difficult to take any new major openings on board for programme management and coordination.

The benefits of the interim evaluation included the ability of the coordinator to see how the projects were progressing and the pulling together of researchers from across the programme in a workshop attended by 34 people. In a sense, the *process* of the interim evaluation, that is the coordinator working with project leaders and some of the project leaders meeting each other to share experiences and discuss the way forward, was probably more effective than the actual direct outcomes. On reflection, however, taking all the evidence on board although the idea of an interim evaluation is desirable, in this case it was not as effective as it could have been.

6 WHAT HAVE WE LEARNT FROM LIIKE2? SUMMARY AND RECOMMENDATIONS

This evaluation report is based on the evidence collected in face-to-face meetings with staff involved in LIIKE2, as well as documentary evidence produced during the course of LIIKE2. A number of conclusions and recommendations can be made based on this analysis.

1. *Collaboration and network building:*

The scope and depth of the research in LIIKE2 was substantial. This also has to be set against a background of reduced funding compared with LIIKE. We found a change in the international focus of research from LIIKE, to now include Russia and Europe rather than US and joint funding. This is considered to be a strength and there are indications that the collaboration developed in LIIKE2 will be sustained. However, it has to be borne in mind that although LIIKE2 showed enhanced networking compared with LIIKE, these continued to be within domains rather than pan-LIIKE2 projects and consortia. In other words, academics tend to stick within their domain, disciplinary field or area. This may have been reinforced by the emphasis within the programme on doctoral students who are more likely to be focused on individual projects rather than across the programme as a whole.

Networking across a programme is important but the possibility to work as a solo researcher is important. Networks tend to use resources for communication, administration and leadership. Indeed, although we would not wish to discourage the sharing of agendas, methodologies and results in the field of business know-how, specific areas of expertise have to be recognised

if the scientific base is to be developed. The Academy of Finland should not regard this as a weakness and must recognise that a vision of having deep pan-programme collaboration may be unrealistic. A more realistic goal and more down-to-earth vision for programme management would be to build up a deliberate strategy for helping individual projects find obvious and potential overlapping areas and sources of mutual learning with other projects. They could then be encouraged to fulfil this potential through building up new combinations of efforts.

- ### 2. *Relationships with end-users:*
- The outputs produced from LIIKE2 so far have tended to have an emphasis on what can be described as ‘paper production’. This has taken the form of conference papers, refereed journal publications and Master’s theses/PhD dissertations. Certainly LIIKE2 has contributed to the development of the research base on know-how in Finland. This is a success in terms of the levels of investment from LIIKE2, but it may be at the expense of practical outcomes and levels of Finnish business competence.

Although numerous workshops and seminars were held with practitioners, it is difficult to actually see how new ideas and knowledge are translated into practical action and measure the effect of these activities on business. The balance of staff in LIIKE2 towards doctoral students may also have influenced this outcome who may be less influential with practitioners. In the future, it may be worthwhile considering more carefully the effect of the composition of

staff on research programmes and how the involvement of more post-doc and senior researchers may affect engagement with stakeholders. Future research strategies may include formal events that are organised thematically, and hence be attractive to researchers and demonstrate the benefits to their areas of scientific interest. This would involve inviting world-leading speakers from outside the programme as well as project leaders to make presentations.

3. **Project management:** LIIKE2 produced some interesting outcomes regarding programme management. Clearly, such a programme is multifaceted in the sense of ensuring academic excellence, timings, coordination and stakeholder engagement. It is clear to us that the co-ordination role of the Academy of Finland is central to the success of such a programme. Our evaluation of LIIKE2 demonstrated a number of wider issues that face the Academy of Finland, not least the pressure on resources and the Academy's responses such as the contracting-out of co-ordination responsibilities and activities. Whether or not an element of a programme that is so crucial to its success should be contracted to an agency outside the Academy remains open to question. Although there appeared to be no immediate downside in the case of LIIKE2, it has to be recognised that the tacit knowledge of coordination is lost within the Academy. In this sense, the loss of in-house capacity of programme co-ordination may only be realised in the medium to longer term.

4. **Project outcome monitoring:** Our investigations revealed a 'light touch' monitoring culture in terms of ensuring

that projects delivered what they were expected to do. This is not entirely satisfactory and in some cases we found this surprising. This has to be underlined particularly given that this echoes observations made in the evaluation report of the preceding LIIKE programme, as well as other programmes funded by the Academy. We accept that monitoring and evaluation come at a price and academics tend to be resistant to intrusion, especially whilst still undertaking the research they are being paid to undertake. However, some of the monitoring documents we observed were partial and not of much use in the sense of gathering an overall picture of the development of the programme over time.

We recommend that better reporting systems are introduced and embedded in the activities of the project leaders and the coordination function. Reporting points should be established at the outset and these should be compulsory rather than voluntary. The benefits of this summative, rather than formative, approach would be realised by researchers, coordinators and the Academy of Finland's programme steering group. An information 'bank' of outputs may be considered, whereby researchers deposit any research outputs as they go along. This should be available via the world-wide-web and available to all interested parties. Moreover, businesses and other stakeholders may then have better access to the outputs from the programme as they emerge, as well as stimulate attendance and presentations at workshops and seminars. Such an approach may be relatively cost-neutral to both project researchers and programme coordinators.

5. *Programme learning*: Our investigations unearthed a series of issues regarding the continuity with other programmes and the length of time of LIIKE2. In order to realize the full potential of the programmes funded by the Academy of Finland (in this case LIIKE), we would suggest more communication between researchers and staff if there is to be a systematic accumulation of knowledge. In this specific case, for pragmatic reasons, LIIKE2 was launched before the conclusion of LIIKE. In some respects this is unfortunate if the lessons learnt from LIIKE are to be tackled by LIIKE2 head on. On the other hand, some of the researchers in LIIKE were also supported by LIIKE2 thus ensuring continuity.

Our second point relates to the length of time of programmes. When the funding from LIIKE2 ends, researchers are then left to produce further outputs and engage with practitioners without funding. Given that much of the activity under LIIKE2 involved primary data collection, it often put to the evaluation team that a longer research period would have been desirable in order to allow effective dissemination. Of course, this has to be set against the desire for researchers to receive research support for long periods and the fact that the volume of outputs from LIIKE2 has been large. However, funding for longer periods is worth considering.

6. *Role of the Academy*: The evaluation provided some useful observations in relation to the role of the Academy of Finland. Academy funding was considered to be ‘premium’ in the sense of raising the prestige of the research groups among their academic peers. Researchers suggested that this would also raise their potential for securing subsequent funding from other agencies. However, given this reverence for the Academy, we believe that it could be more proactive and instructive regarding the overall operation and direction of the programme. This is particularly the case in relation to ensuring that monitoring is undertaken more thoroughly, as discussed above, but also in terms of securing external co-funding with agencies inside and outside Finland. The Academy is in a strong position to use its expertise and prestige as leverage with other bodies to develop and fund secure larger-scale research initiatives and help sustain the momentum and impact of programmes such as LIIKE2.

Appendix 1. Evaluators of LIIKE2 Proposals



RESEARCH PROGRAMME
ON BUSINESS KNOW-HOW

Pre-evaluators		
Name	Title	Organisation
Håkan Boter	Professor	Umeå University Department of Business Administration Umeå School of Business and Economics
Robert Blackburn	Professor	Kingston University The Small Business Research Centre
Paula Liukkonen	Associate Professor	University of Stockholm School of Business Management and Organisation Department
Lars Engwall	Professor	University of Uppsala Department of Business Studies
Panel reviewing applications to the LIIKE2 research programme		
Name	Title	Organisation
Robert Blackburn, Chair	Professor	Kingston University Faculty of Business and Law
Lars Engwall	Professor	University of Uppsala Department of Business Studies
Pål E. Korsvold	Professor, Dean MBA	BI Norwegian School of Management Department of Financial Economics
Øivind Revang	Professor	BI Norwegian School of Management Department of Strategy and Logistics
John K. Christiansen	Professor	Copenhagen Business School Department of Operations and Management
Guje Sevón	Professor	Stockholm School of Economics Center for Economic Psychology

Panel reviewing applications to the LIIKE2 research programme for the joint call with RFH		
<i>Name</i>	<i>Title</i>	<i>Organisation</i>
Rolv Petter Amdam	Professor	Institutt for kommunikasjon, kultur og språk Handelshøyskolen BI
Janet Dine	Professor	Queen Mary University of London Centre for Commercial Law Studies
Carl Frey	Dr, Associate Professor, IIB Associate Dean of Research	Stockholm School of Economics in Saint Petersburg
Lars Hallén	Professor	Mittuniversitetet Sundsvall
Anne Huff	Professor	Advanced Institute of Management Research, London
Svetla Marinova	Dr, Senior Lecturer	Birmingham Business School
Klaus Meyer	Professor	University of Reading Business School
Reiner Springer	Dr, Professor	Wirtschaftsuniversität Wien

Appendix 2. LIIKE2 Funding Granted



RESEARCH PROGRAMME
ON BUSINESS KNOW-HOW

Project	EUR	Project leader
Verkottuva liiketoiminta - Liiketoiminnan synty ja murros globaalissa kilpailussa/Value Networks - Emergence and Transformation of Business in Global Competition (ValueNet-Oulu)	160,500	Alajoutsijärvi, Kimmo
Economics, Strategy, Policy, Organization and Operations in a Globalizing Economy	220,000	Eloranta, Eero
Verkottuva liiketoiminta - Liiketoiminnan synty ja murros globaalissa kilpailussa/ Value Networks - Emergence and Transformation of Business in Global Competition (ValueNet-Turku)	160,500	Halinen-Kaila, Aino
The Societal Drivers for Value Creation: A Multiple-stakeholder Perspective to Value Processes in the Finnish Forest Industry	225,000	Juslin, Heikki
Tuotekehitysinvestoinnit, verkostoituminen, yritysostot ja arvomuodostus: kansainvälinen vertailututkimus/Value Creation and Capture in R&D Investments: International and Finnish Evidence (VCCRDI)	100,500	Kallunki, Juha-Pekka
Internationell tillväxt i små och medelstora företag/ International growth of SMEs	145,00	Kock, Sören
Companies' Social Relations as a Component of Local Business Strategies: Innovative Integration Strategies of Finnish and Russian Companies	250,080	Kosonen, Riitta
Vastuullinen johtaminen ja yrityksen pitkän aikavälin menestys: Yrityksen ja sidosryhmien välisen vuorovaikutusprosessin tarkastelu/Responsible Management and Long-Term Corporate Success: Examining the Process of Firm-Stakeholder Interaction (RESPMAN)	160,500	Kujala, Johanna (Näsi, Juha)
In search of sustainable competitive advantage (ADVANTAGE)	165,000	Kyläheiko, Kalevi
Tuotekehitysinvestoinnit, verkostoituminen, yritysostot ja arvomuodostus: kansainvälinen vertailututkimus/Value Creation and Capture in R&D Investments: International and Finnish Evidence (VCCRDI)	100,500	Laamanen, Tomi
Corporate Social Responsibility and Its Links to Business Competence	115,000	Lagerspetz, Eerik
Owner impatience and corporate behavior	230,000	Liljebloom, Eva
International dimension of innovation system in Russia - Improving the functionality via networking	249,960	Liuhto, Kari
"Does business know how?" The role of corporate communication in the business know-how of globalized operations	160,500	Louhiala-Salminen, Leena (Charles, Mirjaliisa)
Value Creation and Capture from Emerging Technologies in Globalizing Innovation Environment	225,000	Maula, Markku

Verkottuva liiketoiminta - Liiketoiminnan synty ja murros globaalissa kilpailussa/Value Networks - Emergence and Transformation of Business in Global Competition (ValueNet)	160,500	Möller, Kristian
International growth of SMEs	120,000	Nummela, Niina
Sopimusosaaminen yrityksissä/Corporate Contracting Capabilities	160,500	Nysten-Haarala, Soili
Vastuullinen johtaminen ja yrityksen pitkän aikavälin menestys: Yrityksen ja sidosryhmien välisen vuorovaikutusprosessin tarkastelu/Responsible Management and Long-Term Corporate Success: Examining the Process of Firm-Stakeholder Interaction (RESPMAN)	80,500	Näsi, Salme
In search of sustainable competitive advantage (ADVANTAGE)	165,000	Okko, Paavo
Johtajuus luovassa taloudessa/Leadership in creative economy	220,000	Ropo, Arja
Kansainvälinen kasvu pk-yrityksissä/International growth of SMEs	120,000	Saarenketo, Sami
Organizational innovations and their role in Finnish companies' renewal process	160,500	Pasi Koski (Schienstock, Gerd)
Kenestä tulee yrittäjä? - Milloin ja miksi? Kuka selviytyy ja kuka menestyy? Mikroekonominen tarkastelu itsensä työllistämisestä sekä yrittäjyydestä Suomessa vuosina 1987-2004/ Who becomes an entrepreneur? - When and why? Who survives and who succeeds? A microeconomic study of self-employment and entrepreneurship in Finland 1987-2004	145,000	Tervo, Hannu
Innovativeness in Russian High-tech Industries	249,950	Tuominen, Markku
	4,249,990	

Appendix 3. Schedule of Evaluation Meetings



Research Programme on Business Know-How (Liike2)

EVALUATION PANEL MEETING

14-15 December 2010

Academy of Finland, Vilhonvuorenkatu 6, Helsinki

Programme

Monday 13 December 2010

19-22 Dinner with the panelists, restaurant to be announced later
(Asta Salmi, Johanna Vesterinen, the panelists)

Tuesday 14 December 2010

9-10 **An introduction** of the Academy of Finland and the research programme evaluation
Organization of the panel work
(Mikko Ylikangas)

10-11 **Interviews with the Coordinators**

11-12 **Interviews with the Project Leaders I**
Sören Kock, Niina Nummela (INVnet)
Paavo Okko/Kalevi Kyläheiko
Johanna Kujala

12-13 **Lunch**

13-14 **Interviews with the Project Leaders II**
Eva Liljeblom
Markku Maula
Kari Liuhto
Seppo Ikäheimo
Riitta Kosonen

14-15.15 **Interviews with Researchers**
Mikko Pohjola (Paavo Okko)
Päivi Myllykangas (Johanna Kujala)
Anu Tokila (Hannu Tervo)
Lei Wang (Heikki Juslin)

15.15-16 **Internal work of the Panel**

Wednesday 15 December 2010

9-10 **Internal work of the Panel**

10-11 **Interviews with the Project Leaders III**

Leena Louhiala-Salminen

Aino Halinen-Kaila

Pasi Koski

Maria Smirnova, Russian partner (Tuominen)

11-12 **Interview with the Steering Committee**

Anne Kovalainen, Ilpo Ihanamäki, Matti Pietarinen, Riitta-Liisa Lappeteläinen, Mikko

Ylikangas, Asta Salmi

12-13 **Lunch**

13-16 **Panel work with the report**

In 2006, the Academy of Finland launched the Research Programme on Business Know-how (LIIKE2) for 2006–2009. The aim of the LIIKE2 programme was to explore different aspects of business know-how that are considered important to the Finnish economy. A key question to the researchers was: in what way do Finnish and Finnish-based companies improve national competitiveness through their own actions? A total of 25 projects took part in LIIKE2.

In 2010, the Academy of Finland appointed an international expert panel to evaluate the programme. The panel was asked to assess how the programme had succeeded in reaching its goals and to evaluate the scientific quality and innovativeness of the research in LIIKE2 and its contribution to researcher and expert training. This report includes the results of the evaluation and the recommendations of the panel.



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