Narrative interactions: How project-based firms respond to Government narratives of innovation

Abstract

The purpose of this article is to explore the ways project-based firms respond to Government narratives of innovation. We focus on the narratives of innovation articulated by Government as part of industrial policy and the responses thereto by senior managers in project-based firms. Our research setting is a major project-based sector: UK construction. 45 narrative interviews were conducted in addition to the content analysis of the Government reports on construction innovation. We find that project-based firms respond to the Government narrative for the need for innovation to improve performance by developing and enhancing their innovative capabilities and generating their own narratives of innovation. The model developed shows how narrative interaction between the Government and project-based firm levels impact on meaning-making of innovation by (re)articulating collective identities, and shaping innovation strategies.

Keywords: Narrative of innovation; innovation policy; narrative interaction; project-based firms; project-based sector

1. Introduction

Project-based firms (PBF; Davies and Hobday, 2005; Söderlund, 2008; Whitley, 2006) are recognised to be intrinsically innovative on the basis that they continuously (re)create new organisational structures, new products, processes and services on a project-by-project basis in accordance with specific needs of each project (Blindenbach-Driessen & Van Den Ende, 2006; Gann and Salter, 2000; Hobday, 2000; Davies and Brady, 2016). PBFs can therefore be defined as those firms for which “projects are their core business” (Winch, 2014: 724). The project-based nature of work implies that PBFs have to manage networks of multiple interfaces with other firms that are also project-based forming complex industrial systems in which there are many interconnected elements. These networks form what we can call project-based sectors (Winch et al, 2021). It is in these interfaces within and across the three domains
of project organising (Winch, 2014) where the firms which develop many of the innovative products and processes (suppliers) and those which adopt these innovations to deliver their project mission (owners) interact (Davies and Mackenzie, 2014; Miller et al, 1995; Miozzo and Dewick, 2002; Winch, 1998).

The project-based sectors form important parts of all developed economies. For instance, the COPS sector alone typically accounts for around 20% of UK GDP (Acha et al, 2004). They therefore receive considerable attention from Governments in the industrial strategies of those countries (Gann and Salter, 2000). In particular, government policies articulate narratives of innovation in project-based sectors which blend exhortation and targets with the aim of stimulating innovation on the projects they promote as both owners and industrial strategists. For example:

“We are setting out an ambition for the construction sector to deliver:

- Better-performing buildings that are built more quickly and at lower cost;
- Lower energy use and cheaper bills from homes and workplaces;
- Better jobs, including an increase to 25,000 apprenticeships a year by 2020;
- Better value for taxpayers and investors from the £600bn infrastructure and construction pipeline; and
- A globally-competitive sector that exports more, targeting the $2.5tn global infrastructure market”. (HM Government 2018: 6)

Within these industrial strategies, narratives of innovation are consistently promoted by policy makers to meet the targets set by the Government (Diercks et al., 2018). The UK Government narrative is largely about the supplier domain being responsible for innovation (HM Government, 2013, 2018), with recent emphasis being placed on the role of suppliers delivering assets through innovative projects. For example, the UK Government has advocated Building Information Modelling (BIM) use in the construction sector, and PBFs respond to this target by adopting and implementing BIM (Davies and Harty, 2013). Senior managers within PBFs face the challenge of not only creating a narrative of innovation that provides a sense of strategic direction for the firm, but also aligning it with the narratives
of innovation of the Government. Suppliers are obliged to present their own narratives of innovation to owner organisations in response to Government narratives of innovation when bidding for projects. And there is a process of negotiation before owners accept the most appealing proposals. Hence, it is important to understand the ways PBFs respond to the Government sectoral innovation initiatives in terms of the extent to which there is an alignment between them. Our research question is: How do project-based firms respond to the Government’s narrative of innovation? In answering this research question, we adopt the definition of a narrative developed by Vaara et al. (2016: 496) as “unique discursive constructions that provide essential means for maintaining or reproducing stability and/or promoting or resisting change in and around organizations”. We therefore treat narratives as phenomena which are accessible for research through textual analysis and carefully designed interview protocols called “narrative interviews” (Mishler, 1991). The theoretical and practical contribution of our paper is twofold: 1) We provide insights into the strategic management of project-based firms by examining how they generate innovation narratives in response to the Government narratives of innovation; (2) We show how those narratives interact within a project-based sector thereby identifying important implications for the creation of the identity and image of that sector. We build upon the work of Yanow (1996) who distinguished between an image that is projected to external stakeholders such as sponsors and policymakers) and an identity that is conveyed to internal members of the organisation, to guide them in their tasks.

The paper is structured as follows. Initially, the relevant project studies literature is reviewed followed by the innovation and organisation studies literature. In particular, we review the relevant literature on interactions between narratives. The research method for data collection and analysis is then presented. Our analysis is focused on demonstrating the ways senior managers from PBFs respond to Government sectoral narratives of innovation. We discuss the findings against the reviewed literature, summarise the key findings, and outline implications for practice.

2. Literature review

2.1 Narratives in project studies
There has been relatively little research in project studies into narratives. Veenswijk and Berendse (2008) analyse narratives on projects to understand the politicised nature of organisational change processes. They found narratives feature deterrence (a strong resistance to the change), dilution (blurring of the initial ambitions) and dissociation (confusion over the societal value of the project). They view narratives as important vehicles through which meanings are negotiated, shared and contested. Whilst this contribution lacks clarity in terms of theoretical framework adopted on narratives, Veenswijk and Berendse (2008) are among the first who distinguished between dominant, performative narratives and more personalised stories of everyday individual experiences in projects. Boddy and Paton (2004) focused on competing narratives of success within major projects seeing them as representative of differing perspectives rather in themselves constitutive of project organising. Havermans et al. (2015) allude to the way project managers are required to respond to two sets of competing narratives: (i) from within the projects themselves, and (ii) from the broader organisational context. The adopted narrative perspective has points of commonality with Enninga and van der Lugt’s (2016) research on narratives in innovation projects, but also important points of difference. Enninga and van der Lugt (2016) notably fall short of seeing innovation as a discursive construct, positioning ‘innovation projects’ as a supposed special case of projects more generally. Sergeeva and Lindkvist (2019) studied publicly available texts to investigate the ways project-based construction firms in Norway and UK respond to the international and national narratives for the reduction of carbon emissions, calling for further empirical investigation. They conclude that the reduction of carbon emissions requires understanding of consequences at global, national, industry and firm levels and showed how these levels are connected to each other. Sergeeva and Green (2019) demonstrate the tendency of senior executives to oscillate between coherent persuasive narratives and more personalised stories in searching for the meaning of innovation.

We conclude from this review that narrative research is still immature in project studies, and that there are significant opportunities to develop the level of insights that have been generated within organisation studies more generally (Vaara et al, 2016). The current research aims to contribute to more enhanced understanding of the narratives in project studies, they ways in which they interact, and their
implications for industrial strategy in project-based sectors and the strategy of PBFs with respect to innovation.

2.2 Narratives in innovation studies

There is undoubtedly an increasing interest amongst scholars of innovation in the importance of narratives, although there remains little consistency in terms of theoretical approach and scarce empirical investigation (Bartel and Garud, 2009; Garud et al., 2011). Narratives of innovation are seen to carry important messages about industrial and organisational vision, directions and strategies (Doganova and Eyquem-Renault, 2009; Garud et al., 2014b). Bartel and Garud (2009) are among the first who distinguish between narratives that portray innovation in a structured way through the use of a plot, and provisional narratives which capture individual perceptions without any clear plot. The purpose of the former is to promote a particular coherent point of view on innovation, whereas the latter act as more personalized stories about everyday experiences. Garud et al. (2011) further contend that structured narratives provide the organisational memory that enables people to translate emergent ambiguous situations into a meaningful present and future. In contrast, provisional narratives are seen to enable “real-time problem solving among individuals who must coordinate within and across different domains of activity” (Bartel and Garud, 2009, p. 112).

This quote has a particular resonance with the challenges of managing in project-based sectors and engagement with multiple stakeholders beyond the organisational boundary. It also points towards a continuous process of social construction through which senior managers (and others) ascribe meanings in interaction with a range of diverse stakeholders. Such locally-ascribed meanings may often contradict the narrative of innovation set by the Government. It is hence important to explore the ways senior managers within PBFs respond to the Government narrative of innovation.

2.3 Narratives in organisation studies

Research on narratives in organisation studies is very mature, and Vaara et al. (2016) provide an excellent overview. Research has shifted over time from studying narratives as separate, complete and self-sufficient texts towards a study of narratives in context and interaction (Dalpiaz and Stefano, 2018;
It is recognised that narratives are formulated through dialogical processes individuals have with themselves, others and in response to broader discourses and structures within which they live. Narratives occur in interactions, they inform and shape actions (Rantakari and Vaara, 2017). As told or performed in interactional settings, narratives of innovation reflect both the social and cultural contexts from which they are derived, and local interactions including roles and relationships that participants manage during the innovation process (Garud et al., 2014a).

Yanow (1996) in her book “How does a policy mean?” encourages us to think about the interactions of narratives at policy and organisational levels. She crafts her work as an interpretive approach focusing on the meanings of policies, values, feelings, beliefs, and processes by which meanings are communicated to and “read” by various audiences. Building upon the work of Taylor (1988), policies may be seen as expressive statements or acts, through which a dominant group expresses its identity. The emphasis is placed is on policies’ roles in the expression, inculcation, and validation of values, beliefs, and feelings, as well as in the distribution of materials. A policy may be seen as a claim for attention, at least, and possibly for material response. Action-text-interpretations are in a continuous process of interaction.

There is an emerging work on counter-narratives defined as “the stories which people tell and live which offer resistance to, either implicitly or explicitly to dominant cultural narratives” (Andrews, 2004). The distinctive characteristic of counter narratives is oppositional to dominant or master narratives. Focusing on counter-narratives enables us to capture some of the political, social and cultural complexities and the ways narratives interact. According to Frandsen et al. (2017), using a counter-narrative lens implies a number of theoretical assumptions on organising: (a) constituted in communication and storytelling, (b) a site of struggle over meaning and identity and (c) engaging a polyphony of voices, from organisational members and broader environment. The counter-narrative lens highlights the struggles over meanings, values and identities that take place in organising (Frandsen et al., 2017). From this approach, the communicative processes and practices are seen as inherently influenced by power: the dominant narrative holds the power to shape individuals’ and organisations’ worldviews, and yet also
that this dominant narrative can be challenged and negotiated by alternative narratives. This enables us to see how meaning of innovation is contested through a process of narrative interaction.

Abolafia (2010) demonstrates the ways elite policy makers use plotted, plausible and repeated narratives to shape the reactions of those in their environment. Top managers sanction organisational values and identity through spoken and written narratives. Organisational narratives tend to be consistent and are often institutionalised in textual forms on websites and company reports. Narratives are seen as performative and rehearsed with an explicit intention of guiding social action (Czarniawska, 2016). Rehearsed, often dominant, narratives also invariably play an important role in legitimising the advocated actions (Buchanan and Dawson, 2007). Sims (2003) further considers the special pressures on managers to tell narratives about their organisations to their superiors and subordinates. Managers are expected to give a coherent macro-level narrative of organisational performance for their staff. But they also continuously and spontaneously construct stories of what is happening in their lives, as well as revising them and imagining the future.

Chreim (2005) points towards the way narratives of organisational change frequently rely on clichéd labels such as ‘innovation’, ‘ability to change’ and ‘commitment of employees’. Innovation is hence often celebrated as a rhetorical end in itself which requires no further justification. To a critical eye, such narratives of change are repetitive (Buchanan and Dawson, 2007). Fenton and Langley (2011) allude to the way stories about innovation projects frequently draw both from macro-level narratives as well as ad hoc anecdotes derived from past innovation projects. But their discussion offers little explanation of the way in which narratives of innovation interact. Dailey and Browning (2014) come closer in demonstrating the duality between the structured narratives of innovation and personal experiences. They also point towards the connection between the personalised stories articulated by managers and the creation of identities. Ibarra and Barbulescu (2010) and Järventie-Thesleff and Tienari (2016) focus on the way people in organisations engage in transitions within and between informal roles, and the implications of these transitions for their self-identities.

Developing the research in organisation and innovation studies into interactions between narratives, we argue that it is through a continuous process of interaction between Government and PBF that narratives
of innovation are (re)constructed. We contend that narratives of innovation and their interactions at different levels play a vital role in developing innovative capabilities and strategies, and shaping organisational identities and sectoral images.

3. Methodology

3.1 Research design

Building upon the methodological approaches used by narrative researchers (Chaidas, 2018; Cunliffe, Luhman, & Boje, 2004; Czarniawska, 1997; Vaara et al. 2016), we identify, examine and compare narratives of innovation at Government and project-based firm levels within a single project-based sector. In our research, government-driven narratives of innovation are mainly articulated in the textual form and secondarily in verbal and symbolic forms; whereas at firm level narratives of innovation are mainly articulated in the verbal form and secondarily in textual and symbolic forms.

According to Fenton and Langley (2011) broader institutionalised “grand narratives” (in our research government-driven innovation narratives) can be distilled from analysis of sets of texts at particular times in history, and that provide meaning for practitioners in their organisations. Our focus is on Government narratives of innovation as dominant narratives in a project-based sector. We also paid specific attention to counter-narratives mobilised by practising managers that offer alternative views, deconstruct or delegitimise identified dominant innovation narratives. According to Frandsen et al. (2017), paying attention to counter-narratives in ethnographic work may prove to be difficult as counter-narratives may not be publicly voiced or even well-articulated among the organisational members. Posing direct questions about conflicting views would rarely bring any relevant empirical materials forward. Through narrative interviews we searched for counter-narratives mobilised by practising managers. In contrast to semi-structured interviews, narrative interviews are specifically designed to encourage respondents to articulate narratives and tell stories about their experiences in their own way (Mishler, 1991). They usually comprise narrative-generating questions which encourage the interviewees to talk about the phenomena under study. The medium of the narrative interview seeks to stimulate people to articulate concepts, to tell stories about themselves, their lived experiences and events.
### 3.2 Research settings

We selected UK construction as a project-based sector because it is both a significant sector in all national economies, and the second largest employer of project managers (after financial services) (APM, 2018). Construction as a project-based sector provides a special setting in which narratives of innovation are likely to be visible. It is overwhelmingly populated by project-based firms (“contractors” and “consultants”) supplying constructed assets to owners and operators (“clients”). The sector is also of considerable interest to Governments around the world (Manseau and Seaden, 2001) because they are themselves major investors in and operators of constructed assets to meet their obligations to provide various kinds of public services. Innovations in the UK construction sector are driven by the need for successful delivery of physical assets such as buildings, roads, bridges, airports, power stations, their operation and value creation for a society. Innovation narratives play an important role in the process. The UK sector is a relatively highly performing one in international terms (McKinsey Global Institute, 2017), but shares with construction sectors around the world a perception that it is not very innovative (Winch, 1998). While some of this perception is due to measurement problems (Winch, 2003), there is clearly much that can be done to improve the rate of innovation in the sector (McKinsey Global Institute, 2017).

Historically, the UK construction sector has been strongly shaped by Government policy (Murray and Langford, 2003; Winch, 2001). Successive government policy initiatives have set up the industry targets that drive innovation in the sector: most recently 33% lower costs, 50% faster delivery, 50% lower emissions and 50% improvement in exports (HM Government, 2013). In other words, there is a need for innovations which are aligned with the Government narrative which is cheaper, faster, lower carbon and better exports. There is a commonly accepted Government narrative about a need for innovation in the UK construction sector to improve performance. For the last two decades, the UK government has been advocating innovation in the built environment to reduce costs of investment in physical assets such as public buildings, roads, bridges, airports, power stations, their operation and value creation for a society. The ability of the UK construction PBFs to deliver the targets set by the government depends to an important extent upon the innovation narratives adopted (Hobday, 2000; Salunke et al., 2011).
is this group of supplier firms which practise innovation. They formalise innovation strategies, create new job roles with innovation in their titles, create an environment and culture of innovation where everyone is committed to it.

3.3 Data collection and analysis

We obtained all the Government reports on construction sector innovation over the last 25 years from publicly available websites from Latham (1994) to HM Government (2018). We used NVivo 12 software to code and identify narratives through a content analysis of these texts (two coding procedures have been conducted to narrow down the identified narratives). This allowed us to build up an overview of the content of the textual Government-driven innovation narratives and how it has changed over time. To gain a deeper understanding of this literature, we also conducted narrative interviews with five UK construction-related Government representatives. Table 1 outlines the initial key Government-led innovation narratives identified from the reports and interviews with policy makers using NVivo software.

In order to then collect data from a sample of PBFs in the sector we conducted narrative interviews with senior leaders. Thus 45 narrative interviews were conducted with senior leaders from the UK construction sector: 5 senior leaders who work in construction-related Government departments, 30 senior leaders from supplier PBFs and 10 senior leaders seconded to project delivery organisations. These firms were selected because they increasingly promote innovation narratives in different forms. The participants were selected on the basis of their self-identifications as leaders or champions of innovation. The established relationships between the researcher and the industry partners enabled information sharing. The interviewees all had in excess of ten years’ professional experience in the construction sector and had all progressed to senior management (typically director) within their PBFs. The aim of interviews was to explore verbal narratives mobilised by industry practitioners in response to a series of prompts about innovation. Interviews were conducted at different points in time in order to examine the ways narratives of innovation change over time, shaping and transforming the industry and sector performance.
The interviews were transcribed in full, thereby aiding subsequent analysis. The analysis method comprised repeated detailed reading of the transcripts, with a focus on flagging points of commonality and points of difference. NVivo 12 software was used for coding and identifying narratives. This allowed us to build up an overview of the content of the verbal innovation narratives constructed by senior managers from PBFs. The responses to the targets set by the Government were frequently prefaced with phrases such as “what the industry has to do is…and what we actually do is…”; “the industry want… but the reality is…”. Phrases of this nature were specifically identified in the data and used as analytical flags. The subsequent narratives were then searched for recurring plots around which the data could be structured. The analysis involved continuously moving back-and forth between the entire dataset and emergent findings, including initial and secondary coding. This was a longitudinal process of both authors meeting each other to achieve a common understanding and interpretation of the data.

4. Empirical findings

4.1 The Government narrative of innovation

The narrative of the need for innovation at the Government level is characterised by consistency over time, as evident in a number of UK construction sector reports (e.g. HM Government, 2013). For over two decades there has been a consistent narrative in the UK for greater innovation in order to improve performance of the UK construction sector. The identified narratives in the reports initiated by the UK Government are seen as dominant narratives of innovation in the UK construction sector. Table 1 shows the results of the content analysis of the reports and interviews with policy makers in the UK Government and identified narratives.

Table 1 The content analysis of narratives about the need for innovation to improve performance in the UK construction industry reports and based on the interviews with policy makers

<table>
<thead>
<tr>
<th>Narratives identified</th>
<th>Supporting evidence</th>
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| The role of Government and clients in stimulating innovation | “Clients, and especially Government, continue to have a role in promoting excellence in design.” (Latham, 1994)
“The Task Force invites the Government to commit itself to leading public sector bodies towards the goal of becoming best practice clients seeking improvements.” (Egan, 1998)
“We want projects faster, cheaper, lower carbon, better exports. That is what Government wants. The innovations that give me any of those four, ideally all four of them, what we are looking for. We set it as a high level what we are hoping to achieve. We do not do innovation at a national level. We set the targets for what we want a project to achieve.” (Senior leader, Construction Department in Government)
“The way in which you stimulate innovation within the specific area. For instance, if you take Building Information Modelling (BIM). BIM has been specified by the Government. They have set the directive down, but there is no structure for organising how the industry responds. So, looking at this as a structure based on the challenges and examples will be valuable. Setting some challenges and expecting it is right in itself. It needs to be the right culture and the right support mechanism at the national level.” (Executive Consultant, Construction Department in Government) |
| The call for suppliers in taking more leading role in innovation | “The industry is failing to create the conditions for its supply chains to thrive. This needs to change.” (HM Government, 2013)
“To use the adoption of digital technologies and the move to offsite manufacturing to strengthen local supply chains across the UK.” (HM Government, 2018)
“To ensure that construction sector is home to more sustainable, profitable businesses, the standard business model needs to change to...
one that is based on strong, integrated supply chains and higher levels of collaboration” (HM Government, 2018)

| Improving the image of the construction industry | “It will lead to a brighter image and better rewards for a great industry.” (Latham, 1994) |
| | “Improve the image of the industry by inspiring young people and through a coordinated approach to health and safety and improving performance…” (HM Government, 2013) |

As evident from the Table 1, there is a consistent narrative about the importance and need for innovation to improve productivity in the UK construction sector. The Government sets the agenda and ambitious targets for construction project-based supplier firms, and is seen to play a critical role in stimulating innovation. The role of Government is seen to set the targets for suppliers to achieve through innovation. Some policy makers suggested to have a more structured approach by the Government providing some challenges and examples for the ways PBFs respond to the expectations set by the Government.

As evident from Table 1, there is a consistent emphasis on improving the image of the construction industry and inspiring young people. Over time, there has been some changes in the content of innovation narratives at the policy level. Furthermore, whilst there is a consistent narrative about the importance of sustainability, the word ‘sustainability’ has been used in different context with different meanings ascribed: in relation to whole life cycle of a project (Egan, 1998), environmental sustainability and associated reduction of carbon emissions (HM Government, 2018), and the project-based sector as a sustainability leader (HM Government, 2018). There is an emergent narrative of the importance of digital technology and innovation (HM Government, 2013, 2018). Earlier reports placed emphasis on the role of owners driving innovation (Latham, 1994; Egan, 1998), whereas more recent reports increasingly emphasise the role of supplier PBFs (HM Government, 2018).

At the Government level the content of narratives of innovation has changed from construction to manufacturing (HM Government, 2018). The emphasis is increasingly placed on logistics. It is evident that the role of narratives is recognised as being top-driven by the Government and policy. The content of narratives of innovation has changed from carbon and sustainability agenda to digital, with some
recent emphasis on learning legacy. Learning legacy aims to share the knowledge and lessons learned from construction projects within the UK construction sector. For instance, all major projects in the UK construction sector have formalised documents on learning legacy, including research reports, case studies, example tools and templates that are publically available.

4.2 Project-based firms’ responses to the Government narrative of innovation

Table 1 has identified the principal themes in the UK Government narratives of innovation for the construction project-based sector, based largely on a content analysis of Government industrial policy documents. We now turn to how the PBFs in the project-based sector respond to those narratives.

Table 2 shows the results of the content analysis of the narrative interviews with senior managers from PBFs firms in response to the Government narrative of innovation.

Table 2 The content analysis of verbal narratives about innovation by senior managers from project-based firms in response to the Government narrative of innovation

<table>
<thead>
<tr>
<th>Narratives identified</th>
<th>Supporting evidence</th>
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<tr>
<td>Building and enhancing innovative capabilities and associated challenges</td>
<td>“We look for a particular solution, but as a firm are we being as innovative as we can be in exposing all capability and experience of the firm to that particular solutions? We can look at innovation by either looking into the future of the client or in fact looking at ways that we can provide much greater breath of the firm’s capability and be innovative at that particular solution.” (Senior Manager, Leading construction contractor firm)</td>
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<td>“Companies want innovations to get that lead. Currently, depending on a market it depends how much companies want to innovate. At the moment companies want to innovate because they are trying to lead, to edge, trying to make things cheaper and more competitive in the market. Everyone is trying to innovate.” (BIM Manager, Construction engineering consultancy)</td>
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<td>Narratives of innovation and organisational identity</td>
<td>“First of all, a lot of people do not think that construction industry is innovative, but I think it is highly innovative. I think every project I have been to there were new ideas and doing new things: technologies and range of things to try.” (Senior Manager, Construction engineering firm)</td>
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<td>“What I would like to do is to sort of pull through in a more explicit way a strategy for innovation which people understand; there is a vocabulary and language around people when they talk about innovation. If you went to interview 10-15 people in our business and ask about innovation. You will get 10-15 different answers. So, what I have got to do with my leadership team is perhaps bring some consistency in what it means to our business in a more explicit way. Once we do it, we can then overlay that in our current strategy, so that it becomes more in a DNA of an organisation.” (Innovation Knowledge Manager, Construction and civil engineering contracting firm)</td>
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<td>“But real innovation when it becomes part of DNA business. We are just moving into that. Technologies, people coming through used to this type of environment.” (BIM Manager, Constructing engineering consultancy firm)</td>
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<td>“Part of that narrative will be ‘We engaged our supply earlier. We have some really innovative ideas. Client, you love innovation. Look we are really innovative. That is part of a narrative, a sale pitch.” (R&amp;D Manager, Construction firm)</td>
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<tr>
<td>Innovation leadership and championship</td>
<td>“Innovation does not happen without leadership. If you look at message that some out of lights on how you reduce cost or how do you create organisations that drive out carbon, you go leadership -&gt; procurement -</td>
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</table>
“...innovation.” (Innovation Manager, Construction management consultancy)

“We have got carbon champions, we got digital champions, we got high performing team champions. They can be at any level of organisation. They become communities.” (Senior Manager, Construction engineering firm)

“I think in bigger organisation, like ours, you need a champion, you need a father. Someone needed to protect and explore ideas and give a space from time to time to be able to develop it. And when he comes back to be able to say: “They put it on the right level”. The way we operate here and the way I operate I have had a lot of freedom. I am not in the organisation that somebody say: “Right. What are you doing now? What is your budget?” (Business improvement manager, construction engineering firm)

4.2.1 Building and enhancing PBFs’ innovative capabilities

Many interviewees from PBFs and delivery organisations felt the strong need to respond to the government narrative about the need for innovation to improve performance. They recognised the important role of the Government as both owners for construction projects and champions of industrial strategy, and emphasised the need for their support. As evident in Table 2, senior leaders talked about their PBFs’ innovative capabilities in response to the Government narrative and placed the emphasis on solving problems and finding solutions through innovation. The need for innovation is driven by either the government owner’s future needs and findings particular solutions or looking at the ways of improving innovative capability of the firm. A number of interviewees emphasised the lack of strategic narrative about innovation within their firms. Whilst PBFs in the supplier domain innovate all the time, their approach was often seen as reactive to problems rather than strategically planned. They particularly highlight the journey of developing the innovative capabilities of the PBF.
Many interviewees highlighted the lack of leadership and strategic vision about the innovation agenda of their PBF in response to the Government narrative of innovation. The urgency of delivering on existing projects is seen as an obstacle to having time to reflect and construct a narrative about innovation in the firm. Most interviewees agreed that construction PBFs should look at where the industry is going to be in the next 5-10 years’ time, and how they make sure their PBF responds to changes in social, political and technological environments.

### 4.2.2 Narratives of innovation and organisational identity

Most senior leaders believe that their PBFs are innovative and they also saw the construction sector as innovative. In response to the Government narrative about improving the image of the construction sector (see Table 1), they emphasised the culture of continuous improvement of the industry and recognised their project-based supplier firms as always creating new ideas and innovation becomes part of their norms (see Table 2). In PBFs within the supplier domain, innovation tends to be embedded into the business strategy. However, many interviewees highlighted the need for a more consistent language around innovation and strategy and a convincing narrative of innovation.

The metaphor about an organisation’s ‘DNA’ was mobilised by several interviewees with specific reference to ensuring that innovation is accepted as normal business. This relates to the organisational identity of the extent to which a PBF is seen as innovative. This also raises the question of whether adherence to a more consistent script across the organisation risks stifling innovation rather than encouraging it. The paradox is that senior leaders encourage innovation, but only innovation which serves a broadly pre-defined Government narrative in order to win projects. The difficulty lies in making this agenda relevant to those working on specific projects. From the point of view of the project, innovation can be seen as a risk rather than an opportunity. If the project takes risks on a new type of technology, and it goes wrong, the consequences are large for project delivery. There is always a chance that an innovation may fail. The interviewees emphasised creation of a project identity where different firms merge together over its life-cycle distinct from the organizational identity of the PBF. The narrative of innovation is being articulated and communicated to project delivery teams by senior leaders.
4.2.3 Innovation leadership and championship

In response to the Government narrative about the need for innovation to improve performance, senior managers from PBFs especially emphasised innovation leadership and championship. The Head of Innovation from a construction constructing firm stressed the importance of leadership over a rhetoric of innovation:

“You need a leadership that believes in innovation rather than just talk, the rhetoric. There is a lot of talk. If that talk is hidden behind general belief, then it becomes credible. We need an agenda. Innovation has to be in the agenda, part of the delivery of strategy, part of the values in a company. The innovation team is important and they need to be empowered. Maybe Government needs to recognise. We need support from Government. But also in a tendering process, there is £5 billion worth of infrastructure projects in the pipeline. A lot of megaprojects coming. We need to be talking about innovation before they even being talked about. How are we going to do tendering process in innovative way? How are we going to deliver these projects with innovation as part of DNA? When you talk about projects. Everyone is talking about health and safety. It is given. It is normal. But innovation should be talked about in the same reference as H&S.”

The above quotation highlights the belief in innovation over the rhetoric. Innovation has to be in the identity, in the ‘DNA’ of the firm and its employees’ mindset. The narrative of innovation needs to be promoted in a similar vein as the narrative of health and safety. Owners are advised not to accept the proposals with the lowest costs, but those based on best value.

The role of innovation champions is increasingly emphasised as important in bridging the gap between narratives of innovation articulated the Government and those articulated by leaders of PBFs and leaders of delivery project teams. This directly responds to the policy discourse about the need for innovation leadership. Some interviewees reflected on the organisational journey of overcoming resistance to change in the context of the resource interfaces between PBFs and delivery projects. Innovation seems rather more complex than the construction sector Government narrative would have us believe. As argued by interviewees, the process of innovation requires challenging the norm and challenging team’s mind-sets. In this process the PBFs directly respond to the Government narrative about the need for
taking more leading roles in delivering innovation and value on delivery projects. They feel responsible and committed in delivering changes and innovation is seen in need being embedded in the organisational identities and self-identities of individuals. Yet, there are many challenges faced by firms in the supplier domain, and in particular the lack of a strategic agenda. Innovations often happen when solving day-to-day problems, rather than being part of a strategic vision.

4.3 Interactions between Government and PBF’s narratives of innovation

We have identified the principal themes in the Government narrative of innovation and the response by PBFs within the UK construction project-based sector in Tables 1 and 2. We now turn to their interaction in Table 3 which compares the Government narrative of innovation and the responses in PBF narratives of innovation.

Table 3 The differences between innovation narratives by the Government and PBFs and their interactions

<table>
<thead>
<tr>
<th>Government narrative of innovation</th>
<th>PBF narrative of innovation</th>
<th>The differences between innovation narratives and their interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The role of Government and clients in stimulating innovation</td>
<td>Building and enhancing innovative capabilities</td>
<td>Government sets targets for PBFs to achieve through innovation; examples from PBFs are seen as valuable by the Government. PBFs recognise the important role of Government as project owners and their targets; they feel responsible and committed in delivering the targets set by the Government. Yet PBFs often lack a strategic narrative of innovation. PBFs are solving everyday problems, finding solutions and improving their innovative</td>
</tr>
</tbody>
</table>
### The call for suppliers in taking more leading role in innovation

| The call for suppliers in taking more leading role in innovation | Narrative of innovation and organisational identity | PBFs recognise that innovation has to be in their identity agenda, in the ‘DNA’ of the organisation, and in their team’s mindsets. Senior leaders in PBFs create and communicate narratives of innovation. |

### Improving the image of the construction industry

| Improving the image of the construction industry | Innovation leadership and championship | Government aims to improve the image of the construction industry and inspire young people. Senior managers in PBFs tend to perceive the construction industry as innovative, and tend to promote young managers into senior positions. Innovation champions are seen as a potential for bridging the gap between the Government narrative of innovation and PBFs narratives of innovation in response. |

The interview data demonstrate the interaction between the Government narrative of innovation and PBF innovation narratives articulated in response. Senior managers in PBFs felt committed and responsible in delivering the Government targets (e.g. most recently 33% lower costs, 50% faster delivery, 50% lower emissions and 50% improvement in exports). Yet they experienced challenges such as lack of a strategic narrative of innovation that is aligned with the Government narrative of innovation to improve performance. As reflected by Research and Development Manager from a contracting PBF:
“In all honesty, while the senior people in our business will know what the Government targets are, I am not sure how much thought in our business goes into what part do we play in meeting those industry targets. Part of the reason for that is some of the senior leaders in various businesses are so busy fighting fires, operational issues that actually do not take the time to step back to think about long-term vision, long-term goals. If there are long-term visions, long-term goals, they are very much about profit-levels, profit-margins rather than carbon necessarily and things like that.”

The above quote shows the response to the Government targets and the challenges the PBF faces in meeting these strategic targets. There is a sense of the need for the senior leaders in the firm to take more time and think about long-term vision associated with the Government narrative of innovation. There was a recurring focus on contributing to an industry-wide programme of innovation. The difficulties of overcoming vested interests in the implementation of change were a recurring theme. One interviewee, for example, was especially critical of the extent to which younger entrants to the industry were given insufficient opportunities:

“I was keen to champion a movement which was recognising the inputs or contributions that people early in their careers can have on the industry. A discussion that I had with myself for twenty years has been: do you have to be old to lead big construction projects? Do you have to have a lot of experience? Why does it appear to be unusual in the construction industry to see younger people in senior positions? I think sometimes it is because the construction industry is quite a conservative, a traditional industry, and it is not one where change is necessary encouraged, or welcomed, or certainly promoted. I always thought that was wrong.” (CEO, constructing PBF)

The above quote provides a good example of the interaction between a narrative which has an image of the construction industry as traditional and being slow to change, and a counter-narrative that challenges the norm by advocating the leadership potential of younger people. The CEO alludes to the necessity for employees to gain experience on projects prior to progressing to leadership positions. There is a sense that the interviewee is promoting a self-image for the purpose of countering the way in which he is perceived by others. He is seemingly conscious of the need to promote younger
managers into senior positions in the future. Yet, it is equally clear that he portrays himself as a lone voice in conflict with the dominant culture.

In summary, narratives of innovation interact in the ways PBFs and their senior leaders respond to the Government narrative of the need for innovation to improve sectoral performance on its projects. Innovation narratives interact in the ways senior leaders in PBFs face challenges in meeting the Government targets through innovation; in the ways PBFs enhance their capabilities. This is done by generating a narrative of innovation that is aligned with the Government narrative of innovation by innovation becoming part of ‘DNA’ or organisational identity of their PBF in the sector. Innovation champions thereby bridge the gaps between Government and PBF narratives generating an innovative vision for the project-based sector as a whole.

5. Discussion: The dynamics of innovation narratives in a project-based sector

We have answered our research question by providing insights into the ways PBFs generate innovation narratives in response to the Government narrative of the need for innovation to improve performance. As shown in Table 1, there is a narrative of the need for innovation to improve performance at the Government level which is characterised by consistency over time with some changes in the specific content of its narrative of innovation. Through this narrative, the Government sets the targets for PBFs to achieve through innovation on the projects it commissions as owner from the supplier domain. PBFs feel obliged to express commitment to delivering the targets set by the Government; this obligation is transmitted through the tendering process for government contracts. As shown in Table 2, the innovation narratives constructed by PBFs demonstrate the ways they build and enhance their innovative capabilities throughout organisational journeys (through examples which are seen as valuable by the Government), challenges they face and the ways they construct their identities as ‘innovative’ organisations. PBFs often lack a strategic narrative of innovation which responds to the Government narrative of the need for innovation to improve performance and associated targets. PBFs tend to spend a lot of time “firefighting” in order to solve everyday problems, yet they highlight the need for a strategic narrative of innovation in response to the targets set by the Government. A narrative of innovation is
recommended to be part of the organisational identity of PBFs in the supplier domain and the external image for the project-based sector as a whole.

There is a recognition of a lack of or even absence of alignment/integration between the PBFs in the sector and Government owner interests, inconsistent demand from owners and a lack of collaboration between different types of PBFs (consultants, contractors and specialist suppliers) within the supplier domain on the novel processes and products needed to maximize the potential of innovation (HM Government, 2018). Government increasingly places emphasis on the need to collaborate between different actors (owners, suppliers, professional institutions, regulators, academics) in stimulating innovation (Egan, 1998; HM Government, 2013, 2018). The advice from the Government reports is the need for radical changes and sustained commitment to innovation (Egan, 1998), different business models that may better promote innovation (HM Government, 2018). The role of innovation champions is reinforced by senior leaders in PBFs in response to the Government narrative of innovation. Innovation champions are seen as key players in achieving an alignment between the Government narrative of innovation and PBFs narratives of innovation in response.

This dynamic is summarised in the conceptual model presented in Figure 1. It shows the Government narrative as both owner and industrial strategist identified in Table 1 interacting with the PBF narratives as suppliers identified in Table 2 interacting in the manner presented in Table 3. It shows how interactions between narratives of innovation are a process of joint meaning-making within a project-based sector.
Figure 1. The interaction between narratives of innovation at government and firm levels

The model shows the interaction between narratives of innovation at the Government and PBF levels and their impact on meaning-making of innovation, (re)articulating organisational identities and external images for the sector, and forming innovation strategies in PBFs. Comparing innovation narratives at different levels helps leaders to develop a better understanding of each other’s positions and negotiate a shared understanding of how innovation in project-based sectors such as construction may be best achieved in an environment of uncertainty and competitive pressures.

We contribute to the literature on innovation in project-based sectors (Blindenbach-Driessen & Van Den Ende, 2006; Gann and Salter, 2000; Hobday, 2000) by exploring the ways PBFs respond to the Government’s narrative about the need for innovation to improve performance. Our contribution lies in the implications for interactions between narratives of innovation in the meaning-making of innovation, (re)articulating identities and images, and forming innovation strategies which are often missing in project studies (Enninga and van der Lugt, 2016; Havermans et al., 2015).

We contribute to the emergent project studies (Sergeeva and Lindkvist, 2019; Sergeeva and Green, 2019) on narratives by focusing on narratives in context and interaction rather than as separate, complete and self-sufficient texts (Stapleton and Wilson, 2017; Rantakari and Vaara, 2017). Consistent with the work by Garud (2014a), as told and performed in interactional settings, narratives of innovation reflect both the social and cultural contexts from which they are derived, and local interactions including roles and relationships that participants manage during the innovation process. We found that overall narratives of innovation driven by the Government are towards repetition (Dailey and Browning, 2014), yet they are also characterised by temporality (Vaara et al., 2016), as there is an evidence of changes in the content of narratives of innovation over time. We confirm the findings of these authors about narrative repetition as duality: narrative repetition can overcome resistance to innovation in firms, but it can also result in lack of attention and boredom. Narratives of innovation constructed by organisational leaders demonstrate the ways they continuously make sense of the Government narrative of innovation and the specific ways they innovate and change in their firms. We found that the continuous process of
narrative interactions has important implications for shaping organisational identities and the external image of the sector.

6. Conclusions and contribution

Our argument has developed existing research in project studies into narratives and by drawing upon narrative research in organisation and innovation studies and by focusing on narrative interactions and their implications. The nature and the role of narrative interactions within project-based sectors is somewhat under-explored in the extant studies. Narrative research is an established and valuable approach to the study of identity and image in organisation and innovation studies, particular when interactional and comparative approaches are adopted in a policy setting. Our contribution to knowledge lies in interactions between narratives of innovation within a project-based sector and identification of important implications for practice. We have addressed the question of how Government sectors innovation initiatives shape how innovation occur in project-based sectors. It addresses the gap in knowledge – how narratives interact between Government and PBF levels levels as shown in Figure 1 and contributes to the emergent narrative perspective in the project studies research. We found that there is a continuous process of interactions between narratives of innovation in terms of the ways PBFs respond to the targets set by Government industrial policy in a project-based sector.

From the perspective of implications for practice, this article addresses the question of how the Government narrative of innovation shapes how innovation is enacted in PBFs from the perspectives of policy makers and senior leaders. The impact of the current research results in stimulating greater alignment between the two levels of narratives that will strengthen the innovation positions of PBFs in achieving these targets. A positive impact of the research is to stimulate innovation in UK construction PBFs that currently struggle to innovate, i.e. those firms that provide no evidence of having innovation champions who are actively involved in the innovation process; no evidence of innovation strategy being developed. Hence there are some specific practical recommendations:

- From the perspective of managers interviewed, PBFs should focus more on the strategic targets set by the Government for innovation practices;
• There is a need for forming a strategic narrative of innovation by PBFs in response to the Government narrative of innovation;
• The role of innovation leadership and championship is important in constructing narratives of innovation and practising innovation in PBFs;
• Narrative of innovation interaction plays an important role in meaning-making of innovation, and (re)constructing identities of organisations and industry leaders within a project-based sector and image of that sector as a whole.

The greater alignment between the two levels of narratives will strengthen the innovation positions of PBFs in achieving targets set by the Government industrial policy. As a consequence, productivity of the sector will improve. Delivering better construction is of major importance for the UK economy and creating innovative approaches to its development and operation is key.

It is important to acknowledge some limitations and point towards future research directions. Our approach is based on the detailed analysis of UK Government industrial policy documents and spoken narrative interviews with policy makers, senior leaders and innovation managers within a specific project-based sector. In order to get deeper into narrative interactions, there is a need to pay more nuanced attention to innovation practices. Further ethnographic research will enable us to capture narrative interaction in practice. We have not included symbolic/visual types of innovation narratives such as videos and social media data that could provide some additional insights into the research question. A further limitation is that we have only focused on one type of narrative in a project-based sector. We demonstrate the ways PBFs respond to the policy discourse in the context of narratives of innovation, but equally there are other important narratives that merit further detailed investigation such as value co-creation, environmental sustainability, digitization, and health, safety and wellbeing.
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