

---

## **Editorial**

---

### **Anne-Laure Mention\***

Centre de Recherche Public Henri Tudor,  
29 Avenue JF Kennedy, 1855, Luxembourg  
Email: Anne-laure.mention@tudor.lu  
\*Corresponding author

### **Marko Torkkeli**

Lappeenranta University of Technology,  
Priikaatintie 9, FI-45100 Kouvola, Finland  
E-mail: Marko.torkkeli@lut.fi

---

The financial services sector, which has undergone a highly critical and turbulent time due to the financial crisis, is now progressively getting back into shape. It currently concentrates its efforts on refocusing its strategic orientation, regaining customer trust, renewing with growth, and addressing the integration of new technological developments, and all these within a still volatile globalised environment. Innovation is an essential element in this process and the manifestation of a learning curve towards the realisation of change and shifting towards a novel perspective of offering services to households, firms and nations. The presented papers in this special issue cover a wide spectrum of research and methodological approaches and contribute towards the building of insights and foresights, in view of shaping the current and future developments within a critical sector for the entire economy.

The development of ICT-enabled services and the way ICT change the traditional functioning of the financial services sector is becoming a critical and inherent element of the day-to-day business and the establishment of norms and practices that lead to new applications and services, user-friendly, efficient, secure and effective platforms for exploring new pathways into bringing value to the customer and the market per se. Within this context, there is a need for understanding the way this new e-finance era is operating, its implications in terms of management, policy and workforce, as well as how knowledge is absorbed, retained and explored, and how the collaboration between the traditional financial institutions and other sectors such as technological companies can lead to the development of innovative products and services. Other topical issues relate to the role of human resources management towards the opening of a currently silo-driven financial institutions towards the adoption of innovative practices and knowledge sharing, the kind of growth strategies and policies that should be adopted and implemented towards this direction. At a policy level, the role of financial education towards the improvement of financial literacy and how to tackle anti-money laundering phenomena are other concerns to be addressed. These and many more questions find answers within the compilation of eight contributions covering a broad spectrum and offering a multidisciplinary approach in the way financial innovation is perceived and leads towards value creation, sustainability and responsible strategies.

The scope of ICT-enabled innovation services is under investigation by Goh and Kauffman's contribution, which aims at examining the deployment of internet banking technology innovations among US commercial banks in the 2000s. The paper analyses the interplay between strategic advantage and strategic necessity in the assessment of this investment. The authors aim at understanding the motivation behind the investment in such kind of technology innovations and pave the way towards the exploration of the impact that the adoption of internet banking technology innovations has on the overall organisational performance.

Dennehy et al., by means of a design science approach, suggest the development of a collaboration tool called Partnership Management Canvas that fosters partnerships within the mobile payment value networks. The paper touches upon the management of a partnership in the context of financial services organisations and offers valuable insights in the way strategic partnerships are perceived, implemented and sustained, how the value proposition is being empowered and what is the role of the various stakeholders and the contribution in the established business models.

The paper by Railiene builds upon the development of e-finance innovations through social activities by taking the example of Lithuanian banking services. The aim of this paper is to give a special focus on valuation of e-finance innovations occurrence through measures of knowledge inflows, testing whether and how social activities and participation in networks allow cooperating with other institutions and involving potential innovators (users of services) and creating advanced e-finance services. The author strongly argues that involvement of banks into social activities is mostly related to reaching the aim of ensuring awareness and trust by current or potential customers and only partly for searching for opportunities to cooperate to develop novelties.

The paper by Salampasis et al. explores the role of human resources management towards the creation of a trustworthy and organisationally ready environment in the banking sector, an environment that would enable the adoption of open innovation practices. By presenting a conceptual model, deriving from a detailed review of the literature, the authors propose a variety of relationships between human resources management and open innovation adoption contributing to the organisational side of open innovation and more specifically, to the under-developed human side of open innovation.

The way structural and policy organisational learning mechanisms influence social capital constituents within the financial services sector is the focus of the paper by De Smet et al. The highly interesting contribution of the paper caters for the exploration of various organisational learning mechanisms in the context of an alliance in the financial services sector. The authors explore the influences of policy and structural learning mechanisms on the social capital constituents (social interactions, relationship quality and supplier network ties) while introducing new measurement scales for increasing the available knowledge on organisational learning mechanisms within the financial services companies' innovation process.

The paper written by Glabiszewski presents a model on the absorption of innovative technologies in the financial services sector. Following a conceptual and empirical approach, the paper brings upfront a typology of the conditions that are required to foster the effective absorption of innovative technologies on an organisational level. This structured absorptive capacity is perceived in the financial services sector, leading towards the creation of a competitive advantage and empowerment of firm performance.

O'Kane et al. perceive innovation in financial services from a risk management perspective by presenting a financial industry maturity model for anti-money laundering, a highly critical and contemporary phenomenon. The authors underline the importance of processes which are reflected in the real definition of the business stating that the embeddedness of well-defined processes as an inherent part of the organisational DNA create a culture of compliance.

Fraczek underlines the importance for establishing multi-dimensional and multi-faceted coordinated actions in the field of financial education denoting a new approach to improve financial literacy. Taking into consideration an extensive review of academic literature and policy reports, the author argues that the existing financial education process requires substantial changes and a shift towards more coordinated actions and simultaneous cooperation and commitment at every stage of the financial education lifecycle, actions that would increase financial literacy and awareness and safeguard its continuity and sustainability.

It is important to highlight that an emerging trend on the role of innovation in the financial services sector is perceived through all the abovementioned papers since all the authors understand and present the new trends and strategic shifts which the industry is undertaking. The various approaches expressed throughout the papers denote the importance of the financial services sector per se in the globalised worldwide economy and the need for developing the right strategies that will lead to a new era of growth, sustainability and stability. Innovation is the vehicle towards this process and is perceived through the following lenses: absorptive capacity, integration of ICT, organisational behaviour, financial education and effective risk management.

The foreseen and long-awaited creation of an innovative culture in the locus of the operationalisation of the industry per se caters for the need to establish all these necessary norms and policies that will, on the one hand, prevent the industry from undergoing the same experiences in the realms of the financial crisis and on the other hand, create a societal impact and more responsibility in the long-term sustainability.

The financial services sector is undergoing structural and cultural changes in order to keep up and comply with all the expected and unexpected challenges. Collaboration, coordination, openness, integration of ICT-enabled systems and platforms, customer knowledge retention and openness are words that were totally non-existent in the vocabulary of the industry but currently a creative debate begins to arise and new trends to appear in the horizon; trends that will hopefully lead to responsible value creation for the customer, the organisations, the economy and societal well-being.

### **Acknowledgements**

We are sincerely grateful to all the reviewers for their valuable comments, in-depth reviews and constructive remarks which have helped to improve the incisiveness of the contents of the enclosed papers. We would also like to thank all the authors for their participation and contribution for this special issue. Finally, we would like to thank Professor Angappa Gunasekaran, Editor-in-Chief of the *International Journal of Business Excellence*, for agreeing to publish this special issue.