

‘Not Invented Here’: Organizational Misalignment as a Barrier to Innovation Implementation in Service Organizations

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Abstract

To build and sustain the legitimacy of design as an approach to service innovation, we need an improved understanding of how and why service organizations fail to implement design-led service concepts. As service innovation implementation requires the synchronous interplay of service operators, customers and indirect stakeholders, challenges exceed the dichotomous relationship between design and production that informs much of the existing knowledge. In this study, we aim to diagnose what organizational conditions function as barriers to innovation implementation in the context of a large service organization. We present findings from a 14-month action research study. The first author immersed himself in a large airline and engaged with employees from different levels of the organization to conduct actions as part of reflective, collaborative research cycles and to perform formal and conversational interviews. We find that implementation requires collaboration between three instead of two organizational units: (1) an exploration hub; (2) a support partner and; (3) an operational unit. We reveal how conflicting organizational logics between these units obstructs implementation, not at a specific hand-over moment, but throughout the innovation process. Misalignment between units regarding what constitutes a legitimate priority, design approach and project scope results from these conflicts. This misalignment informs a *not-invented-here* response from units whose resources are required for implementation. We suggest that managing misalignments between

organizational units requires institutional work in various layers of the organization and that organizations take a risk when they leave the challenge of managing these conflicts completely to individual champions.

Keywords: service innovation, service implementation, action research, institutional theory, service organization, strategic design

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