

Design-Led Organisational Ambidexterity And Integration Mechanisms: An Exploratory Study

ABSTRACT

Design Thinking is a creative problem-solving methodology at the intersection of design theory and business management, which has become popular over the past two decades as a powerful mindset and approach to innovation. It is now being adopted and increasingly embedded in organisations to address challenges of increasing global competition, fast-paced technological advancement and business transformation, showing momentum, a positive relationship with innovation outcomes and proven impact on firm performance. While Design Thinking is adopted to tackle complexity and continuous change to deliver different modes of innovation, little is known about the influence of Design Thinking on organisational ambidexterity, defined as the firm's ability to structure itself to be successful in simultaneously exploiting existing knowledge and exploring new knowledge.

When a firm pursues multiple modes of innovation (e.g. incremental and radical product innovation), in order to achieve ambidexterity the organisation has to be able to 'differentiate' efforts across different innovation initiatives and 'integrate' the knowledge and learnings resulting from those. Recent initial studies have explored the role of integration mechanisms and categorised them along two dimensions: (i) Senior team versus organisational (i.e. the integration that happens at Senior Management level in sharing knowledge and ensuring both radical and incremental innovation efforts succeed simultaneously, versus the structure the wider organisation defines and implements to ensure employees exchange knowledge and share findings) and (ii) formal versus informal integration mechanisms (i.e. mechanisms that are formally defined by the organisation as rules, rewards and incentives, versus the social interactions that develop between employees in the organisation).

Through an explorative qualitative study with eight senior design professional in large organisations across five countries, this dissertation aimed to provide insights on the

following question: *When Design Thinking is adopted, how does it influence organisational ambidexterity and the integration mechanisms for incremental and radical product innovation?*

The research project was designed with an interpretivist and phenomenological qualitative approach through semi-structured interviews performed with senior representatives of the design function in large organisations. Research covered the adoption of Design Thinking by the organisation, the influence of Design Thinking on ambidexterity as well as on integration mechanisms for incremental and radical product innovation.

Findings identified six traits influencing ambidexterity and integration between incremental and radical product innovation at the firm: (1) the ability to lead innovation with insights, (2) drive with a holistic customer centred vision, (3) identify the most valuable opportunities, (4) unify and align the organisation, (5) drive efficiency and (6) empower team. These traits represent a key contribution of Design Thinking that stretches beyond the Design function to bring benefits to the wider organisation. Such contribution is in context of key challenges identified from a design perspective: innovation initiatives with no tangible outcome (“innovation theatre”); the innovation debt accumulated on a complex product portfolio; the lack of top management buy-in; scaling the design capabilities in context of a growing scope and conflictual behaviours or rejection in the relationship between radical and incremental innovation team at the level of company culture.

Findings confirm the hypothesis of Stoimenova and De Lille (2017) on design as a “catalyst” for ambidexterity, however, this research suggests that the influence of Design Thinking on ambidexterity has a broader scope and emphasises the role of design in ensuring the quality of the innovation portfolio, especially in support of the top management for organisations undergoing transformation.

By conducting this study, the researcher aimed to raise the attention of scholars to expand academic research on Design Thinking and how it is implemented by organisations. Moreover, this study wished to provide insights to inform managers’ decisions when considering Design Thinking for their innovation management, suggesting that Design Thinking influences a firm’s organisation on multiple fronts: strategic, operational, organisational and cultural. As the findings suggest, Design Thinking can be a relevant

mindset and methodology to support managers in achieving ambidexterity in context of large scale business transformation and cultural change.