The service innovation implementation process and its influencing factors: personnel perspectives in international hotel chains

Introduction

Most Western countries rely on services for a major part of their economic activity and growth (Anxo and Storrie, 2001). According to OECD the service industries are responsible for about 70% of aggregate production and employment in the economy (Wölfl, 2005) and policymakers now emphasise the role of innovation as a driver force of productivity and growth in services. At a broad level, innovation involves developing new or improved ways of doing things. Despite recent developments, relatively little knowledge exists on innovation in services (Adams, Bessant and Phelps, 2006; Drejer, 2004; Nijssen et al., 2006). This can partly be explained by arguments on the incapability of service firms to innovate, the difficulty to link innovative efforts to productivity and the lack of need to investigate service innovation in its own right. Moving away from the view that service firms are mere adopters of innovations from their suppliers (Pavitt, 1984), recent studies demonstrate that service firms are innovative in many aspects (Sundbo, 2006). A key aspect in innovation projects is the process that is followed from idea generation through to implementation. Although much research is devoted to creativity and idea generation, the same is not true for the implementation stage of service innovation. Innovation implementation includes both activities and decisions that determine them at individual and organisational levels. An innovation cannot achieve its potential unless it is implemented successfully, which should not be taken for granted after the primary adoption decision is made (Rogers, 2003). During secondary adoption, users do not simply accept or reject the innovation but shape it according to their needs, even through the use may not appear voluntary. Mandated use of innovation for employees triggers a social construction process of multiple interpretations from different parties. Mandates are potential points of contention and the way mandates are advanced, interpreted, enforced, and used by various actors plays an important role in innovation implementation (Chae and Poole, 2005). More research is needed on the ways mandates acquire their meaning and how the meanings shape implementation based on the interaction between rational and political processes.

The above illustrates the central role of users and explains why research on implementation would benefit from exploring the views of employees in customer service delivery, alongside views of managers and corporate office staff, who have been the primary informants of a large number of past innovation studies. Although a high level of insight has been reached in customer related issues such as customer retention, customer needs and satisfaction, the concerns of employees have not had similar attention (Fähnrich and Elze, 2006). Issues such as their involvement in the decision making process, influencing power, training provided, and support from leaders affect the way they approach innovation and its use in every day practice (West and Farr, 1990). Being in direct contact with customers, employees 'naturally have a core role in the innovation process' (Sundbo, 2006: 138). This is because often innovation in services are social, requiring the employees' behaviour to change (Sundbo, 2006). People-related factors such as presence of product champions and management support are associated with successful management of key innovation implementation activities (de Jong and Vermeulen, 2003). Moreover, a supportive organisation climate helps innovative efforts through people characteristics such as external contacts, sharing information and autonomy of employees (de Jong and Vermeulen, 2003). Finally, employees and managers influence the learning process deriving from the innovation experience, which informs future ways of organising and managing innovation projects (Sundbo, 2006).

Methodology

Qualitative study: 2 case studies in Europe
Semi-structured interviews (~50) + Document analysis
3 Levels: Hotel employees, hotel managers, head office employees

Research Aim

To explore the perceptions of employees on the activities they undertake during service innovation implementation and the factors influencing these activities

Objectives

1. To review the extant literature on service innovation and new service development in order to identify and evaluate different models of the innovation process

2. To identify those factors that play a significant role in implementing service innovations and evaluate how the relationships and interactions between those factors influence employees' responses in the implementation process

3. To explore the perceptions of employees on the activities they undertake during service innovation implementation within a service organisation

4. To propose a conceptual model to explain and better understand the perceptions of employees on the activities they undertake during service innovation implementation and compare this model with the real world

5. To revise the model in light of testing and contribute to the theory and practice of service innovation implementation

Service innovation implementation process
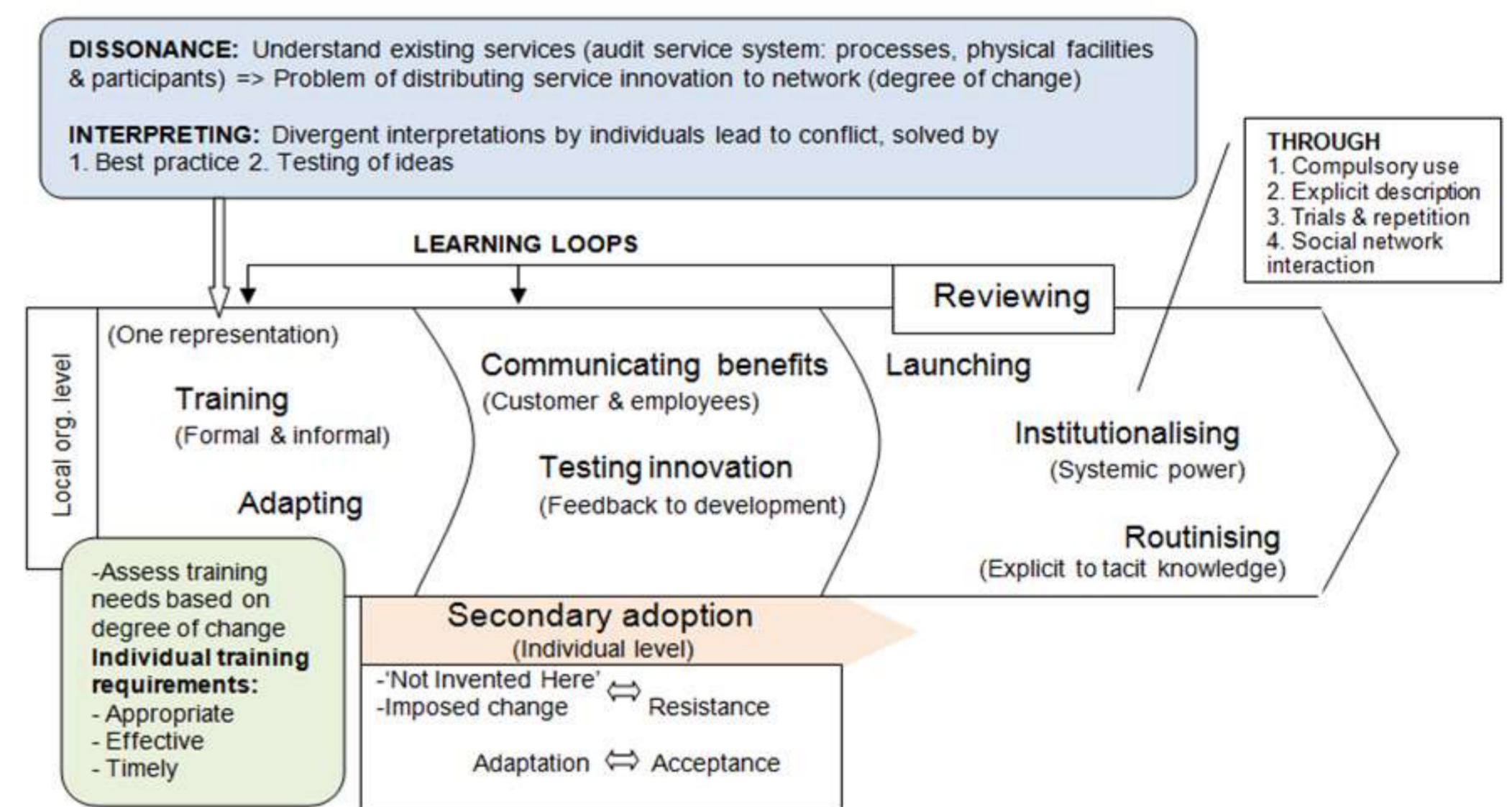
Factors influencing the implementation process
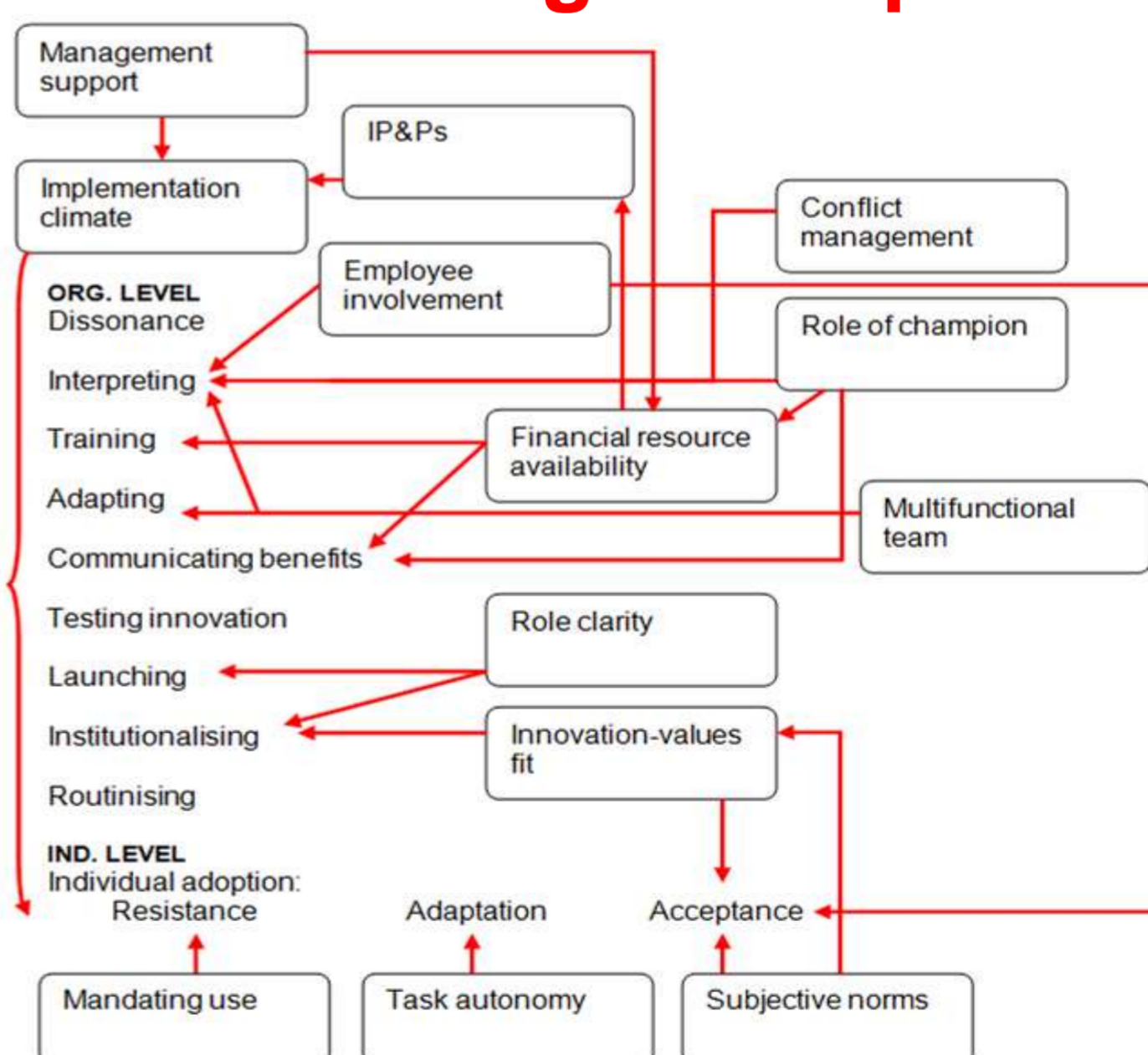
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