



When innovation fails: An institutional perspective of the (non)adoption of boundary spanning IT innovation



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ABSTRACT

We combine the concepts of legitimacy, institutional (mis)alignments, strategic responses and organizing visions to develop a conceptual framework to analyze the adoption of innovations that span organizational fields. We apply this framework to examine a telehealth innovation connecting a public sector hospital-based Eye Clinic with private sector optometry practices. We find that while compromise strategies were successful in encouraging adoption within each field, the innovation ultimately failed because the fields developed different organizing visions that could not be reconciled. The findings suggest that institutional misalignments within and between fields interact to amplify their overall effect on the adoption of hybrid innovations.

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1. Introduction

The decision to adopt IT innovations, as well as the success of the adoption, depends on the alignment between the innovation and institutional characteristics such as mandates from powerful organizations, professional norms, and established ways of working that are prevalent within the adopting organizational fields (e.g., [5,29,56]; for a review, see [34]). However, as environments become more complex and contested, organizations increasingly experience conflicting institutional demands [40]. Conflicting institutional demands are important because they call into question the ability of innovator actors to align an innovation

successfully with the range of diverse and inconsistent institutional logics that characterize the adopting organizational fields [10]. Misalignments between conflicting demands become an even bigger challenge when adoption cuts across different organizational fields characterized by diverse institutional logics. Despite the increased prevalence of such misaligned and contested environments, there has been little systematic effort in IT innovation research to study the role of institutional misalignments, particularly when the innovation is adopted across different organizational fields. Nor has the role that such misalignments play in influencing the adoption of IT innovations at an organizational level been investigated. Nevertheless, the extent of misalignments between different institutional logics within the environment into which innovations are introduced plays a critical role in shaping their adoption (see [10]). The goal of this paper is to develop an understanding of the nature of these misalignments and how they influence the adoption of IT innovations.

We build upon existing institutional research on IT adoption to examine the influence of institutional misalignments on the adoption of IT innovations spanning different organizational fields (which we term “boundary spanning innovations”). We argue that these types of boundary spanning innovations have a hybrid nature, similar to the hybrid organization concept in institutional

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research (see [1]) in that innovation adoption requires a combination of diverse institutional logics. The adoption of boundary spanning innovations necessitates collaboration between adopting organizations in different organizational fields characterized by different norms, rules and procedures. Thus, to be successful, boundary spanning innovations need to strike a balance between the various institutional expectations and demands that characterize the different adopting organizational fields. Our first research question is thus the following:

RQ1. What are the institutional factors that influence the adoption of boundary spanning IT innovations by individual organizations?

Within the information systems literature, there is some evidence that competing institutional demands influence IT innovation adoption within particular organizational fields (see, for example, Currie and Guah's [10] study on the evolution of a UK-wide healthcare IT program). Such studies have, however, examined tensions within, rather than between, organizational fields, and have often focused on the field level, thus failing to explain variations in adoption at the organizational level. We have found no detailed research examining the role played by misalignments between institutional norms in shaping the organizational adoption of IT innovations spanning different organizational fields. Yet, we argue, these misalignments are more intense in the case of boundary spanning IT innovations. Our next research questions are thus as follows:

RQ2. How do institutional misalignments arise within (a) and between (b) the organizational fields involved in the adoption of boundary spanning innovations?

RQ3. How do institutional misalignments within (a) and between (b) organizational fields influence the adoption of boundary spanning innovations within individual organizations?

We focus here on the adoption of a telehealth system to support the provision of glaucoma care in a Health Board in Scotland. Telehealth has been defined as “[t]he delivery of healthcare services, where distance is a critical factor, by all healthcare professionals using information and communication technologies for the exchange of valid information for diagnosis, treatment and prevention of disease and injuries, research and evaluation, and for the continuing education of healthcare providers, all in the interests of advancing the health of individuals and their communities” ([60] p. 9). The telehealth innovation under study involved privately owned optometry practices conducting routine checks for some glaucoma patients and sending the results of these checks to a consultant in a hospital-based Eye Clinic. The hospital was part of the publicly owned UK National Health Service (NHS). The innovation thus spanned the public sector Eye Clinic and the privately owned optometry practices. Drawing from a rich, in-depth single case study, this paper develops a conceptual framework to examine the mechanisms that lead to the emergence of institutional misalignments and the outcome of these misalignments in terms of the adoption of boundary spanning innovation.

2. Literature review

2.1. New-institutional theory: Legitimacy, institutional pressures and response strategies

Institutional theory argues that organizations operate within fields that are characterized by a shared understanding of appropriate organizational forms and behaviors [15]. The need for organizations to gain legitimacy to increase the probability of

survival within their specific environment creates pressure for them to conform to institutional expectations, even if these expectations have little to do with rational norms of efficiency. DiMaggio and Powell [15] identified three types of institutional pressures: coercive, normative, and mimetic. Coercive pressures result from formal and informal pressures from powerful organizations and from embedded societal cultural expectations; mimetic pressures arise in conditions of high uncertainty and may cause an organization to imitate others that are seen as successful in the field; normative pressures manifest themselves through professionalization, generally through the relational networks that span organizations [15,47].

An organization has legitimacy within its organizational field when its actions are perceived as “desirable, proper or appropriate” within its particular environment ([53], pg. 574). Organizational legitimacy can thus be understood as the social acceptance of organizational practices [45]. Institutional research distinguishes between different forms of organizational legitimacy. We follow Ruef and Scott [44], who drew from a study of innovation in healthcare to identify two forms of legitimacy within organizations: technical and managerial. Technical legitimacy considers the core technology, including normative support for staff qualifications, training programs, work procedures and quality assurance mechanisms. Managerial legitimacy focuses on organizational mechanisms, including normative support for personnel management, accounting practices, and rules of conduct for administrative staff [44].

To gain legitimacy, organizations can choose between a range of institutional responses to the institutional pressures within their environment (e.g., [53,63]). Here, we follow Oliver [39], who identified five strategies for maintaining, repairing or gaining legitimacy: acquiescence, compromise, avoidance, defiance and manipulation. Acquiescence is an organization's unqualified conformity to external pressures; compromise refers to an organization's attempts to balance, pacify or bargain with external constituents to resolve conflicting institutional expectations; avoidance refers to an organization's efforts to circumvent the need to conform to external pressures; defying involves the rejection of institutional norms; and manipulation aims at actively changing the content of institutional expectations or the sources through which these expectations are exerted [39]. The core framework proposed by institutional theory is depicted in Fig. 1.

Institutional literature in general, and information systems research in particular, has focused on acquiescence, and little effort has been made to explore other strategic responses to institutional pressures [34]. There is, however, growing evidence that organizations employ other types of strategic responses to conflicting

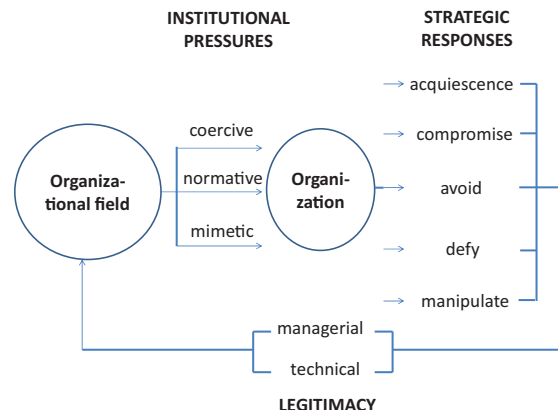


Fig. 1. Institutional theory framework.

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