LINKING DESIGN MANAGEMENT SKILLS AND DESIGN FUNCTION ORGANIZATION: AN EMPIRICAL STUDY OF SPANISH AND ITALIAN CERAMIC TILE PRODUCERS

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Design management is an increasingly important concept, research into which is very scarce. This paper deals with the fit between design management skills and design function organization, ranging from solely in-house to solely outsourced and including a mixture of the two. We carried out a survey in the Spanish and Italian ceramic tile industry, to which 177 product development managers responded. Our results revealed that companies have different degrees of design management skills depending on the approach to design function organization. Solely in-house design approach companies are the most skilled firms and solely outsourced ones are the least skilled. Despite the fact that the design function has apparently evolved towards outsourcing, this research supports the idea that, under certain conditions, the in-house design department is the best option in order to attain higher degrees of design management skills. Implications of the findings for both academics and practitioners are examined.

In today's competitive environment, design is becoming increasingly important. Good design, though, does not emerge by accident but as the result of a managed process (Bruce and Bessant, 2002, p. 38). Apart from the development process leading up to the creation of an artifact or product, the concept of design has traditionally involved a series of organizational activities, practices or skills that are required for this development to be achieved (Gorb and Dumas, 1987). These practices have been considered by the literature as design management.

However, research into design management in theoretical (Kotler and Rath, 1984; Dumas and Mintzberg, 1989, 1991; Bruce and Morris, 1994; Walsh, 1996; Olson et al., 2000; Chiva, 2004) and empirical studies (Gorb and Dumas, 1987; Roy and Potter, 1993; Dickson et al., 1995; Roy and Riedel, 1997; Bruce et al., 1999; Ahire and Dreyfus, 2000; Swink, 2000; Perks et al., 2005) is extremely scarce. Although most of the research has identified or underlined some design management skills (e.g. Dickson et al., 1995), some (e.g. Bruce and Morris, 1994; Dumas and Mintzberg, 1989) have also underlined the importance of the role of design in the organizational structure. In today's competitive environment, the organization of the design function has evolved and new tendencies have been developed. Design outsourcing is becoming an important option for companies. According to Bruce and Morris (1994) there has been a considerable increase of design outsourcing in the UK. Related to that is the important increase in the design consultancy profession or the emergence of design management as a distinct management function.

Neither view of design management research – that focusing on skills and that emphasizing the organizational analysis of design management – has ever been empirically related. Analysis of this relationship would make it possible for us to understand the effect of organizational approaches to the

design function on design management skills.

We will consider three different ways of organizing the design function (Bruce and Morris, 1994), solely in-house, solely outsourced, and a mixture of the two. In terms of design management skills, our research will be based on Dickson et al. (1995), who establish five main design management skills and propose a scale to measure them. The scale is, to our knowledge, the only one that measures these skills. The five main design management skills are: basic skills, specialized skills, involving others, organizational change and innovation skills.

Our research objective is to discover whether the in-house or outsourcing approaches to the design function are related to different levels of design management skills. We will also determine the best option for improving design management in companies.