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Abstract

In the 21st century, all organizations are talking about change and innovation. This is the only way to manage organizations, allow them to grow and maintain their competitive advantage in order to remain live in their operational space. For innovation to impact change successfully to enable organizations maintain their competitive advantage, there is need to change rules of the innovation game (Martins & Terblanche, 2003). The organizations ought to move from closed innovation principles where the organization believes that they have the smartest people and they can do everything without any external help to the open innovation principle that embraces external boost in the process of innovation (Hosking & Anderson, 2018). Slade and Bauen (2009) further note that the intense global technological development and competition have led to innovation becoming a source of competitive advantage for organizations that cherish it.

Keywords: *Innovation & Changes in Organizations.*

Innovation: The Lead to Changes in Organizations

Innovation is inevitable and so is change. These two aspects can take place in numerous ways touching all the core aspects of the organization like structures and runs to the smallest aspects like the daily operations of certain sections of the organization together pushing for one agenda, the success of the organization. For any organization to grow, there is need of the leadership and management to make change a constant and an adaptive process that will assist its employees to grow to that level where they will accept and entertain change and innovation without unnecessary resistance (Lawrence, Dyck, Maitlis & Mauws, 2006). On the other hand, (Boutellier, Gassmann & von Zedtwitz, 2008) postulates that managing change is about managing innovation and being swift to both.

Preview of Change and Its Occurrence

According to Kanter (1992) “Change involves the crystallization of new possibilities (new policies, new behaviors, new patterns, new methodologies, new products or new markets) based on the reconceptualization patterns in the institution. The architecture of change involves the design and construction of new patterns, or the reconceptualization of old one, to make new and hopefully more productive actions possible” p. (10).

Daft, Murphy and Willmott (2010) argue that change is largely a response to some noteworthy threat or opportunity that arises outside the organization. Further, they posit that change will take place within an organization in response to business and economic activities, managerial perception, choice and actions.

Benn, Edwards, and Williams (2014) suggest that organizational change can be brought about by; change in new government policies and legislation, change and development in new materials, social and culture value change, change in national and global economic conditions, trade policies and regulations, technology development, change in customer requirements and taste, development and innovation of manufacturing process, new products and services design innovation, new ideas about the product and how to deliver to customers’ value and satisfaction, office and factory relocation to either close to the customers, suppliers, market, nature of the workforce, technology and economic shocks, social trends and the country or world politics.

Change can be categorized into two broad forces known as external forces for change and internal forces for change. The external forces are the things that happen outside the organization but end up triggering change in the organization while the internal forces of change are those things that happen within the organization that arouse the urge for change (Hashim, 2014). Further, organization change can happen in segments e.g. the organization can change an area that is affected leaving the organization operating on its foundations (Hashim, 2013) or it can affect the entire organization leading to an overhaul change.

Correspondingly, there exist different types of change that can occur in an organization. These types are; structural change, cast change, process change and cultural change. This purely depends on the type of organization that needs to undertake the change. There is no procedural rule of change that cuts across all organizations (Hashim, 2014).

According to Kanji and Moura e Sá (2003), change can come in numerous ways including changes to structures, technology, procedures, rules and regulations, customer needs and training and development within an organization. Therefore, the organization should be ready to execute changes as they come so that changes should not be incidental in nature (Daft *et al.*, 2010) but should be planned actively in consultation with all the pertinent participants (Dunphy, 1996).

Furthermore, Ganta and Babu (2013) notes that there are two main causes of change in an organization, that is; external causes of change which result out of changes in technology, customer expectations, market place changes, quality and standards expected, economy changes, competitor activities, government legislation and political values. Depending on the condition and state aspirations, different organizations will react to these external factors in diverse ways. Another main cause of change is internal setting of the organization. This commonly relates to the organization's management philosophy, culture structure and systems of power control.

Lawrence *et al.* (2006) postulate that change needs to be a constant and an adaptive process that will help employees to grow to a level of accepting new ideas without unnecessary resistance. Due to a lot of resistance in change acceptance De Jager (2001) has endeavored to explain in a very simple way as follows;

Change is a simple process. At least, it's simple to describe. It occurs whenever we replace the old with the new. Change is about travelling from the old to the new, leaving yesterday behind in exchange for the new tomorrow. But implementing change is incredibly

difficult. Most people are reluctant to leave the familiar behind. We are all suspicious about the unfamiliar; we are naturally concerned about how we get from the old to the new, especially if it involves learning something new and risking failure p. (24).

Therefore, change is a way of life for an organization that wants to maintain competitive advantage in its area of operation.

According to Ganta and Babu (2013), organizations are subject to change forces both from inside the organization and the outside environment. From the outside environment, change is triggered by the new regulations, ownership change, new competition, changes in technologies, changes in the customers' preferences while the change from within the organization can be due to changes in internal systems, changes of personnel, due to organizational growth, changes in organization's structures and ownership changes.

There are numerous reasons for change in an organization, and McMillan (2008) has come up with six possible factors that lead to change in the contemporary world and organizations. First, the new technologies that have transformed communication, consumer markets, electronic and raced businesses. Second is the new change practices and processes that are happening so fast than ever before in the history of this world. In addition, globalization, which has resulted in to the world becoming one small village, ever connected and interdependent as goods and money move around the globe.

Another factor that is triggering change is speed, there has been unbelievable increase in technological speed that has been matched in people's lives and in business in order to remain pertinent and competitive. Globalization and new technologies, together have sharpened competition and hastened the rise and fall of market leaders. Lastly, complexity and paradox are on the rise. Due to all the aforementioned changes, the managers and leaders are experiencing more and more difficult demands but since they are used to certainties and 'either/or' type of solutions so as to bring about the principles of stability and order, they are found wanting (McMillan, 2008).

Diving further, change can occur as a result of either external or internal forces or a combination of the two (Tushman, Newman & Nadler, 1988). According to Harris (1997) external forces may be triggered by the political factors existent either in the past or present or in both the past and present. For example, if a government in power adopts new policies, the policies will

impact upon the type of change chosen by an organization. Economic environment is another external influence on the kind and nature of change an organization needs to implement.

Harris (1997) further, postulates that social factors and technological powers do play an influential role in initiating change. The use of computer technology, out sourcing of services, global communication, new methods of shopping through satellite, cable and internet greatly influence on change. In addition, competitors' behavior and the present state of the market might lure change in an organization.

There are four basic influences that subject organization to change. These may include; diversification, technology, environment and people (Harris, 1997). Diversification refers to the business output that is intended at meeting the customers' demands and responding to business competition. Technology on the other hand incorporates the way business is conducted and the automation of the already existing practices. The environment involves the political, social and legal happenings that impact the organization's daily operations. Finally, the people incorporating new and shifting skill demands as a direct outcome of new organizational requirements (Tichy, 1983).

Change is driven by numerous strategic consideration as suggested by (Schilling & Steensma, 2001). These strategic considerations include the necessity for extra integrated and unified ways of working in order to yield (Rugman & Hodgetts, 2001) and the need to advance the business performance by remaining competitive in the operational sphere (Luecke, 2003).

The Change Theory

The theory of change focuses on the continuous critical reflection, demanding a radical move towards more and better learning ways in developing things and practice (Valters, 2015). Further, it creates a productive space for critical reflection on the organization's challenging and much needed purpose. Van Es and Guijt (2015) suggest that "A theory of change is an ongoing process of reflection to explore changes and how it happens – and what that means for the part we play in a particular context, sector and/or group of people" p. (10).

According to Stein and Valters (2012), the theory of change brings about a reflection of a desire to implant a critical and adaptive approach to the development thinking and practice in an organization's practice. Additionally, the theories of change accomplish a number of different

determinations and purposes in an organization including; strategic planning, accountability, learning and communication. This theory can be accomplished in various levels of the organization including; the sectoral, organizational, macro and in projects and programs.

The theory of change has been in existence since the 1960s onward though it may seem to be new in the mainstream. It is an aspect of program theory (Kotter, 2012) and has been influenced by the significant applied guidelines that were developed by (Anderson, 2005). The theory of change triggers the sense of organizational thinking i.e. energizing and motivating organizations to think on new programs and better ways of organizational operations for better performance (De Silva et al., 2014)

Innovation

Innovation is something new or novel that is useful (Cooper, 1998) in the business operations that will greatly contribute to the organization's performance in some way. Gopalakrishnan and Damanpour (1997) have identified three types of innovations namely; product against processes, technical against administrative and radical against incremental. Cooper (1998) postulates that product innovations are categorized as outputs of the organization. An example is the Gillette's new Mach III Shaver. On the other hand, process innovation assists in the process of producing products and services which are outputs from the input. An example of his is having new processing technologies that boost the organization's production.

Further, on a continuum, innovation can be defined as an incremental to radical rendering to the level of change needed to implement the innovation (Cooper, 1998). In addition, a technical innovation is related directly to the manufacture of the product. Examples of this can be a new item of software, a new chemical process introduced for production, or an upgraded computer system that makes work move fast. On the other hand, administrative innovation re-counts to management concerns processes such as human resource management, the organization's structure or even the accounting systems.

Slade and Bauen (2009) notes that innovation can be classified as radical, incremental or disruptive. The classifications are dependent on whether innovation originates from within an organization or from without the mainstream, whether it renders an incumbent technology or processes outdated. Furthermore, Gopalakrishnan and Damanpour (1997) suggest two core stages of innovation that are very vital, that is; generation of innovation and adoption of innovation. The

generation phase includes the creation of the idea and problem solving for a product (Jin, Hewitt-Dundas & Thompson, 2004). This can be termed as process solutions. On the other hand, the adoption stage normally is the implementation and acquisition of the innovation. The organization can choose either of the two independently or can engage both depending on the need.

According to King and Anderson (2002) dealing with change must become an asset in organizations. The agility is closely linked to strategy and will greatly define the organization's competitive advantage. Furthermore, innovation is the basis for change in the following aspects;

Product change – there is a dire need of new and more multifaceted products for the contemporary markets. There is also a need to move from goods and services to solutions and experiences (Martins & Terblanche, 2003). These processes need highly intelligent innovation.

Process change – this is targeting the new technology process and materials, integrated information tools and outsourcing to third parties in order to yield the very best (Martins & Terblanche, 2003).

Market changes – the markets for any organization's products are rapidly changing both locally and globally and there is a dire need for organizations to venture into intelligent innovations to keep pace with the market changes (Martins & Terblanche, 2003). The issue of tailored markets or products that will match the targeted market is very crucial. There is a current discovery that some products survive in the markets a very short time span unlike what used to happen initially. This calls for smart innovation to match and keep pace with the volatile markets. Intelligence and speed are very vital if the match has to exist.

For innovation to impact change successfully that will enable organizations maintain their competitive advantage, there is need to change rules of the innovation game (Martins & Terblanche, 2003). The organizations ought to move from closed innovation principles where the organization believes that they have the smartest people and they can do everything without any external help to the open innovation principle that embraces external boost in the process of innovation (Hosking & Anderson, 2018). Slade and Bauen (2009) further note that the intense global technological development and competition have led to innovation becoming a source of competitive advantage for organizations that cherish it.

In the 21st century, managing change is about managing innovation and being very good and very swift at them. Organizations need to be more agile to be able to innovate and use the innovation successfully. The most important organizational assets now are people, ideas, relationships and the capability to connect ideas into practice. Long gone are the days when the most important assets in organizations were physical such as plant machinery and equipment (Boutellier et al., 2008).

Strategies of Innovation

According to Hekkert, Suurs, Negro, Kuhlmann, and Smits (2007) there exist three main innovation strategies that form the basis of handling innovation in an organization. These strategies are discussed below as follows;

Creative strategy – this is the function of creating totally new products, technological processes and business in order to become the market leaders.

Following strategy – this comes to play when there is need to follow the current trends, developing similar products, technology and business process.

Modifying strategy – most of them are joint-venture production, modifying products and processes to well fit the local markets.

It is evident now than ever before that the most important innovation assets are people (Nagel, Walters, Gurevich, & Vervest, 2005). This is because people produce value. When an organization gets to the level of knowing and understanding this, then they become agile thinkers. The contemporary change issues for current managers and leaders is stimulating innovation by being the idea champions who take innovation and actively and enthusiastically promote the idea, build support, overcome resistance and ensure that the idea is implemented. Secondly, they should be ready to take the new idea and apply it to initiate or improve a product, process or service. Lastly, they should endeavor to; understand the market, observe real people in real situations, visualize new concepts as they will be, evaluate and refine the prototypes quickly and implement for commercialization.

Innovation Theory

According to Apospori, Nikandrou, Brewster, and Papalexandris (2008) the capability to innovate is characterized by the capability to continuously transform knowledge and ideas into

new products, processes and systems that will benefit both the organization and its stakeholders as well. Further, the concept of innovation considers innovation as a sole alternate for the organizations' survival and maintenance of competitiveness.

On the other hand Greenacre, Gross, and Speirs (2012) note that innovation theory is not rooted in a single school of thought, rather, its conceptual strands are strained from a variety of academic disciplines and research areas including behavioral economics, increasing returns, analysis of national systems, analysis of competitive advantage and socio-technical regimes. Read (2000) argues that currently there is no 'general theory' of innovation. In spite of the massive researches from diverse fields, there have been difficulties to unite the disjointed thinking into one umbrella theory. It is evident that innovation is an activity of more difficulties than it appears to be. Wolfe (1994) notes that "the most consistent theme found in the organization literature is that its research results have been inconsistent" p. (405). This is so, because the researchers come from diverse fields, they study particular components of innovation which may differ from one researcher to another, and emphasize various dimension. A unifying general theory is yet to develop.

From the literature reviewed above both in change and innovation, it is agreeable that innovation is one of the key components of informative change in organizations. A part from the natural occurrences, the other factors of change have been initiated by innovation somewhere that causes change across various organizations.

Conclusion

Change and innovation are key components that are inevitable in the 21st century. They are no longer vocabularies but a day to day way of organizational life for those headed for success and maintaining their competitive advantage. There is a dire need to embrace the two jealously and work towards making them part of the employees, by making them constant and adaptive in all ways. Organizations should grow to a level of understanding and underscoring that people are the greatest assets of the 21st century organizations and if they are not there, neither innovation nor change will take place. The organizations need the brains of men and women to come up with new ideas, sift them and come up with that which can be implemented and implement them successfully.

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