Innovation and Change Management

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Abstract

Organizations are facing environments that are changing rapidly in the context of globalization, especially in rethinking the borders of their markets and encouraging their employees to think globally. Managers in the public and private sectors need to help their organizations to respond and adjust to current and upcoming changes effectively with innovation and change management strategies. In this regard, the researcher conducted a study to (1) study concepts and cases of innovation and change management, and (2) make recommendations on effective innovation and change management. Documentary research and deductive approach of analysis were utilized to find answers to the two identified objectives. The findings pointed to *innovation* as a process by which organizations use their skills and resources to develop new goods and services, new production and operating systems in response to the needs of their staff, customers, and society. The use of *the force-field analysis* can help develop action plans with an equilibrium point in the desired direction to cope with the dynamics of change situations. The three-stage model of the change process could be used to reduce resistance to change. The most effective innovations for change were based on systems theory, participation and empowerment, teams and teamwork, applied behavioral science, action research, and OD interventions. Recommendations were made for public and private organizations to use effective innovations and change management for organizational adjustments.

Keywords: *Innovation, change, management, the force-field analysis, three-stage model of the change process, dynamics of change situations, reduction of resistance to change*

1. Introduction

It has been widely recognized that organizational change and development require management strategies and innovations on the platforms of systems theory, participation and empowerment, teams and teamwork, applied behavioral science, action research, OD interventions, typology of OD interventions, and other related sound theories and cases. Managers in the public and private sectors therefore need to find good adjustments for current and upcoming changes effectively. It is their urgent tasks to come up with innovation and new strategies for change management. In so doing, they need to have good understanding of concepts and cases of innovation and change management to be able to work on required innovations in coping with change (Easton, 1965; Hill & Jones, 1995).

What is organizational change?

Jones (1998) defined organizational change as a process by which organizations move from their present state to some desired future state to increase their effectiveness. To Beer (1980), the goal of planned organizational change is to find new or improved way of

using resources and capabilities in order to increase an organization's ability to create value and improve the returns to its stakeholders. Any organization in decline may need to restructure its resources to improve its fit with the environment. In an economic crisis, every organization needs to adjust their resources in order to be consistent with their changing environments. Jones (1998) emphasized that planned organizational change is normally targeted at improving performance at one or more of four different levels: human resources, functional resources, technological capabilities, and organizational abilities.

Organizational change definitely has effects on human resources. Ultimately, an organization's distinctive competencies lie in the skills and abilities of its employees. Typical kinds of change efforts directed at human resources include training and development activities, socializing employees into the organizational culture, changing organizational norms and values to motivate a multicultural and diverse workforce. As the environment changes, organizations often transfer resources to the functions where the most value can be created. An organization can improve the value of its functions by changing its structure, culture, and technology. For example, the change in functions of a product team structure may speed the new product development process (Katz & Kahn, 1996; Nelson & Quick, 1997, Sriboonnark, 1982).

Technological capabilities give an organization an enormous capacity to change itself in order to exploit market opportunities. The ability to improve the way goods and services being produced is to increase their quality and reliability. At the organizational level, an organization has to provide the context that allows it to translate its technological competences into value for its stakeholders. Organizational change often involves changing the relationships between people and functions in order to increase their ability to create value. Changes in structure and culture take place at all levels of the organization and include changing the routines an individual uses to greet customers, changing work group relationships, improving integration between divisions, and changing corporate culture by changing the top-management team (Katz & Kahn, 1996; Nelson & Quick, 1997).

2. Types of Change

In general, change falls into two broad categories: evolutionary and revolutionary change. *Evolutionary change* is gradual, incremental, and specifically focused but *revolutionary change* is sudden, drastic, and organization-wide. Evolutionary change involves the attempt to increase effectiveness of the way an organization currently operates. Total quality management is a type of change process through which organizations attempt to manage incremental improvements in the way work gets done. On the contrary, revolutionary change involves the attempt to find new ways to be effective in doing things, or creating new goals and a new structure. An organization can use one of several approaches to implement revolutionary change to bring about quick results: reengineering, restructuring or innovation.

Talking about revolutionary change, we also think about *reengineering* that involves rethinking and redesigning of business processes to increase organizational effectiveness (Hammer & Champy, 1993). It comprises at least four issues: purpose, culture, process and performance, and people. The highlight of this approach is consideration of business processes continuously and replacement of an organization's old systems with new ones (Sriboonnark, 1997). Another form of revolutionary change is *restructuring* that

organizations often undergo to remedy deteriorating performance. There are two basic steps to restructuring: (1) an organization reduces its level of differentiation and integration by eliminating divisions, departments, or levels in hierarchy, and (2) an organization downsizes by reducing the number of its employees to reduce operating costs.

Organization change usually comes with *innovation* which is the process by which organizations use their skills and resources to develop new goods and services or to develop new production and operating systems so that they can better respond to the needs of their customers (Burgelman & Maidique, 1988). Innovation can result in spectacular success for any organization, for example, Apple Computer introduced its new personal computer and changed the face of the computer industry. Sriboonnark (2009) gave an example of an innovation in one department of local government in Thailand in launching academic partnership with public universities.

3. Planned Change

Managing organization change needs *planned change* and *force field analysis model* that consists of driving and resisting forces, especially, how to make or build up any organizational change by increasing every driving force over the resisting force. Absolutely, innovation must play an important role in every organizational change process.

Lewin's Force Field Analysis Model
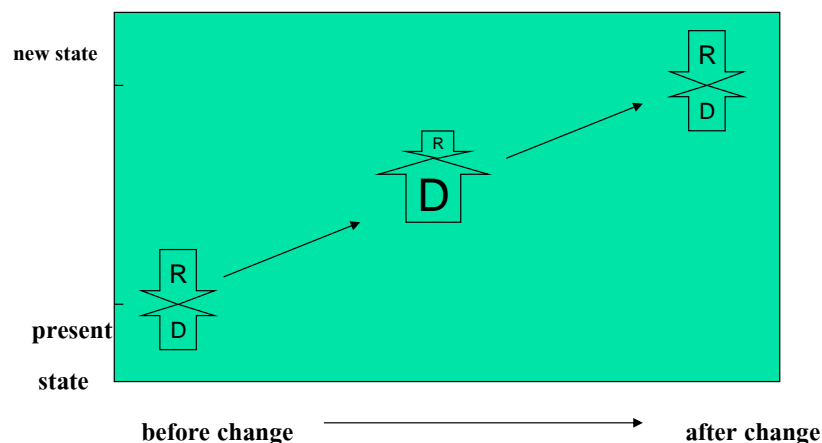
The first idea in the model states: *what is occurring at any point in time is a resultant in a field of opposing forces.* That is, the status quo--whatever is happening right now--is the result of forces pushing in opposing directions. For example, the production

level of a manufacturing plant is a resultant *equilibrium point* in a field of forces, with some forces pushing toward higher levels of production and some forces pushing toward lower levels of production. The production level tends to remain fairly constant because the field of forces remains fairly constant with an equilibrium point. (Lewin, 1951; French & Bell, 1978).

With a technique called the force field analysis, we can identify the major forces that make up the field of forces and then develop *action plans* for moving the equilibrium point in one direction or the other. This concept is useful for thinking about the *dynamics of change* situations. (Lewin, 1951; French & Bell, 1978).

4. Three-Stage Model of the Change Process

There are three stages in the Model of the Change Process (Lewin, 1951; French & Bell, 1978).

Stage 1. Unfreezing: Creating motivation and readiness to change through
    a. Disconfirmation or lack of confirmation
    b. Creation of guilt or anxiety
    c. Provision of psychological safety

Stage2. Changing through Cognitive Restructuring: Helping the client to see things, judge things, feel things, and react to things differently based on a new point of view obtained through:
    a. Identifying with a new role model, mentor, etc.
    b. Scanning the environment for new relevant information

Stage 3. Refreezing: Helping the client to integrate the new point of view into
    a. The total personality and self-concept
    b. Significant relationships

(Beer, 1980; Sriboonnark, 1982)

5. Reduction of Resistance to Change

According to Oakley & Krug (1993), primary strategies for reducing change resistance are as follows:

1. Communication
2. Training
3. Participation
4. Stress management
5. Negotiation
6. Enforcement

In managing organizational change and development, managers need innovation and change management strategies on the basis of system theory, participation and empowerment, teams and teamwork, applied behavioral science, action research, OD interventions, typology of OD interventions, and change agent and change management.

6. OD Interventions

According to French & Bell (1978) and Luthans (2002), OD interventions include the following:

1. Diagnostic Activities
2. Team-Building Activities
3. Intergroup Activities
4. Survey Feedback Activities
5. Education and Training Activities
6. Technostructural or Structural Activities
7. Process Consultation Activities
8. Third-Party Peacemaking Activities
9. Coaching and Counseling Activities
10. Life and Career Planning Activities
11. Planning and Goal-Setting Activities
12. Strategic Management Activities
13. Organizational Transformation Activities

7. Typology of Organization Development (OD) Interventions

French & Bell (1978) and Luthans (2002) divided Typology of OD Interventions as follows:

1. Individuals:
    1.1 Life and career planning activities
    1.2 Coaching and counseling
    1.3 Education and training to increase skills, knowledge in the areas of technical task needs, relationship skills, decision making, problem solving, planning, goal-setting skills
    1.4 Work redesign
2. Teams or groups
    2.1 Team building (task or process directed)
    2.2 Interdependency exercise
    2.3 Process consultation
    2.4 Role analysis technique
    2.5 Team MBO
    2.6 Education in decision making, problem solving, planning, goal setting in group settings
    2.7 Quality of work life programs
    2.8 Quality circles
    2.9 Force-field analysis
    2.10 Self-managed teams
3. Intergroup Relations
    3.1 Intergroup activities (process or task directed)
    3.2 Partnering
    3.3 Process consultation
    3.4 Third-party peacemaking at group level
    3.5 Survey feedback
4. Total Organization
    4.1 Management by objectives (MBO)

4.2 Cultural analysis

4.3 Confrontation meetings

4.4 Visioning

4.5 Strategic planning/Strategic management activities

4.6 Survey feedback

4.7 Total quality management

Obviously, innovation and change management strategies involve various variables. The researcher would like to present two empirical cases to clarify and exemplify importance and implication of innovation and change management in public organizations.

8. Empirical Case 1: Competency Development of Pattaya City for Preparing into ASEAN Community

The researcher conducted Empirical Case 1 in the context of Thailand--having officially participated in the ASEAN community since 2015. Pattaya City, one of the most popular tourism landmarks of the country, was selected to illustrate innovation and change management under study. The research objective was to identify managerial competency of Pattaya City in support of the ASEAN community environment by development administration, and valuable theory and model.

The researcher used Systems Theory and Public Management Quality Award (PMQA) as the research theoretical framework. Two hypotheses were:

(1) There are correlations between each PMQA variable and outputs of Pattaya City.

(2) The use of integrated related theories, models, strategies, policies, programs, projects can help increase managerial competency of Pattaya City.

The research instrument was a constructed questionnaire of 194 issues/items of indicators–being validated and held reliability at 0.994. The respondents were 148 officers of Pattaya City at the government's C6-level or above. In finding answers to the hypotheses, the researcher used documentary analyses, a questionnaire, and in-depth interviews. Deductive approach was utilized in data analysis and evaluation (Sriboonnark, 2010, 2015).

8.1 Major Research findings

The results of the study revealed *managerial competency* of Pattaya City at "B" grade or good. "Outputs of Pattaya City" correlated with every variable of PMQA: with "process arrangement" (r=.895), "human resource oriented" (r=.858), "focus on customer and stakeholder" (r=.854), "measurement, analysis, and knowledge Management" (r=.822), "strategic planning" (r=.811), "leading organization" (r=.703), and "organizational attributes" (r=.603). As for Hypothesis 2, the respondents gave information in their in-depth interviews that confirmed applications of integrated theories, models, strategies, policies, programs, and projects in increasing managerial competency of Pattaya City.

8.2 Recommendations

Based on the research findings, competency development for Pattaya City comprised various management platforms in support of innovations by interventions, concepts, theories, guidelines, and development administration and management strategies. Details of these

platforms include supply chain analysis, value creation, strategic planning and management, benchmarking, leadership development, survey feedback, conflict management, and competency development. Additional areas in support of innovation and change management were identified: Buddhist Management, Technology Development, Good Governance, Organization Development, New Public Management, Strategic Alliances, Privatization, Team Management, Knowledge Management, Total Quality Management, International Standard Organization, Philosophies of Politics and Administrations, and of Sufficiency Economy. To the respondents in the study, all of these areas/concepts were certainly dependent on managers to apply them in coping with change and come up with adjustments for *competency development* in particular contexts.

9. Empirical Case 2: Administration Development of Autonomous Public Universities in Thailand

The researcher studied change in administration development of fourteen autonomous public universities in Thailand. The objective was to analyze their philosophies, concepts, and principles. Historical, developmental, and holistic approaches were used to study related concepts, principles, and administration theories and administration of autonomous public universities. The researcher also wanted to identify existing problems in their administration regarding causes and effects. It was expected that the findings were to generate guidelines for new administration techniques, strategies, and perhaps a sound 'model of administration development of autonomous public university' (Sriboonnark, 2010, 2012).

9.1 Major Research Findings:

From the historical, developmental, and holistic analyses, the researcher secured the major findings on change in administration development of some autonomous public universities in Thailand as follows:
(1) Autonomous public universities in Thailand gained more independence and freedom In university policy formulation and implementation.
(2) The university policy and administration were decentralized
(3) The economic and management models were applied in the university policy and administration processes.
(4) Some relevant management theories were not integrated into the university policy and administration processes.
(5) The use of 'empowerment strategy' in the autonomous public universities were with some critical problems in having more independence or freedom in power utilization. Some respondents mentioned problems concerning unethical behavior or corruption in administration processes of autonomous public universities under study.

9.2 Recommendations

Based on the research findings on change in administration development of autonomous public universities in Thailand, the researcher would like to call attention to the following:
(1) Sound management theories and concepts should be integrated into administration processes of the autonomous public universities under study.
(2) Quantity and quality of Inputs-Processes-Outputs and Outcome should be focused in

the autonomous public universities' administration system.

(3) Academic freedom and academic excellence should be in the framework of higher educational administration philosophies.

(4) Decentralization in administration should deserve more attention from the autonomous public universities under study.

(5) Quality, efficiency, innovation, and social responsiveness should serve as generic building blocks for competitive advantages.

(6) Leadership and mentoring in good governance should carry transparency in all dimensions of human resource development, administration development, and national development administration.

(7) Corruption and unethical behavior related to public management innovations should be under close monitoring for penalty. The monitoring procedure needs to include balanced mechanisms for innovations for change, specifically benchmarking, reengineering, total quality management, team building and management, ethical behavior development, and innovations—all being integrated into the existing body of knowledge or technology.

The researcher expected that these empirical cases and findings could help clarify the position of innovation and change management in specific areas. Moreover, the related issues should deserve attention from leaders of organizations in their attempt to cope with changing work environments.

10. Conclusion

As reported in this paper, innovation refers to as process by which organizations use their skills and resources to develop new goods and services or to develop new production and operating systems in response to the needs of their customers. In managing organizational change and development, leaders of organizations need to have good understanding of platform knowledge in systems theory, participation and empowerment, teams and teamwork, applied behavioral science, action research, OD interventions, typology of OD interventions, change agent, and change management. It is vitally important for organizations to conduct empirical studies for target results in support of innovations needed for adjustments in the time of change.

The researcher showed in two empirical cases—one on competency development and another on administration development—that specific issues require concrete results for leaders of organizations to gain confidence in implementing innovations in their organizations. Especially, globalization and easternization of our changing world with impacts on public and private organizations need to adopt or adapt change management strategies for organizational benefits and well-being. In addition, public and private organizations are to formulate their optimal policy to guide personnel to sustain effective operations. As shown in this paper, research and development programs/ projects for managing innovation and change definitely play an important role in creating innovations in planned change processes.

11. The Author

Nopparathapol Sriboonnark, Ph.D., is an independent scholar in Management and Public Administration, living in Bangkok, Thailand. His past academic affiliates were public and private higher education institutions in Thailand and his research projects dealt with applications of public administration theories, fieldwork in public management, and empirical studies on major topics of concern in the public sector. His most recent research interest lies in the areas of innovation and change management.

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