Chapter 19
Sustaining Organizational Innovation

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ABSTRACT
Organizational change is a situation, while innovation is an attitude of change. Organizations cannot, in a global economy, remain static and rooted in current practices. Organizational innovation is the necessary ingredient for successful change. More difficult than both change and innovation is the subject of sustainability. Change is often a temporary “fix” that quickly reverts to status-quo. This chapter recommends practices for change management and organizational innovation by reviewing change theories, describing innovation models, referencing sustainability leadership, and providing examples of technology integration. Educators, trainers, performance specialists, change agents, managers, and organizational development professionals will benefit by understanding the principles and future trends of innovation. Both educational institutions and industrial organizations will utilize the guiding questions to determine their readiness to embrace organizational innovation. The goal is to instill the need for an attitude of change in all stakeholders of the organization in order to be well equipped to direct the nation’s workforce.

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INTRODUCTION

Globalization, rapid technological advancement, emergence of social technologies, focus on a service economy, change in workforce demographics, increase in retiring education and management professionals, and requirements for effective teamwork have affected not only our organizations and communities but societies as a whole. People are more mobile, strive to achieve work-life balance, and take responsibility for their own learning and professional development. The mediums and speed with which information is transmitted and responses generated have now transformed the workplace into a heterogeneous group with conflicting demands. Total Quality Management (TQM), mergers and acquisitions, and business process reengineering emerged as responses to the constantly evolving workplace and social landscape. Today, the challenges associated with change are not whether it will occur but whether the organization has the capabilities to diagnose the external and internal environments as well as plan, implement, and direct change initiatives. Nevertheless, change is ill-received, innovation is reluctantly accepted, and potentially impactful whole-scale initiatives are often unsustainable in the long-run.

Organizational change is a situation, while innovation is an attitude of change. In order to ensure sustainability of the initiatives, organizations should embrace a culture that encourages participation, promotes innovation, and aligns change efforts with specific business goals. A clear understanding and commitment toward innovation will perpetuate improved productivity, cost and resources savings, and a sustainable competitive advantage.

Defining Change, Innovation and Sustainability

Change and innovation are often used interchangeably to refer to new initiatives introduced to solve problems or new products and services that address modified stakeholder needs. Change should be interpreted as an attitude while innovation represents a complex process, rather than an event. Becker and Whisler (1967) stated that both the internal and external environments of many organizations underwent rapid and extensive change in the years following World War II, which led to increased research interest in organizational adaptation, change and innovation. While earlier literature treated these terms synonymously, Becker and Whisler (1967) hypothesized organizational innovation as distinct from (although related to) organizational change or adaptation. They consider innovation to be an organizational or social process; one that follows invention but can be separated from it in time and location. Innovation studies began to emerge as a separate field of research in the 1960s (Fagerberg, 2005).

Rowe and Boise (1973) defined organizational innovation as “the successful utilization of processes, programs or products which are new to an organization and which are introduced as a result of decisions made within that organization” (p. 6).

For organizations, change is associated with a new way of functioning, structuring, and allocating resources that have evolved over time (Huber et al., 1993 as cited in Weick & Quinn, 1999). As a behavioral initiative, change modifies the workplace by enhancing opportunities for individual development that ultimately improve organizational performance. Weick and Quinn (1999) distinguish between episodic and continuous change. The former refers to infrequent, discontinuous, intentional efforts introduced when entities are in disequilibrium. The latter is manifested in organizations that view change as a constant and improvise (i.e. continuously modify work practices), translate (i.e. continuously adopt and edit practices), and learn (i.e. alter skills and knowledge). Basically, institutional change represents differences in form, quality, or state over a period of time (Hargrave & Van de Ven, 2006).