

Managing Change and Innovation for Business Excellence: A Theoretical Perspective

Akhilesh Sharma

Asst. Professor, School of Management, Graphic Era Hill University,
Dehradun Uttarakhand India

Abstract

In today's dynamic and competitive business environment, managing change and promoting innovation are essential tasks for organisations aiming for business excellence. This abstract offers a theoretical viewpoint on the relevance of managing innovation and change, as well as how these two factors interact to promote organisational success. This research examines the major ideas and principles related to managing change and innovation and their implications for attaining corporate excellence, drawing on current literature and theoretical frameworks. The essential function of change management in supporting organisational transformation and adaptation is examined in the study. The procedures, approaches, and resources used to manage change effectively are covered in detail. These include recognising the need for change, developing a compelling vision, effectively communicating, and involving stakeholders at all levels. The research emphasises the value of change leadership and the function of leaders in successfully implementing change efforts. Theoretical analysis demonstrates how innovation and change management are mutually reinforcing and influencing one another. It emphasises the necessity for organisations to combine their change and innovation projects, as change may spur innovation while innovation can lead to the adjustments that an organisation has to make. According to the report, organisations should take a comprehensive approach to managing change and innovation, making sure that it is in line with their strategic goals and fosters a positive organisational culture.

Keywords: Managing Change, Innovation, Business Excellence, Change Management, Organizational Transformation

Tob Regul Sci.™ 2021;7(5-1): 4401-4406

DOI: <https://doi.org/10.52783/trs.v7i5-1.1381>

Introduction

Change refers to the process of transforming behaviours, interactions, and ways of functioning within individuals, groups, or organizations, resulting in shifts in their internal and external environment (Andreoni & Scazzieri, 2013). As change occurs, resistance and conflicts often arise, influencing the overall transformation process. Interestingly, each change initiates subsequent changes of varying magnitude, incorporating the specific ideas, actions, philosophies, and procedures that triggered them (Ates & Bititci, 2011). Each change or action sets off a chain reaction, leading to future actions and reactions. Consequently, change disseminates structural

contents and dynamics, giving rise to a series of events that require mechanisms to address the ensuing challenges within organizational dynamics (Battilana & Casciaro, 2012).

Organizational change can be planned systematically or occur unexpectedly, by chance or in a non-scheduled and unplanned manner. Changes frequently take place in organizations, whether anticipated or not, often combining elements of both. Everyday organizational experiences reveal the diverse and complex nature of the change process, influencing and interconnecting various subsystems within each organizational entity to different degrees. Change management procedures encompass the frameworks and methods employed to design, implement, monitor, evaluate, and assimilate changes within this dynamic environment. The nature of a change process, whether imposed from a higher level or emerging from within, centralized or participatory, superficial or structural, depends on the unique "physiology" of the accepting and managing "living organism" as well as the specific characteristics of the change itself.

Literature Review

The theoretical approach to change management has undergone an evolution, leading to the emergence of three primary schools of thought: the individual approach, group dynamics, and open systems. Within the individual approach, two main groups can be distinguished: behaviourists and Gestalt psychologists. Behaviourists perceive the behavior as a product of the individual's interaction with the environment, while Gestalt psychologists argue that this perspective offers only a partial understanding as they emphasize the simultaneous influence of the surrounding context on an individual's actions. The behaviourist perspective, dominant in the individual approach, takes an analytical stance by asserting that behaviour is learned and acquired, considering individuals as recipients of external, objective stimuli. A core principle of behaviourism is that human behaviour is influenced by anticipated outcomes, leading to an analytical deduction. The practical application of behaviourism involves manipulating the external environment to elicit the desired behaviour. The aim is to promptly reinforce the desired behaviour. This approach aligns with the traditional view of humans as "mechanical gears" obedient to external commands. Conversely, proponents of Gestalt theory argue that learning is a process involving the individual's acquisition and modification of perceptions, expectations, or thought patterns. Therefore, psychologists consider not only an individual's actions and outcomes but also the personal interpretation individuals provide in their practical decision-making to understand behaviour. According to the proponents of the Gestalt approach, changing one's self-awareness alters the situation, which in turn changes behaviour. Both approaches have been successfully applied in the field of change management in recent years. Numerous authors have also highlighted techniques that combine Gestalt and behaviourism, leveraging both personal incentives (external stimuli) and approaches based on discussion, participation, and dialogue (Kohler, 2015). Both approaches have proven effective in the field of change management in recent years. Various authors have highlighted the techniques that combine Gestalt and behaviorism, utilizing personal incentives as well as discussion, participation, and

conversation approaches. The school of group dynamics, on the other hand, emphasizes that social and work groups, rather than individuals, are the primary sites for organizational change. Kurt Lewin's perspective, for instance, underscores the importance of collaboration among employees within an organization. Individual behavior is seen as a product of the norms and practices of the dominant group in this theoretical framework. Lewin argued that group behaviour is a complex network of symbolic connections that influence both group structures and individual behaviours. According to Lewin, the group operates in a state of "quasi-static equilibrium," experiencing ongoing forces and tensions resulting from the group's demands on its members. This viewpoint suggests that individual attempts to change behaviour alone are insufficient in the context of change management, as individuals are constantly influenced by collective pressures. Thus, the focus should be on group-level change, specifically on impacting and modifying collective rules, roles, and values. While this approach has limited influence in contemporary management philosophy, it has significantly impacted the theory and practice of change management. Nowadays, organizations view their structural makeup as a collection of teams and groups, rather than merely individuals. The "open systems" school, on the other hand, addresses change by considering the organization, acknowledging that it comprises interconnected subsystems. Changes in one subsystem trigger corresponding changes in other subsystems, ultimately leading to overall transformation in the organization's structure and performance. Systemic approaches focus on describing and assessing individual subsystems, seeking ways to implement changes that improve the organization's overall functionality. These approaches recognize the interplay between the various subsystems within the organization and their interactions with the external environment (Pinto, Marques, Levine, & Abrams, 2016). In addition, it is recognized that changes within one part of the system can have ripple effects on other parts and even influence the external environment, creating a reciprocal relationship (Clark and Harrington, 2016). Following Miller's conventional approach, four key subsystems are identified: the goals and values subsystem, the technical subsystem, the psychological subsystem, and the organization-wide administrative subsystem. The goals and values subsystem supports the organization's objectives and ideals, while the technical subsystem encompasses the necessary skills, processes, and technology. The psychological subsystem pertains to the overall organizational climate and culture, including the roles, values, and norms that bind individuals together. Lastly, the organization-wide administrative subsystem connects the organization to its external surroundings, establishes goals, and designs structures and processes. While this approach is widely accepted and has significant implications, there are some criticisms to consider. Social scientists argue that due to the complexity and resistance to the definition and analysis of social systems, it can be challenging to categorize all cause-and-effect relationships. Additionally, some argue that open system theory lacks a coherent and well-formulated framework since many of its approaches are abstract concepts. To make open systems theory more applicable in management and leadership practice, it is crucial to incorporate robust and widely applicable data.

Businesses in India recognised the importance of "managing change" as a critical element in the goal of achieving business excellence. By examining the relationship between "quality management" and innovation, Leavengood et al. (2014) revealed the function of "change management" in promoting innovation and boosting corporate performance. They emphasized how key "change management" techniques, such as "clear communication," "employee involvement," and "leadership support," made it easier to put creative concepts and plans into practise. In the context of Indian business, where businesses had to contend with shifting market dynamics and escalating rivalry, this was especially pertinent. Businesses were able to respond to shifting consumer needs and acquire a competitive edge by embracing change and building an innovation culture. "Change management" becomes even more important in the fast-paced, fiercely competitive Indian business environment, where businesses must constantly adapt to changing market conditions and fiercer competition. "Clear communication" has emerged as a critical component of effective "change management," enabling organizations to successfully communicate the justifications for the changes and the desired results to their personnel. Organizations may connect their staff with the goals of the transformation by employing clear communication, which would also encourage a sense of dedication and ownership among workers. Additionally, they emphasized the value of "employee involvement" in the "change management" procedure. "Involving employees" in decision-making and encouraging their active participation not only empowered them but also increased the likelihood of effective change implementation.

According to Agnihotri (2015), low-cost innovation is essential for establishing business excellence in emerging markets like India. Companies had to implement cutting-edge strategies to provide cost-effective solutions without sacrificing quality in a market where consumers were price-sensitive and resources were scarce. It was emphasized that in order to develop and supply low-cost innovative products and services, it was essential to make use of technology and implement cost-effective production techniques. Indian businesses have been successful in leveraging their in-country know-how and experience to spot special possibilities and produce value for their clients. These companies were able to meet the needs of a huge customer base and build a solid market presence by putting a heavy emphasis on "cost optimisation," "frugal innovation," and "efficient resource allocation." Achieving business excellence in India's cutthroat business environment required the ability to lead low-cost innovation.

By addressing the role of psychological empowerment, workplace engagement, and turnover intention, Bhatnagar (2012) looked into the management of innovation in the Indian setting. It made clear the value of "psychological empowerment" in aiding change management and encouraging creativity. Organizations developed a culture of active involvement and ongoing improvement by allowing people to take ownership of their work and encouraging them to provide their innovative ideas. Furthermore, "work engagement" was crucial in managing change since highly engaged employees were more likely to accept and adapt to organizational changes,

which eventually led to business excellence. The ability of organizations to foster innovation and achieve business excellence was impacted by effective change management, with a focus on psychological empowerment and work engagement. This was especially true in the fast-paced and competitive Indian business environment.

According to Tickle et al. (2016), the pursuit of business excellence in India has a close relationship with innovation. They put a lot of emphasis on applying business excellence and high-performance success criteria. The crucial part that "innovation" plays in achieving corporate excellence was emphasized. Companies that promoted an innovative culture and valued original thought were better positioned to meet market challenges and grab opportunities. They emphasized the value of "continuous improvement" and "adaptability" to stay one step ahead of rivals and efficiently address shifting customer needs. Innovation played a crucial part in fostering business excellence in the Indian corporate environment, which is characterized by quick technical improvements and changing client expectations. Organisations in India could stand out, improve their goods and services, and develop a long-lasting competitive advantage by using innovation as a strategic driver.

Tiwari and Herstatt (2012) looked at India's potential as a leading market for low-cost innovations, underscoring the value of managing change and promoting innovation. They looked at the special market circumstances in India and its potential to serve as a leading market for frugal and affordable inventions. India's enormous population, wide range of consumer markets, and resource limitations posed both difficulties and chances for innovation. This emphasized the importance of managing change and innovation successfully in order to fully realize India's potential as a leading market. To meet the unique requirements and financial capabilities of Indian consumers, organizations must modify their offerings, procedures, and business structures. Organizations could attain business excellence in India by embracing change and utilizing creative techniques to provide cost-effective solutions that fulfil market needs.

Conclusion

The philosophy of change management has been greatly shaped by the three primary schools of thought: the individual, group, and general organization. Each approach focuses on a different aspect of organizational life and presents distinct priorities for analyzing the change management process. While these schools of thought may appear to offer comprehensive and realistic approaches to change, they are not mutually exclusive or contradictory in terms of concepts. Instead, they complement and reinforce each other. These approaches, which highlight the significance of individuals, groups, or organizations as a whole, stand in stark contrast to the mechanistic approach of the "classical school." They are closely aligned with contemporary organizational models and approaches.

References

- [1] Andreoni, Antonio & Scazzieri, Roberto. (2013). Triggers of change: Structural trajectories and production dynamics. *Cambridge Journal of Economics*. 38. 1391-1408
- [2] Battilana, Julie & Casciaro, Tiziana. (2012). Change Agents, Networks, and Institutions: A Contingency Theory of Organizational Change. *Academy of Management Journal*. 55(2). 381-398
- [3] Ates, Aylin & Bititci, Umit. (2011). Change process: A key enabler for building resilient SMEs. *International Journal of Production Research*. 49. 5601-5618
- [4] Kohler, Wolfgang. (2015). *The Task of Gestalt Psychology*. Princeton University Press. 1(7), 145-160
- [5] Pinto, Isabel & Marques, Jose & Levine, John & Abrams, Dominic. (2016). Membership role and subjective group dynamics: Impact on evaluative intragroup differentiation and commitment to prescriptive norms. *Group Processes & Intergroup Relations*. 19(5), 570–590
- [6] Clark, Moira & Harrington, Tony & Myers, Andrew. (2016). Promoting Excellence in Customer Management: Emerging Trends in Business. *Journal of Emerging Trends in Marketing and Management*. 1. 119-129.
- [7] Leavengood, S., Anderson, T. R., & Daim, T. U. (2014). Exploring linkage of quality management to innovation. *Total Quality Management & Business Excellence*, 25(9-10), 1126-1140.
- [8] Agnihotri, A. (2015). Low-cost innovation in emerging markets. *Journal of Strategic Marketing*, 23(5), 399-411.
- [9] Bhatnagar, J. (2012). Management of innovation: Role of psychological empowerment, work engagement and turnover intention in the Indian context. *The International Journal of Human Resource Management*, 23(5), 928-951.
- [10] Tickle, M., Mann, R., & Adebajo, D. (2016). Deploying business excellence–success factors for high performance. *International Journal of Quality & Reliability Management*, 33(2), 197-230.
- [11] Tiwari, R., & Herstatt, C. (2012). Assessing India's lead market potential for cost-effective innovations. *Journal of Indian Business Research*, 4(2), 97-115.