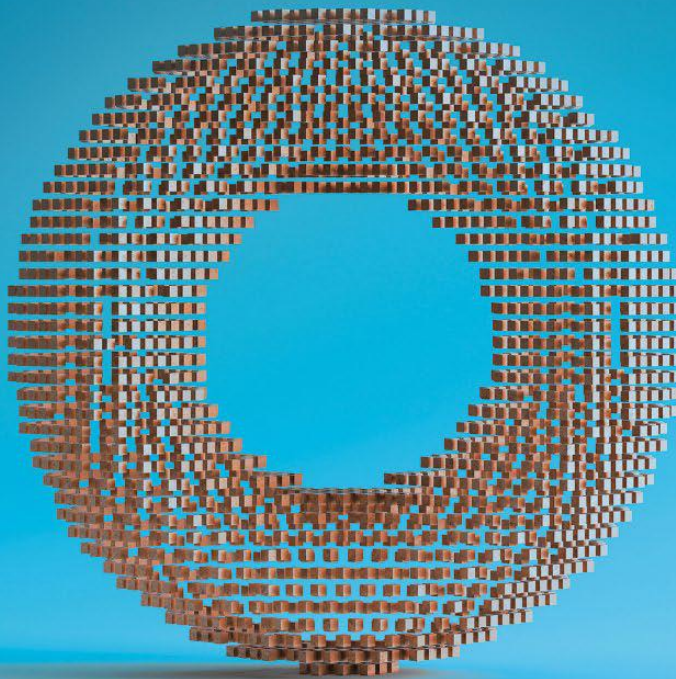


MANAGING CHANGE, CREATIVITY & INNOVATION

4TH
EDITION



PATRICK DAWSON & CONSTANTINE ANDRIOPOULOS

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To Robin, Julia and Elliot Dawson

and

To Lydia Andriopoulou

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ABOUT THE AUTHORS

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‘With each successive edition, this book just gets better and better. It is essential reading for anyone who has an interest in managing and changing organizations, whether they be students, academics, managers or consultants.’

Bernard Burnes, Chair of Organizational Change, Stirling Management School, UK

‘This book does a masterful job of promoting critical thinking to managing change and creativity.’

David M. Boje, Regents Professor and Distinguished Achievement Professor in Management Department, New Mexico State University, USA

‘For students and practitioners, this is a benchmark text on the process of organizational change. Why do many planned changes fail to meet their goals? Change management is often presented as a reaction to business problems, but change can also be proactive, driven by entrepreneurship, leadership, creativity and innovation. Combining these perspectives in a processual framework, this text offers fresh explanations, beyond oversimplified guidelines and complex theories, with new case studies and updated material. The authors present a cross-disciplinary set of models and techniques in a style sensitive to corporate, managerial and individual concerns.’

David A. Buchanan, Emeritus Professor of Organizational Behaviour, Cranfield University School of Management, UK

‘By adopting an explicitly processual and temporal stance, Dawson and Andriopoulos go beyond simple prescriptions to conceive change, innovation and creativity as continuously inter-weaving and co-emergent dynamics of social engagement. This novel perspective not only has potential to liberate students and researchers from the constraints of overly abstracted thinking, but it also resonates strongly with the lived experiences of practising managers.’

Dr Barbara Simpson, Professor of Leadership and Organizational Dynamics, Strathclyde Business School, UK

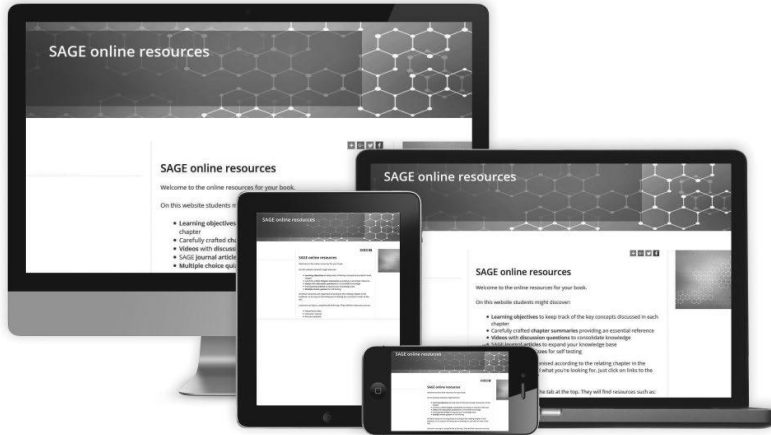
‘Dawson and Andriopoulos’s book makes a significant contribution to the scholarly literature on organizational change. This well-written and comprehensive book highlights the critical importance of analyzing interactions between individual, group, temporal, and environmental factors throughout the process of organizational change. Presented in an interesting and highly readable style, this book will be of considerable value to students, scholars and business practitioners alike. Highly recommended.’

Dr Kenneth J. McBey, Professor of Human Resources, Disaster & Emergency Management, and Public Policy Administration & Law, York University, Canada

‘Previous editions of this book have been widely praised and rightly so. In this new version significant updates and additions have been made to ensure critical engagement with key conceptual advances, contemporary debates and practical insight. As such *Managing Change, Creativity & Innovation* deserves to remain the source of choice for the thoughtful and reflective student of innovation or change practitioner.’

Ian McLoughlin, Professor of Management, Monash University, Australia and Visiting Professor, Warwick University, UK

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PART ONE

SETTING THE SCENE: THE CHANGING LANDSCAPE OF BUSINESS ORGANIZATIONS

PART MAP

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LEARNING OUTCOMES

After reading this chapter, you will be able to:

- Explain why change, creativity and innovation are essential for survival and growth.
- Provide an understanding of change, creativity and innovation that enables you to differentiate between these three terms whilst recognizing that they overlap and interconnect.
- Be aware of the challenges and opportunities of a rapidly changing environment for people in organizations and the gig economy.

Processes of change, creativity and innovation are central to organizations operating in increasingly turbulent and unpredictable environments. The acronym VUCA – Volatile, Uncertain, Complex and Ambiguous – captures something of the dynamic turbulence of today's global business environment (Bennett and Lemoine, 2014). The growing sense of turbulence, time pressures and time criticality in the face of disruptive innovations and shifts in consumer behaviour all underscore the importance of being able to manage ongoing change and innovation, and to nurture creativity. These processes interconnect from the creation of new ideas to their utilization in innovations and their commercial use and uptake in organizations. Although they appear to occur in a series of neat, linear stages linked to a sequential unfolding of events, as Emirbayer and Mische (1998) point out, human agents are situated in the flow of time where contingencies of the present are informed by the past (habits and routines) and

oriented to the future (opportunities and possibilities). These processes are non-linear and dynamic, ranging in levels of complexity and always unpredictable even when working within well-developed schedules and plans (Dawson, 2019). New ideas can arise at any time or place, innovations may have a long gestation period or they may occur as if out of nowhere, yet they generally bring together new, emerging and pre-existing ideas that have been around for a while but have been combined, refined and redefined in novel and unique ways. Implementing innovations often brings forth unexpected problems, requiring creative thinking in the search for solutions that are appropriate and feasible. Change initiatives rarely unfold as planned but stop and start. They continually reconfigure in dealing with unforeseen contingencies, looping backwards and forwards in tackling contexts that are volatile, uncertain, complex and ambiguous.

This temporal turbulence (past, present and future) heightens the need for companies to evaluate their competitive performance on a continuing basis and critically review their past assumptions in looking towards the future. Companies require foresight in managing these complexities (Bereznoy, 2017), drawing on our understanding of the past and assessment of the present in developing new strategic directions (Kaplan and Orlikowski, 2013). Kunisch and colleagues underline the centrality of time in reviewing studies on strategic change (Kunisch et al., 2017) whilst Dawson and Sykes (2018) spotlight the need to address temporality in explaining the dynamics of change. In managing these processes, the importance of strategy, operational schedules, procedures and the need to plan remain important, as is the need to be adaptable and flexible in dealing with the unforeseen.

Theory helps us understand these complexities and move beyond surface level assumptions in delving deeper into change, creativity and innovation. Robust theories guide effective action and as Lewin famously states, ‘there is nothing as practical as a good theory’ (Lewin, 1943). In this book, we aim to present the main approaches, models and theories from our existing stock of knowledge in a readable way that we hope not only makes them understandable and accessible, but also allows real engagement and critical evaluation. As we shall see, there are many different perspectives on the subject matter we address with competing claims and positions that often seem to forward convincing evidence to undermine opposing views. This contradictory evidence can often leave the reader frustrated and in a quandary, especially if they are seeking the ‘right’ answer. Our intention is to present these arguments in an open and informative way so that the reader can make their own judgments.

MANAGING CHANGE, CREATIVITY AND INNOVATION

The unpredictability of change does little to stem an ever-expanding body of literature (see Boje et al., 2012; Hughes, 2019) that often seeks to find the best ways to successfully manage organizational change (see McCalman et al., 2016; Hodges, 2020). For some, the quest is to find the most appropriate tools to help plan change (see Cameron and Green, 2019; Cawsey et al., 2020) whilst others suggest that change is an oxymoron (contradictory in nature) that should not be managed (Mintzberg et al., 2010: 98). The field is challenging and diverse (Schwarz and Huber, 2008), from broader

accounts to a focus on change for HRM professionals (Adams, 2019), leading cultural change (McCalman and Potter, 2015; Alvesson and Sveningsson, 2016), the darker side of change (Spicer and Levay, 2012; Hanlon, 2016) and political expertise in managing change (Buchanan and Badham, 2020).

The stimulus for change may come from a variety of sources and take the form of proactive strategies or reactive responses to internal problems or external business market pressures. These processes of organizational change may involve company-wide transformations through to small-scale incremental changes (Dawson, 2019: 39). It is an ongoing dynamic that ebbs and flows and is shaped not only by the present but also by expectations of the future and interpretations of the past that influence the action and behaviours of individuals and groups. Whilst ‘change for change’s sake’ is often a recipe for disaster, a historic quotation from Francis Bacon draws attention to the problem of inaction. He states that ‘Things alter for the worse spontaneously, if they be not altered for the better designedly.’ This is something of the conundrum of change that we shall return to in Chapter 4, but for now, we characterize organizational change as a movement over time from current ways of organizing and working to new ways of organizing and working. This movement may be planned or emerge over time. However, even when people direct change towards a new desired state, unforeseen and unexpected things happen that often result in outcomes not aligning with predefined objectives. As change centres on movement over time into a future that is by definition unknowable, it is a complex phenomenon that can never be fully explained prospectively (before it has happened). For our purposes, change management refers to the active process of introducing a change initiative that moves an organization over time from established ways of doing things to new ways of operating. A key aim of change management is to manage processes in a way that ensures the likelihood of attaining a preferred future. Planning and structuring change, establishing projects and engaging people, communicating intentions and trying to avoid technical or human contingencies are all part of a process that sets out to ensure smooth transitions in the successful implementation of change. However, even with the meticulous planning of change, the unexpected and unforeseen occurs. Strategies for overcoming potential obstacles can be prepared for but the unanticipated happens. Changing towards an unknowable future is always going to have elements of unpredictability and this is part of the paradox of change management.

Although there are many theories and guidelines on how best to manage change in organizations (Carnall and By, 2014; Weber et al., 2016; Cameron and Green, 2019), it is also widely claimed that for all our knowledge about change management most large-scale initiatives fail to achieve their objectives (Beer and Nohria, 2000; Kotter et al., 2011). Although Hughes points out that whilst ‘the popular narrative of 70 per cent organizational-change failure is acknowledged, there is no valid and reliable empirical evidence to support such a narrative’ (2011: 61). Yet concern over high failure rates continues:

There is a widely held view in the literature on organizational change that attempts to implement organizational change are predominantly unsuccessful, and fail to achieve their intended outcomes and sustain the benefits required. Even though the variable criteria and measures typically used

make it difficult to draw definitive conclusions about the failure rates and their causes the continuing consistent and accumulated evidence from CEOs, project and change managers through a wide range of sources does point to the reality that many change efforts do fail. (Hodges, 2020: 2)

This problem of unsuccessful change is not new (Kotter, 1995), and the associated issue of people reverting to old ways of working has generated a longstanding debate from the early work of Lewin (1947) to examinations of cultural change at the workplace (Alvesson and Sveningsson, 2016). These concerns are ones that we shall return to in our detailed discussion of change in Part Two. They draw attention not only to the need to generate new ideas but also to the importance of evaluating ideas and change options. This includes for example, reflecting on *when to* and *when not to* embark on a proposed change initiative, reviewing and re-evaluating existing strategies and reconsidering options (including those that may have been previously discarded), and to remain open and flexible in a continual appraisal of change options and strategies. This is especially important for those agents of change who actively manage the process (managers, consultants, project leaders and so forth), as they constantly need to assess the immediate and longer-term implications of embarking on a particular change strategy (Burnes and Randall, 2016). In this, they need to think creatively and critically appraise options in considering new ideas on the speed, direction and choices for change (Gower, 2015). It is in this area that creativity is important (see Henry, 2006; Zhou and Shalley, 2007; Puccio and Cabra, 2017), and, as we shall see, is closely linked to both change and innovation (Mann and Chan, 2011; Edmondson, 2018).

Numerous definitions have been proposed for creativity and the creative process (Bilton and Cummings, 2014; Caniëls et al., 2014; Moeran and Christensen, 2014; Reuter, 2015). For Belussi (2012), creativity is the first step in the generation of ideas that is part of a longer journey towards innovation. Creativity is seen to combine cognitive and unconscious elements as well as being associated with thinking ‘outside of the box’ (De Bono, 2000), and lateral thinking, as Belussi (2012: 3) states: ‘Creative ideas are often generated when one discards preconceived assumptions, and attempts a new approach, or method, that might seem to others unthinkable’. In examining a range of definitions, Walia (2019: 237) usefully summarizes the position, stating that:

Over the course of literary debates, there seems to be a general agreement that creativity involves the production of novel and useful ideas and products (Mumford, 2003). Runco and Jaeger (2012) suggested that elements of originality and effectiveness have a long history that can well be termed as a standard definition of creativity. Hennessey and Amabile (2010) argued that this is where the process of innovation takes over, that is, the need to implement a creative idea. Most of modern day research hinges on novelty and usefulness of ideas as the benchmark of creativity (Mumford, 2003). Novelty refers to originality, that is, the production of something new, and usefulness refers to the appropriateness of an idea in solving the considered problem (see Amabile & Pratt, 2016; Hennessey & Amabile, 2010). Some definitional proposals add additional criteria, that is, high quality (Sternberg & Lubart, 1995), contrasting with conformity (Niu & Sternberg, 2002), surprise (Boden, 2004), non-obviousness (Simonton, 2012), aesthetic and authentic (Kharkhurin, 2014).

In these discussions the process of creativity revolves around people and groups who work together in seeking to create something novel, useful and of value for the organization. Creating and maintaining a culture and environment that support the individual or group in finding creative solutions to unexpected problems or longstanding issues is critical. These contextual processes require people (the creators of ideas) to draw on resources (knowledge, understanding, technologies). They need to engage in activities that may range from the simple problem-solving of everyday issues (for example, altering routes in response to traffic information or adapting a presentation if a projector fails to operate), to the creation of something that is highly original or unique (such as a poem, painting or the idea of a bagless vacuum cleaner). Coming up with fresh ideas for changing processes, products and services rests not only on idea generation (the novelty of an idea) but also on assessments as to the appropriateness of the idea to intended application(s). There is both the process by which ideas are generated and the assessment of the usefulness of an actual idea and, as such, many definitions of creativity combine these notions of novelty and usefulness (Amabile et al., 2005: 368) with their uptake and use in innovations (Thompson and Choi, 2012).

At its simplest, we can define creativity as the generation and development of new ideas. It is central to organizations, as without creative abilities to respond to dynamic market pressures, or to imagine alternative ways of doing things, organizations are likely to lose their competitive position and become staid and unresponsive to the shifting demands of their customers (Rickards and Moger, 2006). Increasingly, managers are realizing that processes of creativity require innovative leadership (Kremer et al., 2019) and the active creation and management of environments that stimulate and encourage new ideas to flourish (De Brabandere, 2005).

Innovation overlaps with creativity and according to Bessant and Tidd it is 'the translation of new ideas into commercial products, processes and services' (2007: 29). It is central to organizations who need to offer new products and services to their customers and to innovate on the creation, production and delivery of these offerings (Tidd and Bessant, 2018: 1). Actively engaging with customers in these developments is often crucial in choosing the right idea for commercialization. For example, companies that take a proactive stance in using customers and suppliers as a key source of inspiration, rather than merely monitoring and imitating what competitors are doing, are those that can gain greater rewards in the marketplace and earn a higher market share with better brand awareness in their respective industries. The business world is full of such examples: take, for example, the case of Apple Computers, a company that was on the verge of bankruptcy but managed to turn its fortune around by focusing strictly on continuous innovation and high-quality products. Apple is a company which holds a worldwide reputation for their innovative products, for example, iPhone, Apple TV and Apple Arcade that generate large revenues. In a 2020 statement the company reported that: 'App Store customers spent a record US\$1.42 billion between Christmas Eve and New Year's Eve, a 16 percent increase over last year, and US\$386 million on New Year's Day 2020 alone, a 20 percent increase over last year and a new single-day record' (Apple, 2020).

Entrepreneurship and innovation can go hand-in-hand in the pursuit of profits and the drive for growth as managers identify new markets and opportunities to exploit (Bessant and Tidd, 2015). Market economic forces promote the need for new products

and services in rapidly changing markets and yet commentators often overlook how social impediments and cultural barriers act as central determinants of successful change (Furgesang and Sundbo, 2002). For example, Sundbo (2002: 57) argues that the technology and market focus on explaining innovation (that is, in elevating changes in technology and market considerations as the prime drivers) only provides partial understanding, as it downplays social processes and ignores the need for a more contextual understanding of important internal processes (an area that we examine later in the book).

Managing change in the uptake and use of new ways of doing things, generating and selecting ideas, translating ideas into innovations and moving the organization forward to meet the shifting demands of dynamic business environments, is a complex business. These processes of change, creativity and innovation overlap and interlock, and, as such, decision-making that focuses on only one element (for example, the creative component of the equation) limits the potential for change in the uptake of new products and services since ideas are only the raw material for innovation and change; they do not by themselves guarantee transformation. Imagine having several ideas that could meet an organization's objective to improve market position. From these ideas, there is a need to make decisions on which ideas to develop, on how to translate these ideas into new products, processes or services, and how to implement change throughout an organization to support the successful transformation of those ideas into tangible and valuable innovations that work. Steering these processes is complex; for example, in developing the right organizational conditions, such as leadership style, culture, structures, systems and resources to change raw ideas into marketplace products and services, and to the question of how to move from an understanding of what needs to be done to developing an effective implementation programme. Long-term success relies on the company's ability to create and sustain such internal practices and processes, for example, enabling employees to generate new ideas on a continuing basis and to create cultures of innovation and change that span different disciplines, to facilitate the open exchange of knowledge and information, and to recognize that long-held assumptions and traditions can inhibit new ways of thinking.

THE IMPORTANCE OF CHANGE, CREATIVITY AND INNOVATION IN A WORLD OF FLUX AND TRANSITION

Change is ubiquitous and permeates all aspects of our lives. We experience change in the workplace, in our homes, in the way we manage social relationships, in how we engage with people in society and in the shifting opportunities for employment. In a post-pandemic world, many job seekers, especially those in the 18–30 age group, will search out employment in the gig economy. Taken from the short-term arrangements of a musical gig, this emerging and growing economy engages freelance, independent workers that include highly skilled professionals through to consultants, contractors, unskilled workers, as well as Airbnb property owners and Uber drivers. These freelance workers are on the increase and expected to make up a significant percentage of the

working population in Europe and America within the next decade (Lund et al., 2019). Digital platforms help drive growth in which independents use the digital marketplace to identify new opportunities. Although gig work provides freedom from the ties of full-time employment, it also lacks the support and benefits associated with employment contracts (Kost et al., 2020). As Woodcock and Graham (2020: 3) note, the jobs are usually precarious, temporary and unpredictable:

What the term ‘gig economy’ captures is an economic transformation in which work in many sectors is becoming temporary, unstable and patch-worked. It entails workers spending less time at one job, a risk of time spent without income, workers undertaking more jobs (possibly at the same time), and unpaid time spent searching for tasks or gigs.

Managing these changes in the uptake of new technologies and new techniques is also central to the repositioning of organizations, for example, in business developments in the provision of new products and services, and to the formulation and implementation of strategies to secure competitive advantage (Mumford and Todd, 2020). Through innovative and creative processes, companies are able to rewrite patterns of competition in emerging and existing markets. They become rule makers and rule breakers; develop new ways of operating and competing; create and develop services and products that meet changing customer requirements; and with unexpected financial shifts and contracting markets, many downsize, reinvent and reposition in the search for new ways to sustain, regain or improve operating efficiencies to ensure organizational survival. Business continuity requires change, and knowledge on how to manage change successfully remains a central resource. Nevertheless, change, however well-managed, is not by itself enough. Business success also rests on making the right changes, on choosing the right ideas and implementing innovations that will make a difference.

Although the commercial importance of imaginative services and new competitive products is not in question, the nature, source and development of creative processes continue to generate a raft of theories and views. There is a shift from a concern with eureka moments towards viewing creativity as something that managers can develop and nurture in the workplace. It enables people to reconsider old problems in new ways, to perceive the world from different viewpoints, to challenge conventional ways of doing things, to identify and consider alternative patterns through making previously undiscovered links, to generate new ideas and thought processes that offer potential solutions to problems and create potential business opportunities for the future. Creativity is integral to maintaining and sustaining business in being able to differentiate products and services. In an increasingly complex competitive world, managing change and innovation requires creativity.

New ideas and ways of thinking offer a broader range of options for business development but there is still the need to identify, assess and select particular ideas and then translate these ideas into innovations for implementation in organizations. A common characterization of innovation is the translation of new ideas into processes, products or services. Although the range and number of definitions are abundant (often reflecting disciplinary focus), certain common themes overlap, for example, in viewing innovation

as the employment of new ideas to promote economic growth, to gain competitive advantage, to sustain commercial interests or for broader social purposes, such as the well-being of others or the development of social business. These processes of innovation, creativity and change are no longer the concern of a few advanced organizations but are essential to all firms operating in an increasingly competitive business landscape. New products like iPhones, iPads and Kindles, as well as the services provided through cable and mobile broadband, such as instant messaging, social networking and navigation, are just a few examples that illustrate how ideas and the people who produce them are a precious resource.

Developments in products and services and new ways of doing business have seen the emergence of completely new industries that have created new forms of work and brought about changes in the way many of us manage our finances and engage with others. Take, for example, the internet, which has been one of the truly revolutionary innovations – in both a social and technical sense – that have occurred in recent decades. An idea that began to emerge and take form in the 1990s is now central to the way we live: for example in communicating with each other (with e-mail, social media, chat rooms and group messaging), researching (with wider and quicker access to worldwide information and data sources), shopping (through internet home delivery services and various forms of e-commerce) and engaging in home and leisure pursuits (through, for example, computer-supported individual and group activities). Questions arise on how to nurture and sustain creativity at work that enable new ideas to emerge on how to ensure a supporting environment that enables effective decisions, especially on what ideas are worth developing and implementing, and also on how to make judgments on the what, when and how of change from the myriad of change initiatives that are occurring, as well as important decisions on when not to change. These are all central themes taken up in this book. To begin with, however, read Case 1.1 below and consider the questions that follow in reflecting on your own knowledge and experience.

CASE 1.1

A CREATIVE INNOVATION TO THE PROBLEM OF DELIVERING PACKAGES IN INCREASINGLY CONGESTED CITIES

PATRICK DAWSON

Our illustrative case examines TNT and the generation of new ideas in the storage and distribution of small packages in the increasingly congested city environment. TNT is one of the world's largest express delivery companies. On a daily basis, it delivers close to one million consignments ranging from documents and parcels to palletized freight. The company operates road and air transportation networks in Europe, the Middle East and Africa, Asia-Pacific and the Americas. Our focus is on TNT Australia in New South Wales. The case looks at the use of unusable space in car parks (that is, space that is not usable for parking cars) for storing small packages in a creative change initiative that improved the efficiency of parcel deliveries in urban city centres.

BEING CREATIVE IN SMALL PARCEL DELIVERY OPERATIONS

TNT has a number of new and existing change initiatives associated with their national lean program that uses a systematic, data-driven approach (namely, a six-sigma methodology that has a series of tools and techniques) for process improvements. The aim is to improve the flow of operations to enhance business efficiency, reduce waste and improve customer service. From looking at the current state and building up a process map of operations (that often involves a structured approach captured by the acronym DMAIC: Define, Measure, Analyse, Improve and Control), a detailed overview can be presented of who does what, when, where and why, from which options for change can be identified, discussed and evaluated.

One change initiative on the problem of small parcel delivery in increasingly congested Central Business Districts (CBD) in Australia came up with some innovative solutions. Historically, operations centre on the use of a vehicle and a driver to collect and distribute parcels within busy city centres. With growing congestion in the CBD and the increasing demands on limited parking spaces, the time spent by employees delivering parcels has declined, whilst the time spent in the vehicle moving around the city and trying to find appropriate parking spaces and unloading bays has increased. TNT was quick to identify this decline in operational efficiency but how to solve the problem was less clear. A lean project was set up to instigate the problem and to look for possible solutions, including alternative ways of operating. Although the program also operates in Melbourne and Brisbane, our focus is on the CBD in Sydney.

At the time of the study, TNT had 25 vehicles going into the city centre from three or four different depots and the main challenge was to find ways to provide a more efficient service to customers located in Sydney. In the wake of experiences in Brisbane and Melbourne, the preferred solution was to get employees to deliver parcels by walking rather than driving in the CBD. However, this would not only change existing practices but also payment systems as drivers – under the existing system – used their own vehicles, for which they received a significant sum (averaging around \$25,000 per annum). In using a lean methodology, the first task centred on a detailed analysis of current operations and how employees (TNT also have a number of subcontracted drivers) working with parcels in the city allocate their time in a typical day. In a minute-by-minute breakdown of working activities – including, for example, how much time employees are spending:

- in the vehicle,
- walking to the customer,
- walking back to the vehicle to renew parking tickets,
- on breaks and
- actually delivering parcels and getting them signed for.

A clearer picture of a typical working day was constructed based on actual data. Armed with these measurements, the team then set about looking for ways to improve productivity.

It quickly became apparent that employees were spending large amounts of their time managing the vehicle – acting more as a storage facility than a vehicle for transportation – and that this limited

(Continued)

the amount of time employees had available for the core task of parcel delivery. Parking and vehicle movement activities were taking precedence over the value-added aspects of the work in picking up and delivering parcels. The solution was evident: employees needed to spend more time on the parcel aspects of the job and less time in managing vehicles, but how to achieve this in practice remained an issue for further consideration.

The creative idea of establishing accessible storage facilities in the CBD for employees to pick up and deliver parcels without the need to use vehicles as portable storage units arose. The idea was deemed pertinent and realizable and the issue of how and where to erect storage facilities had to be considered, as well as the costs and benefits associated with various proposed schemes. One innovative solution that surfaced from an external conversation between the lean manager and a council official centred on the idea of putting containers in car parks. The idea developed around the notion of utilizing dead space. This refers to spaces that were not large enough for a full vehicle, as for example in the space between two pillars. This dead space was ideal for developing new storage facilities for TNT in car parks. Once agreement and confirmation of the commercial and operational feasibility of the idea were in place, the lean project team then needed to contact car-park operators to discuss whether they would be interested in their proposal. Car parks had good potential, with camera security and safe walkways, and at this time, a number of car-park operators were struggling commercially. TNT simply had to ensure good street access for vehicles to drop off freight to the containers as well as good positioning, that is, facilities needed to be close to drop-offs and pick-ups (TNT's hot spots). After contacting a number of car-park operators, there was a discussion around payments for renting these types of spaces and, in some cases, further options arose.

In discussing the generation and development of this creative idea, the lean project manager explained the process as follows:

I have been doing this project in Brisbane, Melbourne and Sydney. However, Sydney was always the toughest nut to crack. As part of that, I visited each of the city councils and said 'OK, what are your plans for the city centre; this is a project I am doing for TNT. You'd probably be interested from an environmental point of view.' The conversation with the guy in Sydney went along the lines: 'Yes we're pedestrianizing George Street in the next couple of years and you know, we are having to displace three hundred buses an hour from George Street so there will be much less loading zones, we will probably introduce premium parking.' He said 'Why don't you look at car parks. Some of the car park proprietors are struggling' ... So then I started approaching car-park operators. Some were against it because of OH&S, some proprietors came back and said 'No, no – this is a car park it is not a distribution centre.' They had some reservations about the look it was going to give to their car park. We worked out that we only needed four locations and we have one that has been in place for 15 months. We have another disused office within a car park that we are using and that is even better. There is no container, full security with pin code and everything. So, yeah, if we can get four we reckon that we will have good enough coverage. It is only going to get more congested in the city centre. So, this is your vision guys, you got to be thinking not about just next week, you've got to be thinking about 3 years, 5 years, 10 years.

During this unfolding process of creativity and innovation, new ideas emerge and there is an assessment of their commercial feasibility and an identification and discussion of potential change

pathways. However, there remains the issue of managing the change and dealing with the concerns and responses of those on the receiving end of change. The change expectation was for employees to shift from a job where they spend a lot of their time in the car to one where a car is no longer a necessary requirement. This shift from vehicle to doing their day's work on foot is a significant change. In addition, there are remunerative implications to the change (given the vehicle fee that drivers are entitled to), as well as the disruption to existing social arrangements that would have built up around current practices. Those on the receiving end met the proposals for change with resistance. As the lean manager recounts, 'At Botany, they have sub-contractors, so the greatest concern was not that you are going to ask me to walk, but the point that a large part or a significant part of their income is for the vehicle itself that they supply as part of their agreement.'

In managing the change in Sydney, the lean manager – using a lean perspective – opted for a more inclusive strategy by getting the drivers involved in a dialogue and discussion on possible issues and proposed solutions. He involved employees in the process indicating that, whilst he did not have a set solution, they did need to change current ways of operating which were becoming increasingly inefficient, especially given the growing problem of vehicle congestion in the Sydney CBD area. As a TNT manager reflects:

There is nothing worse when you are introducing change than people not understanding what they are doing it for or why they are doing it. However, if they have been involved from the start, they can see the story. They can go away and when they are communicating with their colleagues, they will say 'I know it might look stupid from the outside, why we are doing this, but I know why we are doing this, I have been involved, I can understand why this decision has been reached.' It is the same whether it is in operations or whether it is systems implementation in the office.

In managing the change, TNT did allow for a certain degree of flexibility in allowing people to continue using their own vehicle, but in doing so, they were required to change to an out-of-town area rather than to work within the CBD. However, resistance still occurred as some people preferred to work in the city where they had an established network of social relations, including, for example, meeting people for lunch or spending time in the city after work. As the lean manager recalled:

I have met with resistance not just from the drivers themselves but from the depot manager who is keen to avoid the fallout of disenchanted drivers. Even though considerable cost savings arose from the walkers starting and finishing in town rather than starting 6 o'clock in the morning at the depot and finishing at 7 o'clock at night at the depot. If we get the guys starting and finishing in town, starting say half past 7 or quarter to 8, finishing at 5 o'clock, then we don't get the extra two or three hours at double time and that's a significant saving to us. However, even that did not entice the depot manager to support this change. He was more concerned about whether he was going to get a lot of hassle from drivers who are often quite vocal and can be awkward. You know: 'Why are you doing this, this is not going to work?'

Resistance to this type of change is common, particularly among those who feel the direct impacts of change, for example, those who are aware of the potential implications for an overall reduction

(Continued)

in salary. However, resistance can also come from unexpected quarters and from people you might consider as benefitting from the changes proposed. For these, other issues emerge, such as familiarity with routines and existing ways of doing things, working within established networks of people, and using local facilities for retail and refreshments. These social factors can draw us towards maintaining the status quo and resisting change, particularly if others are imposing that change. The extract above also illustrates how people given the task of managing the change may resist such an initiative because they are concerned about the fallout, tensions and bad feelings that might arise, potentially increasing stress on the job and conflicts in relations with their staff.

This short case provides a good example of the interweaving of creativity, innovation and change from the generation of new ideas to their translation into new innovative solutions and the issues that may or may not arise around the implementation process in the management of change. It is also an interesting case in highlighting how significant innovation and change can emerge from simple low-tech solutions.

QUESTIONS

1. How did this creative idea come about and what can we learn about the process by which a new idea transforms into innovative change?
2. Try to take the perspective of a TNT driver working in Sydney CBD and write down what you see as the main threats and opportunities of the proposed changes. Also, reflect on whether you would resist these changes and if you would, outline why and how you would go about this.
3. If you were the manager tasked with implementing these changes, how would you go about it? (Ensure that you consider the people aspects of managing change.)
4. What does this case tell us about the relationship between creativity, innovation and change?

RATIONALE AND STRUCTURE OF THE BOOK

The rationale for the book centres on the need for a more process-oriented and holistic approach that is able to cut across boundaries and disciplines in furthering our knowledge and understanding of change, creativity and innovation. Our intended audience is students of management in both a formal sense – as students in formal education – and more broadly, in terms of practising managers and those that have a more general interest in the management of change, creativity and innovation. We have designed the text to encourage reader engagement with case study material, interviews, reflective questions and hands-on exercises. At the end of each chapter, we present some useful discussion questions, case studies, websites, recommended readings and different types of group discussion work. Our aim is to deliver a readable and accessible account of scholarly academic research, influential models and key theoretical perspectives whilst relating these to our knowledge and understanding of change, creativity and innovation as well as to the organizing practices integral to those ongoing dynamics. Managing these processes is not simply about the management of organizations but is concerned with how individuals, groups and stakeholders at all levels (internal

employees and external agents) experience and shape such processes. This includes, for example, developing new strategic directions, managing the twists and turns of implementation, making sense and influencing people through storytelling and sense-giving, employing techniques to shape change in certain preferred directions or resist initiatives imposed by others. Our aim is to further our theoretical and conceptual understanding of change, creativity and innovation, and in pursuit of this we have divided the main body of the text into three distinct sections.

Part One sets the scene, outlining our intention to develop an integrative process approach that is able to draw from a range of disciplines and fields of research. We commence with a chapter that examines central aspects of managing change, creativity and innovation, providing a working definition for each of our three core concepts and a summary of key debates. Chapter 3 provides an historical overview of developments in management thought and business practice spotlighting the importance of contextual and socio-political economic factors to the identification of practical problems and the construction of new theories of explanation. The chapter ends with a discussion of prospective scenarios in a global digital world where jobs are becoming increasingly precarious and the disparities in income and wealth are widening. The essential aim of Part One is to establish some foundational underpinnings and contextual grounding in providing a conceptual overview of change, creativity and innovation.

Part Two examines change and innovation in organizations. Discussions on philosophical assumptions, theoretical perspectives, frameworks, models, case examples and practical guidelines are central to our intention of providing a balanced account of a range of competing claims and positions. Although our own preference lies with process organization studies, we engage with the full range of offerings, enabling the reader to make their own final assessment of the standing and value of the material presented.

We commence with an identification of the key assumptions that underscore foundational theories on change and their implications for the development of concepts and models that attempt to explain and predict change trajectories. In summarizing a wide range of perspectives, we include a short classificatory table for easy reference (Appendix I) and critically discuss the theoretical positioning of the main approaches. In drawing attention to the change–continuity paradox, we pose challenging questions for the reader to consider in reflecting on the concepts and theories of competing schools of thought. Through exploring the conundrum of change, we draw out the contradictions and ambiguities and review the contextual development of models and frameworks. We outline the key dimensions that mark particular types of change and identify the external and internal drivers for change. A range of concerns is considered, including perceptions and the development of proactive and/or reactive strategies for change, culture and readiness for change, planning for the future and the pros and cons of best practice guidelines. Other topics include the importance of communication, the influence of power–political processes, time perspectives and the notion of sense-making.

Chapters 8, 9 and 10 offer a critical assessment of the more influential theoretical and practical approaches, ranging from the seminal work of Lewin through to contingency perspectives, discourse and narrative approaches, practical stage models on leading and managing change, and more process-oriented frameworks. Implications and pitfalls of the trend towards more fusion-type approaches that attempt to merge

ideas from competing and, at times, conflicting perspectives are also considered. Taken as a whole, the section enables the reader to reflect on notions of planned and processual change, linear and non-linear time, diagnostic and dialogical approaches, and the interplay between objective views of the world and people's subjective experiences.

Part Three examines creativity and innovation. We commence by considering creativity and creative industries as key areas of innovation and change in relation to today's competitive business landscape. In evaluating the importance of creative industries and explaining what constitutes the new economy we also discuss the concept of creative regions and cities and the debates that surround them. From this broader context, we then turn our attention to an evaluation of the literature on creativity and the individual and the knowledge process (explicit and tacit) as well as motivational factors that support and contribute to critical thinking and creativity. We examine the differences between a group and a team and the processes that encourage and nurture creativity. We also identify and evaluate different techniques for achieving this, such as the influence of brainstorming on the generation of new ideas. There is a critical assessment of leadership, as a central element in the management of change, innovation and creativity. We provide a historical overview of key leadership theories from which we identify key ingredients of leadership for creativity and innovation. The internal characteristics of an organization in relation to the less visible elements, such as culture and the more visible aspects, such as structure, systems and resources, all come into play in constraining and enabling people's creative engagement.

We use a range of examples to illustrate how the procedures and structures of an organization as well as the norms, values and collective beliefs of employees (whether on the shop floor, within middle-level management or among senior executives), all serve to shape and influence processes of creativity, innovation and change. In examining these various themes and issues, each chapter presents a number of case studies/exercises to enable the reader to ponder on their own experiences (and those of others) and then apply these to the theories they have learnt. The book concludes with a short summary chapter outlining our main findings and presenting eight key lessons for managing change, creativity and innovation.

CONCLUSION

In an ever-changing business world with economic fluctuations, new growing markets, financial constraints and fierce competition the fortunes and experiences of organizations vary, with mergers, downsizing and restructuring being popular strategies that are often combined with various management techniques for improving efficiencies whilst reducing costs. By examining these movements over time as organizations adapt, reorganize and adjust, commentators have been able to distil out common patterns and general issues as well as unique contextual elements. Although it is possible to identify general trends and processes that allow for more abstract theorizing, the importance of contextual understanding cannot be understated. It is this tension between broader theorization, the identification of more generalizable strategies and the unique organizational practices captured in detailed empirical descriptions, which

mark this area of study as contentious and debatable. We argue that there are no silver bullets or ready-made solutions but there is a considerable amount of expertise and research that helps expand our knowledge and understanding. It is often the search for answers in reviewing studies and engaging in research that offers us the greatest insight and understanding. As we shall see, there is an abundance of models and frameworks that purport to provide answers, and yet whilst there is general agreement on the imperatives for organizations to adapt to turbulent environments – Volatile, Uncertain, Complex, Ambiguous (VUCA) – there is considerable disagreement on how best to understand and manage these processes. In part, this problem arises from the nature of our phenomenon of interest, which centres not only on what has happened and what is currently happening, but also on potential futures, on the transition and transformation of organizations as they move from a current situation towards an intended future position that has yet to come. In examining these debates and perspectives, certain frustrations may arise from the arguments and counter-arguments, from the lack of clear solutions to complex problems, to the ambiguities and inconsistencies in theories and practice, but the reader may find certain approaches that resonate more than others in shedding insight and offering explanation. We would encourage you to consider, discuss and critically evaluate all of these definitions and positions we report on in our discussion of the literature in coming to your own judgment on the nature of change, creativity and innovation.

The questions below relate to the chapter as a whole and aim to encourage reflection, as well as serving as a source for open group discussion and debate:

1. Consider and discuss the nature of the relationship between our three key concepts of change, creativity and innovation. Do this by first providing and discussing examples of each; and second, by using these discussions to evaluate and reflect upon the interconnections of our concepts and the way that processes associated with change, creativity and innovation may relate to each other in practice.
2. In drawing on examples that you are familiar with, examine and debate the importance of change, creativity and innovation to the competitiveness of business organizations.

Go to the following link (Mitic, 2020) <https://fortunly.com/statistics/gig-economy-statistics#gref> and look over the material on the gig economy. Make notes on what you consider to be the advantages and disadvantages of a gig world and consider

(Continued)

the importance of the gig economy to your current position and future intentions. After 15–20 minutes form into a small group and prepare a response to one of the two statements below.

1. The gig economy provides job opportunities with greater freedom to pursue other activities outside of the restrictions imposed by the time commitments of full-time employment.
2. The gig economy is detrimental to a fair distribution of income in society and likely to further wealth inequalities and heighten divisions.

Once complete, each group should reconvene with the rest of the class and present their findings. If time allows, engage in a wider debate until the end of the session.

The Division of the Organization Development and Change website of the Academy of Management is a useful source of reference material and academic activities at <http://odc.aom.org/>. There is also a Special Interest Group (SIG) at the British Academy of Management but you need to be a member of BAM to login at www.bam.ac.uk/signs-organizational-transformation-change-and-development.

There is a range of consultant groups and companies that promote their abilities to help organizations achieve successful change. For example, Prosci offers a range of resources at www.change-management.com. Other websites include www.change-management-toolbook.com/, www.knowhownonprofit.org/leadership/change and www.odnetwork.org/. We do recommend caution, however, when companies advocate simple solutions or models to manage the complex process of organizational change.

There is a good TED video 'Your elusive creative genius' at https://www.ted.com/talks/elizabeth_gilbert_your_elusive_creative_genius. This also opens up other TED talks on creativity.

A website called the Creativity Web offers links to interesting tools and techniques, quotations and other basic information at <http://members.optusnet.com.au/charles57/Creative/index2.html>.

Innovate UK aims to help promote innovation and technology in UK business: www.gov.uk/government/organisations/innovate-uk.

Topical articles are on offer on the UK government's website for the Department for Business, Energy and Industrial Strategy at www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy.

This section comes with plenty of online tools to help you to go that extra mile in your studies:

- **Journal articles** which provide further reading for assignments and essays.
- **Videos** to help you to understand how complex concepts work in the real world.

Visit <https://study.sagepub.com/dawson4e> to access these resources.

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Processes of change, creativity and innovation interact and overlap as creative ideas generate the possibility for innovations that in turn require acceptance and implementation in order to become established in changing organizations.

LEARNING OUTCOMES

After reading this chapter, you will be able to:

- Understand the concepts of change, creativity and innovation.
- Identify the key dimensions and triggers to organizational change.
- Appreciate the debates around creative process and creative thinking.
- Gain greater awareness of the key theories, concepts and models of innovation.
- Broaden your knowledge of the complex and processual nature of organizational change, creativity and innovation.

INTRODUCTION

This chapter introduces change, creativity and innovation – a large area that covers a range of theories and disciplines. Integrating theories and studies from the areas of

psychology, economics, sociology and organization studies is not an easy task but is a necessary journey in our search for greater understanding. We are necessarily selective in identifying key studies that explore the concepts of change, creativity and innovation, and we examine the relationships between these processes that mark what, we would argue, is an essential feature of modern competitive business organizations. In this chapter, we commence with a discussion on organizational change in which we identify and describe the main dimensions of change. In considering creativity, we highlight a number of myths and discuss problems in defining what we mean by the term 'creativity'. Turning to innovation, we outline different types and theories of innovation and show how this concept relates to processes of creativity and change. Overall, the chapter aims to clarify concepts whilst also illustrating the complex and processual character of organizational change, creativity and innovation.

ORGANIZATIONAL CHANGE

A common characterization of organizational change is the movement over time from existing ways of doing things to alternative and new ways of operating. It is ongoing, emergent and dynamic as well as being part of planned change initiatives that seek to secure specific objectives.

It is important to note, however, that even when sequences of change are preset, the unexpected and unforeseen will occur. This will require the need for continual adaptation and flexibility to the best-laid plans of change agents. Organizational change ranges from corporate restructuring and the replacement of key personnel through to mergers and acquisitions, to the setting up of new regional offices, to the minor modification of basic operating procedures within a particular branch or plant, and to emergent and unplanned for change. It is the process of moving from a present (current state) to a future (potential future state), which, whether planned or unplanned, comprises the unexpected and unforeseen as well as the expected.

Integral to our concept of change are notions of uncertainty (the unknowable future) and continuity (as Heraclites commented, 'Nothing endures but change'). Change is ongoing, it equates with life, with our own personal, social, mental and physical development and with our ability to learn, to adapt and to play an active role in social and community activities. Institutions, regulatory bodies, laws and social codes all serve to shape our behaviours in providing various rules and codes of social engagement. As such, it is perhaps not surprising that our own experiences of change can also draw to our attention certain recurring patterns and cycles.

DEFINING ORGANIZATIONAL CHANGE: THE KEY DIMENSIONS

Over the last two decades, there has been a plethora of organizational change initiatives from the various mergers and acquisitions that have occurred through to the uptake and use of new management techniques and the adoption and use of advanced

information and communication technologies. There has also been a growing body of research and literature on various aspects of change (see Carnall and Todnem, 2015; Burnes and Randall, 2016; Hodges, 2016), including the theory and practice of organizational change (Burke, 2011; Myers et al., 2012; Burnes, 2018), philosophies of organizational change (Smith and Graetz, 2011), storytelling and change (Boje, 2012; Jabri, 2012), time and the temporal aspects of change (Dawson and Sykes, 2018), practical guidelines on managing change (Bevan, 2011; Cameron and Green, 2015; Potter, 2015) and on why change fails (Oss and Hek, 2012), as well as material on Organizational Development (OD) (Gallos, 2006; Anderson, 2010; Shani et al., 2012) and the more general pedagogical books on change management (Burnes, 2009; Grieses, 2010; Senior and Swailes, 2010). There is certainly plenty to choose from in the marketplace and there is little indication that the demand for change management books is likely to diminish in the near future. One significant turn is in viewing organizational change as pervasive, persistent and normal. As Burnes (2018: xii) states in his preface, 'the magnitude, speed, impact and especially unpredictability of change are greater than ever before'. However what remains something of a puzzle is that, despite all the scholarship, research and practical guidelines written on change management, our theoretical and conceptual understanding of the change process has not provided any lasting prescriptive answers (Dawson, 2019).

As Pettigrew concluded nearly two decades ago: 'This constant process of change and renewal means that, whilst scholars and managers can take forward certain key messages, there will always be a need for more research on innovative forms of organizing' (2003: 351). Change creates the new that refines, combines, displaces and overlaps with what has gone before. It is, as we shall see, something that is non-linear, ever changing and transforming, reshaping in unexpected ways over time (Dawson, 2019). However, there are also certain recurring patterns and a number of dimensions to change that constantly arise in the literature in the development of models and theories of change. It is to a discussion of these characteristics that our attention now turns prior to identifying some of the key change drivers.

Although our definition of organizational change as movement from a current position to future state provides a useful starting point, it is limited. For example, when conceptualizing organizational change we should differentiate between an individual's decision to use an electronic diary with the decision of some large corporation to de-layer and downsize their worldwide operations. The scope of change when restructuring operations worldwide is enormous when compared to an individual's use of an electronic diary. The scale of change is another dimension used to differentiate types and levels of change. These range from small-scale change initiatives, for example the modification or updating of an existing e-mail service, to more radical or large-scale change initiatives, such as the company introduction of a comprehensive Enterprise Resource Planning (ERP) system (see Charles and Dawson, 2011). This, in turn, raises the issue of the nature of the change and the context within which it takes place. We use the concept of sociomateriality to refer to the nature of change and the contextual reconfiguration of these changes over time (for a fuller discussion of sociomateriality see Chapter 10). For example, are we talking about a corporate wide cultural change programme, the introduction of new technology in a small business, or the adoption of just-in-time management across a supply chain network? The context within which

change occurs (internal and external), the nature of the change and the strategies used for managing these processes, for example, whether involving employees or using more autocratic methods (see Buchanan and Badham, 2020), are all elements that shape processes of change.

On the timeframe of change, the question arises as to whether the transition is rapid (Newman, 2000) or occurs incrementally over time (Quinn, 1980). The speed of change (this temporal element) often links with the scale and scope of change, with a distinction between incremental and more radical and discontinuous change. For example, first-order incremental change is generally seen to reflect a slow adaptive movement that refines rather than revolutionizes existing structures and operating procedures – developmental and transitional change – whereas second-order discontinuous change is seen to be of a higher order of magnitude in transforming the very nature of the organization – transformational change (Bate, 1994). Balogun and Hope Hailey (2008) claim that there are two dominant schools of thought on how change occurs: the first views change as a continuous ongoing process (incremental change) and the second views change as episodic, where an episode of radical, transformative change punctuates the normal course of events. We would argue that there are more variations than suggested by this simple dichotomy. Most scholars recognize that change can be incremental at certain times, and at others there can be major transformational changes. These changes may arise through proactive strategies that seek to fine tune operations (incremental change) through to initiatives for corporate transformation (radical change), or they may be reactive to unanticipated changes in the wider business environment (see Case 2.1). Palmer and colleagues (Palmer et al., 2006: 79) use the example of ‘the catch-up response of other New York banks to install ATM machines following Citibank’s lead’ as an incremental adaptive change; and the major restructuring of Chrysler under Iacocca as an example of reactive ‘frame-breaking’ change.

The use and distinctions made between terms can become confusing given the slight – but at times significant – variation in meaning found within the literature, especially when applied to particular change management theories. A good starting point in thinking about change is the original model put forward by Beckhard and Harris (1987). They describe change as the movement over time from a present state of organization to some future state (Beckhard, 1969; Beckhard and Harris, 1987). Figure 2.1 illustrates the notion of change being movement over time. The status quo represents the present state of the organization with the future desired state being the new position that people in the organization seek to achieve through a change initiative. In this example of planned change, the movement from present to future state – the transition state – refers to the implementation of the proposed changes. From a processual perspective, change is always ongoing with no static states; however, this frame is commonly in use by those seeking to implement a well-defined programme of change.

Under this model, managing change (the action at C – the transition state) is the movement of an organization from a current state (A – status quo) to a future state (B – aspirations of the organization). The central managerial task during the transition rests on how to achieve state B, the desired expectations and objectives, without due cost to the organization or employees. The implementation problem, within the transition state, centres on three core elements. First, how to avoid resistance

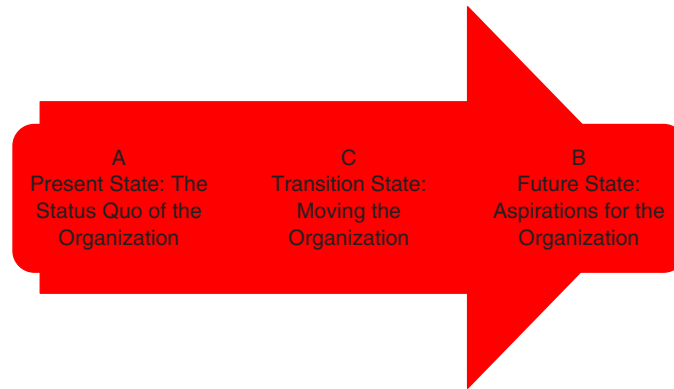


FIGURE 2.1 *Movement from current state to desired future state*

and motivate people to change; second, how to control and minimize the disruptive aspects of change during the transition; and third, how to shape the political dynamics of change so that ‘power centres develop that support the change, rather than block it’ (see Nadler, 1988: 724).

Managing the human aspects of change, planning for relatively smooth transitions and dealing with contingencies as they arise, and tackling the political aspects of change, have all remained central areas of interest and concern in studies concerned with organizational change. For example, Buchanan and Badham (2020) focus on political processes in the management of change. They advocate that when employees readily accept the purpose and methods for change then change agents can use strategies for extensive participation. However, more radical change initiatives generally heighten uncertainty and conflict. In the context where change occurs rapidly, is critical to company survival, yet contested, change agents will have to take a more proactive political position in adopting what they term as ‘power-coercive solutions’ (Buchanan and Badham, 2020: 246–278). Essentially, they claim that any form of contested change will necessitate political activity in dealing with opponents and building support for the initiative (for further discussion of their work, see Chapter 7). As we shall see, there is a range of models and theories that draw on various combinations of these defining characteristics in categorizing different types and levels of change and strategies for managing the change process, but before illustrating one of these, we examine the key drivers and triggers for change.

THE MAIN DRIVERS OF CHANGE

There are a number of drivers (also referred to as ‘triggers’) for promoting change (Palmer et al., 2009; Senior and Swales, 2010). These drivers for change occur from within the organization through various change initiatives and through processes of

ongoing change, in strategies and reactions to shifts in the local business context and to wider external environmental issues. In the case of creativity and innovation, the generation of new ideas and their translation into change initiatives, for example, new products, services or ways of doing business can trigger change through internal activities (idea generation and the development of new products or processes within organizations). Shifts in the local business market can also drive change for example, in responding to creative developments in competitor marketing strategies or through innovations in supply chain initiatives, such as adopting just-in-time techniques or the use of RFID technology. Within the wider external environment events such as the global financial crisis, COVID-19 and major political and social occurrences can necessitate creative and innovative responses for companies to remain in business. We outline examples of these different triggers for change that range from factors arising within organizations, to those emerging in the local business context as well as those occurring within the wider environment in Figure 2.2.

Triggers for change arising within the organization are various. For example, a change in the senior executive can result in the introduction of new initiatives to reposition and reconfigure the management and operation of a company. Other examples, such as new health care promotions, the setting up of child-care facilities, revisions to operating procedures and the introduction of new methods of communication, are all aspects of internally driven change. Change may also arise from the generation and translation of new creative ideas in the development and adoption of innovations. Four internal triggers to change commonly referred to in the literature draw on the early work of Leavitt (1964) who identifies technology, primary task (core or main business), people, and administrative structures. Interestingly, technology is both a driver for change within organizations as well as a trigger for change in the wider external environment. As an internal trigger, we can broadly define the concept of technology to refer to the plant, machinery and tools (the apparatus) and the associated philosophy and system of work organization that blend together in the production of goods or services. Thus, a change in an organization's technology may involve the installation of a single piece of equipment or the complete redesign of a production process. The primary product of an organization refers to their core business, whether this is providing a health service, refining oil or developing computer software. Administrative structures refers to the procedures and arrangements that support the coordination and control of work activities. Formalized lines of communication, established working procedures, managerial hierarchies, reward systems and disciplinary procedures, represent these forms of administrative control. People, or human resources, refer to the individual members and groups of people who constitute an organization. Established groups develop their own norms and values that serve to regulate behaviours. We often refer to 'the way we do things around here' as the culture that people create and continually adjust through their daily interactions. As we will discuss later (see Chapter 7) resistance is common when change initiatives challenge the culture of a group and people are expected to adapt to changes in operating procedures, staffing arrangements and even, perhaps, a change in the geographical relocation of work. These key triggers of change that comprise core business, technology, administrative structures and people and culture we outline in Figure 2.2.

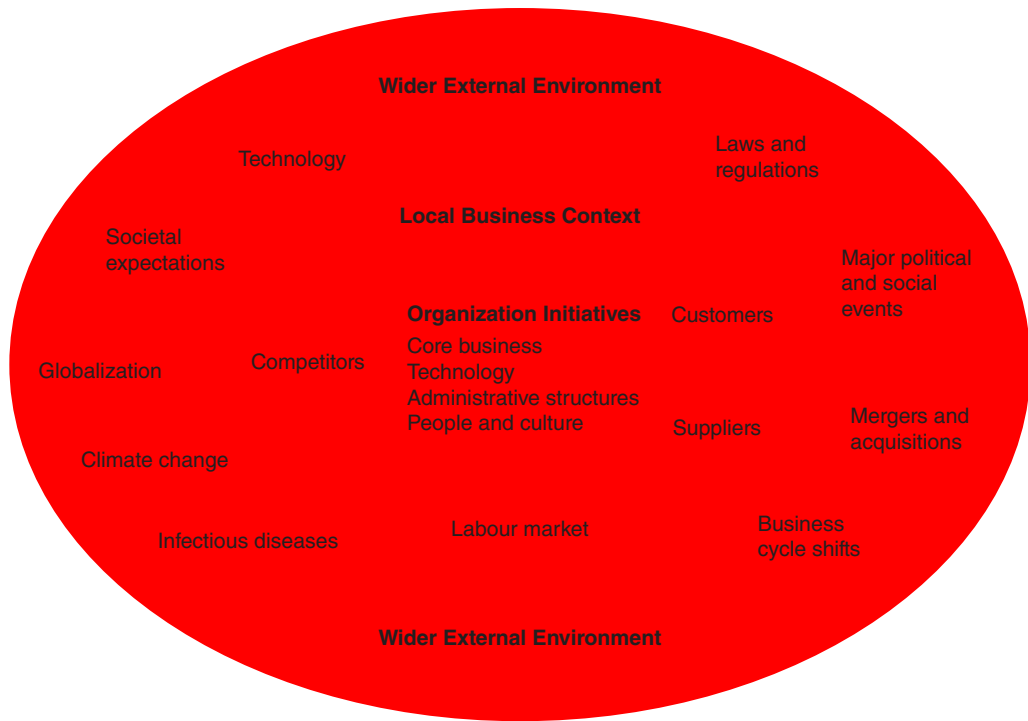


FIGURE 2.2 *Triggers for change*

Drivers for change in the local business context include changing issues and developments around customers, suppliers, labour markets and competitors. For example, whether a ready supply of appropriately qualified personnel is available in the local labour market, shifting customer expectations, changes in supplier networks, a shift in competitor strategy or development of new competing products or services can all act as triggers for change.

Within the wider external environment, many different happenings can trigger the need for organizations to change. Some of the main factors we outline below and in Figure 2.2 are:

- government laws and regulations (for example, legislation on age discrimination, world agreements and national policies on pollution and the environment, international agreements on tariffs and trade);
- societal expectations for businesses to operate ethically and responsibly, demographic changes and shifts in customer requirements;
- globalization of markets and the internationalization of business (the need to accommodate new competitive pressures both in the home market and overseas);