



White Paper

Building the Innovative Organization:

A Select Literature Review of Key Factors of Organizational Innovation and Their Impact on Employees

By Timothy C. Ruger

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Building the Innovative Organization

Written by Timothy C. Ruger

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Abstract

The following select literature review focuses on academic research which suggests criteria for creating and sustaining an innovative organization. Two complimentary models are proposed for accommodating key factors, aspects, and variables for prescriptive advice derived from research, surveys and whitepapers. A diverse number of effects on the employee of the innovative organization are assessed within this study. General suggestions are made for establishing the organizational organization and assessing this impact on the employee.

Introduction

There is no doubt that innovation is a key source of growth and significant determining factor for today's rapid-changing and digitally advancing organization in relation to competitive advantage and market survival. From academicians to pop business advice and chatter on the internet, innovation is the key way to adapt to the protean global market. The literature is vast and accumulating as a discipline in itself within business: innovation management. As noted by Birkinshaw, et al (2008) research in innovation is derived from diverse sources and disciplines as well as particular perspectives of inquiry: *Strategy, Culture, Leadership, Organizational Structure, External/Environment Links*, to name a few. To achieve innovation, most agree, there are needs for the coordinated efforts of many key personnel, as well as the necessity for integration of work activities across all domains of knowledge, specialist functions, and contexts of routines and applications. In addition, an organization's climate, culture, resources and skills, structure, leadership style and systems are all factors which affect the creativity an organization possesses which lead to innovation (Andriopaulose, 2001). As Khandwalla & Mehta (2004) have stated innovation-friendly modes of strategy, structure, management styles and support are all essential factors for innovative success. The underlying assumption is that innovation requires innovation. Though this seems a tautology at a surface level, it is not. Re-innovating requires fundamental changes to an organization's structure, strategy, and culture. Usual prescription of achieving innovation are from the ground up –focusing on flexibility, open communication, a dismantling of hierarchies with the establishments of collaborative and creativity communities of creativity and innovation. As Van de Ven, et al (1999) in *The Innovative Journey* describe: organizational creativity is fundamental to the innovation process. As a pre-condition, the ability of an organization to innovate is the successful foundation to utilize new technologies, novel processes and products, inventive resources and services. Conversely, the introduction of these changes often present complexity and challenge for organizations which lead to emerging new organizational practices and

forms. In addition, as Ahmed (1998) has fundamentally assessed: innovation is the basic engine of change, especially in today's highly digital, rapid-paced and shifting environment. Change brings complexity, uncertainty, risks and other potentially dangerous variables into an organizational assessment, but it also brings great opportunity and a chance to survive in a volatile and frenetic often technological market. Technological innovations are intimately related to organizational changes. As early as 1942, Schumpeter envisioned innovation as “creative destruction” in which organizational changes, new products and processes, as well as routines and services are being set in place simultaneously with the dis-mantling of the old. This process of innovation is considered as a built in factor of capitalism –innovation being a dialectical process inherent to business, if it is to survive. Incessantly, organizational modes and structures are destroyed, while new ones are being built. The questions which are particularly relevant to this essay are two-fold: *How does one build an innovative organization? What impact will this innovative culture have on employees?* To this end, a select literature review will be assessed focusing on prescriptive advice in establishing an innovative organization drawn from academic research, surveys, and organizational white papers addressing this theme. This will be followed up with a summary of possible effects on the employee within the innovative organization.

Select Literature Review of Approaches to Organizational Innovation

Slapendell (1996) assessed a tripartite classification of perspectives on how innovation arises within the organizational context: individualist, structuralist, and interactivist. The first and last are largely – oriented towards the human (leader/visionary) or group, while the structuralist perspective views innovation as arising from the very structure of the organization itself. These perspectives are largely based on epistemology assumptions and bases of inquiry. In accordance with these perspectives, Gu and Tse (2010) survey the literature that focuses on innovation and despite its vastness and diversity can be summed up in two approaches: the structure approach and the learning approach. The first

views the structure of an organization as the result of organizational innovations. An optimized structure of the organization would be reliant on a diverse number of factors such as: corporate strategy, market and technological environment, organization age and size, transaction costs, the role of knowledge assets or innovations, regional differences, as well complexity and adaptation in fast-paced rapidly changing markets and environments. These structural variables are the units of analysis on product, process or service innovations. Thus, organizational design focuses on the link between structure and the propensity of an organization to innovate. In contrast, the learning approach pioneered by Levitt and March (1988) build upon organizational knowledge and the experiential lessons of history which become institutionalized or encoded within an organization's operations. Innovations, within this approach occur as a dynamic process of routines and adaptation. The organization is viewed as collective corporate knowledge. This approach has relevant ties to cultural approaches to innovation. Viewing the organization as a culture and by what artifactual, symbolic, discourse-related means will the organization create novelty, new products, services, processes and sustain itself. This complimentary line of cultural analysis was in part developed by Hofstede (1991) and congruent with a number of interdisciplinary themes to analyze the organization as a culture, including corporate narratives, ethnographic studies and field research, symbols and branding, general systems theory. This approach tends to view the capacity of organizational cultures to create and exploit new knowledge necessary for innovation to take place. An emerging third, rather interdisciplinary, approach to innovation has specifically viewed the organization in terms of adaptation for understanding how organizations respond to changes in the external environment in the face of radical environmental changes and technological shifts. Innovation being viewed as a dynamic capability of sustainable enterprise or organization performance. (Teece, 2007). All approaches are subject to whether innovations are incremental or radical. This approach would borrow theoretical underpinning from biology, general systems theory, economics, cybernetics in that structural innovations and modifications would be

adapted from feedback and feed-forward loops. To this idea, Kalyani (2011) proposed a general model for innovative business organizations which is prescriptive to accommodating change and while creative the innovative novelty of products, services, and processes. The linear model with a feedback loop suggests general systems theory and a cultural learning approach to sustain growth in changing environmental scenarios:

- Create the Required Foundation
- Enhance Operations to Foster Innovation
- Manage the Ongoing Change
- Institutionalization and Stabilization
- Periodic Audit and Evaluation

This model is general enough to accommodate any of the underlying philosophies of the approaches mentioned above. As a 5 step process of continual innovation, one would make assessments of current operations, routines, tasks as well as the adaptation of roles, responsibilities and functions of current actors within the organization. This backwards glance of "experiential history" would help in modifying any of the variables above. Secondly, one must enhance or modify the business environment and organizational structure which empowers employees and promotes the necessary collaboration needed for new ideas to take shape. Drawing from research, Kalyani suggest key culture attitudinal variables and behaviors which are needed to make the enable the innovative organization to be operational: *Openness, Collaboration, Trust, Authenticity, Proactivity, Autonomy, Confrontation, and Experimentation*. Then teams must be developed to manage the ongoing change in process helping move the organization into a new desired state of functioning, structure, and process. The fourth step refers to the change in the organization as a permanent-structural part of the organization, and achieves stability as the natural way of the working style or process of the organization. Finally, continuous feedback is needed to understand how the changes are impacting employees and how production, services, and/or processes are working so that modifications can be adapted if needed. With this

general innovate business model in place, some specificities, variables, prescriptive advice and suggested criteria can be elaborated upon.

Prescriptions for an Innovative Organizational Culture

Martins and Terblanche (2003) view innovation arising from the structure of an organizational culture. Noting that a culture is constituted by the following: *Mission and Vision, External Environment, Means to Achieve Objectives, Image of the Organization, Management Processes, Employee Needs and Objectives, Interpersonal Relationships, and Leadership*, the authors argue that these filter into determinants of organization culture that influence creativity and innovation. These determinisms are strategy, structure, and support mechanisms, behaviors that encourage innovation and communication which in turn create and foster an innovative organization (see Table 1). Among the key innovation variables within this theory and relevant to this discussion (70):

| Strategy | Structure | Support | Behavior Encouragement | Communication |
|------------------------------------|---|---|--|---------------------|
| -Mission/Vision -Purposefulness | -Flexibility -Freedom -Autonomy -Empowerment -Decision Making -Cooperative Teams and Group Interaction | -Reward and Recognition -Availability of Resources -Time -IT -Creative People | -Mistake handling -Idea Generation -Continuous Learning Culture -Risk Taking -Competitiveness -Support for Change -Conflict Handling | -Open Communication |

Panne, et al (2003) also surveyed the literature regarding the success and failures of innovative projects qualitatively in a comprehensive survey-analysis of 43 organizational studies indicating that a firm’s success depended upon the following (in full, 327):

- A firm’s culture that is dedicated to innovation and explicitly recognizes the collective nature of innovation efforts.
- A firm’s prior experience with innovation projects (learning-by-doing; learning- by-failing).
- The multidisciplinary character of the R&D team; in particular a balance between technological and marketing skills, and the presence of a product champion.
- A clearly articulated innovation strategy and a management style suited to that.
- Compatibility of the project with the firm’s core competencies.
- An innovation’s product quality and price relative to those of established products.
- A good timing of market introduction.

Hansen, et al (2011) have similar themes of adopting 11 strategies for innovative capabilities within the organization within the structural and strategic foundation or dynamic. With a solid review in each category, the authors suggest the strategies below provide the necessary criteria for an innovative organization, quoted in full:

- Health and Prevention Management
- Establishment of Innovation Cultures
- Use of Knowledge and Human Potential
- Holistic Innovation Management
- Fostering Social and Organizational Innovations
- Opening of Innovation Processes
- Continuous Competence Development
- Integrative Design of Work and Learning Environment
- Work-Life Balance
- Innovative Forms of Work Organization
- Management of Uncertainty

These criteria warrant elaboration of their basic premises. Because of aging demographics and the associated complexity of change of an organization and its physical and emotional effects on the employee, health management and prevention of sickness (whether physical or stress-related) should be a key component in building an innovative culture. Not only will effective health care lead to employee engagement, reduce sick days, and alleviate stress and burn-out associated with complex changes and functioning within the organization. In addition to having a health and prevention management process in place, the establishment of innovation cultures is a necessary and fundamental foundation, as re-echoed throughout this paper. The key theme here is assessing the current organization itself and its readiness for innovation. "In order to draw up measures for establishing an innovation culture, the current company culture needs to be investigated as systematically as possible and be focused on the overarching company strategy (27)." A bottom-up approach to innovative must empower and engage all employees in cooperative, collaborative, and community-oriented teams and groups of open communication and creativity would need to be established in systems of integration and cross-linkages. "Innovations cannot continuously be generated top-down. The genuine force of

innovation comes from below. That is why in an effectively operating innovative culture, it is possible to advance all kinds of ideas, irrespective of where they are coming from (28)." The structure of the organization, based on transparency of information, would no longer be divided into departments or compartments of people, but united in permeable internal and external networks for all involved in the innovation process. With the post-industrial shift towards knowledge and service processes for many organizations, the use of inherent knowledge and human potential is a key criteria for building an innovative culture. "A systematic and targeted use of these intangible assets and an associated sustainable management of human resources are therefore key factors to strengthen the innovative capability of a company. In the long run, only such companies will be successful, which succeed in systematically generating competitive advantages from the utilization of their internal resources (29)." Within this aspect, a focus must also be given to the creation of working conditions which promote learning in order to promote innovation. A holistic approach of linking structural and human capital is desired for sustaining innovations. To these ends, holistic innovation management must be utilized due to its multi-dimensionality of complex integrations and networks:

The success or failure of innovative activities is crucially determined by the value placed on innovation processes by the management of a company. For this reason, the management level needs to promote and esteem creativity and ideas throughout all levels of staff as well as undertake on-going investments in organizational modifications. It is important to create operating conditions which promote innovation to make use of the human and relational capital of all actors at every single level within a hierarchy. Successful innovative management processes which focus on the holistic picture further encompass the clear definition of strategies and targets, rapid decision making as well as the establishment of sustainable social. The close linkage and agreement of the company strategy with the innovative strategy should likewise be obvious within the organization. Innovative strategies must be made explicit in order to facilitate an external assessment of the strategy as well as access to external sources of financing. Flexible innovative routines e.g. on-going innovations circles, which are based on revising continuously fluid methods, practices and procedures, as well as regular innovative activities through inter-disciplinary teams are characteristics of an enterprise which has concentrated on its management of innovation in a holistic manner (30-31).

A relative new entrance in many companies is seen as a shift into fostering social and organizational innovations, per se because of transitions from an industrial product focused innovation strategy to the above mentioned growth in knowledge and service markets and organizations. “The integration and fostering of social and organizational innovations contributes in the medium and long term to a significant increase in innovative capability. Stakeholders and decision-makers in economy and politics need to recognize that modifying human patterns of behaving and thinking as well as changing organizational processes and working procedures conceal a powerful force for innovation. The key to a sustainable innovative capability lies in the insight that the highest asset of a company is its intangible innovative potential (32).” The openings of innovative processes need to become standardized within an age of increasing mobile technologies, global markets, and digital technologies, strategic alliances –all of which are changing our very conceptions of innovative strategies and modifying the roles of all

stakeholders in fostering a culture to sustain competitive advantage and adaptive capabilities. All traditional structures and systems within an innovative organization can be viewed metaphorically, at least to given extent as “open source” within the firm itself, yet extending into external relationships. Within such a holistic, complex, flexible and open innovative organization, the employee must be continually “upgraded” in skills, education, learning. Continuous competence development will need to be implemented for the employee whom will probably be asked to work more hours, do more complex and varied tasks within an integrated network of open and creative collaboration of communities and teams. “As the initiation and implementation of innovations is just rooted in the knowledge of decision makers and specialists, high-quality learning experiences for all employees are very important to strengthen the innovative capability of a company. A system of specific learning and competence development measures contributes significantly to the targeted promotion and use of human potentials for innovation, supports the individual for maintaining long-term employability and is a competitive advantage in the war for talents (33).” Because of the daily pressures of work and the demand for the time used to continually be learning new competencies, the innovative organization cannot expect the employee to do this on their own time, so effective integration of work and learning processes must be integrated within the firm itself. The accelerating rate of change in organizations demands that a “learn while you work” will become an essential policy of the innovative organization to adapt the frenetic changes already taking place on the global market. In line with the first criteria, an effective work-life balance must be promoted within the innovative organization. Because the lines of work-life may become blurred, there must be successful adoption of “life needs” integrated within the organization itself, these may become institutionalized as health facilities, day care, a doctor or therapist on board, and other amenities that help the employee in this balancing activity of day to day existence. The well-known examples of Apple and Google provide models in these instances. These incorporated aspects

will also help reduce stress and provide the employee with needed activities and channels which would be normally considered out of the context of work per se. “Potentials for reducing costs also result from the reduction in re-procurement or fluctuation costs, transition costs, re-integration costs and the costs incurred through absenteeism. It can be recorded that a Work-Life-Balance maintains a sustainable productivity and innovativeness of the employees and therefore increases the innovative capability of a company. The establishment of this balance is primarily based on the structural circumstances in the working and private environment in combination with individual and mental factors like state of health, stress level and resilience (34).” In addition, innovative forms of work organization need to be adapted within a flexible framework, for issues of mobility, hours, work, shifts and life balance. While flexibility of the organization increases, a greater demand is usually placed on the employee within these parameters. Volkswagen’s concept of a “Breathing Company” is one example how organizations can innovate through the incorporation of flexible work hours and shifts through the week while encompassing continuous improvement and learning processes, creative occupational concepts and a dynamic remuneration systems of payment. Finally, managing uncertainty becomes a key principle in guiding the innovative organization. With changes and the restructuring of so many facets of the organization, risk and uncertainty become key variables which must be managed successfully. “The permanent lack of certainty about the future leads to companies equipping themselves with corresponding strategies for potential, unexpected developments and having to adapt organizational principles as well as processes (35).” Incorporating organizational methods and protocol for managing risk and uncertainty within the innovative process of the firm itself will be a core strategy to deal with the changes which will occur. This process of course will need to link structure, method, as well as human knowledge and experience into a flexible format of assessing risk and uncertainty, while having the understanding of what learning competencies and frameworks of strategy are needed to adapt to

novelty and change. “The step to manage uncertainty without eliminating its innovative power is a step to establish a system of continuous innovation (37).”

Academic Research Becoming Mainstream Advice for Building Innovative Organizations

To some extent, academic ideas of innovation become mainstream. Ideally, academic research of relevance to organizational performance and development should "trickle down" --be disseminated to the larger population, without the number-crunching and jargon which separates from the hoi polloi. This aspect of building an innovative organization can be seen in a number of more accessible conferences, white papers, and reviews from those who would serve as gatekeepers for gathering and disseminating this knowledge to a greater audience. For example, Hamel's (2009) *Moonshots for Management* includes collated material and data, surveys and general roundtable advice for building an innovative organizational culture. Some key aspects of his popular and accessible advice include: de and re-constructing many forms of management serving a higher purpose through different philosophical foundations with community ties which are adaptive, innovative and socially responsible. Establish a number of mini-hierarchies instead of a formal hierarchy displacing the chain of top to bottom command and reinvent means of control over employee autonomy and responsibility. Reducing fear and increasing trust are paramount to enabling workers and ensuring employee engagement. The New Leader will be one who is able to create an open environment of collaborative communities created to ensure innovation and adaptation, as well as expand and exploit diversity of experiences, values and capabilities. Strategy of an organization, under Hamel's view would need to be re-worked as an emergent process, a work in progress. Develop holistic performance measures, stretch executive time frames and perspectives, while creating a democracy of information with open communication

between all levels of the organization. Other key notions from his committees platform is to decentralize power and decision making, increase employee autonomy, and enable communities of passion which can collaborate to create and innovate. This idea of creative communities being the key to collaboration and innovation are central to a main precept of building and fostering an innovative organizational culture. For example considered IBM's White Paper (2008) statement: Collaboration and partnering is the key to successful innovation. Most innovation comes from employees. New groups or communities of collaboration and innovation will arise in line with the newest ways to communicate and interact (2).” Consider also CA Technologies (2012) White Paper which makes a number of culturally assimilated generalizations based on surveys:

Roadblocks to innovation exist within line of business employees, who are resistant to change, and executive management teams that express a lack of interest and support. Lack of budget and lack of time due to existing workload topped the list of obstacles organizations encounter when attempting to innovate and a lack of commitment from the top down also stalled innovation projects. A lack of a rewards structure to incent innovation also topped survey respondents' list of obstacles. (3)

In giving prescriptive advice for building the innovative organizational culture, some of their criteria include the following actions:

- Re-evaluate the existing system to free up resources to establish a foundation for innovation.
- Establish process and employee reward systems around innovation
- Create Innovation Teams
- Determine Innovation Measurement Matrix
- Identify innovative projects and eliminate unnecessary projects and routines
- Assess the resources available for innovation (12-13)

Consider also Davis (2008) filtered-down whitepaper, from the *Scanlon Leadership Network*, easily accessible to modern entrepreneurs, CEOs, SMEs and business personnel on the internet for suggestions and advice. The basis for discussing innovation in the workplace are derived from studies of

Donnelly, 3M, and Motorola. Their collective criteria and prescriptions for a way to create an innovative organizational culture, in full, include (15-18):

- Make Innovation A Strategy
- Create Opportunities for Networking
- Remove the Fear of Failure
- Provide Time and License to Innovate
- Decentralize Decision-Making and Innovation
- Develop a Method for Screening Innovations
- Work with Customers to Develop Innovations
- Create Opportunities for Innovators to Grow with their Innovation
- Recognize Innovation and Innovators
- Develop Measures and Track Innovation
- Develop Trust and Lead with Innovation

How Organizations Can Innovate

Granted that all organizational innovations concern a change in or of a new product, process or service as the main and constant variables within the dynamic of organizational structure, strategy or culture.

Sawhney, et al (2006) focused on specific aspects of the organization which can be upgraded or innovated. Numbering 12 in scope these dimensions were articulated as offerings, platforms, solutions, new customers, customer experiences, the capture of value, processes, the organizational structure, supply chains, presence and channels of distribution, channels of marketing, networking and branding innovations. Davis, mentioned above, re-echoes these canons of innovation within the corporate dynamic with similar criteria but also the inclusion of “enabling employees” stating that “*Every business has a human component*. Companies that help employees understand business reality (Identity), involve employees in decision making (Participation), focus on multiple stakeholders (Equity) and relentlessly improve (Competence) are better at all the other types of innovation. (7).”

This sense of employee empowerment and engagement has become a sub-theme within the idea of building and fostering an innovative organizational culture which sustains competitive advantage through adaptive and strategic capabilities. For example, Macy & Schneider (2008) have qualified what this means via surveys from employees. An engaged employee is more than satisfied, enthusiastic, involved with work, has feeling of empowerment, a sense of organizational commitment, associates self with work and displays engagement behaviors such as innovative behaviors, proactive opportunity seeking, going beyond routine tasks, frames of references, which are typically expected or required.

The Impact of Innovative Organizations on Employees

While for many employees the aspect of working in an innovative organization would be seen at first as thrilling and exciting with increased autonomy, responsibility, flexibility and freedom of working routines, group collaborations and creativity activity, the so-called 15% of work/play/creative time used in companies such as Apple & Google. For many traditional workers, such loose parameters of job roles, structures, hierarchies, integrated teams can be more than challenging. Prior complacencies being restructured can have negative effects on the employee. Innovations in organizations can lead to employee stress, anxiety, and resistance of the changes taking place. There may be innovations such as:

- Introduction of performance related pay
- Introduction or upgrading of computers
- Introduction or upgrading of other types of new technology
- Changes in working time arrangements
- Changes in the organization of work
- Changes in work techniques or procedures
- Introduction of initiatives to involve employees

- Introduction of technologically new or significantly improved product or service

(Directly from Barth, et. al. 2009)

In addition, there are a number of different reasons that employees will resist changes or innovations in an organization culture. Because these changes induce stress, tension, anxiety about the employee's role in the culture, it is important to understand some of reasons why employees will resist changes.

Yuh-Shy (2011) provides a good overview of these motivating factors to negatively respond to

changes (3):

- Personal Loss – fear of losing something in process, real or imagined
- Security – fear of job loss or a reduction of work
- Money – reduction in wages or benefits, or more lengthy travel costing more
- Pride and Satisfaction – fear of automation, change in work routine
- Friends and Contacts – loss of visibility or friends from relocation
- Freedom – fear of more supervision, less involvement in decision-making
- Responsibility – a concern that jobs will be changed to menial tasks or responsibilities
- Authority – loss of authority due to reorganization of structures, roles and policies
- Good Working Conditions – concern of relocation, smaller office, bigger office
- Status – fear of a change in status, job title, with management changes

While organizational change is not always an innovation, it is noteworthy to review a study of employee perception of change which may reveal inductive insights into the prime variables which will effect employees directly when facing innovative changes. The study, by Jones, et al (2008) revealed three categories: emotional/attitudinal issues and outcomes, process issues about the way the change was implemented, and finally outcome-related issues, all of which were correlated to 12 themes within a nursing context facing changes in policy, structure of administration and downsizing.

| Theme Category | Theme Definition |
|--|---|
| Emotional and Attitudinal issues | |
| Relationship between people | Relates to either good relations between staff such as positive feelings amongst staff, work environment positive, morale or poor relations between staff, negative feelings amongst staff, work environment negative |
| Perceptions of change-attitudes/feelings | Concerns positive thoughts and feelings about changed, that indicate positivity about the new hospital and work environment and staff commitment to the change or thoughts and feelings that indicate negativity about the change including denial, anxiety and feeling threatened, stressed, upset or ambivalent, statements that are both positive and negative |
| Uncertainty | <p>Relates to the following uncertainty topics:</p> <p>Uncertainty regarding organizational level issues, such as reasons for change, planning and future direction environment hospital is facing</p> <p>Uncertainty regarding chain of command, relative contribution and status of work units, and policies and practices</p> <p>Uncertainty regarding job security, promotion opportunities, changes to job role etc.</p> |
| Conflict, power, politics | Refers to conflict between people, units, divisions, groups about different topics |

| | |
|-----------------------|---|
| Values | Refers to values associated with the old hospital e.g., patient care, clinical reputation of the hospital |
| Process issues | |

| | |
|--|---|
| Communication | Concerns aspects of the quality, quantity and timeliness of communication and the levels of appropriateness. |
| Participation/involvement | Relates to positive or negative experiences with involvement in the change, attitudes toward participation, outcomes of participation |
| Planning challenges | Covers issues about the strategies to be pursued, the pacing and timing of change, challenge of training and developing staff, resourcing change, challenge of changes to staff roles and workload |
| Leadership | This theme is about good leadership, management and supervision e.g., consultative and supportive or about poor leadership, management and supervision e.g., no feedback on performance, poor decision-making, not supportive |
| Desired process | Highlights opinions on how change should occur, rather than what was occurring at the hospital. |
| Outcomes | |
| Outcomes including structure, services and staff | Relates to changes in staff numbers, responsibilities and skills. Changes in hospital services including efficiencies and patient care. Changes in hospital structure layout and facilities. Also covers desired outcomes. |
| External issues | Covers other external issues such as the political climate, external hospitals, funding and legal issues e.g., changes in government, poor funding and resourcing, |

(Derived in Full from Jones, et. al. 2008. p. 315) Such categories indicate several factors, variables and aspects which inductively have been consistent the scope of the discussion related to the emotional well-being of the employee, employee engagement, the management of uncertainty, as well as structural and strategic concerns when organizational change is underway.

Conclusion – Key Findings and Summary

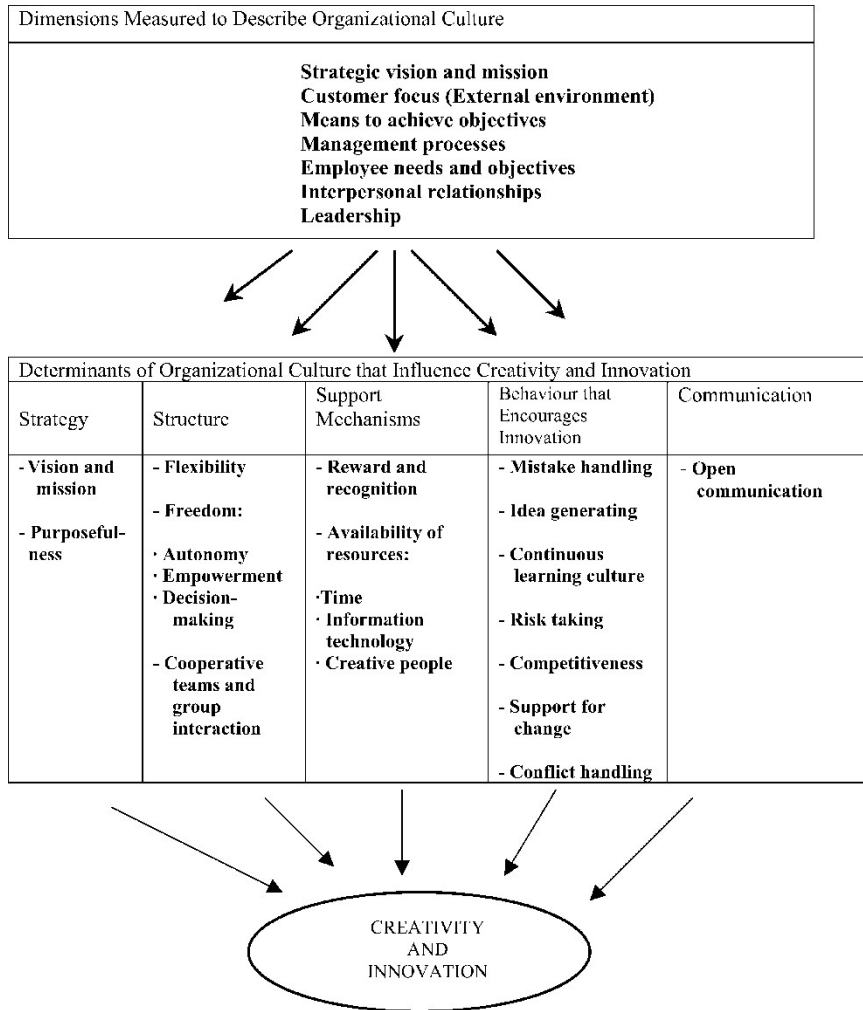
From this select review of the literature, a number of organizational paradoxes are apparent:

Freedom/stability, flexibility/structure, opportunity/uncertainty, risk/security, creativity/routine, etc.

The innovative organization would need to balance these tensions with a foundation that would support their coalescence. Whether the innovation in the organization would be considered incremental or radical as if a paradigmatic shift in product, service, process or the system itself: All of the literature was in agreement – building a foundation for innovation is required as a blueprint for successful accommodations of strategy, scope, and structure of the organization itself. Following the rather open models derived from Kalsanyi (2012) & Martins & Terblanche (2003) following a general systems theory view of a bottom-up organizational creation of innovative culture with built in feedback loops of monitoring and measurement of the processes taking place, these models would be flexible enough to make modifications along the way. In addition, the structure and strategy of the innovative organization should be viewed as an emergent process. Continuing the metaphor of an open system, this suggest that noise, disagreement, uncertainty, and risk will all be inherent within a system which adapts to its environment and expands its life function in the process of growth. Hansen, et al (2011) adopts a very thorough examination of variables centered on innovation itself through holistic management especially from the viewpoint of the potential employee. Because of decentralized

decision-making, integrations --Innovation of work-life and employee networks as teams, collaborators, the management of uncertainty, as well as the maintenance of mental and physical health, among other factors, are keys to the organization operating effectively at the innovative level. Key advice concerns making innovation a strategy, fostering open communication and establishing communities of innovators. Integrated networks of all work operations must be established which are flexible enough to respond and adapt to any external changes. In effect, instead of production, promotion, sales or strategy be given the basis of referentiality for an organization to flourish, innovation would become the over-arching metaphor or paradigm for the organization itself, at all levels and scope. Of course these modes of operation under the umbrella of innovation will have positive and negative impacts on employees' attitudes, values, work modes and routines all of which have been discussed within the essay. The management of uncertainty and establishing work-life balance have become key themes to consider when fostering an innovative culture. As suggested earlier, the ideal innovative organization would be to respond and adapt to what normally would be considered as noise, complexity, disorder, chaos. In his work in noise and information, Michel Serres (1982) points out rather elegantly that noise and disorders usually are the basis and beginnings for novelty and innovation. Increasingly we are seeing radical changes within the global digital market that suggest this is true. As the profound rather ironic philosopher Nietzsche has written: Without chaos, how could you become a dancing star? The modern innovative culture, as an emerging process, may be a noisy and chaotic event, but given the open parameters and processes, refinement to accommodate and incorporate these novelties can be accomplished given the right organizational form, scope and function.

TABLE 1



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