Innovation and Change as a Tool For Organisations' Survival (A STUDY OF FIRST BANK NIGERIA PLC, OJODU BERGER, LAGOS)

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ABSTRACT

This survey is done to assess innovation and change, as a tool for organizations' survival. The major objectives were to identify various factors that impinge on innovation and change in an organization and to assess how innovation and change associate with an organization's survival. 28 respondents were selected by random sampling techniques; the tool used was self administered copies of questionnaire. Data and information were collected through primary and secondary sources and a test was information were collected through primary and secondary sources and a test was conducted on the hypotheses, using coefficient of correlation as the tool for analysis. The study established that there existed some problems inherent in innovation and change in organizations. In First Bank Nigeria, Ojodu Berger Lagos, the major problems are in the areas of inability of the organization to improve corporate performance, and lack of adaptability. In view of these results, it was recommended that managers should continuously encourage team participation. Also, there should be effective alignment of actions on change management and organizations environment. Effective monitoring of results which involves the monitoring of all goals, actions and teams involved should be carried out in the innovation and change process.

1.0   INTRODUCTION

According to Luecke and Katz (2003) innovation is generally understood as the successful introduction of a new thing or method, the embodiment, combination, or synthesis of knowledge in original, relevant, valued new products, processes, or services. It is an improvement to something already existing. Innovation is a new way of doing something already that is made useful. It may refer to incremental and emergent or radical and revolutionary changes in thinking, products, processes or organizations (Barras, 1984).

Organizational change refers to a "relatively enduring alteration of the present state of an organization or its components or interrelationships amongst the components, and their differential and integrated functions in totality or partially in order to attain greater viability in the context of the present and anticipated future environment (Schein, 1983).

In the organizational context, innovation may be linked to performance and growth through improvements in efficiency, productivity, quality, competitive positioning market share, etc. On the other hand, change is the process during which the transformation of a system is implemented in a controlled manner by following a predefined framework/model with to some extent, reasonable modifications. The fierce domestic and foreign competition during the past decade has brought about a new emphasis on innovation and change, in organizations. Innovation and change are inherent aspect of human existence, technological discoveries and inventions such as the wheels, electricity penicillin, telephones, the internal combustion engine, radio and television broadcasting, airplanes, the computer and the internet are all driven by man's insatiable desire to discard the old and create something new.

Greater social and technological feats have been achieved all through history as a consequence of innovation and change. As man evolved, overtime, there has been need for change, in order to respond to new environment, which are driven by customers demand, advance in technology or the requirements of new legislature. (Wikipedia, 2009).

The main objectives of this study were: to determine various ways in which organizations could improve and satisfy customers needs, and to aid organizations that lack product and service initiation, so as to increase their corporate performance.

To achieve the objectives of the study, the following research questions and hypotheses were formulated.

1.1 QUESTIONS

1. Is lack of innovation and change associated with organization inability to improve customers' needs?

2. Do most organizations fail to increase corporate performance due to lack of product and service initiation?

1.2 HYPOTHESES

$H0_1$: Lack of innovation and change is not associated with organizations inability to improve customers'needs.

$H0_2$: Most organizations do not lack product and service initiation due to their failure to increase corporate performance.

2.0 REVIEW OF RELATED LITERATURE

Innovation and change are an inherent aspect of human existence: Leonardo da Vinci produced ingenious designs for submarines, airplanes, and helicopters and drawings of elaborate trains of gears and the pattern of flow in liquids. Darwin (1847) captured the essence of 21st century corporate life. When he said "it is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.

According to Mckeown (2008) innovation is a new way of doing something or new stuff that is made useful. It may refer to incremental and emergent or radical and revolutionary changes in thinking, products, processes or organizations. Whitefiled (1975) defines innovation as the development of a creative idea into a finished article or process or system. This definition suggests that innovation is a problem solving sequence, with creativity as an essential ingredient.

Change, means the new state of things that are different from the old state of things, according to French and Bell, (1999), the need for change may originate from several different sources, both from inside and outside the organization. According to Mover (1997), organizational change occurs when a company makes a transition from its current state to some desired future state. Bill (2000) stated that not recognizing the natural differences in peoples' response to change situations is one of the most serious resistances to change.

2.1 Distinguishing Between Change and Innovation

In considering closely the concept of change and innovation, it is useful to distinguish between the two terms.

Change is any alteration of the status quo, whereas innovation is a more specialized kind of change.

Innovation is a new idea applied to initiating or improving a process, product or service (Rosabeth et al, 1983).

As long as an idea for bringing about an improvement is perceived as new by the individuals involved, it is generally considered to be an innovation (Gerald et al, 1986). All innovations imply change, but not all changes are innovations, since some type of changes may not involve new ideas or leads to significant improvements and could even cause difficulties (for examples, a tornado damaging a factory).

Innovations in organizations can range from radical new break through (such as a laser technology) to small, incremental improvements (such as an improved paper tray on computer printer) both types of innovations can be advantageous (Gersick, 1991).

Innovation process encompasses a distinctive combination of characteristics. For one thing, innovation involves considerable uncertainty, since progress and successful outcomes may be difficult to predict. For another, the process tends to be knowledge-intensive in the sense that those close to the knowledge about the situation, at

least during process is often controversial, because resources aimed at a particular innovation effort could presumably be used to pursue alternative course of action. Finally, the innovation process often crosses organizational boundaries, because development and implementation frequently involve more than one business unit, increasing the complexity of the effort.

Therefore, there is a need for managers not only to understand the major aspects of change but also to plan for the special needs for innovation process.

Increasingly, greater pressure from both global and domestic competitors is forcing organizations to become more nimble and innovative. As a result, many managers are engaging in what is sometimes referred to as change management-efforts by managers to make their organization more proactive in changing and innovating for competitive advantage.

However, the term change connotes any type of alteration in the status quo, including an innovation. The term innovation is the more narrow sense of a new idea associated with an improvement. Both terms may be used together, or the term "Change Management", to highlight the particular importance of the discussion for both change and innovation.

2.2 FORCES OF CHANGE AND INNOVATION
A variety of forces influence change and innovation in organizations. Some of these forces stem from external factors, while, others arise from factors that are mainly internal to organizations.

2.2.1 EXTERNAL FORCES
External forces on organization frequently create a need for change and innovation. For example, environmental forces ranging from earth quakes and hurricanes to increased government regulatory pressures and escalating competition are forcing many insurance companies to consolidate and innovate at a faster pace. Thus, while some external forces may pressure organizations to change in ways that are less than desirable such forces often open up opportunities for applications of innovative ideas. (Haveman, 1992).

2.2.2 INTERNAL FORCES
Internal forces for innovation and change develop from a variety of sources. Some of these factors include alterations of strategies and plans, ethical difficulties that arise because of employee behaviours, decisions that entails changes and leadership changes. Many internal changes ultimately can be traced to factors in the environment. Some of the needs for internal change that confront organizations are predictable to some extent because organizations tend to follow certain life cycles, (Haveman, 1992).

2.3 ORGANISATIONAL DEVELOPMENT
A specialized approach to change that can help organizations improve their effectiveness through enhancing the way individuals and groups interact is called organizational development. More specifically, organizational development (OD) is a change effort aimed at enhancing interpersonal working relationships and organizational effectiveness through planned interventions may with the help of a change agent who is well versed in behavioural sciences, (Robert Kim, 1983).

The change agent, or consultant, is an individual with a fresh perspective and knowledge of the behavioural sciences who acts as a catalyst in helping the individuals and groups approach old problems in new or innovative ways. The change agent role can be filled by an outside consultant, an organization development specialist who is an employee of the organization, a new manager, or an enlightened manager who is able to look beyond traditional approaches.

Organization development was originally envisioned as a method of handing large-scale organizational change, however, much of its actual focus has been on improving working relationships among individuals and groups. As such, organizational development are compatible with the change management and innovation process just discussed. Organizational development typically involve three major steps: Diagnosis, Intervention and Evaluation (Wendell et al, 1978). Diagnosis: This first step, diagnosis, often focuses particular attention on the shared beliefs, values and norms of orgnaisational members that may be interfering with maximum effectiveness. The change agent and others who are helping with the process typically use means of gathering data, such as interviews, questionnaires, observations of employee behaviours, and various internal documents

and reports (Rubstein, 1980). Intervention: Once situation has been properly diagnosed, the next step is intervention. Usually organizational development intervention, or change strategies are designed and implemented with the help of change agent. There are numerous OD change strategies. Three of the major techniques used by the organization below (Wendell, 1978). Process Consultation: Is concerned with the interpersonal relations and dynamics operating in work groups. The organizational change agent, or consultant, observes the group and provides feedback regarding dysfunctions in such area as communication patterns. Handling of conflicts and decision-making. The goal is to help group members gain the skills they need to identify and resolve group dynamic issues on their own. Team Building: Is aimed at helping working groups became effective at task accomplishment. Like process consultation, it typically includes organizational development consultant feedback in such areas as communication and conflict resolution. However, it also includes organizational development consultant help in assessing group tasks, member roles and strategies for accomplishing work tasks. Third-party Intervention: Is concerned with helping individuals, groups, or departments resolve serious conflict that may be related to specific issues or may be caused by sub optimal interpersonal relations. The OD consultants help the parties resolve their differences, through such techniques as problem solving bargaining and conciliation.

2.4   THE CHANGE MANAGEMENT AND INNOVATION PROCESS

The process of change management and innovation tend to be difficult because they involvement tend to incorporate significantly new ideas. Managers are typically involved with two types of change. Reactive change occurs when one takes action in response to perceived problems, threats, or opportunities. Since one is reacting to events, there is often insufficient time to analyze the situation carefully and prepare a well-conceived response is not possible for managers to anticipate every problem that will arise and they are forced by events to react (Tylenol, 1984).

However, there are many situations in which it is possible to engage in planned change, which involves action based on a carefully though – out process, speed and fore rightness, considerable planning, for potential threat, including a plan implementation. (Sana and Chris, 1986).

Managing organizational change is the process of planning and implanting change in organizations in such a way as to minimize employee resistance and cost in the organization while also maximizing effectiveness of change effort. It is the process during which the changes of a system are implemented in a controlled manner by following a predefined framework/model with, to some extent reasonable modifications (Wardale and Dorothy, 2009).

Techno-structural Activities: Are intended to improve work technology and/or organizational structure though this approach, the OD consultant helps organization members enhance their own work effectiveness by showing them how to evaluate and make appropriate changes in work methods, task design and organizational structure.

Evaluation: Step three is evaluation, as with any change effort, it is important to monitor the effectiveness of OD efforts. The ability to evaluate the effects of OD interventions depend heavily on how well the diagnosis stage pinpointed the areas in need of change and specified the desired result. Both organizational development and the change management and innovation process must take into consideration issues of resistance to change.

2.5   MANAGING RESISTNACE TO CHANGE

One of the reasons it takes concerted managerial planning and skill to bring about innovation and change is that people are often resistant. Sometimes they oppose a change even when it appears to others that the change is in the best interests of those affected.

Why Individual Resist Change: One reason is Self-Interest. When people hear about a change, they have a natural tendency to ask, "How will this change affect me"? If an individual perceives the answer to be "adversely", some effort may be made to resist the change. How much resistance is mounted will usually depend on how strongly the individual feels his or her self interest is affected.

Another common reason for resisting change is misunderstanding and lack of trust. People are frequently against change when they don't understand it. In addition, low levels of trust between managers and employees, which are common in many organizations, contribute to the possibility that misunderstandings will occur. It is

not only employees who resist change, managers who mistrust employees and fear loss of power often oppose efforts to involve employees in decisions about their work (Saporito, 1986).

Resistance also often results from different assessments of the virtues of the change, differential assessments is a prime reason for lack of support for innovations. Business innovations involve new concepts; their value is not always obvious to others. Hence individuals may not see a change as useful and may even view it as detrimental to the organization.

2.6   OVERCOMING RESISTANCE TO CHANGE

One well-known approach to overcoming resistance has been offered by organizational research. Kurt Lewin, who divides the change process into three steps.

The 1st Step, UNFREEZING, involves developing an initial awareness of the need for change. (Hurt Lewin, 1947).

The 2nd Step, CHANGING, focuses on learning the new required behaviours.

The 3rd Step, REFREEZING, centers on reinforcing the new behaviours, usually through positive results, feelings of accomplishment, and/or rewards from others. An unfreezing period is usually necessary before individuals are willing to change; furthermore, the refreezing element is important for reinforcing and maintaining desired changes.

There are several methods that managers can adopt to help overcome initial resistance to change and facilitate (John and Leonard, 1979). These alternatives include:

Education and Communication: this involves providing adequate information and making sure that the change is clearly communicated to those it will affect.

Participation and Involvement: Resistance tens to be less pronounced when the individuals who will be affected in a change are allowed to participate in planning and implementing it.

Explicit and Implicit Coercion: This strategy involves the direct and indirect use of power to pressure change resister to conform. Tactics usually focus on direct or veiled threats regarding loss of jobs, promotion, pay recommendations, and the like. Individual may be fired or transferred. (Kirkpatrick, 1986).

3.0   METHODOLOGY

This study adopted a survey research design. This research work centered on innovation and change, as a tool for an organization's survival, a study of First Bank of Nigeria Plc, Ojodu, Berger Lagos.

The respondents were selected from the various departments in First Bank of Nigeria Plc.

The population of the industry comprises of various levels of staff which were in different departments. The data was collected using structured self administered questionnaire. The sample size was drawn by Taro Yamene's formula.

4.1   HYPOTHESIS I

$H0_1$: Lack of innovation and change is not associated with organization's inability to improve customer's needs.

Category	Response	N	X	Y	XY	X^2	Y^2
A	Agreed	1	3	20	60	9	400
B	Disagreed	2	2	6	12	4	36
C	Undecided	3	1	2	2	1	4
Total		6	6	28	74	14	440

Source: Field Survey, (2015)

$$rxy = \sqrt{n\Sigma\, xy - (\Sigma x)(\Sigma y)}$$

$$rxy = 0.9$$

$$[n\Sigma\, x^2 - (\Sigma x)^2 \;\; (n\Sigma y^2 - (\Sigma y)^2$$

The correlation coefficient 0.9 indicates a strong positive relationship between lack of innovation and change and inability to improve customers' needs.

Therefore, to test the significance of the relationship the t-test statistic was used and to determine the degree of freedom, we have (n – 2) at 5% level of significance (0.05).

$$T = r \sqrt{\frac{n-2)}{1-r^2}}$$

Decision: The calculated t-value 3.04 is greater than the critical t-value 1.71. We accept the alternative hypothesis which states that lack of innovation and change is associated with organization inability to improve customers' needs.

4.2   HYPOTHESIS II

$H0_2$: Most organization do not lack product and service initiation due to their failure to increase corporate performance.

Category	Response	N	X	Y	XY	X^2	Y^2
A	Agreed	1	3	20	60	9	400
B	Disagreed	2	2	4	8	4	16
C	Undecided	3	1	4	4	1	16
Total		6	6	28	72	14	432

Survey: Field Survey, (2015)

$$rxy = \frac{\sqrt{n\Sigma xy - (\Sigma x)(\Sigma y)}}{n\Sigma xy - (\Sigma x)^2]\,][n\Sigma y^2 - (\Sigma y)^2}$$

rxy = 0.87

The correlation coefficient 0.87 indicates a strong positive relationship between lack of product and service initiation and corporate performance.

Therefore, to test the significance of the relationship, the t-test statistic was used, and to determine the degree of freedom, we have (n – 2) at 5% level of significance (0.05).

$$T = \sqrt{r(n-2)}$$

Decision: The calculated t-value 3.57 is greater than the critical t-value 1.71, the alternative hypothesis is accepted which states that most organizations lack product and service initiation due to their failure to increase corporate performance.

5.0   SUMMARY

The Summary of the work are as follows:
1.   Largely because of increasing competition, the management of change and innovation is becoming more and importance to the survival and prosperity of organizations.

2.   In planning to overcome resistance to change, managers must understand why people are resistant.

3.   Organizational Development (OD) is a change effort aimed at enhancing interpersonal working relationships and organizational effectiveness through planned interventions.

5.1   Based on the Research Findings and Conclusions, the Researcher Recommends that:

1.   There should be effective goal definition which requires that organizations states explicitly what their goals are in terms understandable to every one in the innovative and change process.

2.   There should also be effective alignment of actions to goals, explicit actions such as ideas and projects are to be linked to goals/mission statement and education on change management and organization environment.

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