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ORGANIZATIONAL CHANGE EFFECTS AND INNOVATION OF GLOBAL BUSINESSES IN SOUTH - EAST, NIGERIA

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ABSTRACT

Change is fundamental in order to guarantee long-term success within an organization. The study was conducted to examine the extent of the effect of organizational change and innovation on global businesses in South East, Nigeria. The study adopted a survey research design with both qualitative and quantitative approaches in determining the effect of the relationship between organizational change and innovation in the study manufacturing industries. A sample size of 31 was determined using a simple random sampling technique. Mean, Standard Deviation, and linear regression analysis were used for analyses. The result shows that technology has a positive beta of 0.614, a T-value of 11.175, and a P-Value of 0.000 (0.000 < 0.005), with a significant correlation on the innovation of manufacturing industries in South East, Nigeria. The study concludes that change is an organizational reality and fundamental in order to guarantee long-term success within an organization.

Keywords: Organization, Innovation, Technology, Change, Structure.

1.0 INTRODUCTION

To change something implies altering it, varying it or modifying it in some way. Organizations change or adapt what they want to achieve and how they wish to achieve it (Senior and Swailes, 2010). Some organizations change mainly in response to external circumstances (reactive change), while others change principally because they have decided to change (productive change). Some organizations are conservative in outlook, seeking little in the way of change, others are entrepreneurial in outlook, ever seeking new opportunities and new challenges. Some organizations are also constructed (even constricted) so that change (i.e adaptation) is a slow and difficult process; others are designed with an in-built flexibility, enabling adaptation to take place regularly and relatively easily (Senior and Swailes, 2010).

Change is a process that is rarely contained by functional or specialist boundaries. Change is one part of an organization that invariably affects people and processes in another part (Senior and Swailes, 2010). Organizational change concerns the alteration of organizational components (such as mission, strategy, goals, structure, processes, systems, technology and people), to improve the effectiveness and efficiency of the organization. Change may take place in any part and at any level of the organization (Drucker, 1994).

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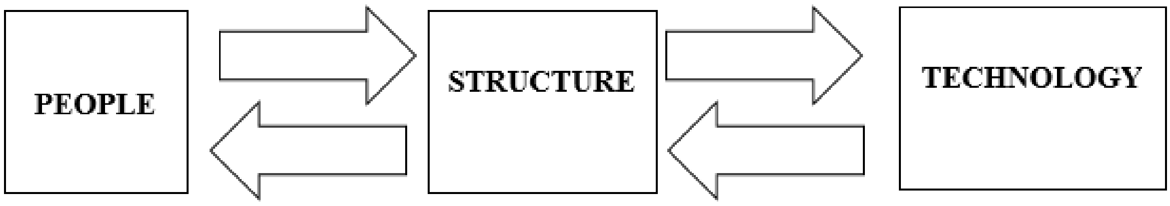
Curtis and William (2006) defined innovation as the use of new ideas. Change is an organizational reality. Most managers, at one point or another, will have to change some things in their workplace. Thus, it wasn't for change, a manager's job would be relatively easy. Planning would be easier because tomorrow would be no different from today. Similarly, the issue of organizational design would be solved because the environment would be free from uncertainty and there would be no need to adapt. Decision-making also, would be dramatically simplified because the outcome of each alternative could be predicted with near pinpoint accuracy. This no doubt would also simplify the manager's job if competitors never introduced new products or services, if customers didn't make new demands, if government regulations were never modified, if technology never advanced or if employees' needs always remained the same. (Robbins, Decenzo and Coulter, 2011).

These changes are classified as organizational change, which is any alteration of an organization's people, structure or technology. (Robbins et'al, 2011).



Source: Robbins et'al (2011) Fundamentals of Management.

Changing structure includes any alteration in authority relationships, coordination mechanisms, and degree of centralization, job design or similar organizational variables. These structural components give employees the authority and means to implement process improvements. For example, the creation of work teams that cut across departmental lines allows those employees who understand a problem best to solve that problem. In addition, cross-functional work teams encourage corporative problem solving rather than ´´us versus them´´ situations. All these may involve some type of structural change (Robbins et'al, 2011).

Changing technology encompasses modifications in the way work is done or the methods and equipment used. An Organizational area where managers deal with changing technology is continuous improvement initiatives, which are directed at developing flexible processes to support better-quality operations. Work processes are designed to be adaptable to continual change and fine-tuning. Such adaptability requires an extensive commitment to educating and training workers. Employees need skills training in problem-solving, decision-making, negotiation, statistical analysis and team building and must be able to analyze and act on data. (Robbins et'al, 2011). Changes in people refer to changes in employee's attitudes, expectations, perceptions or behaviors. The human dimension of change requires a workforce that is committed to quality and continuous improvement. However, proper employee education training is needed, as is a performance evaluation and reward system that supports and encourages those improvements (Obialor, Emem & Obialor, 2022).

2.0 STATEMENT OF THE PROBLEM

In order to guarantee long-term success within an organization, change is relatively fundamental. If it weren't for change, manager's job would be relatively easy. Planning would be easier because tomorrow would be dramatically simplified because the outcome of each alternative could be predicted with near pinpoint accuracy. Considering the fact that change is an organizational reality which at some point would involve altering of an organization's people, structure or technology, the challenge before this study therefore is to find out the effect of organizational change on innovation on global businesses in South East, Nigeria.

2.1 Objectives of the Study

The objective of this study is to examine the effect of organizational change on innovation on global businesses in South East, Nigeria. The specific objectives are to:

1. Determine the effect of technology on innovation of manufacturing industries in South East, Nigeria
2. Ascertain the impact of people and organizational structure on innovation of manufacturing industries in South East, Nigeria

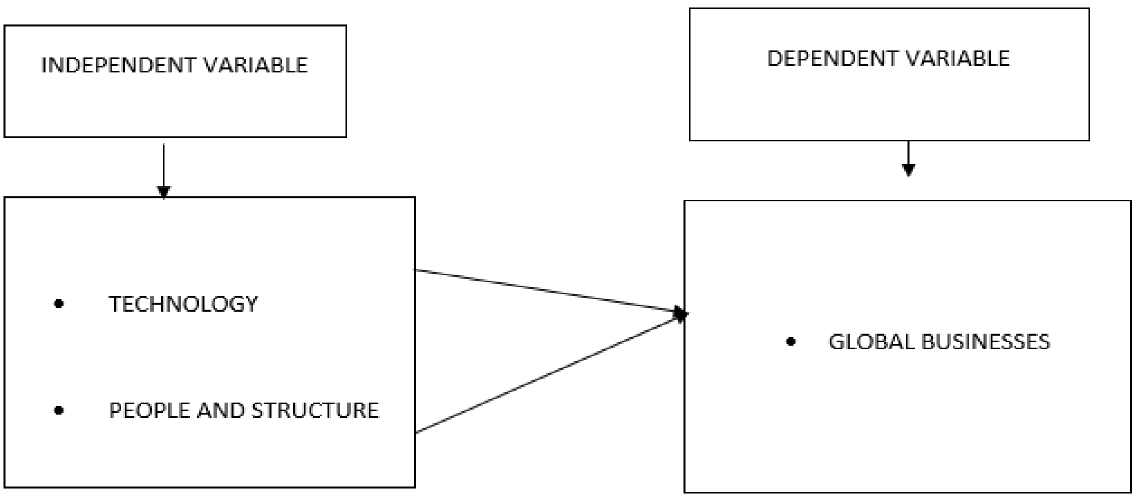
2.2 Research Questions

1. What is the effect of technology on innovation of manufacturing industries in South East, Nigeria?
2. To what extent does people and organizational structure have significant impact on innovation of manufacturing industries in South East, Nigeria?

2.3 Research Hypotheses

1. Technology have no significant effect on innovation of manufacturing industries in South East, Nigeria.
2. People and organizational structure have no significant impact on innovation of manufacturing industries in South East, Nigeria.

3.0 REVIEW OF RELATED LITERATURE



Source: Researchers Survey 2022.

3.1 Managing Change and Innovation

Transit patterns (2017) maintain that change might not necessarily bring innovation, but innovation surely brings change. When organizations and individuals, who take decisions in an organization understand the apparent difference between these two, they can quickly accelerate organizational productivity, retool their entire process and channelize the work order in an entirely new fashion, thereby adapting to the evolving time and catering to the demands of audiences (Obialor, Emem & Obialor, 2022).

3.2 Types of Organizational Change

In many cases, everyone in the same origin may have different views of the same change. In many of the cases, it becomes so complex that no one has true end-to-end view of actual change. Original change is usually seen as a response to the internal or external conditions. However, the wisdom lies in managing change through forward thinking and structured plan rather than reacting to the challenges posed by the world. Transit partners (2017) highlights the following types of organizational change to include:

Original-wide change: This refers to a large scale transformation that affects the entire organizational structure. This pinpoints to changing or innovating the nature of the business organization, including re-sizing, restricting or collaboration. This type of change, tend to be long-term; and if not planned properly, can be highly descriptive. Major changes such as mergers and acquisitions are considered structural changes.

Transformational change: An organization must constantly evolve and keep attuned with the environment around. It should learn and therefore change with time and adapting with cultural trends, understanding the social eco-system and keep abreast with the digital technologies. Transformational change is all about introducing high impact, socially viable and cultural changes that have long-standing effect on the corporate culture and therefore on your overall productivity.

Culture change: Changes to the underlying principles, expectations, norms, working habits and symbols of an organization. This is the most talked about, the most difficult and yet the most sought after change in the world. Culture represents the invisible, undocumented but most powerful system that largely determines priorities and behavior of people in any organization.

Process change: Changes to business process and operational activities represents amongst the most common type of change. Many organizations have implemented continuous improvement programs that change process on a regular basis. Processes also need to change to support new strategies or to leverage new technologies.

People change: Refers to mass layoffs or hiring in an organization. For instance, the organization hires a good number of new resources, it needs to handle the entire process effectively, - starting from defining in which roles does the new resources suit. If an organization is not defined about its process while laying off or hiring new resources, it might end up bringing chaos.

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Unplanned change: This type of change prompts organizations to act within a limited time. Such change tends to be expensive, and often brings chaos. A predicted dramatic disruption in the market might prompt an organization to suddenly shut down its existing operating model in an affected business area and then divert its entire resources in survival measures. This is an unplanned business change.

Remedial change: Environment, product performance, and many other factors individually or collectively prompt companies to initiate remedial change. If a product for instance is proven to be bad by the company or consumer, the company might then take prompt step to recall the product from the market thereby introducing remedial change.

3.3 Causes of Change

Senior and Swailes (2010) opined that change can be triggered by any number of external and internal factors. External Triggers include; change in demand for the organization's product or services, threatening tactics of competitors, merger of the business with another, political changes, development of new technologies now available for application, failure of a key supplier to meet the organization's requirements, take-over of the business by a more powerful enterprise or competitor, and arrival of a new entrant with competing products or services. Internal Triggers include; planned changes in strategy, need to improve the quality of products or services, need to respond to the development of new products or services, efforts to introduce cultural changes, need to improve productive efficiency and make better use of resources, need to improve standards and systems for dealing with suppliers, and need to deploy people to where they are most effective.

3.4 Benefits of Change and Innovation within an Organizational Structure

Organizational benefits abound and vary from one place to the other, and are being affected by certain core deciders including governmental regulations, competitions, environmental situations etc. (Cole and Kelly, 2011). As an Employer benefits may include an enhanced employee engagement, increased sustainability and long standing impact, and increased return on your charged investment. As an Employee, benefits may include an enhanced involvement in the implementation of the change, reduced stress and a greater sense of control, and more flexibility in working. Core Benefits of Change and Innovation within an Organization may include an enhanced productivity, superior control over the process, improved return out of investment, channelized process, and coping up with the changing market and consumer behavior dynamics (Transit partners, 2017).

3.5 Risks Associated with Change and Innovation

Organizations that resolves to bring change and innovation also experiences some levels of risk and resistance either from the environment external or from the individual employees. The following are some of the issues;

1. Resistance: Is the biggest challenge. Resources within the organization are already well adapted with their existing situations, they might not respond well to change or eager to change with time. The fear of losing a job, uncertainty, habit, concern of personal loss, and the believe that the change is not in the organization's best interest are some

of the main reasons why most people hate change and would want to resist it. (Robbins, et'al 2011).

2. Leadership: Strong leadership is essentially vital to introduce change. If a leadership is not defined about its work and how to minimize chaos once a change is being implemented; it might spoil the entire objective of bringing change and innovation within an organization.
3. Disruption: Operational disruption is yet another challenge, which might crop up at the time, and during change. A small consulting company might only need to upgrade their existing software to bring innovation and change. However, a big or medium sized company might face a lot of disruption when it comes to changing enterprise planning software of its own.

However, training, planning and management are crucial components that collectively ensure true success of a change and innovation planning. Poorly managed change brings an organization to its toes. Effectively and efficiently managed change changes the fortune of an organization. But how to do it properly, with little effort and more impact.

How to Introduce Change and Innovation: Drafting a long-standing and hostile plan can introduce the entire process of expecting a bigger return from change and innovation. (Transit Partners, 2017). The entire change management plan needs to be implemented in bits. Never indulge in overflowing a process with lots of defined changes at once. Take some time and let change occur naturally and thus make it an understandable requisite for business growth rather than a norm. Scale down ambitions because the change and innovation might prompt resistance; whether active or passive.

How to sustain the change: This is when strong leadership comes into play? A good leader takes care of the entire process keeping the leader at the center, understanding the existing impact, learning how to make necessary changes when required, monitoring the employee reaction to the innovation, giving them pace for criticism and honoring their efforts coping up with change and giving them room and skills and training. Sustaining change is all about letting the change flow while addressing the challenges of the process (Transit Partners, 2017).

How to measure the impact: Employee feedback, market research, pinpointing growth factors, yielding outputs pre and post change management are all vital factors when it comes to measuring impact.

4.0 THEORETICAL REVIEW

4.1 Kurt Lewin Change Model

A theory of change is a purposeful model of how an initiative such as a policy, strategy, program or a project that contributes through a claim of early and intermediate outcomes to an intended result. Theories of change help navigate the complexity of social change and have been conducted in an attempt to envelope why and how changes happen. Lewin (1951) gave three stages in which an agent of change passes through before the change gets accustomed by the system. Lewin's change model includes, Unfreezing (the point at which there is the need for change), Moving (the point at which the needed change is initiated), and Refreezing (the point when equilibrium point has been established)

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Lewin's went further to analyze how some inevitable forces affect change and called a force field. Rogers (2003) cited in Tomey (2009) expanded Lewin's work into five phases of the intended change and listed them to be interest, awareness, trial, evolution and adoption. Rogers in his analysis stated that organizations tend to be aware of the need for the change as the first stage of his own phases of an intended change, once the organization get to be aware of the change, they develop interest for the need to adopt change in the operating system of the organization, the next stage is the adoption stage of the initiated change, while the next phase is the stage where the institution or organization face trials as a result of the initiated change and finally the evolution stage where the change is now part of the system in the organization.

4.2 Schumpeter's innovation theory

In Theory of economic development and further work, Schumpeter described development as historical process of structural changes, substantially driven by innovation which was divided by him into five types: 1. launch of a new product or a new species of already known product; 2. application of new methods of production or sales of a product (not yet proven in the industry); 3. Opening of a new market (the market for which a branch of the industry was not yet represented); 4. Acquiring of new sources of supply of raw material or semi-finished goods; 5. New industry structure such as the creation or destruction of a monopoly position (Schumpeter, 1934). Schumpeter argued that anyone seeking profits must innovate and believed that innovation is considered as an essential driver of competitiveness and economic dynamics (Hanush & Pyka, 2007). According to Schumpeter, innovation is a "process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one". Schumpeter described development as historical process of structural changes, substantially driven by innovation (Schumpeter, 1912). He divided the innovation process into four dimensions: invention, innovation, diffusion and imitation and then he puts the dynamic entrepreneur in the middle of his analysis. In Schumpeter's theory, the possibility and activity of the entrepreneurs, drawing upon the discoveries of scientists and inventors, create completely new opportunities for investment, growth and employment. In Schumpeter's analysis, the invention phase or the basic innovation have less of an impact, while the diffusion and imitation process have a much greater influence on the state of an economy.

Investment and employment, is not the discovery of basic innovation, but rather the diffusion of basic innovation, which is the period when imitators begin to realize the profitable potential of the new product or process and start to invest heavily in that technology (Freeman 1987). According to Schumpeter, innovations are essential to explaining economic growth, and the "entrepreneur" is the central innovator. In other words, innovation is the "creative destruction" that develops the economy while the entrepreneur performs the function of the change creator.

4.3 Methodology

The study adopted a survey research design with both qualitative and quantitative approaches in determining the extent of the effect of organizational change and innovation on Coca Cola global businesses in Owerri Imo State, South East, and Nigeria. With a target population and a sample size of 31 determined using simple random sampling techniques, mean, Standard

Deviation and linear regression analyses was used for analysis. Cronbach alpha statistic was used to determine the reliability of the test instruments which reported 0.859

Using: y = B0 + B1 X1X2

Where y = Global Business Innovation

B0 = y Intercept

X1 = Technology (Independent variable)

X2 = People and Organizational Structure (Independent variable)

4.4 Questionnaire Analyses

Research question 1:

What is the effect of technology on innovation of manufacturing industries in South East, Nigeria?

Table 1: Coded responses on the effect of technology on Innovation of manufacturing industries in South East, Nigeria

Descriptive statistics

S/N	Questionnaire Items (n=31)	Mean	Standard Deviation
1	Technology is crucial to the performance of manufacturing firms	4.097	1.22
2	Increasingly, businesses have become digitally connected including our customers.	4.065	1.21
3	Change is fundamental in order to guarantee long term success within an organization	4.032	1.17
4	Technology has led the way, enabling change in Supply Chain Software to become faster and more efficient.	4.097	1.42
5	Technology has evolved, enabling people to tie their business together	4.000	1.32

Source: Field Survey (2023)

From the table above, all the items have a good mean and standard deviation. By implication, it means that the increasing effect of technology can successfully enhance innovation of manufacturing industries in South East, Nigeria. The implication however, is that jobs and wealth can be created and the economy may grow efficiently.

4.5 Results

1. **H0$_1$:** Technology have no significant effect on innovation of manufacturing industries in South East, Nigeria.

Table 2: SPSS Result of effect of Technology on Innovation of manufacturing industries in South East Nigeria

Particulars	R	R^2	Adj. R^2	DW	Standard Coefficients		F	Sig.
					Beta	T-value		
Technology	0.614[(a)]	0.377	0.374	.120	0.64	11.175	126.889	0.000

Source: SPSS Output (2023)

Where; R = Correlation coefficient or Beta

R2 = Coefficient of determination

Adj. R2 = Adjusted coefficient determination

DW = Durbin Watson test statistic

T-value = t-test statistic

F = f-test statistic

The result shows that technology affects innovation of manufacturing industries. The analysis has a positive beta of 0.614, T-value of 11.175 and a P-Value of 0.000 (0.000 < 0.005). Hence, effect of technology has a significant correlation on innovation of manufacturing industries in South East, Nigeria.

Research Question 2:

To what extent does people and organizational structure have significant impact on innovation of manufacturing industries in South East, Nigeria?

Table 3: Coded responses on the Impact of People and Organizational Structure on Innovation of manufacturing industries in South East, Nigeria.

Descriptive Statistics.

S/N	Questionnaire Items (n=31)	Mean	Standard Deviation
6	The entire change management plan needs to be implemented in bits.	3.581	1.587
7	Changes in people refer to changes in employees attitudes, expectations, perceptions or behaviors	3.742	1.341
8	Organizations change or adapt what they want to achieve and how they wish to achieve it	4.097	1.423
9	Change might not necessarily bring innovation, but innovation surely brings change.	4.000	1.317

Source: Field Survey (2023)

From the data above, the mean scores and standard deviation reports an implication of the impact of people and organizational structure on innovation of manufacturing industries in South East, Nigeria. The above however, could be the reason behind efficient management of people and organizational structures.

Hypothesis Two:

1. **H02:** People and organizational structure have no significant impact on innovation of manufacturing industries in South East, Nigeria.

Table 4: SPSS result of the Impact of People and Organizational Structure on Innovation of manufacturing industries in South East, Nigeria

Particulars	R	R^2	Adj. R^2	DW	Standard Coefficients		F	Sig.
					Beta	T-value		
People/ Organizational Structure	0.816(b)	0.448	0.443	.130	0.713	10.243	126.465	0.000

Source: SPSS Output (2023)

The result above indicates a positive significant impact of people and organizational structure on innovation of manufacturing industries in South East, Nigeria. The analysis has a positive beta of 0.713, t-value of 10.243 and P-value of 0.000 (0.00 < 0.005). Thus, people and organizational structure has a significant impact on innovation of manufacturing industries in South East, Nigeria.

5.0 DISCUSSION OF FINDINGS

Change is fundamental in order to guarantee long term success within an organization. Organizations change or adapt what they want to achieve and how they wish to achieve it. The result in table. 2 shows that technology affects innovation of manufacturing industries with a positive beta of 0.614, T-value of 11.175 and a P-Value of 0.000 (0.000 < 0.005). Hence, effect of technology has a significant correlation on innovation of manufacturing industries in South East, Nigeria. The result as shown in table. 4 indicates a positive significant impact of people and organizational structure on innovation which reported a positive beta of 0.713, t-value of 10.243 and P-value of 0.000 (0.00 < 0.005). Thus, people and organizational structure has a significant impact on innovation of manufacturing industries in South East, Nigeria.

6.0 RECOMMENDATIONS

i. In order to guarantee long-term success within an organization, management of organizations should maintain an enabling organizational structure that can respond to change and enhance innovation.

ii. Organizations should upgrade their existing software to bring innovation and change.
iii. Leadership in organizations should be defined about in terms of their work and how to minimize chaos once change is implemented.

7.0 CONCLUSION

Change is an organizational reality and fundamental in order to guarantee long-term success within an organization. The forces for change may come from the environment external to the firm, from within the organization or from the individuals themselves. Change could be reactive, adaptive or proactive in nature depending on the circumstances prompting that change. Changes were classified as organizational changes when it involves the alteration of an organizational people, structure or technology. Causes of change may be triggered by any number of external or internal factors. Organizational benefits abound and vary from one place to the other and are being affected by certain core deciders, including governmental regulations, competitions, environmental situations etc.

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