

Introduction: an entrée to organizational and managerial innovation

Tyrone S. Pitsis, Ace Simpson and Erlend Dehlin

Innovate: to make changes in something established, especially by introducing new methods, ideas, or products.

Innovation: the action or process of innovating.

(Oxford Dictionary Online)

The Oxford definitions of *innovate* and *innovation* present innovation as altering the nature or state of something that already exists. Hidden in the definition but often missed in innovation work are the political, power-relational complexities inherent in what is seemingly a benign word in the innovation process: specifically the word ‘to make’. Making innovation is never free of its social context, its resisters, enablers, recalcitrants, champions and the like. Indeed, innovation can be thought of as the very stuff of social relations, as in the case of Hannah Arendt’s (1958) idea of innovation being integral to democracy and vice versa. Wherever there is an absence of democracy, Arendt argued, there is also the decline of innovation. Without wishing to sound too clichéd, innovation is the cornerstone of human progress and of a free and democratic world. Unlike what is presented in a large body of the mainstream economic literature on innovation (see Swann, 2009), innovation is as much about process and practice innovation, as it is about the innovation of technology or product.

While the term *innovation* is often touted as an underlying value within society and as a core aim in the rhetoric of many organizations, the reality is that innovation is a slippery concept. Innovation cannot be fully understood unless the phenomenological properties of innovation are accounted for: its temporal-spatial properties, its pragmatic elements as part of the evolution of knowledge and its essence as a quality of experience and action, and therefore life. First, as a temporal concept, innovation is about a change or adaptation involving ‘a before’, ‘a now’ and ‘an after’: a past, present and future so to speak. Second, innovation is spatial and occurs in a context bound by unique stocks of knowledge, ways of knowing and ways of making sense of the world. As such, how it is defined and made sense of is a function of the people experiencing it as an innovation: by experience we are referring to how people act

upon and make sense of objects and events in their social world. In many ways, then, innovation is an essential and necessary component of human action. To put it succinctly, innovation is the norm of everyday life; it is not simply a metaphor or some rare product of human action but an essential language tool and human action in and of itself (see Lakoff and Johnson, 1999).

At the organizational level, innovation has been seen as something that organizations do, rather than as an essential part of organizational life. In many ways, there are parallels in how geneticists used to view junk DNA. It took innovative and entrepreneurial scientists to explore the idea that all the treasure of DNA is to be found in that 'junk'. Clearly, the focus of innovation has predominately been on technological innovations, and their subsequent impact and transformation of human behaviour. Underpinning this view is a bias privileging technology – especially information technologies – over that of the human spirit. Such an idea, while dominant, reinforces a technological determinism that glosses over the rich, exciting, sometimes mundane, and sometimes extraordinary humanity of innovation.¹

While innovation is everywhere, everything cannot realistically be labelled innovation (in practice). What is clear to us, however, is that innovation is concomitant with social practices. That is, innovation is a function of human relations, and as such it is as much about the power inherent in human relations as much as it is about the emergent qualities of such relations. Innovation is about altering the tools of human relations: how we consume, how we communicate, how we work, how we relate, how we eat, sleep and even make love and war. Innovation is social in that it does not easily occur as a stated and pre-planned outcome but as emergent in the social relations and contexts within which they occur. It is also recursive, in that innovation is conceived and nurtured through human practices, just as human practices are conceived and nurtured through innovation (Clegg et al., 2012). Such an idea is central to pragmatic philosophy of course, and so the innovation of knowledge, about how we do things, how we make sense of them, is integral to any technological innovation. Process and practice innovation is as much an innovation within and

¹ This, however, is by no means to imply that innovation is solely a human process; animals are quite innovative. More importantly, artificial life forms are increasingly being designed to 'be' innovative. There will come a time when artificial intelligence will out-innovate us in both extraordinarily positive and disastrous ways. This possibility is not as far away as you might think (see <http://singularity.org/>).

between organizations as any other form of innovation. We unashamedly place humans, their acts, practices, processes and fantasies at the core of innovation.

The *Handbook of Organizational and Managerial Innovation* brings together some of the world's leading thinkers, academics and professionals, both established and emerging. Their combined contributions provide practitioners, students and academics with a comprehensive picture of the vibrant and engaging field of organizational and managerial innovation. Overall, organizational and managerial innovation is shown as a complex concept underpinned by varied ontological and epistemological traditions and disciplines. Innovation exists and occurs at multiple levels of analysis (individual, group, organizational, inter-organizational and social), and from multiple zones of experience – that is, the experience of managers, workers, psychologists, philosophers, economists and so on.

In compiling and editing this book we were surprised by a number of things. First, we became lost in the wonderful work being done on organizational and managerial innovation, partly by its simplicity, and especially by its potential as a dominant and important domain of theory, research and practice. Our initial inspiration came from Birkinshaw et al.'s (2008) paper in the *Academy of Management Review*, because they gave a name and a sense of unity to something that has been a focus for many theorists and researchers of management and organizations. It should be pointed out that the term 'managerial innovation' is not a new concept. Relatively speaking it is, but one need only look at the field of economics, economic history and medical sociology and management to find works dealing with the idea of managerial innovation (see Hannah, 1974; McFarland, 1979; Damanpour, 1987). Second, we could see such strong connections between what has been occurring within the disciplines in the social sciences, arts and humanities, and how important and fruitful multidisciplinary approaches to organizational and managerial innovation can be. With this in mind, and quite naively and with some self-indulgence, we decided to invite contributions from all the authors whose work we enjoy; in so doing we ignored the battles between the various methodological, ontological and epistemological traditions. Third, we could not find a similar book currently on the market that specifically addresses and offers ideas, innovations and inspiration for studying organizational and managerial innovation, at least not since Mol and Birkinshaw's (2007) work. The closest is William Lazonick and David J. Teece's

(2012) essays on management innovation in the spirit of Alfred D. Chandler Jr. Definitely an interesting read, but a very different animal to our book.

The rich diversity displayed by the different contributions to this book gives some idea about the complexity and complicatedness that characterizes the field of organizational and managerial innovation (OMI). As a result of this diversity we have found it difficult, and counterproductive, to come up with a structure dividing the contributions into clear-cut categories. Rather, much like the emergence of contemporary musical forms and genres of today, it seems like the field of OMI is incessantly making itself up and defining its own parameters as it unfolds. Our strategy is therefore not to attempt to tame or restrict the exciting developments in the field into clearly demarcated sections, such as individual versus organizational or theory versus practice. Nonetheless, as an attempt to provide a space (a tool as it were) to unravel the complex constitution of OMI, we have chosen to organize the book around three key ideas that have emerged from our readings of each chapter. These are not mutually exclusive nor are they meant to restrict your own interpretation. Simply stated, this is how we made sense of them. ‘Part I: Innovation as Managerial Technique(s)’ mostly assumes innovation as a stable technique that managers can institute within an organization as long as they understand the factors that facilitate such innovation. Most of the chapters in this section consider the various strategic, environmental, psychological or educational factors that facilitate organizational innovation.

‘Part II: Innovation as (Practical) Emergence’ emphasizes innovation as an ongoing and fluid process that organizations can learn to recognize and harness. Here there is also a warning that innovation is limited or dies when it is assumed to be a managerial technique rather than a process of learning and becoming.

‘Part III: Innovation as Narrative’ presents chapters with case studies of organizations and innovative organizational practices through the discourses practitioners adopt when inventing new ideas and new meanings.

Each of the chapters of this book presents a unique insight into organizational innovation, and each offering a different perspective. Some of the perspectives create tension with others: are happy employees with free minds more likely to be creative and innovative or, is ‘necessity the mother of invention’ as per the popular saying? In the context of this book, are organizational innovations more likely to occur under a supportive or a restrictive work place environment? Are organizational structures and

managerial involvement likely to aid or obstruct innovation in practice? The handbook presents chapters that argue the case for one or the other of these positions, and some that argue all of them. As such, innovation ‘depends’ with regard to context, contents and quality, and in many ways the chapters provide insights into the array of factors upon which innovation depends. What underpins all these chapters is that they are grounded in scholarly literature and provide a foundation upon which scholarship can expand. They also offer suggestions for further study.

THE STRUCTURE

Part I: Innovation as Managerial Technique(s)

Part I opens with Mol and Birkinshaw’s work on ‘Relating management innovation to product and process innovation: private rents versus public gains’ (pp.xx–xx). The authors focus on the effects of management innovation on product and process innovation outcomes. They find that the association between management innovation with product and process innovation is limited. The association only holds true for product innovations new to the market, and for process innovations new to the industry. Surprisingly it does not hold for product and process innovations that are merely new to the firm. Their finding indicates the importance of management innovation to market- and industry-level effects.

Bessant and Lamming’s chapter ‘Network innovation’ (pp.xx–xx) suggests that innovation management has evolved to the point that it is now essentially about organizational dynamic capabilities in revising approaches and routines to meet changes in the environment. They propose that the future of organizational innovation will require a network-based and technology-enabled open environment, with multiple knowledge sources and participants.

Teerikangas and Välikangas’s chapter ‘Engaged employees! An actor perspective on innovation’ (pp.xx–xx) reports the findings of several empirical studies into the association between engagement and innovation. The authors offer a model of the engagement process involving a balance of mental states described as ‘edging’ and ‘retreating’. Managers can facilitate or inhibit these states through the quality of the environment they create.

Continuing with this idea of facilitating innovation, Boedker and Runnalls’s chapter ‘Making innovation happen using accounting controls’ (pp.xx–xx) uses two

lenses to explore the relationship between accounting controls as managerial innovation and innovation more broadly. The *ostensive* lens views innovation as the predictable and coherent engagement of senior executives. The contrasting *performative* lens views accounting controls as flexible and amenable to change depending on movements and shifts in actor networks, their logic always being open to questioning and interpretation.

Swann's chapter 'Innovation and the division of labour' (pp. xx–xx) is written from an economic perspective. Swann portrays innovation as an intricate and complex matter and argues for a mutually constitutive relationship between innovation and the division of labour. A challenging and thought-provoking conclusion with implications for both theoreticians and practitioners is that there can be no one *best* organizational form or *best* division of labour to maximize innovation. While there is no one best path to innovation, fostering an internal environment for innovation is possible.

With this in mind, Vaccaro, Volberda and Van Den Bosch's chapter 'Management innovation in action: the case of self-managing teams' (pp.xx–xx) discusses the role of internal change agents within self-managed teams. They conclude that managers play a key role through attention to issues relating to innovative leadership, knowledge exchange and trust.

Writing from a psychological perspective, Patterson, Kerrin and Zibarras seek to synthesize research on the factors associated with employee innovation and its contribution to innovation in organizations. In their chapter on 'Employee innovation' (pp.xx–xx), they argue that managers seeking to nurture innovation would benefit from paying attention to traits such as openness to experience, motivation to change, and surprisingly, those who show some 'antisocial' traits such as challenging the status quo or questioning authority.

Finally, Agarwal, Green and Hall's chapter 'Management education for organizational and managerial innovation' (pp.xx–xx) considers the role of education in innovation. They suggest that business schools have a contribution to offer organizational innovation through a refocusing of the practices of business schools as well as through the nurturing of specific skills and competencies in management training programmes.

Part II: Innovation as (Practical) Emergence

One way of making sense of the chapters in this section is by deploying a practice perspective of innovation, presenting it as ongoing processes that organizations can learn from, harness, create and innovate through practice. The section begins with the chapter 'Living ideas at work' by Carlsen and Sandelands (pp.xx–xx), which stresses the importance of keeping ideas alive and continually emerging through participation, connection and wonder. The authors provide a metaphor of emergent innovation as a rose on a vine, and suggest that once the rose has been picked (by management) it quickly starts to die. As such, the authors concern themselves with the idea of how to keep innovation alive and breathing.

Taking a similar approach, Dehlin's chapter 'Fleshing out everyday innovation' (pp. xx–xx) studies innovation in the tension between reified technical rationality (techne) and organic, everyday practice. He suggests that improvisation can be a fruitful concept for unravelling and sparking creative insight and wisdom (phronesis) in knowledge work. Like Carlsen and Sandelands, Dehlin stresses the value of technical-rational models as tools of innovative practice, which should not be allowed to become restraint jackets that are followed blindly.

Josserand and Villesèche's chapter 'Communities of practice: from innovation in practice to the practice of innovation' (pp.xx–xx) also approaches innovation from a practice perspective. The focus of their chapter is the tension between the order provided by organizational bureaucracy and the need for openness to support learning and innovation. Referring to anthropology, the authors focus on the idea of informal communities of practice (crafts, apprentices, workshops) as traditional sites of learning and innovation. In their natural setting, such communities are composed of self-selecting members who share a common passion. The challenge of institutionalizing and commoditizing such informal communities of practice within organizational structures is that the project by necessity changes the orientation of innovation in informal communities of practice. That is, they are transformed to formalized and institutionalized communities attempting to practise innovation, thus losing their emergent and organic nature. Damanpour, Chiu and Magelssen's chapter 'Initiation, implementation and complexity of managerial innovation' (pp.xx–xx) explains that attributes of implementation have a more pronounced impact on innovation than those of initiation. To understand the complexity of adoption of innovation in organizations, they argue that more is needed than a sole focus on management decision-making and the mere initiation of innovation processes.

In their chapter ‘Surprising organization’ (pp. xx–xx), Cunha, Clegg and Rego discuss organizational innovation as an organizational response to surprises. They suggest that rather than striving to avoid or ignore surprises as threatening or unpleasant, organizations can learn to play with the unexpected and can innovate using surprises as discursive sources of novelty.

Part III: Innovation as Narrative

In this section we present works exploring the relationship between organizational innovation and the narratives ascribed to them. First, Rapport’s chapter ‘Managing the Łódź ghetto: innovation and the culture of persecution’ (pp.xx–xx), reconstructs the innovativeness of Rumkowski, the Nazi-appointed Jewish Elder of the Łódź ghetto. Rumkowski’s managerial ‘achievement’, Rapport argues, is owed to the innovative way in which he represented his intentionality both to the Nazis and the Jewish population by appropriating to himself two established discourses – one from the Nazi ideology and the other from Jewish history. This chapter deals with a controversial subject matter to ‘innovate’ the way we might make sense of ‘innovativeness’.

Bjørkeng and Hydle’s chapter ‘Innovating professionalism in a communication consultancy’ (pp. xx–xx), describes a process whereby organizational narratives are constantly being constructed and reconstructed to make sense of and legitimize past and future codes of organizational practice. Three common mechanisms are involved in this process. First, narratives are entangled within the contexts in which they are constituted – blending the professional and private lives of the employees. Second, the norms of narrative construction are constantly being tested as new narratives breach boundaries of appropriateness. Finally, the constructed narratives centre on displays of accomplishment and competency in the reclaiming of power. Conjointly, these three mechanisms enable the continuous innovative construction of professionalism within the organization.

The final contribution to the book is by Thomas and Northcote. Their chapter ‘Storytelling in transforming practices and process: the Bayer case’ (pp.xx–xx) differs from the other contributions in that it is written not by academics, but by a CEO and a Head of Communications and Public Affairs of Bayer MaterialSciences. We have noticed, that very few, if any, academic handbooks actually engage a strong practice focus. We would therefore like to begin innovating a process that overemphasizes the

dualistic tradition of keeping academic storytelling separate from practitioner storytelling in handbooks. From our perspective, the stories of researchers, theorists and practitioners belong together. We are therefore excited about including this chapter written by practitioners who tell the story of how the management at Bayer has united the organization not by killing dissensus, but through the co-production of artwork to sell a change initiative. Each year the organization has commissioned and widely distributed an annual cartoon depicting the organization's current opportunities and obstacles, as well as progress towards the attainment of defined objectives. You will notice that the chapter includes colour images of the actual artwork created by managers to promote the changes in practices that the CEO was seeking to innovate through strong narratives of innovation. The authors report how the story has united the organization around a common vision, as well as to nurture a culture that is enthusiastic about innovation and change.

AN INVITATION

As you may be able to glean from this introductory chapter, the field is replete with ideas about managerial and organizational innovation processes and practices. From people operating under Nazi rule, through to industries innovating how they do things through artwork, you will see that the research, theory and breadth of innovation as a process are tremendously complex and diverse. Notice that we did not attempt to synthesize these chapters into one idea or definition of what managerial and organizational innovation is. We leave that to you, the community of students, scholars and practitioners in this space to do that through your ongoing research, theorizing and practising. Indeed, our aim here was not to suggest which we think are right or wrong, what theories are better or worse, or what methodological, epistemological and ontological orientation should be privileged over others. Rather, what we hope you are able to appreciate as a student of the field, which in the end is what all of us are, is that it is rich in diversity and in variety of approaches; there are multiple ways of making sense of organizational and managerial innovation and so it is an exciting, vibrant but also challenging field. Ultimately, we trust the readers will immerse themselves in this exciting field, from the purely *academic*, through to the purely *practice* oriented, and come away inspired, provoked and informed.

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