

The Role of Change and Innovation in Organizations



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ABSTRACT: In the 21st century, changes and innovations no longer surprise anyone. It is an integral part of any activity. Practically, changes and innovations are the components by which each organization tries to improve the situation, increase flexibility and efficiency. Every innovative approach should be aimed, on the one hand, at system optimization and, on the other hand, it should have a positive impact on employee productivity.

In the conditions of globalization, while new management approaches are formed and innovations are introduced, special importance is attached to each step taken by the organization. Every decision that the company makes must be based on the aspect that it will be good. Changes and innovations are practically inseparable from each other. Nowadays, implementation of innovations and various types of changes can be said to be of vital importance for organizations.

Therefore, it is necessary that each action of the company is analyzed in detail. It should be determined in advance what results it will bring for the organization, as well as for employees and customers.

The paper deals with organizational changes and innovations. The essence of both organizational changes and innovations and the relationship between them are discussed. The paper also analyzes the innovative projects and organizational changes implemented by one of the Georgian companies LLC "Georgian Dairy Products".

KEYWORDS: Change management, Organizational change, Innovation, Aspects of Innovation, The process of transferring changes,

I. INTRODUCTION

Changes and innovations will always be part of our lives and activities. In the conditions of globalization, it becomes more and more obvious that the current changes in the environment push organizations to find different innovative approaches. It is very important for both private and public sector organizations to adapt to environmental conditions implement changes and implement appropriate innovative methods. All this is aimed at the organization adapting to international standards and keeping pace with the times. When it comes to changes and innovations, it is very important to understand how it is necessary to properly organize and implement it, because changes are accompanied by difficulties that must be overcome. At this time, among other factors, correct and timely communication with staff and costumers is crucial.

News, as a rule, should bring a positive effect to organizations, although in some cases we get the opposite result. This is due to the fact that the management may lose control over the processes and not be able to understand the expected negative results or it may be too late to implement changes. Therefore, before implementing the changes, it is necessary to carry out a certain analysis of the extent to which said change needs to be implemented and what effect it will bring.

It is a fact that the research of issues related to innovations and changes does not lose its relevance, especially in the recent period, since the current processes in the world have led organizations to many changes. It has forced the introduction of new approaches, organizational restructuring and offering innovative products or services to customers. Carrying out every successful change and introducing innovative approaches among them contributes to the growth of the company's efficiency and customer satisfaction.

In addition to discussing the importance of innovative processes and changes, the paper also talks about the changes introduced by LLC "Georgian Dairy Products". An in-depth interview was conducted with the company's management, on the basis of which it became clear what innovations the organization introduced, what changes it made and what results all this turned out to bring. This once again shows how important it is to implement actions aimed at improving processes, introducing innovations and optimizing the system.

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II. IDENTIFY, RESEARCH AND COLLECT IDEA

The essence of change and innovations

The modern world is unthinkable without innovative process. Any organization should constantly think about introducing innovations and improving the situation. In order for the organization to be able to exist in the long term, it definitely needs to take care of its products and services. This is directly related to the news. Innovation requires management to make many decisions and understand the expected results. Innovation is directly related to change. Virtually every innovation means a change in the organization. Generally speaking, change is the transition of an object from one state to another, when the original is replaced by a more complete one. (Kharkheli, Manana; Gavardashvili, Davit, 2022, pp. 173-183) And direct organizational change is the company's assimilation of new ideas, improvement of processes and increase in flexibility. Various scientists have proposed different definitions of organizational change including: scientists Moran and Brightman define change management as – “the process of constantly updating the organization's structure and potential”. (Moran & Brightman, 2011, pp. 111-118) Also, organizational changes can be defined as – “fundamental transformations in structures, values and norms that create a new way of thinking in the organization”. (Cummings & Worley, 2008, p. 506)

Organizational changes can be caused by different reasons. For example, it can be conditioned to improve processes and transitional changes can be made, which are focused on combining specific functions in the organization. In addition to internal factors, changes can be caused by external factors. The covid-19 pandemic has forced many organizations to make changes. Therefore, it is particularly important to make timely and correct organizational changes in companies. Every change should be aimed at alleviating and developing the situation, which will subsequently ensure an increase in efficiency. (Gavardashvili, 2022, pp. 43-48)

Managing organizational change and above all, recognizing the need for it is one of the challenges that most companies face today. The time when stability and predictability was the main priority of the activity is over. Today, market pressure, labor mobility, globalization and many other factors force us to leave our comfort zone and make changes. Consequently, organizations are increasingly turning to change and innovation to improve their status quo.

The change management process includes plans, projects, initiatives and innovations. This refers to changes in job roles, structure and other components between them. Different groups of organizations may consider change management differently, but it is very important to always consider the human side of change in an organizational context. For example, human resources are the most important asset of the organization on which it stands. A company's distinctiveness lies in the skills and abilities of its employees, which give it a competitive edge. Accordingly, the company must constantly try to find ways to motivate human resources and work effectively, and for this, it is necessary to apply changes in human capital bases on the need. The types of changes directed in this regard include;

1. Investment in training and development
2. Changes in organizational culture
3. Changes in organizational norms and values
4. Changes in terms of motivation and reward system
5. Making changes in the composition of the management team.

Organizations can improve by changing structure and technology. It is also important to consider organizational culture and ethics during changes. An ethical leader must actively communicate with employees, inspire them and ensure that staffs are motivated to implement change. A change in functional structure can help create an environment where people are motivated. (Kharkheli & Gavardashvili, 2023)

In the process of talking about organizational change, we should not lose sight of the essence of innovation. It can be said that organizational change means a process bases on the introduction of innovations. Globalization is associated with news and innovations for everyone. Innovations and changes are closely related to each other, although they have different meaning. Innovation always implies newness, and change can be of any type that is already familiar to many.

An innovation is defined as “a system, technology, product or service that is introduced to an organization for the first time” (Nord & Tucker, 1987). In this sense, changes are a continuous process of preparing the organization for the introduction of a new system. According to the classical definition, innovation is the process of implementing new ideas, which can be aimed at updating products, services, processes and other areas. Bases on the definition of innovation, it is interesting to analyze it, which is offered by P. Ahmad and Ch. Sheppard. (Morchiladze, 2018)

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Aspects of innovation

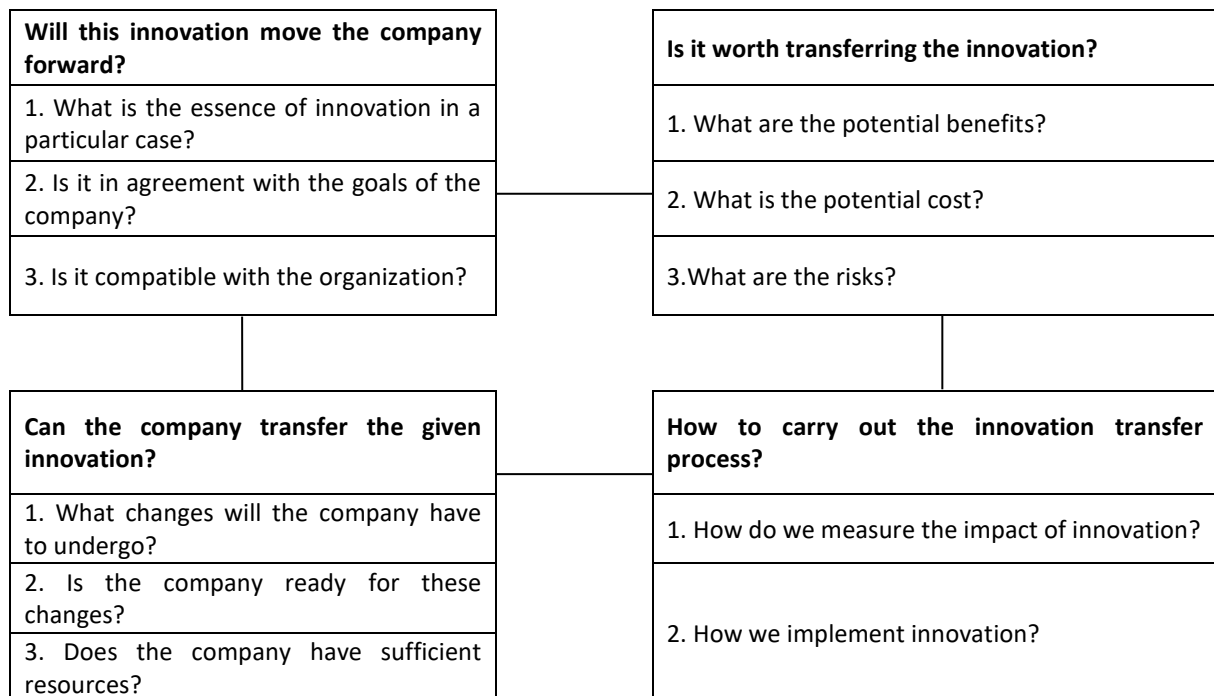
Aspect of innovation	Definition focus
Creation (discovery)	Formation of a new attitude about the issue of using the resources (people, time, money) necessary for the discovery/development of a new service or a new product
Diffusion and teaching	The process of learning to develop a new idea or product
Change (evolutionary or radical)	In some cases, innovation can be considered a small novelty, although innovations are partly related to radical changes.
Process (firm level)	Innovation is a process that integrates a whole set of solutions
Context (region, nature, etc.)	The outcome of an innovation is influenced by a variety of factors, which may be influenced by circumstances beyond the individual or the organization. The main focus is on the institutional framework.

When we talk about innovation and change, it is important to answer a few questions. Between them:

1. How productive the innovation will be for the organization
2. If the organization applies the method of transfer of innovation, is it worth it or not?
3. Whether he can transfer the innovation or perfect it
4. How is it possible to carry out the innovation transfer process

When introducing an innovation, it is important to determine how well it will work. It is necessary to develop an action plan in advance and establish for whom it will be implemented, what results it will bring and what difficulties may appear. As such, the delivery of innovation is quite complex. Below is the process of delivering innovations and its sequence. (Morchiladze, 2018)

The process of transferring innovations



In some cases, the innovation does not result in the result that were assumed before its introduction, therefore, before introducing the innovation, it is necessary to compare the benefits and costs that accompany this process.

Changes and innovative projects implemented by LLC "Georgian Dairy Products"

LLC "Georgian Dairy Products" is a dairy products manufacturing company operating in Georgia, which was founded in 2004 and has been operating on the Georgian market since then. The company has undergone many changes since its establishment, expanded the product range, introduced a quality control mechanism and also successfully continues to implement changes, as

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all this contributes to the company's increase in flexibility and improvement of processes. The organization takes care of increasing the level of satisfaction of both employees and customers.

Based on the objectives of the research, an in-depth interview was conducted with the management of the company, through which all the changes implemented and introduced were clearly identified.

One of the important changes that the company has undergone is structural changes. He created additional departments, within which structural units were formed. In particular:

- A production department was created, which was separated from the commercial department, and a technology and quality control service was established under it.
- A logistics department was created, which was responsible for distribution and supervision of the company's fleet.

Practically, if the commercial department included all of the above, which further complicated the control over both quality and distribution, with the changes made, the company increased flexibility, redistributed functions and responsibilities.

In addition to the structural changes, it should be noted that the Enterprise resource planning (ERP) -system was introduced in the company, thereby increasing control over stocks, financial indicators, distribution and human capital. Practically, through the implemented program, the organization ensured the optimization and improvement of the system.

Changes were made to the equipment as well. The company built a factory equipped with modern technologies, through which it increased the production rate of products, as well as updated the car park and purchased additional distribution vehicles.

LLC "Georgian Dairy Products" is constantly trying to introduce innovations. Among them, in 2018, the company made a bold bid and for the first time in Georgia, launched Georgian organic dairy products on the market. In 2019, a new brand "Rdzisame" was launched on the market, which turned out to be interesting news for consumers. In addition, the company started producing private brands of chain stores, which means that by order of the chain store, LLC "Georgian Dairy Products" produces and supplies the store with the product under their own brand.

IT is also important that the company expands the key area of its products and, in addition to network stores, distributes in non-network stores as well. Due to recent processes, the company faced a challenge. It became difficult to get raw materials from a universal supplier, which led to an increase in prices for the product. All this prompted the company to change, diversify, add two new suppliers and ease the situation. As for all companies, quality control is one of the most important issues for LLC "Georgian Dairy Products". Accordingly, the company introduced the ISO standard and currently holds ISO22000 and HACCP quality certificates, which emphasize that the products are of the highest quality and all stages of its production are controlled.

It is a fact that the changes implemented by the company turned out to have a positive effect. By introducing changes, the organization was able to improve the situation, improve the system and optimize the customers. The company has increased its human resources and ensured an increase in their satisfaction level as well. It is important to note that the company is constantly trying to introduce innovations to the market, expand the product range and make marketing changes, which is reflected by the establishment of various promotions in stores. With all this, LLC "Georgian Dairy Products" occupies one of the dominant positions in the market and is constantly improving its situation.

CONCLUSIONS

In conclusion, it can be said that the importance of organizational changes and innovations has increased especially recently. This is due to various factors. Current processes in the world push organizations to various types of changes and innovations. It is important that any change that the company decides to implement is based on a well-developed plan, which should include both the initial stage of its preparation, as well as the management and final implementation stage. The consequences that the changes may bring – both positive and negative – should be understood. Changes and innovations are inevitable. Globalization sets standards that companies must adapt to. The example of the LLC "Georgian Dairy Products" clearly shows how important it is to carry out organizational changes and introduce innovative projects. In the case of the LLC "Georgian Dairy Products", all this is aimed at perfecting the system and most importantly, increasing the level of customer satisfaction. In any case, the change applied by both private and public sector organizations should ensure the improvement of the current situation. It is acceptable that changes and innovations do not bring the results that were expected. Therefore, before implementing them, it is necessary to determine in advance why it is being done, what purpose it serves and how positive it will be.

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