

---

## Editorial: Organisational development through business innovations

---

Hardik Shah and Samik Shome\*

Institute of Management,  
Nirma University,  
Ahmedabad, 382481, India  
Email: hardik@nirmauni.ac.in  
Email: samik@nirmauni.ac.in  
\*Corresponding author

**Biographical notes:** Hardik Shah is currently working as an Associate Professor and MDP Chair at the Institute of Management, Nirma University. He has worked as a resource person in various training and consulting assignments with organisations like Mahindra Comviva, JCH, Apollo Tyres, NTPC, etc. He is an experienced trainer and delivered 350+ MDPs and trained over 9,500 managers. He is an author of three books and over 35 research papers. He is on the editorial board of *Appreciative Inquiry (AI) Practitioner*, the only journal worldwide dedicated to AI.

Samik Shome received his MSc and PhD in Economics from the University of Calcutta, India. He currently works as an Associate Professor of Economics and Doctoral Program Chairperson at the Institute of Management, Nirma University, India. His research interests include rural development and public policy, labour economics and business strategy. He focuses on various governmental schemes and its implementation at the grassroots level, as well as model building, specifically conceptual and strategic frameworks. He has served and is currently serving as a member of Common Review Mission of the Ministry of Rural Development, Government of India. He is also the author and co-author of many publications in high quality peer-reviewed international conferences and journals. He has participated in various research projects supported by national organisations in collaboration with academic institutions.

---

Business innovation expands the opportunities for organisations to offer not only new products but also new processes. It is about making things better, faster and cost effective than the competitors that make organisation thrive in the market. It drives ongoing improvements and helps in unleashing new ideas that may change the rules of business. Innovation is considered to be a learning process where there is continuous growth of knowledge and changes in processes based on feedbacks (Rosenberg and Landau, 1986). Innovative industries and organisations provide significant contributions to the cultural growth and artistic life of the countries (Andari et al., 2007). Apart from their products being meaningful, such industries and organisations also provide an environment where ideas can be stimulated, thus motivating their employees to come up with more innovative ideas.

One way to understand the history of human culture is through its inventions and discoveries. All human cultural developments are built on the amazing technological, scientific, educational, and moral achievements of the human mind. Today, people

increasingly realise that innovations are even more critical than in the past. Innovative industries are considered to play a pivot role in innovation across a country's economy (Potts, 2007). Several studies in the past showed innovation along with science and technical based studies (Cox, 2005; Pryce, 2005; Haskel et al., 2005) and also tried to study the effect of innovative business on the supply chains wherein various sectors are connected (Bakhshi and McVittie, 2009). Innovative organisations are viewed as major source for generating ideas (Barras, 1990); as high-growth information services (Handke, 2006) and as a place where research and development is given the priority followed by production being the secondary (Lash and Urry, 1994).

Thus, industrial competition is increasingly harsh and organisations need to continuously bring innovative products and services to the global market. Loon et al. (2020) while studying business model innovation (BMI) developed a framework while including five major capabilities required for BMI, namely, organisational learning, sense-making, analogical reasoning, organisational ambidexterity and dynamic capabilities. Further the study discusses an HR structure which is BMI oriented can back above mentioned capabilities thus contributing to the organisational strategy.

While addressing the issue of organisational transformation, it is important to understand why the changes are necessary, how they will be implemented, role of different stakeholders in the change process and the benefits the change will bring. Theoretically, 'organisational innovation' refers to the creation or adoption of an idea or behaviour new to the organisation. Organisational creation is fundamental to the process of innovation and innovation constitutes part of the system that produces it. The ability of an organisation to innovate is a pre-condition for the successful utilisation of inventive resources and new technologies. Conversely, the introduction of new technology often presents complex opportunities and challenges for organisations, leading to changes in managerial practices and the emergence of new organisational forms. Organisational and technological innovations are intertwined. Similarly, economists have highlighted the interaction between the market and organisational factors in shaping innovative performance, although it devotes little attention to the internal dynamics and social processes within organisations. Researches have studied how the business models are effected due to disruptions. Extensive literatures were found in which they had focused specifically on particular perspectives like patterns and modalities of learning (Berends et al., 2016); organisational ambidexterity (Markides, 2013); generative cognition (Andries et al., 2013) and; structural ability through modularisation (Bock et al., 2012). Even though these perspectives have significant importance while understanding business innovation but they provide limited understanding of the topic. According to a new generation of research, inclusion of HR practices like human capital and motivation into business innovation facilitate growth of these capabilities (Bashir and Verma, 2016; Christensen et al., 2016; Felin et al., 2015). Managers are responsible in applying appropriate HR practices into the organisation so that the organisational resources and capabilities can be accessed efficiently while implementing new business models (McCauley and McCall, 2014). With rise in globalisation, there has been rise in the number of competitors, it is necessary for the managers to have adequate knowledge about implementing innovative business models thus facilitating better success in the raging environment of the new normal.

It is in this backdrop, this *special issue* titled 'Innovative business and organisational transformation practices' focuses on innovation strategies and practices in the era of disruptive change. Its objectives are to explore innovative strategies and practices that aid

intelligent enterprises, and to develop insights into how functional strategies are aligned innovatively to meeting the challenges of a volatile, uncertain, complex and ambiguous (VUCA) world. It contains *five* selected papers that examine the relationship among business innovation and organisational change.

In the paper titled 'Workplace spirituality and employees' readiness for change as precursors to innovative work behaviour: an empirical examination' co-authored by Nimitha Aboobaker, K.A. Zakkariya and Manoj Edward showed how organisational performance and sustainability in the contemporary technological world is largely driven by the relentless change and continuous innovations brought about by employees. They proposed a conceptual framework to establish the relationship between workplace spirituality and innovative work behaviour. This association was empirically tested among 208 employees working in information technology sector. The study also examined the mediating role of individual readiness for change in the aforementioned relationship. Employees with higher experiences of meaningful work and alignment with organisational values had higher readiness for change and innovative work behaviour. The findings of this study revealed no significant direct effect of sense of community on innovative work behaviour of the employees. However, sense of community had an indirect effect on innovative work behaviour, through the mediating role of readiness to change.

The paper 'Impact of organisational justice on perception of ability-job-fit in a changing environment' by Mrinali Tikare investigated the association among procedural justice, distributive justice and perceived-ability-job-fit using data from 274 Class-I employees working in General Insurance Company in India. The study indicated that the respondents have positive perception about their ability to perform the job and they are optimistic about the fairness of prevailing procedures and distribution of rewards followed by their organisation. The study concluded that positive procedural justice and distributive justice perceptions proportionately increase the perception of ability-job-fit. The findings would be useful for employees to reduce stress by understanding the 'fit' concepts. The HR practitioners could also predict the behaviour of their employees by executing the fairness practices in the system. Similarly, the senior management could win over the trust of employees and thereby expect support from them, even during dynamic business environments by implementing appropriate procedural justice in the organisation.

There is a paucity of literature in the area of role of intellectual capital in creating new ventures. The paper titled 'Analysing the entrepreneurial intentions through intellectual capital: evidences from India', co-authored by Ahmed Musa Khan, Mohd Yasir Arafat and Mohd Anas Raushan gave due importance to this neglected field of research and focused on examining the role of intellectual capital on start-ups. For the purpose of carrying out the research, dataset of 3,360 respondents from India has been used. The paper concluded that all the components of intellectual capital viz. human capital, structural capital and relational capital have a positive and significant impact on entrepreneurial intentions. The study suggested that policies should be proposed to develop human capital, structural capital and facilitate interaction between existing and potential entrepreneurs so that new venture creation could be fostered. This research falls among one of the initial studies investigating relationship between intellectual capital and entrepreneurial intentions.

The paper 'Economic, political and institutional determinants of foreign direct investment inflow in emerging and developing Asia' by Anil Kumar Goyal studied the role economic, political and institutional factors in attracting foreign direct investment in economies like China, Hong Kong, Singapore, India, and Vietnam. The findings of panel regression model revealed that most of the economic variables like gross domestic product, size of the market, capital formation, availability of natural resources and labour force are statistically significant in determining FDI inflow as compared to institutional and political variables. After imputing variables into economic, political and institutional, multiple regression estimates indicated that the coefficients of economic and institutional factors significant predicted FDI inflow in developing Asia.

The last study titled 'Price discovery and volatility transmission in the spot and futures market of pepper: an empirical analysis' by Asha Nadig and T. Viswanathan, through econometric models of forecasting attempted to examine the relationship between spot and future market for the traders of commodities. The study evaluated the price discovery mechanism and volatility transmission between the spot and futures prices of pepper. The study concluded that the subsequent price of pepper in the spot market could not be predicted appropriately. The Holt Winters model provided biased estimate of future prices. The goodness of fit analysed through the Akaike information criterion (AIC) gave better values of forecasting. The ARIMA model helped as an appropriate model to forecast the price of pepper.

The guest editors would again like to thank all the authors of numerous papers which were submitted for this *special issue* but were not included based on rigorous blind peer review process. However, we would encourage and motivate the authors of the papers that were not included to take into consideration the reviewer(s) comments for their papers and revise the paper accordingly. There is always a potential for good papers in one journal or the other.

The guest editors express their deep gratitude towards the entire teams of *International Journal of Intelligent Enterprise* and Inderscience Publishers for giving an opportunity to work on this *special issue*. Our special thanks to Professor Vipul Jain (Editor-in-Chief), Professor Alexandra Starkie (Journal Manager), all the reviewers and whole *IJIE* team for their continuous support during the processing and finalising of the manuscripts, we believe that the papers from this special issue will contribute to the further development of innovation and organisational transformation, and inspire future research in the field. Consequently, we hope that the contributions will retain the attention of researchers and stakeholders interested in this challenging topic. We wish you excellent reading!

## References

- Andari, R., Bakshi, H., Hutton, W., O'Keefe, A. and Schneider, P. (2007) *Staying Ahead? The Economic Contribution of the Creative Industries*, Department for Culture, Media and Sport, London.
- Andries, P., Debackere, K. and Van Looy, B. (2013) 'Simultaneous experimentation as a learning strategy: Business model development under uncertainty', *Strategic Entrepreneurship Journal*, Vol. 7, No. 4, pp.288–310.
- Bakshi, H. and McVittie, E. (2009) 'Creative supply-chain linkages and innovation: do the creative industries stimulate business innovation in the wider economy?', *Innovation*, Vol. 11, No. 2, pp.169–189.

- Barras, R. (1990) 'Interactive innovation in financial and business services: the vanguard of the service revolution', *Research Policy*, Vol. 19, No. 3, pp.215–237.
- Bashir, M. and Verma, R. (2016) 'Airbnb disruptive business model innovation: assessing the impact on hotel industry', *International Journal of Applied Business and Economic Research*, Vol. 14, No. 4, pp.2595–2604.
- Berends, H., Smits, A., Reymen, I. and Podoynitsyna, K. (2016) 'Learning while (re) configuring: Business model innovation processes in established firms', *Strategic Organization*, Vol. 14, No. 3, pp.181–219.
- Bock, A.J., Opsahl, T., George, G. and Gann, D.M. (2012) 'The effects of culture and structure on strategic flexibility during business model innovation', *Journal of Management Studies*, Vol. 49, No. 2, pp.279–305.
- Christensen, C.M., Bartman, T. and Van Bever, D. (2016) 'The hard truth about business model innovation', *MIT Sloan Management Review*, Vol. 58, No. 1, p.31.
- Cox, G. (2005) *The Cox Review of Creativity in Business: Building on the UK's Strategy*, SME's in Manufacturing, London.
- Felin, T., Foss, N.J. and Ployhart, R.E. (2015) 'The microfoundations movement in strategy and organization theory', *Academy of Management Annals*, Vol. 9, No. 1, pp.575–632.
- Handke, C. (2006) *Surveying Innovation in the Creative Industries*, Humboldt-University, Erasmus University, Berlin-Rotterdam.
- Haskel, J., Cereda, M., Crespi, G. and Criscuolo, C. (2005) *Creativity and Design Study for DTI using the Community Innovation Survey*, DTI Think Piece.
- Lash, S.U. and Urry, J. (1994) *Economies of Signs and Space*.
- Loon, M., Otaye-Ebede, L. and Stewart, J. (2020) 'Thriving in the new normal: the HR microfoundations of capabilities for business model innovation. An integrated literature review', *Journal of Management Studies*, Vol. 57, No. 3, pp.698–726.
- Markides, C. C. (2013) 'Business model innovation: what can the ambidexterity literature teach us?', *Academy of Management Perspectives*, Vol. 27, No. 4, pp.313–323.
- McCauley, C.D. and McCall Jr., M.W. (2014) *Using Experience to Develop Leadership Talent: How Organizations Leverage On-the-Job Development*, John Wiley & Sons, Inc.
- Potts, J. (2007) 'Art and innovation: an evolutionary economic view of the creative industries', *Multidisciplinary Research in the Arts E-Journal*.
- Pryce, V. (2005) 'Creativity, design and business performance', *DTI Economics Paper*, No. 15.
- Rosenberg, N. and Landau, R. (Eds.) (1986) *The Positive Sum Strategy: Harnessing Technology for Economic Growth*, National Academies Press.