

# INTERNAL CHANGE AGENTS FOR DRIVING ORGANIZATIONAL INNOVATION: REVIEW LITERATURE

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## ABSTRACT

Organizational Innovation is an innovation at organization level relating to change management in process method and operation in organizational process with fresh and better idea than before. In order to manage change to drive organizational innovation into action, the most crucial success factor is a person called internal change agent. Normally, such person might be intentionally selected from group of middle administrators or might be naturally chosen among change agents' team. Similarly, both are member of the organization directly effecting by the change. These people, therefore, recognized and understand deeply the necessity of change management. Consequently, they are entrusted by members of the organization to bring change management process into action. Thus, functions of internal change agents are the followings: (1) facilitating the change (2) bringing change into action and (3) supporting members of the organization to develop their skills and mindset in correlation with the change. In conclusion, internal change agents who successfully perform their function required these following abilities. Firstly, they know how to bring knowledge on innovation into action. Secondly, they posse skill for driving the organization. Lastly, they have a growth mindset.

**Key words:** Organization Innovation, Internal Change Agents, Functions of Internal Change Agents, Capacity of Internal Change Agents, Change Driving Skill. Growth Mindset

## DEFINITION AND IMPACT OF INTERNAL CHANGE AGENTS

Organizational Innovation or Management Innovation is one of the top level of administrative innovation relating to change management on process method and operation of organization with novel idea which covering other sub level innovations such as strategic innovation, production/service innovation, and the lowest one, operative innovation. (Dawson & Andriopoulous, 2017)

To operate change management for bringing organizational innovation into action by planned change, the one obvious way to lead the change with projects. There are several elements involve but the most 2 significant features are people and technology. Prior to 21<sup>st</sup> century, the most studied topics around the change of organizations consisted of leaders, leadership, external change agents, and resistance of change within organization. Vos & Rupert, (2018) found that internal and external change agents were very influential in both positive and negative way with the resistance of organizations' member on bringing innovation into action. Visibly, those people played a vital role to success or failure on innovative operation. Therefore, a lot of organizations choose to rely on external change leader as a consultant at specific period of time parallel with external change agents. After that, internal

change agents step in and take on the role. However, there are some questions with regard to the issue as followed. How to select internal change agents? What are the roles of internal change agents? and What are the crucial capacities of internal change agents for efficiently and effectively driving organizational innovation?

In order to drive an organization, there are 2 types /groups of people who are the significant factors for leading change. The first one refers to organizational change leaders, who are among top management team, play vital role on setting the directions and leading the change in organization. (Dinwoodie et al, 2016) The second one are internal change agents referring to a member or groups of members of the organizations who accelerate and lead change in organizations. Mostly, they initiate and push internal process basing on organization's idea along with reaching the expected results. (Lunenberg, 2010; Hash, 2011)

Attention on internal change agents was visible in the beginning of 21<sup>st</sup> century. Ayase Saka (2003) conducted multiple cases research and found that the result of change management in organization is vary from one to another though they possess labor force, materials, capital, and work-relatable knowledge are the same. One obstacle relating to the case is change process struggle and discontinue basing on acceleration of external leader (consultants). Moreover, employees prone to stick with old mindset. Therefore, one suggestion is to develop internal change agents in order to create mutual understanding and clear vision regarding necessity and practice for organizational change. As found in research by Nikolaou, et al, 2007; Barret-Paugh, Bahn & Gakere, 2012, the main cause that brought failure to organizational change was the lack of study in the issues related to person/group of people driving change in organization.

Put simply, internal change agents play key role in organizational change due to the qualities as followed. Lunenberg (2010) indicated that internal change agents normally were members of organizations so that they worked timelessly, economically, and they also fulfill work process naturally. Also, Tanuja (2018) point out that internal change agents are vital to organizational change because (1) they are members of organization affecting by the change so that they seem to deeply understand and pay close attention to necessity for change (2) the role of internal change agents are agreeable and entrust by top management team and college. In addition, before taking the role, they need to prepare themselves by developing knowledge, skills, and mindset relating to change. Thus, they have enough capacities to drive the change in organizations. (3) internal change agents are able to easily encourage members of organization to accept the changes along with bringing them into action. This is because they are familiar as they are college and are comfortable to communicate with each other. In case of fundamental education institution, Van der Heijden et al (2016) found that teachers are true internal change agents in both school and class level. They constantly learn new things and retain positive capacity to guide their colleges whom are in different aged groups. Other than that, they have ability to think creatively and innovatively. Last but not least, they are able to work co-operatively with others.

The key question in this case is how to select internal change agents to bring out the best results.

## **SELECTION OF INTERNAL CHANGE AGENTS**

In the context of the rapid need of change in organization, it is necessary to seek and to select internal change agents. With the analytical study of Cladwell (2003), there are 4 methods in selecting change agents but there are only 2 of them applying to internal change agents which refers to assigned middle manager and naturally selected team.

### **1. Middle manager as internal change agent**

When initiating change management via project, top manager tends to assign middle manager to lead the change. This is because middle manager is set as a goal and main leader of change management process. Therefore, he/she needs to adapt himself/herself to lead such change into action and also expand it all over the organization. With this particular role, the hierarchy in organization tend to be horizontal rather than vertical (top-down). Responsibility of middle manager as internal change agents tend to involve with front-line process and to encourage employees to accept the change.

Referring to Doyle (2015), the results of interviews showed that middle manager in Ireland held several roles in organizational management. Consequently, they were eagerly in managing change aiming to succeed the best outcome for their organizations and for themselves. Additionally, they are able to learn and share information which is necessary for their organizations. It can be seen that tools and encouragement are necessary for internal change agents in order to lead organizational change effectively. However, evaluation report did not clearly show achievement rate of change management lead by middle manager as internal change agent. Informants rated medium on the achievement on change management. Apparently, they paid more attention to reasons of change management failure referring to lack of work-plan, misconception on principle of change, miscommunication, and inadequate reinforcement from top management team.

Theoretically, it is proper to assign middle manager to be internal change agent. Still, there are several cautious issues to be aware of. The first is capacities owned by middle manager might not be relatable with the role of internal change agents. Other than that, change relatable capacities contribute more to ability to learn new things, to change, to adapt, to predict, and to create rather than to be specialized in specific task. According to Senge (2001) suggested that capability of internal change agents correlate with capacity that sustainably lead to new stage.

## 2. Naturally selected members as internal change team

Change process is proper to drive by team rather than individual. It is called internal change team. Internal change is crucial for driving change which can be seen in empirical study by Caldwell (2003). The report showed as followed (1) change management based on principle of decentralization so that it encourages natural selection within organization expecting the collaboration among members and cross-over change in all departments. (2) multi-level team collaboration is vital since change in particular aspect or area affects other aspect or other area in organization. (3) Overall change in organization is complex and risky. Therefore, change management could not be done only by individual. (4) Successful change management cannot rely only on leader. (5) Achievement rate of change management tend to be higher with collaboration of proficiency among external consultants, internal change agents, internal change team and (6) Internal change team as a unit of study are able to deeply motivate change while confronting resistance in organization.

In 2006, Suwat Ngerchum et al. (2006) brought knowledge management project (KM) to Thai basic education institution aiming to inspire 78 institutions to apply KM principle to manage their own agencies. Therefore, researchers form research design by designating 2 educational inspectors as external change agents per area along with 1 middle manager as internal change agent per school. Based on evaluation report, there are 5 successful schools (Best Practice). Kuncharee Kakhai (2009), then, studied on the elements of internal change team with in best practice school by social network analysis. It was found that there were 4-5 people in internal change team. Mostly, they were selected by their colleges due to their performance on leading change and the trust of members. These people were called natural internal change team. Still, there was a school whose internal change team consisted of designated person but it did not come from middle manager in the school. In this case, school regulator explained that he selected such person according to the trust of his college. In case of

School Quality Improvement Program (sQip), Nakorn Tangkapiphop (2019) designed the project by applying 5 measures referring to Q-Goal, Q-PLC, Q-info, Q-Coach, and Q-network as a mechanism on driving key mission of 201 middle size schools in rural area. Q-coach, in this case, took on the role of external change agent. At the final phase, project advisors' team (Leka Piya-achariya et al., 2019) found that solid internal change team is one of the success factor in school change management program. Therefore, it was very important for every school to have internal change management team in order to drive the project efficiently. Additionally, they also suggested that it is necessary for school to keep the team alive thought the project was completed. Consequently, internal change agents' training course were developed but brought into action in only in some schools.

It can be seen that internal change team is important according to the belief that the team are better than individual in applying existed resources such as knowledge, social capital, and so on for change. Additionally, team is the key element in planning for change since it is flexible, adaptable and relatable to the context of organization. (Todnem By, Kuipers, & Proctor, 2018) Anyhow, there are some cautions of being internal change team. Too much acceleration, for example, is disturbing and burdensome. Also, the team prone to be labeled as office politics. (Edna et al, 2016)

## **ROLES AND CAPACITIES OF INTERNAL CHANGE AGENTS**

In the era of change management research, they paid less attention on internal change agents. Atkinson (1989) began studying the role of internal change agent by applying Total Quality Management into action. Researcher found that the key role of internal change agents is to stipulate, facilitate, and follow change. With this initiation, it indicated that change can be manipulated. Then, Hartley, Benington & Binns (2002) tried to seek for the role of internal change agents in local public organization. They conducted research by establish learning lab and designated such organization to lead particular project into action. The main results from interviews showed that (1) learning lab is one of the main method to seek for internal change agents (2) the key role of internal change agents is to facilitate change management process.

Based on Kenton & Moody (2003), they found that the role of internal change agents was as followed (1) To facilitate change management refers to construct clear approach regarding change, to drive change due to the context, to be responsible for bringing change into action (2) Change can be handled by planning and flexible work process including willfully intervention in order to find new solution when the old one was ineffective. (3) To encounter resistance to change, change analysis and positive communication were important since they formed understanding and relationship among co-workers. (4) In order to evaluate change achievement, collecting data via analytical questioning was the right way since it pushed informants to think deeply. Afterwards, there was analytical study on change agents. The report indicated that the role of change agents was included consulting and training aiming to develop workers' skills and mindset to be right in the same direction of change and evaluation. (Stephen, 2010; Tidd, 2010)

In the beginning of 21<sup>st</sup> century, there were more researches relating to the role of internal change agents such as Gilley (2005) indicated 5 roles of internal change agents as followed (1) they were able to clearly grasp the future scenario of change organization (2) they hold the ability to encourage all colleges to change. (3) they could act as change supporters by create atmosphere that was comfortable to communicate. (4) they were able to find the solution by analyzing the problems and following up the results and (5) they were able to manage change and were ready to encounter with problem and resistance. In 2012, Cawsey et al (2012) separated the roles of internal change agents in 4 categories as followed: (1) emotional champion refers to agents with the ability to not panicking and not resisting of change and

unknown situation. (2) innovative agent refers to agents who was a role model in firstly apply change innovation. (3) agents who brought the change into action and (4) agents who excel in developing and improving work process in organization. In 2013, Subbiah & Buono (2013) found additional role of internal change agents. It was stated in the report that to create sustainability in change process was one of the key role of internal change agents which led change management to succeed. Later on, Ożga & Stelmaszczyk (2016) stated in the research that efficiency in change management process tend to increase if internal change agents were able to share knowledge which was consisting of trust creation, effective communication, collaboration etc.

In conclusion, the roles of internal change agents consisted of (1) change pusher (2) change facilitator. (3) change knowledge sharer (4) change follower-up. In this case, Kenton & Moody (2003) stated that it is necessary for internal change agents to develop capacity to fit in the role since such skills are not naturally born.

## **CAPACITIES OF INTERNAL CHANGE AGENTS**

Capacities of internal change agents refers to the abilities that are necessary for agents to drive change in organization. Such abilities are included knowledge, skill, and mindset. Nikolaou et al (2007) stated that knowledge in the matter of change, skill to adapt, and growth mindset were key capacities of internal change agents

### **1. Knowledge in change innovation**

In this case, internal change agents need knowledge relating to ability to learn new thing and new skill or in other words, they need to understand change innovation. Other than that, they must adapt such knowledge to their works. Hiatt (2006) indicated criteria of learning new idea relating change. Kotter (2005) and Hiatt (2006) agreed that the lack of knowledge relating to change caused failure in change management. Based on Hiatt (2006), this was called mental obstacle. It was found when workers encountered change that did not cooperate with existing knowledge. In this case, leader needs to help creating trust in those workers that they are able to learn new things. However, they do not need to excel it immediately since it takes time to develop by training or practice. The point is to create sense of security if the mistakes happen. Ajzen, (1991) confirmed that knowledge, motivation, and understanding of change agents play important role in pre-planned change. Moreover, knowledge might lead to self-efficacy relating to motivation for change. (Kao, 2017) Therefore, internal change agents with proper knowledge is able to support other members in organization to bring change into action. (Valleala et al., 2015)

In Thailand, Chulaphorn Sota, Amormrut Kabkao, and Nawaphorn Trioat (2012) conducted the study on students' leader in no-drinking campaign. They found that the capacities of agents consisted of knowledge in alcohol drinking deterrence and non-drinking norm. Ubon Chanpeth , Jutharut SaThammakit, and Siriluck Kanareuk (2013) conducted the research regarding employees' leader on health promotion. They indicated that the key capacity of the agents is knowledge relating to health promotion.

### **2. Change driving skill**

Nikolaou et al (2007) specified that ability to adjust is the crucial skill of change agents. Kuncharee Kakhai (2008) stated that key skill of Knowledge management agents are the followings: self-adjustment, self-collaboration, problem listening skill, problem-solution skill, role model skill, and change communication skill. Chulaphorn Sota, Amormrut pooKabkao, and Nawaphorn Trioat (2012) found that evaluation skill is important for change agents while Ekkasak Hengsuko (2014) indicated that the significant skill for internal change agents are activities initiation, ability to raise awareness, and evaluation skill. Doyle, & Burton (2018) also emphasized the importance of communication skill which consisted of (1) clear

information (2) consistency between information and direction of organization (3) trustable information (4) multiple channels of communications (5) work motivation and (6) expression of encouragement.

In summarize, key change driving skills for internal change agents consist of the ability of change adjustment, positive communication, multiple-channels of communication, teamwork, being role model, problem-solution skill, and change evaluation.

### 3. Growth Mindset

According to research in Thailand, it was found that positive attitude on change is important for being change agents. (Ubon Chanpeth , Jutharut SaThammakit, and Siriluck Kanareuk , 2013) Kuncharee Kakhai (2009) found that intention and consistent learning are essential for the role of change agent while Nikolaou et al (2007) also found that change agents with flexible attitude or mindset are more capable than agents with fixed mindset in bringing change into action.

In this case, mindset refers to the way of thinking and create the meaning through the situation. Dweck (2006), Psychologist at Stanford University, explained fixed mindset as the obstacle toward change. The mindset consists of fixed belief on individual basic ability deriving from heredity. People with fixed mindset is normally afraid of failure which is a reflection of his own negative thinking. Severely, they usually think that even if they try, things cannot be changed. Then, Dweck (2006) created the word “Growth Mindset” after researching motivation, personality, and development for some periods. He suggested that growth mindset derives from work attitude and intensive training. People with growth mindset prone to see failure as an opportunity to grow. They are able to learn, adjust, and develop themselves through unsatisfactory situation. Thus, there are 2 terms in order to define character of growth mindset which are grit and self - control. Both terms are also existed in sQip in order to develop change leader and change agent of this project.

Following by Couros (2015), he expanded the idea of Dweck’s growth mindset to innovator’s mindset and defined growth mindset as belief, ability, intelligence, specialization which are able to develop in order to create fresher and better idea. Though growth mindset is vital for learning, it is not enough for driving change. The collaboration between growth mindset and creativity is a must in this case. So, innovator’s mindset consists of 7 characteristics which are (1) be emphatic (2) be problem-solutionist (3) taking risk (4) networking (5) be observant (6) be creative (7) be flexible.

However, all mentioned mindsets are not definitely separated. Both Dweck (2006) and Couros (2015) agreed that people seem to possess several types of mindset but there might be one or more outstanding mindset due to different situation. Also, Couros (2018) explained that there are 5 types of situation emphasizing the differences on one to other categories of mindset.

Even under well preparation, there are some obstacles in driving change into action. According to the research, it was agreeable that limited understanding or lack of understanding regarding organizational change leading along with change resistant attitude from some workers establish obstacles in change management process. ([www.nibusinessinfo.co.uk/nd.1-2](http://www.nibusinessinfo.co.uk/nd.1-2), Gabriella, Glimskog & Hagman , 2015) So, change agents need to keep in mind that it takes time to successfully drive change within organization. Therefore, in order to initiate new project in small area, small success story must be widely announced throughout the organization. Agents should step on bit by bit progress rather than overall change in the meantime.

## CONCLUSION

According to literature review relating to internal change agents for driving organizational innovation, it was primarily found that internal change agents play the role as medium for both external and internal change. Secondly, in order to select internal change agents, whether being appointed or naturally selected, they both hold advantages and disadvantages, especially in political issues in organization. Thirdly, internal change agents by position (middle manager) is still a must to change management in public organization because the nature of centralization. Last but not least, internal change agents need to prepare for unexpected obstacles in order to drive change innovation proficiently.

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