

Abstract

The business environment is changing and there are increasingly different environmental forces alerting organizations to foster innovation as a way to survive the turbulent situation and to thrive with accessible opportunities. Organization development interventions (ODI) which focus on the human social system of an organization have gradually become a famous mechanism needed for organizational vitality. In addition, market orientation has been well documented in the literature as the key provenance of organizational innovation. Most studies have investigated the relationship between market orientation as a whole, which consists of three elements: customer orientation, competitor orientation, and inter-functional coordination to organizational innovation. However, this research focused on determining the impact of an ODI on the improvement of employee inter-functional coordination and employee synergy in order to foster innovation in a multinational subsidiary organization which operates without governance of a single authority. It explored the degree of change on employee inter-functional coordination, employee synergy, and innovation in organization affected by the ODI. It examined the extent of change of employee inter-functional coordination and employee synergy related to the change of innovation within an organization. It critically reviewed the literature in the domain of organizational development and change, market orientation, inter-functional coordination, synergy, and organization innovation. This study followed an Action Research model and employed both quantitative and qualitative methodologies in obtaining and analyzing data.

Results of this research underline the importance and value of a planned ODI for organizational development. They indicate that an ODI which focuses on setting shared vision, setting shared goal, classifying clear roles and functions, establishing team performance evaluation and reward, arranging team-building activities, and enhancing employee social interaction has significant impact on the improvement of employee inter-functional coordination and employee synergy, while has marginal impact on improvement of innovation in an organization. This research also designated a positive relationship between employee inter-functional coordination and employee synergy to innovation within an organization. This study collected information from one organization in Bangkok, focused on a single element of marketing orientation, and found marginal increment in its dependent variable: innovation in organization. It recommends future studies to extend exploration in other organizational contexts, to explore the impact of an ODI on the other two elements of market orientation (customer orientation and competitor orientation) in relation to innovation in organization, and to consider factors such as time, risk, job requirement, level of intention in applying new ideas into practice, when designing ODI on employee inter-functional coordination and employee synergy to foster innovation in organization.

Keywords: Action Research, organization development intervention, inter-functional coordination, synergy, innovation.