Chapter 3: What to Change in an Organization: Frameworks

Chapter Overview

- Change leaders must understand both the **HOW** and the **WHAT** of change. The focus here is on **WHAT** needs to change

- Open systems organizational frameworks are **valuable assessment tools** of what needs to change. Nadler and Tushman's Congruence Model is explored in detail

- The **non-linear** and **interactive** nature of organizations is explored to make sense of their complexity

- Quinn's **competing values** model is used to create a bridge between individual and organizational levels of analysis

- Organizational **change over time** is discussed

The Change Path Model

Awakening

Chapter 4

Mobilization

Chapters 5 through 8

Acceleration

Chapter 9

Institutionalization

Chapter 10

- **Use Diagnostic Frameworks in Ch.3 to better understand:**
  - **How to Change &**
  - **What to Change**

Open Systems Perspective

- Organizations exchange information, material & energy with their environment. They are **not isolated**

- A system is the product of its **interrelated** and **interdependent** parts
  - It represents a complex web of interrelationships, not a chain of linear cause–effect relationships

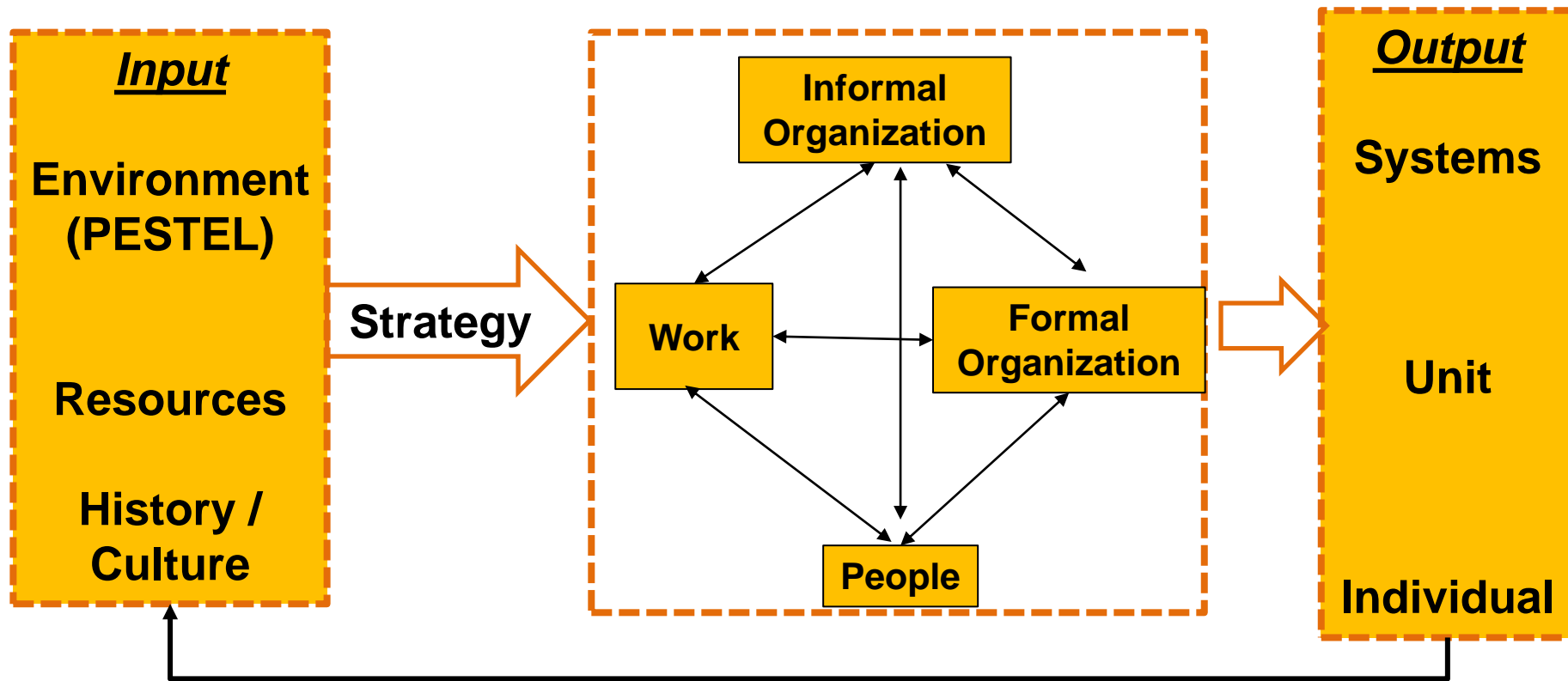# Dynamic Complexity because Systems are:

- Constantly changing

- Tightly coupled

- Governed by feedback

- Nonlinear

- History-dependent

- Self-organizing

- Adaptive

- Characterized by trade-offs

- Counterintuitive

- Policy resistant

Open Systems Perspective (cont.)

- A system seeks **equilibrium** and one at equilibrium will only change if energy is applied

- Individuals within a system may have views of the system's function and purpose that **differ** greatly from those of others

- Things that occur within and/or to open systems should **not be viewed in isolation**. See them as interconnected, interdependent components of a complex system

Nadler & Tushman's
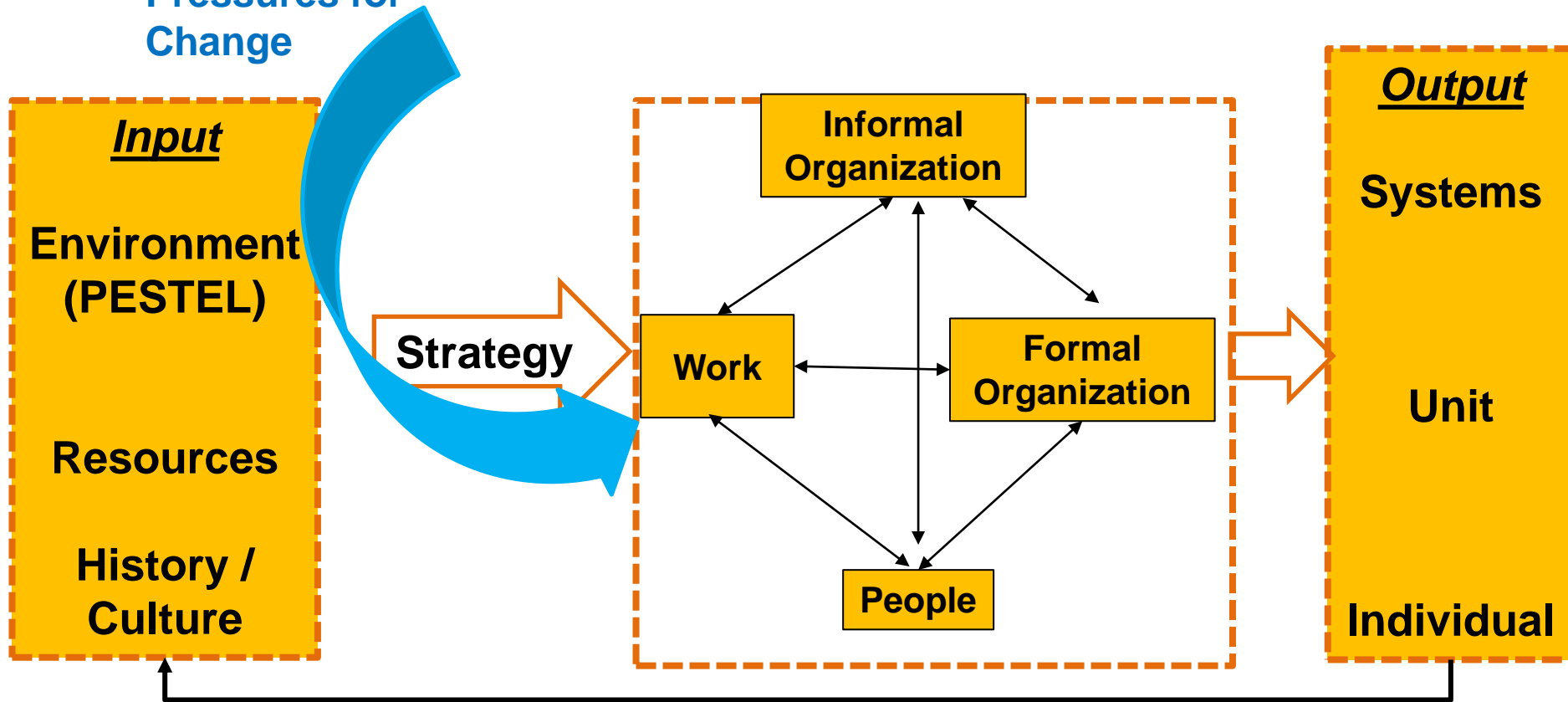# Organizational Congruence Model

Nadler & Tushman's
# Organizational Congruence Model

Analyzing Organizations Using Nadler and Tushman's Model

1. Use the congruence model to describe your organization or an organization you are familiar with. Categorize the key components (environment, strategy, tasks, etc.). What outputs are desired? Are they achieved?

2. Is the strategy in line with organization's environmental inputs? Are the transformation processes aligned well with the strategy? How do they interact to produce the outputs?

3. When you evaluate your organization's outputs, are there things your organization should address?

4. Are there aspects of how your organization works that you have difficulty understanding? If so, what resources could you access to help with this analysis?
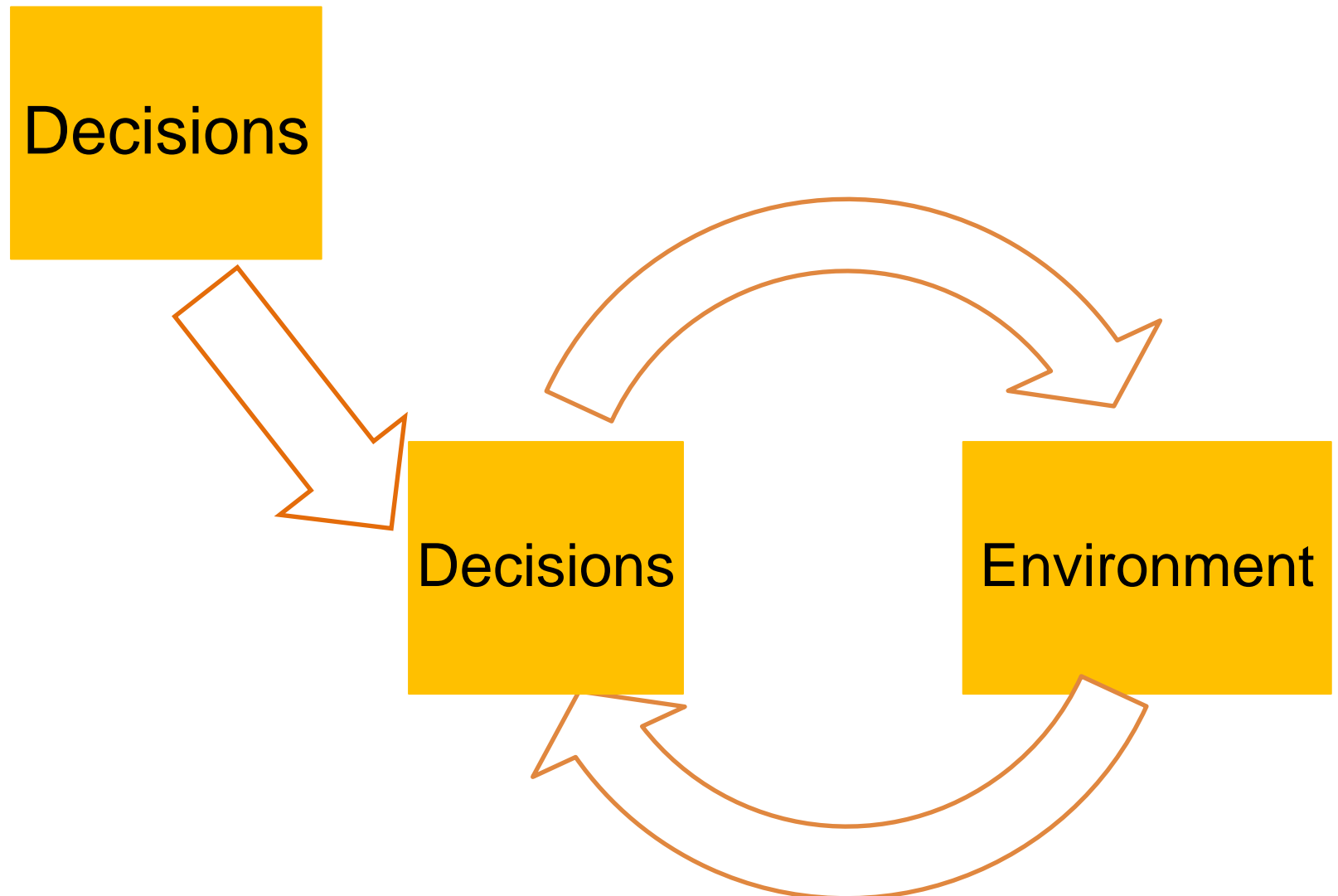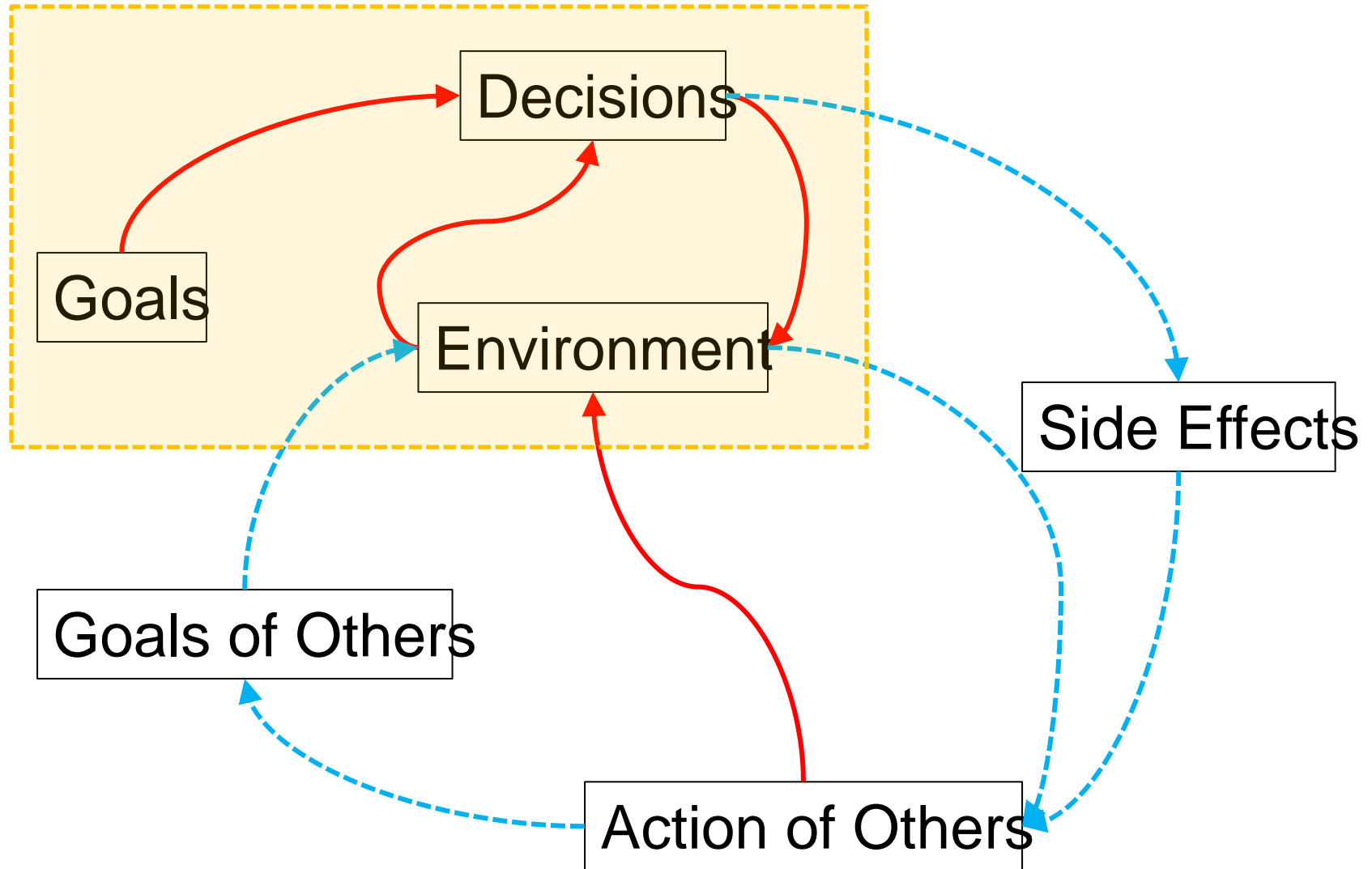
Linear Event View of the World
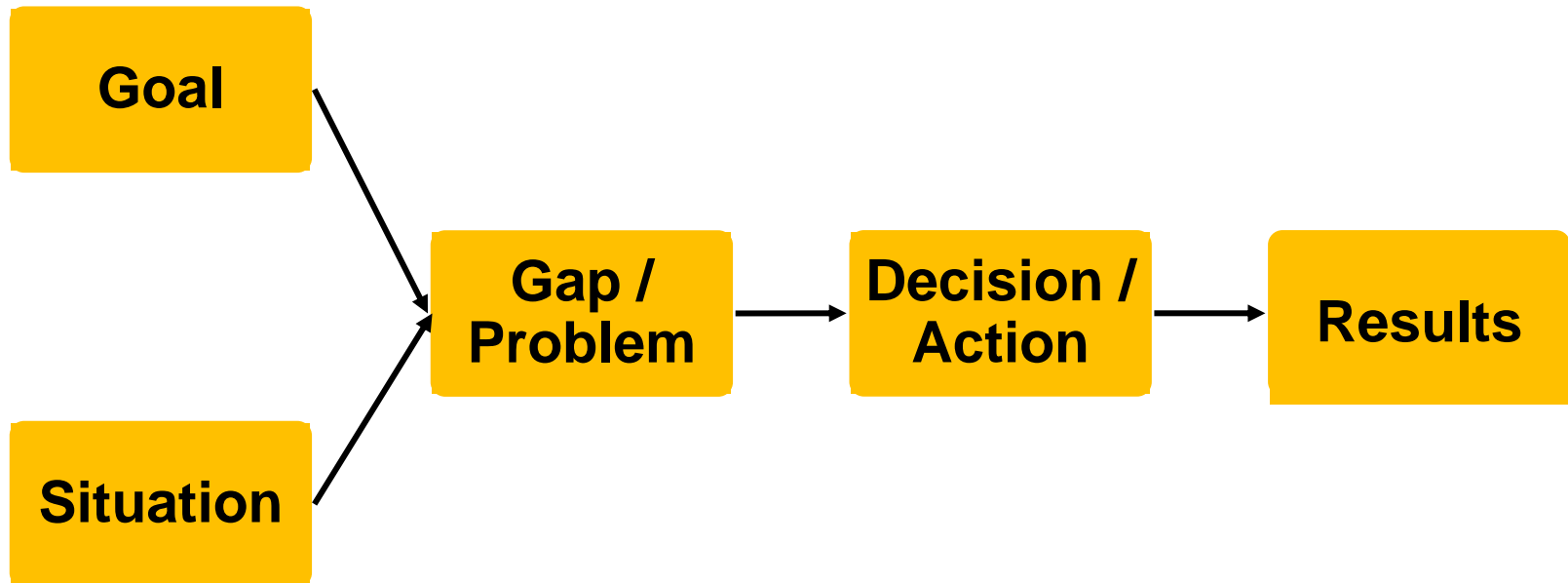
Issues & Problems with the Linear View

- **Time delays** and **lag effects** related to variables and outcomes you are trying to manage (e.g., inventory stocks and flows, customer satisfaction and purchase decisions)

- **Complexity** makes cause–effect relationships difficult to predict and track

- **Attribution Errors** and **False Learning** often result from the above
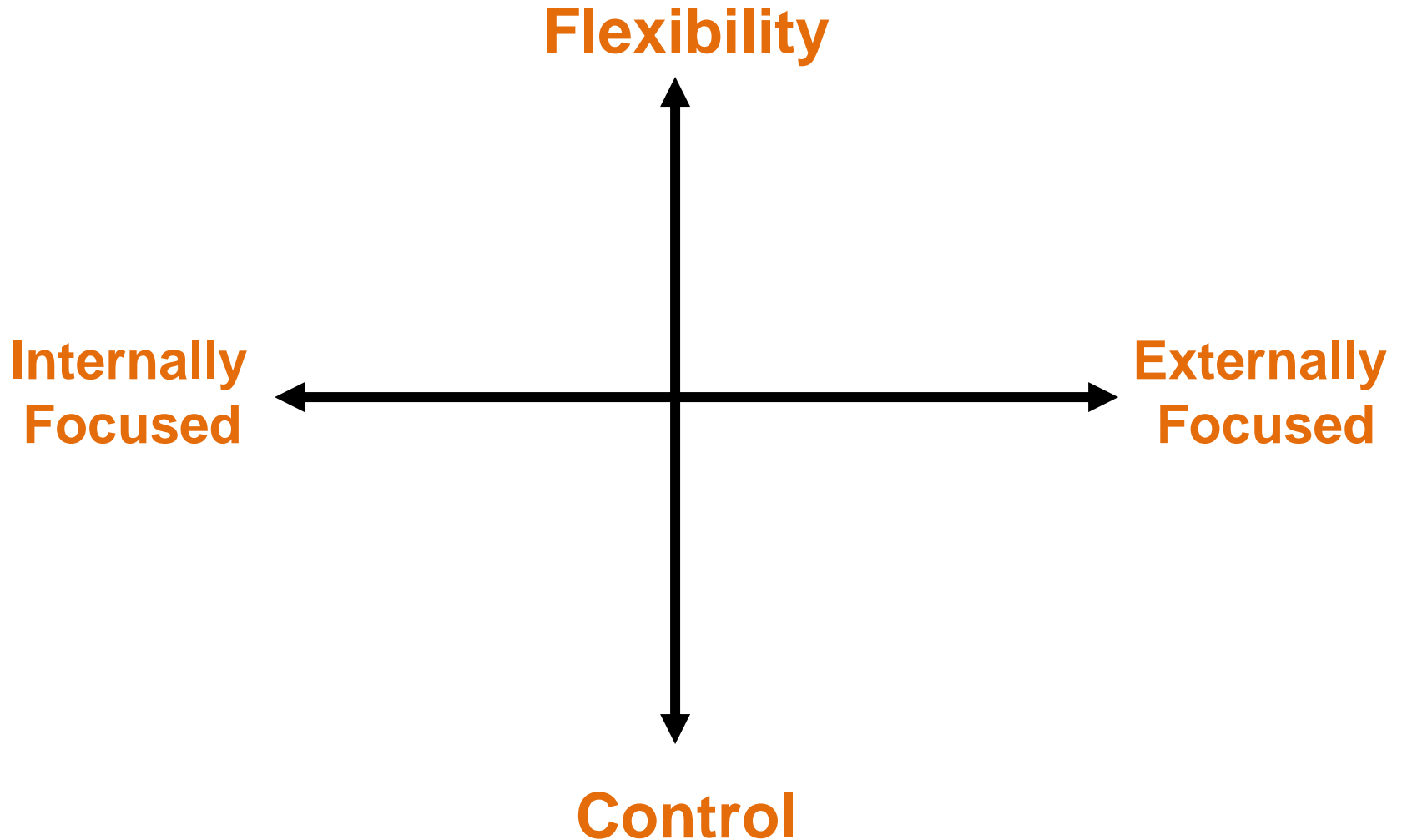
Decisions

Decisions
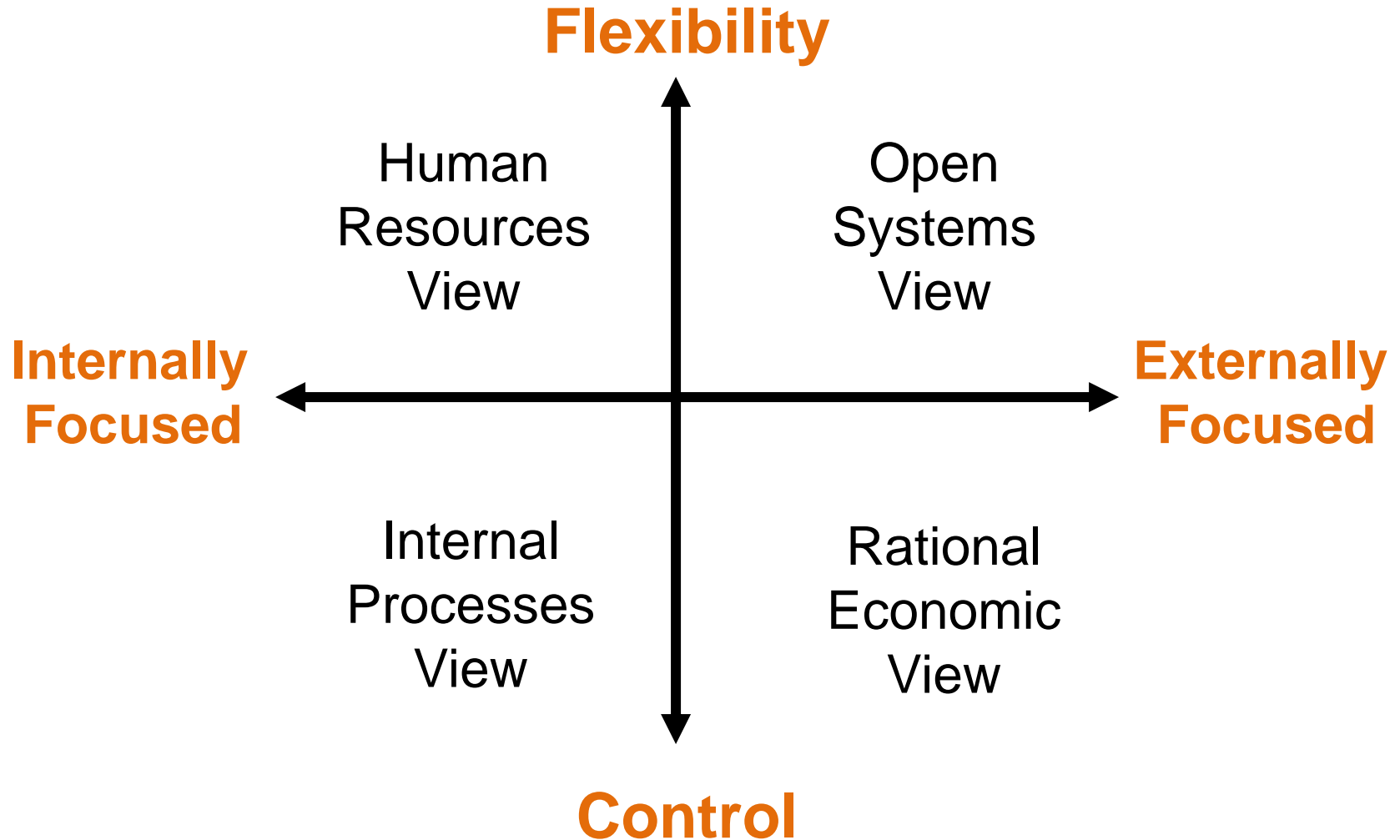
Environment

Quinn's Competing Values Framework

Flexibility

Internally Focused

Externally Focused

Control

Flexibility

Human Resources View
- How to work with individuals and groups
- Teamwork and HR dept.
- Mentor and group facilitator roles

Open Systems View
- How to use power and manage change
- The challenge of change
- Innovator and broker roles

Internally Focused

Externally Focused

Internal Processes View
- How to understand & control the work unit
- Consolation and continuity
- Internal monitor and coordinator roles

Rational Economic View
- How to stimulate individual and collective achievement
- Maximization of output
- Producer and director roles

Control

Greiner's Five Phases of Organizational Growth
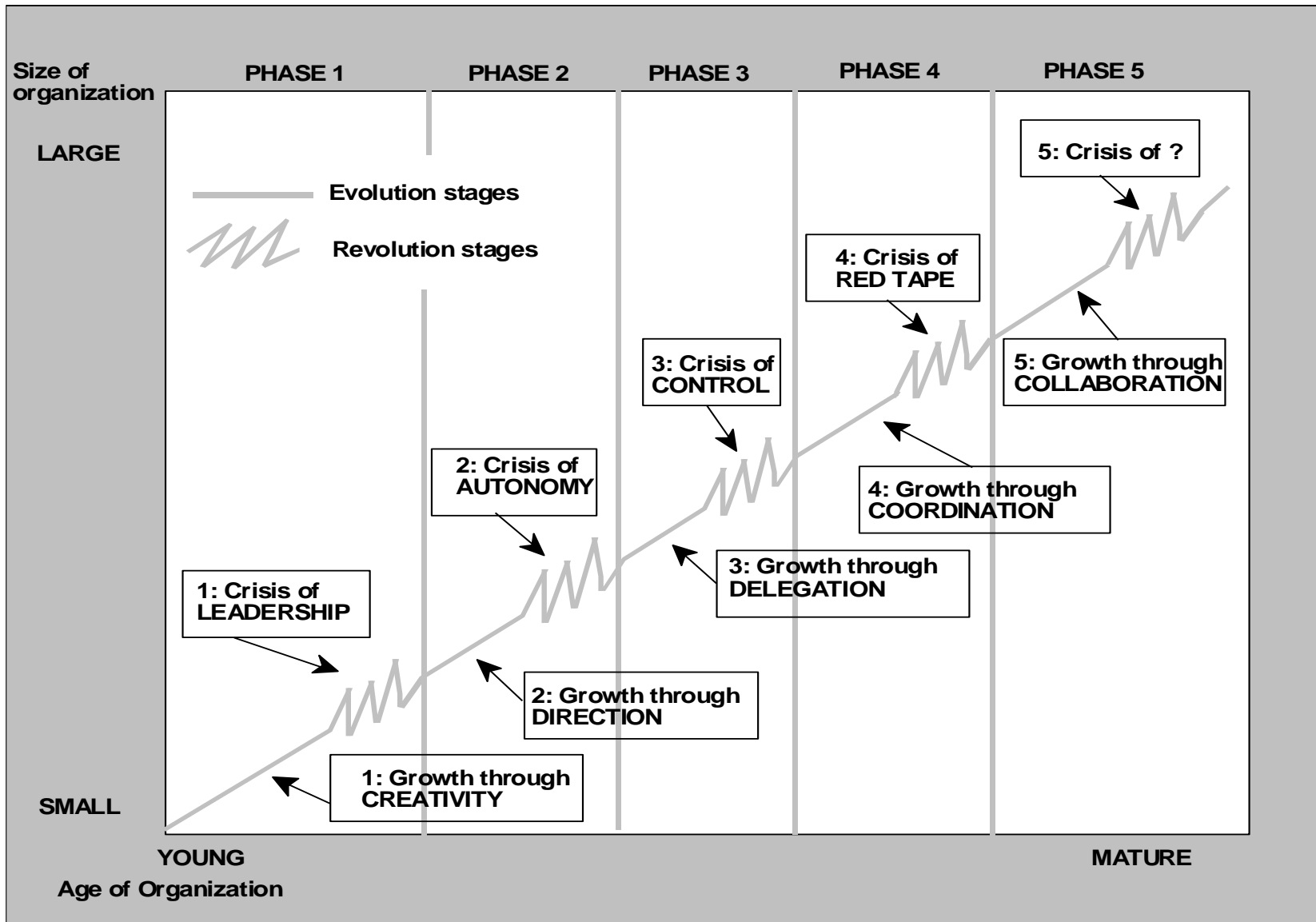
Stacy's Complexity Theory and Organizational Change

- Organizations are **webs of nonlinear feedback loops** that are connected with individuals and organizations through similar webs

- These feedback systems operate in stable and unstable **states of equilibrium**, even to the point at which chaos ensues

- Organizations are inherently paradoxes, pulled by forces of **stability and instability**

- If organizations give into forces of stability, they become **ossified and change impaired**

- If organizations succumb to forces of instability, they will **disintegrate**

- Success is when organizations exist **between** frozen stability and chaos

Stacy's Complexity Theory and Organizational Change (cont.)

- Short-term dynamics (or noise) are characterized by irregular cycles and discontinuous trends, but long-term trends are identifiable

- A successful organization faces an unknowable specific future because things can and do happen

- Agents can't control the long-term future—they can only act in relation to the short term

- Long-term development is a spontaneous, self-organizing process that may give rise to new strategic directions

- It is through this process that managers create and come to know the environments and long-term futures of their organizations

Summary

- When assessing organizations, think of them as **open systems**—webs of interconnected and interdependent relationships that interact with the environment

- Change often originates in the **external** environment.

- Change upsets the **internal equilibrium** in an organization and thus may be resisted.

- Both **evolutionary and revolutionary** change is needed for organizational growth

- We need to understand the **WHY and WHAT** of change.

- Models in this chapter have focused on the **WHAT** of change

- Change is **not** clean and linear—it is messy