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Organizational Behavior

managing change

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Introduction

questions

- How changes occur?
- How to analyze change?

- a process perspective

Process models

Sources

- open system theories
 - thinking about organizations (and parts of organizations) as a system of interrelated components that are embedded in, and strongly influenced by, a larger system

Types of Process Theories

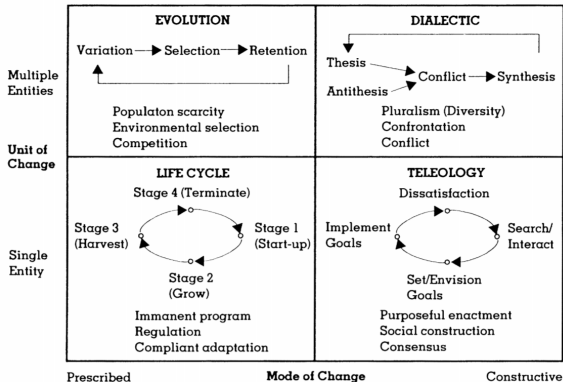
Sources

- Life cycle theories
- Teleological theories
- Dialectical theories
- Evolutionary theories

Van de Ven and Poole (1995)

Process Theories of Organizational Development and Change

Process Theories of Organizational Development and Change^a



^a Arrows on lines represent likely sequences among events, not causation between events.

(Van de Ven & Poole, 1995: 520)

A life-cycle model

- A life-cycle model depicts the process of change in an entity as progressing through a necessary sequence of stages. An institutional, natural, or logical program prescribes the specific contents of these stages.
- motor:
 - A singular, discrete entity exists that undergoes change, yet maintains its identity throughout the process.
 - The entity passes through stages distinguishable in form or function.
 - A program, routine, rule, or code exists in nature, social institutions, or logic that determines the stages of development and governs progression through the stages.

(Van de Ven & Poole, 1995: 520–521, 525)

A teleological model

- A teleological model views development as a cycle of goal formulation, implementation, evaluation, and modification of goals based on what was learned by the entity. This sequence emerges through the purposeful social construction among individuals within the entity.
- motor:
 - An individual or group exists that acts as a singular, discrete entity, which engages in reflexively monitored action to socially construct and cognitively share a common end state or goal.
 - The entity may envision its end state of development before or after actions it may take, and the goal may be set explicitly or implicitly. However, the process of social construction or sense making, decision making, and goal setting must be identifiable.
 - A set of requirements and constraints exists to attain the goal, and the activities and developmental transitions undertaken by the entity contribute to meeting these requirements and constraints.

(Van de Ven & Poole, 1995: 520–521, 525)

A dialectical model

- In dialectical models of development, conflicts emerge between entities espousing opposing thesis and antithesis that collide to produce a synthesis, which in time becomes the thesis for the next cycle of a dialectical progression. Confrontation and conflict between opposing entities generate this dialectical cycle.
- motor:
 - At least two entities exist (each with its own discrete identity) that oppose or contradict one another.
 - The opposing entities must confront each other and engage in a conflict or struggle through some physical or social venue, in which the opposition plays itself out.
 - The outcome of the conflict must consist either of a new entity that is different from the previous two, or (in degenerate cases) the defeat of one entity by the other, or a stalemate among the entities.

(Van de Ven & Poole, 1995: 520–521, 525)

An evolutionary model

- An evolutionary model of development consists of a repetitive sequence of variation, selection, and retention events among entities in a designated population. Competition for scarce environmental resources between entities inhabiting a population generates this evolutionary cycle.
- motor:
 - A population of entities exists in a commensalistic relationship (i.e., in a physical or social venue with limited resources each entity needs for its survival).
 - Identifiable mechanisms exist for variation, selection, and retention of entities in the population.
 - Macropopulation characteristics set the parameters for microlevel variation, selection, and retention mechanisms.

(Van de Ven & Poole, 1995: 520–521, 525)

Reactive sequences

- subsequent events challenge rather than reinforce earlier events
- the importance of working on support

(Hayes, 2014: 8–9)

Self-reinforcing sequences

Self-reinforcing sequences

- Increasing returns
- Psychological commitment to past decisions
- Cognitive biases and interpretive frames

(Hayes, 2014: 8–9)

Increasing returns

- Set-up costs
- Learning
- Coordination
- Betting on the right horse

(Arthur et al., 1994)

Psychological commitment to past decisions

- escalation of commitment
- Gambler's Fallacy

- protection of self
- consistency
- naïve theory of chance

Cognitive biases and interpretive frames

- Confirmation bias
- Framing effect
- Default effect
- ...

Path Dependence

Path dependence

- preformation phase
- path formation phase
- lock-in phase

(Sydow, Schreyögg, & Koch, 2009)

Models

characterization

- (key) elements
- (causal) relationships
- outputs

(Hayes, 2014: 124–125)

use

- description
- interpretation
- guidance
- decision making

(Hayes, 2014: 125)

component and holistic models

- part, element, person
- the whole, complex

(Hayes, 2014: 125)

good models

- relevance
- recognition
- usefulness

(Hayes, 2014: 142)

Open Systems Theories

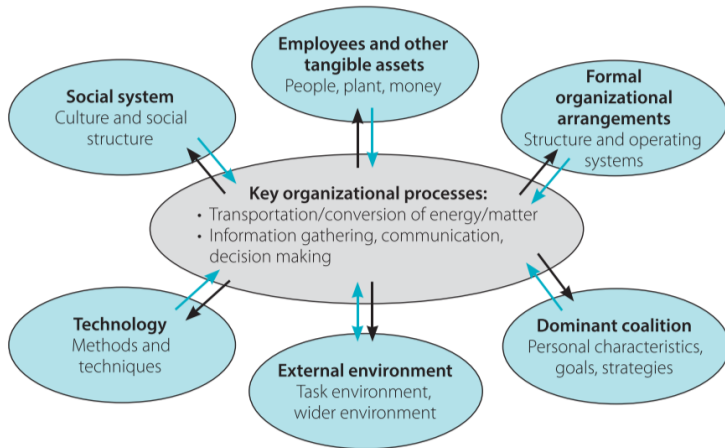
characterization

- embedded within a larger system
- able to avoid entropy
- regulated by feedback
- subject to equifinality
- cyclical in their mode of functioning
- equilibrium seeking
- bounded

(Hayes, 2014: 132)

Kotter's Integrative Model of Organizational Dynamics

Kotter's integrative model of organizational dynamics



→ Source of potential behaviour and constraint → Impact on

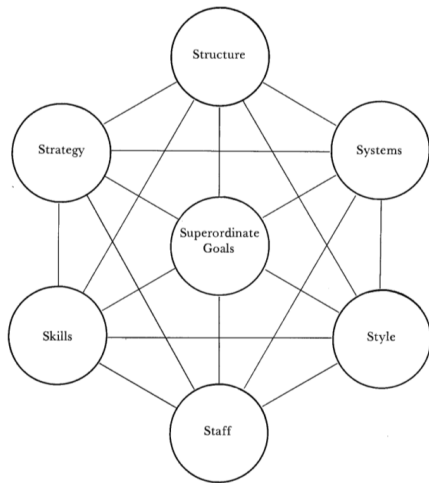
Kotter's integrative model of organizational dynamics

- short term
 - imediate
- medium term
 - months
- long term
 - years

((Hayes, 2014: 133) adapted from (Kotter, 1980: 282))

The McKinsey 7S Model

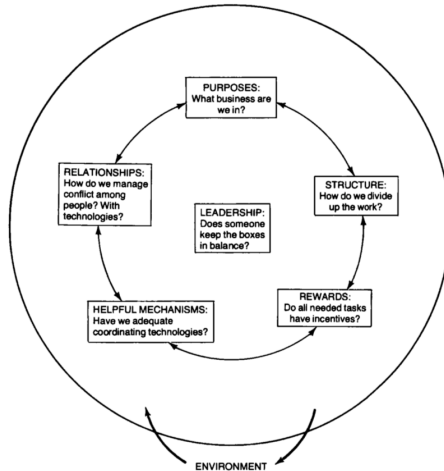
The McKinsey 7S model



(Waterman Jr, Peters, & Phillips, 1980: 18)

Weisbord's Six-Box Model

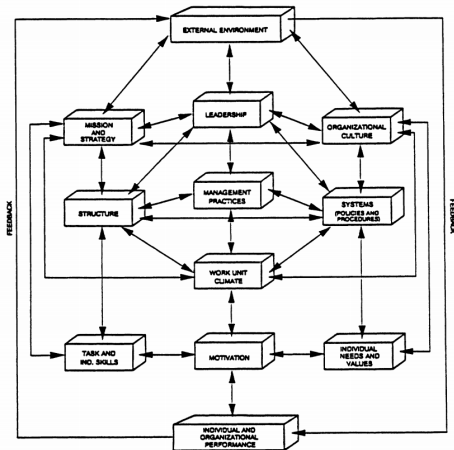
Weisbord's six-box model



(Weisbord, 1976: 432)

The Burke-Litwin causal model

The Burke-Litwin causal model of organizational performance and change



(Burke & Litwin, 1992: 528)

Selecting a diagnostic model

component and holistic models

- ???

(Hayes, 2014: 133)

Patching

patching

patching

Patching is the strategic process by which corporate executives routinely remap businesses to changing market opportunities. It can take the form of adding, splitting, transferring, exiting, or combining chunks of businesses.

(Eisenhardt & Brown, 1999)

patching and reorganizing

- structure
 - stable vs. temporary
- strategy
 - first vs. emerging

(Eisenhardt & Brown, 1999)

patching: further characteristics

- changes
 - small
 - frequent
- size
 - agil
 - efficient
- infrastructure
 - modular
 - fine grained metrics and complete
 - consistent compensation
- quick

(Eisenhardt & Brown, 1999)

patching: further characteristics

reorganization and patching		
	reorganization	patching
role of change	defensive reaction	proactive weapon
scale of change	sweeping	small, some moderate, a few large
frequency	rare	ongoing
formalization	every change is unique	change process is routine and follows standards patching moves
driver of change	get business focus right	get business focus and size right
precision	optimal restructuring at specific point in time	roughly right realignments over time
metrics	collect fine-grained metrics only for infrequent reorganizations	regularly track extensive, fine-grained metrics on modular business
compensation	not relevant	companywide parity

(Eisenhardt & Brown, 1999)

patching: examples

- Hewlett-Packard
 - small
 - frequent
- 3M
 - agil
 - efficient
- Johnson & Johnson
 - modular
 - fine grained metrics and complete
 - consistent compensation
- quick

(Eisenhardt & Brown, 1999)

patching: principles

- Do it fast.
- Develop multiple options, then make a roughly right choice.
- Take an organizational test-drive.
- Get the general manager right.
- Script the details.

(Eisenhardt & Brown, 1999)

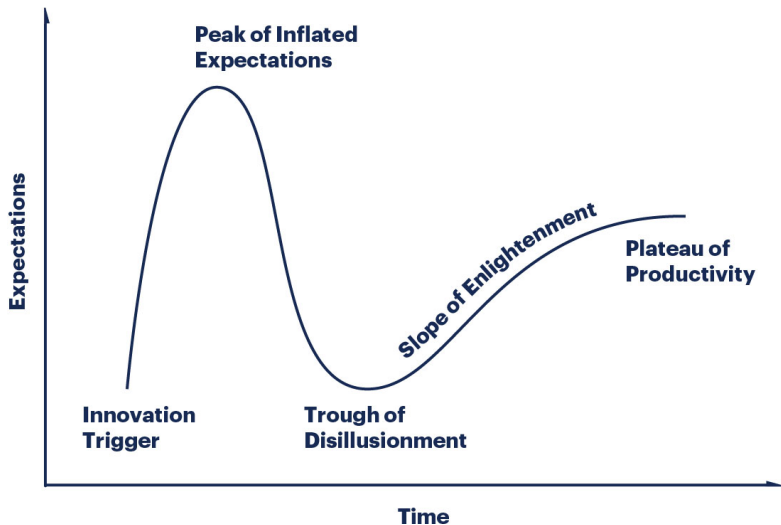
patching: blocks

- "missing the hill"
- "Snow White and the Seven Dwarfs"

(Eisenhardt & Brown, 1999)

Gartner Hype Cycle

Gartner Hype Cycle



(Gartner, 2020)

core activities

- recognizing and starting
- diagnosing and formulating
- planning
- implementing and reviewing
- sustaining
- leading and managing
- learning

(Hayes, 2014: 436)

Due Diligence

range and complexity of issues

- an industry and competitor analysis
- a product and market analysis
- an assessment of the target's management talent
- an analysis of management fit
- an assessment of potential synergies and technical issues
- a review of the terms and conditions of employment
- an assessment of the compatibility of pension funds and so on

(Hayes, 2014: 438)

fragmentation of the data collection

- external help
- strategic fit
- practical implementation

(Hayes, 2014: 438)

access to information and resources

- obstacles
- insufficiency
- ignorance
- time

(Hayes, 2014: 438)

Psychological Issues

mindset

- leader
- team
- shareholders
- stakeholders

communication planning

- to maximize the likelihood of successful communication
- to coordinate the communication of 'secrets'
- to coordinate internal and external messages
- to provide a contingency plan

(Hayes, 2014: 443)

managing stakeholders

- Aligning and coordinating
- Promoting trust and procedural justice
- Responding to pressure to deliver quick wins
- socioemotional support

(Hayes, 2014: 446–448)

Problems and Obstacles

types of problems I/II

- practical
- theoretical

- procedural
- evaluation
- moral

- personal
- non-personal ...

types of problems II/II

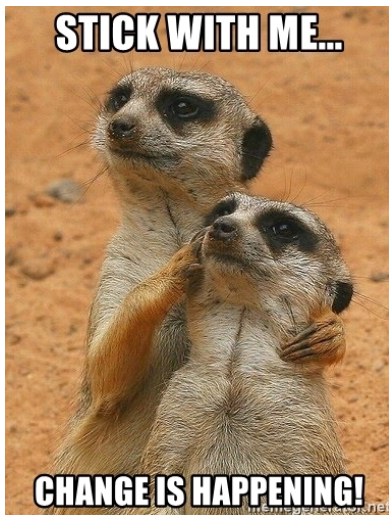
- well-defined vs. unknown or insufficiently defined
- routine vs. unexpected

- real generic
- generic for an institution
- real unique
- first of many

- konvergent
- divergent ...

Change Management Indicator Model

Change Management Indicator Model



(SARA32, 2020)

COVID

- What about routines?

COVID: Routines



(Young, 2020)

questions

- How to implement change?
- How to review change?
- How to make change stick?

Two Main Approaches

blueprint changes

blueprint changes

- a clear action plan
- ↓
- a vision

- implementation
 - rolling plan
 - monitoring the effect of interventions
 - taking corrective action (learning)

- the validity: a matter of course

emergent changes

emergent changes

- generally defined goals
- a general direction of change
- ↓
- a vision

- implementation
 - an open approach
 - adaptations and revisions

- double-loop learning
 - challenging assumptions to support the change plan

Monitoring

Hypotheses

- cause and effect

(Kaplan, Kaplan, Norton, Norton, & Davenport, 2004)

Hypotheses

- undestandable
- clear
- measurable

(Kaplan et al., 2004)

Monitoring: Questions

- Are interventions being implemented as intended?
- Are interventions producing the desired effect?
- Is the change plan still valid?

(Hayes, 2014: 452–453)

Problems

- the braking factors
- founding
- deviations and deflections
- external factors

(Van de Ven & Poole, 1995: 520)

Measuring

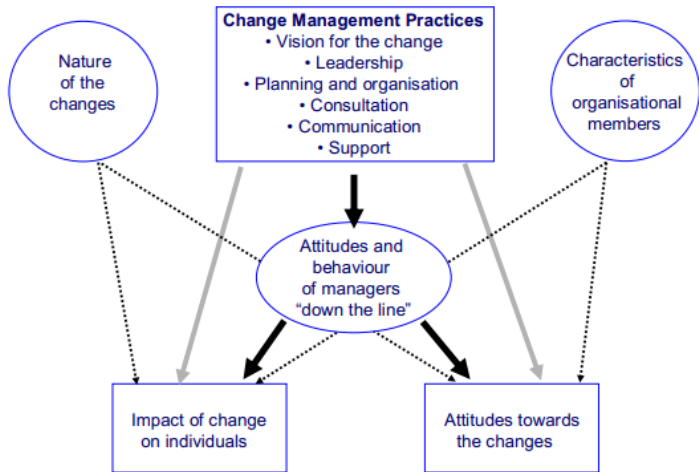
performance

- balance scorecards
 - Financial measures
 - Customer-related measures
 - Internal business process measures:
 - Innovation and learning

(Kaplan, Kaplan, Norton, & Norton, 1996)

Responses

Change Management Indicator Model



(Hayes & Hyde, 2016: 2)

Sustainability

Definitions

- static
- dynamic

(Van de Ven & Poole, 1995: 520–521, 525)

Issues

- perception
- implementation
- timing, sequencing, and pacing

Problems

- Those who initiated the change move on
- Accountability for development becomes diffused
- Knowledge and experience of new practices is lost through turnover
- Old habits are imported with recruits from less dynamic organizations
- The issues and pressures that triggered the change initiative are no longer visible
- New managers want to drive their own agenda
- Powerful stakeholders are using counter-implementation tactics to block progress
- Pump-priming funds run out
- Other priorities come on stream, diverting attention and resources
- Staff at all levels suffer initiative fatigue and enthusiasm for change falters.

((Buchanan, Fitzgerald, & Ketley, 2007) via (Hayes, 2014: 474))

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