



Organization Transformation and Strategic Change

Chapter 15



Objectives

- Identify and define organization in relation to the change process
- Understand the basic strategy-culture matrix and approaches to changing the culture to fit the strategy
- Recognize the importance of corporate culture and its relations to strategy
- Experience the concepts of a management simulation



Strategy and Information

- The success of great companies begin to work against them when the “pride of position” starts to work.
- Success can work against a company when it loses touch with its customers, corporate visions then become blurred, and a large corporate bureaucracy hinders employees from doing “productive work.”
- When organizations are in desperate need of change or else they will face of change ore else bankruptcy/takeover, radical changes may be the only choice.
- Organizational transformation refers to drastic changes in how an organization functions and to its environment.



Organization Transformation

- The differences between Organization Development and Organization Transformation is :
 - OD strategies represent more gradual approaches to strategic change.
 - OT approaches are drastic, abrupt change to total structures, management processes, and corporate cultures; may or may not be developmental.



Organization Transformation (OT)

- OT tends to use directive approaches to change rather than participative.
- It requires a clear, shared vision, a willingness to change, a willingness to clean house, to reengineer and restructure, and the ability to tackle many problems at once.
- Research suggests the political dynamics of OT tend to be shaped by the use of power rather than by collaborative, participative approaches.
- Due to immediate threat, this may be the best way (or only way) to bring the organization back into fit with its environment.



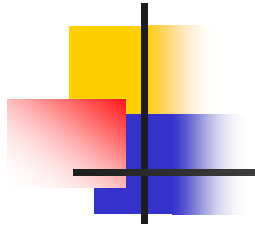
Organizational Transformation

- There are several possible large-scale strategies
 - 1. Incremental- Long-term planned change.
 - 2. Transformative – immediate, drastic change.
- Dunphy and Stace have identified a model of large-scale strategies based on three key dimensions (See Figure 15.1)
 - 1. Time frame of change – short or long.
 - 2. Level of support of the organization culture.
 - 3. Degree of discontinuity with the environment.
- Four process change strategies:
 - 1. Participative evolution – incremental; anticipates change; has support of culture through collaboration means.
 - 2. Charismatic transformation – radical change in a short time with support of culture.
 - 3. Dictatorial transformation – used times of crisis; major restructuring running counter to internal culture.

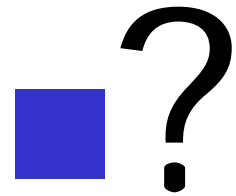


Organizational Transformation

- OD change agents must select the most effective change process and strategy, rather than relying solely on a strategy that is compatible with their own personal values.
 - Large-scale change in times of crisis (OT) can be more effectively implemented if it combined with the behavioral skills of the OD approaches.



Questions





Reference

- Brown, D.R. & Harvey, D. (2006). *An experiential approach to Organizational development*, (7th ed.). Upper Saddle River, NJ: Prentice Hall.