CHAPTER TEN

Organizational Structure and Change

## 10.1 What are mechanistic versus organic organizational structures?

**Organization**: Every company has an organizational structure of interaction between its people in order to get the work done.

* How might a business’s organizational design change over time?
* What is an example of a recommendation that might be given by an organizational development specialist?

**Formal vs. informal**: Companies may have a combination of formal vs. informal organizational structures.

* Explain the difference between an informal and a formal structure. What are the benefits of each?

**Formal structures** assign accountability and responsibility of the different company positions and can be designed in more than one way. Bureaucracy, Max Weber thought, could have five elements.

* Explain the five elements of a bureaucratic structure.
  + Specialization:
  + Command-and-control:
  + Span of control:
  + Centralization:
  + Formalization:

**Mechanistic vs. organic structure**: A bureaucracy can be described as having degrees of mechanistic or organic structure to it.

* Explain the difference between the two extremes and give an example of how each might be exhibited in a company.
* What is the difference between a vertical and a horizontal structure?

**Functional structures** divide people into teams within an organization, such as by product line or geographic location.

* How does a matrix structure fit into the mix? What is its goal?

## 10.2 What are the fundamental dimensions of change?

**Change**: “There is nothing so constant as change.” Even a business’s structure is not immune. Whatever the type of change, the important thing is to adapt and evolve in order to achieve success.

* Discuss the types of change. Give an example of each.
  + Structural change:
  + Technological change:
  + Cultural change:

**The organizational life cycle** describes how a company evolves, from beginning to end.

* Explain and give an example of the four phases of the organizational life cycle.
  + Entrepreneurship:
  + Survival and early success:
  + Sustained success or maturity:
  + Renewal or decline:

**Change** has dimensions to it, namely, the scope of change, level of change, and intentionality of change.

* Give two examples of each of the three types of change, to illustrate different degrees of each category.
  + Scope of change:
  + Level of change:
  + Intentionality of change.
* Give an example of a transformational and a strategic change.

## 10.3 How do managers deal with change?

**Change management**: People who deal with planned change at a company can be internal or external consultants. Models of change implementation have advantages and disadvantages and need to be geared toward a company’s specific situation.

* Give examples of deficit-based change and abundance-based change.
  + Deficit-based change:
  + Abundance-based change:

**Top or bottom**: Creating change can be top-down or bottom-up.

* What are advantages/disadvantages of each and the rationale behind each?
* Can change strictly one or the other? Why or why not? Explain with examples.

**Planned change models** include Kurt Lewin’s change model and John Kotter’s change model. Lewin’s has three stages to it: unfreeze, move, and refreeze.

* Describe how Lewin’s model works, discussing its different stages, and illustrate it with an example. When does it make sense to use?

**Kotter’s** is a top-down, centralized process of eight steps: establish a sense of urgency, form a powerful guiding coalition, create a vision of change, communicate the vision, remove any obstacles, create small wins, consolidate improvements, and anchor the change.

* Describe how Kotter’s model works, discussing its different stages, and illustrate it with an example. When does it make sense to use?

**Emergent change models** include David Cooperrider’s Appreciative Inquiry model and the Olson and Eoyang Complex Adaptive Systems model. Appreciative Inquiry is an abundance-based, bottom-up, positive approach that often has five stages: define, discover, dream, design, destiny.

* Describe how the Appreciative Inquiry model works, discussing its different stages, and illustrate it with an example. When does it make sense to use?

**The Edwin Olson and Glenda Eoyang Complex Adaptive Systems model** takes a bottom-up approach. It requires empowered change agents, connectivity, good communication, and opportunities. It responds to boundary conditions and disturbances in the system.

* Describe how the Complex Adaptive Systems model works, discussing its necessary elements and what affects it. Illustrate it with an example. When does it make sense to use?
* How can different change models work together in an organization’s evolution?