

Review of the path- goal theory



During a research a few years ago, we worked on a business with traditional organisational culture that went through an organisational restructure. To see how the theory can work in practise, the path-goal theory will be applied to this example. The organisations goals were a major cut in expenditures and to reach higher customer satisfaction by moving the decision making closer to the end user. The restructuring involved fusion of 5 large departments into one minor, and resulted in a more level organisational structure.

The implementation process started out with the CEO formulating an action plan and preparations was made on management level before the execution took place. When the preparation was completed and the restructuring ready to be implement; a meeting was hold to inform the affected subordinates. Subsequently, the five divisions were closed. Subordinates in the divisions were relocated to new positions; some of them in the new department.

References Evans, M. G. 1996. R. J. House's " A Path Goal Theory of Leader Effectiveness". Leadership Quarterly 7: 306-309. House, R. J. 1971