

Organizational theory design and change essay sample



Greiner's Growth Model describes phases that organizations go through as they grow. Fast growing companies can often be chaotic places to work. As workloads increase exponentially, approaches which have worked well in the past start failing. In Microsoft's, case stage one (Growth Through Creativity) occurred when work groups and team members could cooperate, learning from and helping each other, and so speed the development of innovative software. This stimulated growth and reward system was introduced, based on team performance i. e. employees of successful teams that quickly developed innovative software received valuable stock options and other benefits. This led to the leadership crisis which was solved by phase two (Growth Through Direction) where team-based reward system encouraged team members to work together intensively and cooperate to meet team goals. At the same time, the contributions of exceptional team members were recognized; these individuals received rewards such as promotion to become the managers or leaders of new teams as the company grew. Consequently this led to Autonomy crisis which was brought to control by Growth Through Delegation where more and more rigid performance evaluation system was developed.

This became increasingly based on each engineer's individual performance, i. e. the manager of each team was expected to rate the performance of each team member. Yet again this led to Control Crisis which was saved by Growth Through Coordination and Monitoring. This involved different teams meeting together to discuss which teams (as a unit) have achieved the highest level of team performance finally leading to Red-Tape Crisis which Microsoft can effectively overcome by employing Growth Through

Collaboration in relation to professional good sense as staff group and re-group flexibly in teams to deliver projects in a matrix structure supported by sophisticated information systems and team-based financial rewards

This phase ends with a crisis of Internal Growth: for example one of these problems is where many of Microsoft's best software engineers left to join rivals like Google and Yahoo as a result of their failure to achieve the recognition they think they deserved at Microsoft. Further growth can only come by developing partnerships with complementary organizations. Greiner's recently added sixth phase (Harvard Business Review, May 1998) suggests that growth may continue through merger, outsourcing, networks and other solutions involving other companies. Thus Microsoft can only save the day by adopting Growth Through Extra-Organizational Solutions that involving the factors added by Greiner's recent contribution.

Referees

Oliver Recklies, (2001): Managing Growth; Five Phases of Growth.

<http://www.themanager.org/Strategy/ManagingGrowth1.htm>

Mind Tools Ltd, (1995-2010): Using the Greiner Curve; Surviving the crises that come with growth http://www.mindtools.com/pages/article/newLDR_87.htm