

Organizational structure simulation analysis



**ASSIGN
BUSTER**

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Change often engenders perceptions of ambiguity and insecurity, leading to feelings of anxiety and fear. These feelings underlie the numerous cases of resistance encountered in organizations when change is introduced.

Most instances of change in an organization have both a technical and a social aspect." Lewin conceptualized change as a process with three phases: (1) Unfreezing - behavior that increases the receptivity of the client system to a possible change in the distribution and balance of social forces;(2) moving - altering the magnitude, direction, or number of driving and resisting forces, consequently shifting the equilibrium to a new level; and(3) refreezing- reinforcing the new distribution of forces, thereby maintaining and stabilizing the new social equilibrium." (Zand, Dale E. & Sorensen, Richard E.)

Drivers of Change

Internal Drivers of Change

1.

Lack of trained personnel. In this case, the company lacked sufficient personnel trained in networking solutions to grow their networking business to 80% of total revenue in twelve months. 2. Lack of innovation. The company had low-skilled workers who were good at integrating systems, and a couple of skilled workers who could network. As a 300 person firm, there was not much effort put into R & D.

3. Executive order. The CEO determined that, based upon the external influences and indicators, the company needed to invert its business model.

External Drivers of Change

1.

Increase in customer orders for new technology. Orders have been obtained for a 1.2 million dollar network related project, whereas another 5 million dollars in orders are on the way for network projects. 2. Increased competition in existing core business.

System integration is a low margin business with many companies on the playing field. 3. Skilled employees being lured to work for competitors. Competition is increasing, as is the need for skilled workers.

Factors Related to Successful Implementation

Successful implementation in this case is defined as: 1.

Grow revenue to \$12 Million in next year. 2. Convert network solutions from 20% to 80% of total revenue. 3. Increase overall productivity by four percent overall. 4. Reduce absenteeism by two percent overall

The factors related to successful implementation of the new organizational structure are:

1.

Increase number of skilled networking personnel to enable the networking business growth demanded by the CEO. 2. Improve internal communications between personnel, management, and teams. 3. Re-structure the

organizational hierarchy such that project leaders manage the personnel, not department managers.

4. Develop a pool of employees that can be pulled into projects based upon skill levels. 5. Improve productivity6.

Reduce absenteeism7. Creation of standardized and mature processes.

Potential Areas of Resistance

“ Resistance is a change-oriented process that follows certain stereotyped sequences of behaviors. These sequences are promulgated by intentional actors who cue cultural forms (rituals) in order to guide interaction. This process can be understood as a social drama composed of four stages: breach, crisis, redress, and reintegration.”(McFarland, D.

)This resistance can be displayed in at least two forms, active or passive.

Read aboutApple organizational structure“ Passive resistance is a tacit, indirect subversion of the normative codes ... and is at most an expression of malcontent and critique.

... Active resistance is more serious since it openly undermines the normative codes .

.. and attempts to posit a new framework of interaction on the situation.”

(McFarland, D.

)Five different possible scenarios, both passive and active are noted below.

Fear of the unknown

Change causes uncertainty, which is uncomfortable. Not knowing what may potentially happen often leads to nervousness. Resisting change is one nervousness-reducing action.

Fear of Failure

The new order may require skill and abilities that may be beyond our capabilities. There is resistance to trying a new approach as people know how to operate in the existing order, but fear they will not be able to the new skills and behavior that will be required of them. Disagreement with the need for Change. Associates may feel that the new direction is a wrong direction, and therefore will not willingly follow the new procedures.

Lack of Inertia

Implementation of change involves effort in all areas of the company. Certain employees may be unwilling to expend their energy on a change they see as un-needed.

Lack of Trust

Employees may not understand the implications of the change, and perceive that it might cost them much more than they gain. This can happen when trust is lacking between the person initiating the change and the employees.

Influence of Leadership Style on Effectiveness

The style of leadership utilized when implementing an organizational change will have a great impact on the effectiveness of the implementation. The style used must fit with the culture of the organization.

As the organizational culture gradually morphs while change is being implemented, it would be wise to re-evaluate the leadership style used. If a straight-laced accounting office attempted to utilize the 4D appreciative inquiry method to instigate change, it would most likely fail outright, because these personnel are accustomed to decisions being passed from the boardroom without employee input. However, a whole system change would not work well in a small software development shop such as Pyra Labs (founders of Blogger), as the company was a coalition of friends coming together to create a product they all loved.

Lessons Learned & Applications

In the course of this assignment I have learned the reasons that people may be reluctant or resistant to change. As a frequent implementer of change in my organization, I have often encountered resistance, but have not known the reasons for the resistance.

I have had resistance in the form of passive protest (just not doing it), and aggressive resistance in the form of a fist swung at my head. Having completed this assignment, I am better able to understand why people may resist change, and might be able to address and / or alleviate many of their concerns before implementation. If you have the right human with the right knowledge in the right place doing the right thing, it is amazing how simple a change appears to be. I use the word "appears", because the change may not be simple and the solution may not be simple, but the right human or humans with effective communication and correct information will make it look like it is.

While this may be an over simplification, I believe the human element is still the number one factor in creating successful or less than successful businesses.