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2 authors:

Pavel Kral

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Approaches to changing organizational structure: The effect of drivers and communication☆

Pavel Král *, Věra Králová

University of Economics, Prague, Faculty of Management, Jarošovská 1117/II, Jindřichův Hradec, 377 01, Czech Republic

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ABSTRACT

A changing organizational structure is probably the most apparent indicator and clear evidence of organizational change. The purpose of this study is to examine the relationship between the steps of the process of changing organizational structure, with special focus on drivers, components, communication, and outcomes. To study a change in organizational structure, the analysis employs a multiple case study research design, focusing on four organizations. The results derive approaches to changing organizational structure. Those approaches' characteristics are a) an emphasis on external or internal drivers of the change, and b) the prevalence of formal or non-formal communication on the change. A mutual combination of these characteristics leads to four possible outcomes, pictured in a 2 × 2 matrix as approaches to changing organizational structure. The matrix helps to understand how changing the content or form of communication facilitates changes in different components of organizational change.

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1. Introduction

Adaptation and change are necessary for an organization's survival. Organizations have to adjust both their operations according to the changing environment, and their organizational structures according to new operational models. Although the literature recently treats organizational change as a continuous process (Burnes, 2004), a change of organizational structure is an apparent indicator and clear evidence of discrete organizational change. Researchers, consultancy companies, or individual consultants in academic and professional journals, and professional websites discuss a change in organizational structure. Many theoretical frameworks of organizational change, organizational design, or organizational development apply to changing organizational structure (Table 1). However, managers responsible for changing organizational structure often solve a problem just by changing a single component without thinking about its connection to other components and the broad consequences of the change.

This process of change contrasts with Damanpour's (1991) conclusions, stating that successful change effort may depend more on the congruency or fit between content, contextual, and process conditions than on the nature of a change. Examining relationships between other factors is key to minimizing resistance to change (Armenakis & Bedeian, 1999). Both academic literature on organizational change (Armenakis & Bedeian, 1999) and professional frameworks

(International Institute of Business Analysis, 2009) concur in four elementary themes or steps common to all change efforts: a) contextual issues that deal with drivers, b) content issues that focus on substance or components of the change, c) process issues and their determinants, and d) assessed outcomes. Recent studies see high priority in examining such relations, and they recommend to study, for example, interactions between externally and internally-driven structure changes (Argyres & Zenger, 2013), or links of formal and non-formal communication and structure (McEvily, Soda, & Tortoriello, 2014).

Thus, the purpose of this study is to explore relationships among the steps within the process of changing organizational structure. Two complex research questions lead the research: 1) What are the relations between the components of organizational change? 2) What are the relationships between drivers, components, communication, and outcomes of change? The analysis employs a case study approach, and studies a change in organizational structure in four companies.

In the field of organizational change, development, and design, some respected authors reject the typical direction of theory and research of practice, and admit developing their models from practice, not from extensive theory or research. Among these models are the Causal Model of Organizational Performance and Change (Burke & Litwin, 1992), McKinsey's 7S framework (Waterman, Peters, & Phillips, 1980), and the Congruence Model for Organizational Analysis (Nadler & Tushman, 1980), all of which count with the acknowledgment of scholars. Recently, empirical methods in organizational design studies have become topical again, with Puranam (2012) predicting that scholars can expect a revolution in empirical methods. Empirical development helps to overcome the chasm between practitioners and researchers, while providing frameworks that practitioners can use

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