Patterns of change and their implications for change management

Change occurs when the state of something is altered or modified.

It involves moving from one state to a different state.
The rate of change is not constant

- industry evolution
- diffusion of innovation

tipping points
Continuous and discontinuous change

Continuous change

Degree of change

B

Discontinuous change

Degree of change

A
gradualist paradigm

The gradualist paradigm posits that an organization:

- changes and develops though a continuous process of *incremental* adjustment,
- these adjustments (changes) accumulate over time to ensure that the organisation is always aligned with its external environment.
punctuated equilibrium

While a process of continuous gradual adjustment might be the ideal, evidence suggests that most organisations experience change as a discontinuous process often referred to as a pattern of *punctuated equilibrium*.
Continuous change involves a stream of low intensity changes that (according to the gradualist paradigm) can accumulate to transform the organization.
1. A fear of change

Many people are reluctant to change because:

- they prefer the status quo to an uncertain future
- they anticipate that the cost of changing might outweigh the benefits
2. Persistent ‘deep structures’

dee deep structures are the fundamental choices that determine an organization’s pattern of activity.
Deep structures act as forces for inertia that work to maintain the status quo
Example: Strategy, leadership and culture

Deep structures are difficult to change

Forces for inertia are strongest when a group, department or organisation is part of a network of tightly coupled mutual dependencies
3. Pressure to deliver short term results

This pressure:

- directs managers’ attention towards improving internal alignment in order to increase efficiency.
- diverts their attention away from external alignment.

All three factors (fear of change, persistent deep structures and the pressure to deliver short term results) combine to inhibit change and promote strategic drift.

The organization does not change fast enough or in the ways that will ensure that it remains aligned with its external environment.
Eventually this misalignment with the external environment reaches a point where major change (radical transformation) is precipitated.
continuously adaptive organizations experience the kind of continuous change described by the gradualist paradigm.

This requires organizations to engage in repeated patterns of:

- **Improvisation** that leads to a continuous modification of existing work practices
- **Translation** that involves the editing and imitation of ideas as they travel through the organization
- **Learning** and new insights which facilitate changes in the way the organization responds to problems and opportunities
But the evidence suggests that most organisations, if they survive long enough, will experience change as a pattern of punctuated equilibrium

There are three exceptions:
the three exceptions:

1. The small minority of “learning organizations” that do manage to continuously adapt through ongoing processes of improvisation and learning (see Brown and Eisenhardt).
the three exceptions:

2. Companies operating in niche markets or in slow moving sectors where they have not yet encountered the kind of environmental change that requires them to transform their deep structures.
the three exceptions:

3. Organizations that are able to continue functioning without transforming themselves because they have sufficient ‘fat’ to absorb the inefficiencies associated with misalignment.
Strategic drift

Firms cannot ignore changes in their external environment for ever. Eventually they have to adapt if they are to survive.

But some firms are slower than others to recognise the need for change or slower than others to take action. Their response is reactive rather than proactive.
Lead times and time pressures

It is more difficult to manage change when the need for change is urgent.

➢ There is less time for planning

➢ It is more difficult to involve people in the process

➢ There is less time to experiment and search for creative solutions
Combining notions of continuous and discontinuous change with the way an organisation responds to change (proactive or reactive) provides a useful typology for classifying types of change.
A typology of change

**Incremental** (doing things better)
1. Fine Tuning
2. Adaptation

**Transformational/discontinuous** (doing things differently or doing different things)
3. Re-orientation
4. Re-creation

Proactive (Anticipatory)

Reactive

Adapted from Nadler et al 1995
Implications of these different types of change for change management practice

1. Focus for change effort
2. Locus for change: who will manage the process?
3. Sequence of steps in the change process
4. Role of change agent
1. Focus for change efforts

With incremental change the aim is to improve the alignment between existing organizational components in order to ‘do things better’

With discontinuous/transformational change the aim is to seek a new configuration of organizational components that are aligned to external circumstances. The outcome may be that the firm ‘does things differently’ or ‘does different things’
2. Locus for change

The intensity of change *(indicated by the stress, dislocation and trauma associate with change)* affects the point in the organization where the leadership for change is located.

Discontinuous change is more intense than incremental change, and reactive change tends to be more intense than anticipatory change.
Locus for change

High intensity change

- Executive led change
- Change through delegation (Project managers and external consultants)
- Change through normal management processes

Low intensity change
3. Sequence of change

Change typically involves a three step process that follows the sequence:

1. **Unfreezing** the restraining forces that maintain the status quo
2. **Moving** the organisation to a new state
3. **Refreezing** to consolidate the change
Sequence of change

However, for firms operating in high velocity environments the key problem is not overcoming inertia and unfreezing the organization but redirecting the continuous process of change that is already underway. This may require the following sequence:

**Freezing** in order to take stock, identify patterns and highlight what is happening

**Rebalancing** – reinterpreting history, identifying and amplifying best practice and re-sequencing patterns

**Unfreezing** to enable patterns of activity to resume with fewer blockages.
4. Role of change agent

With discontinuous/transformational change the role of the change agent is to be the prime mover who initiates and manages a process of planned change.

With rapid continuous change the role of the change agent is to help others make sense of the change dynamics already under way.
Summary

This session has examined the nature of change, reviewed theories relating to patterns of change, considered some of the factors that limit change and explored some of the implications of different types of change for change management practice.

Patterns of change

The gradualist paradigm posits that fundamental change (organisational transformation) can occur through a process of continuous adjustment.

The punctuated equilibrium paradigm posits that systems (organisations) evolve through the alternation of periods of equilibrium, in which persistent *deep structures* only permit limited incremental change, and periods of revolution, in which these deep structures are fundamentally altered.

With a few exceptions, most organisations experience change as a pattern of punctuated equilibrium.
Summary (2)

The factors that limit change

- a fear of change
- persistent deep structures
- pressures to improve short term performance

The implications of different types of change for change management practice

- the focus for change efforts
- the locus for change
- the sequence of steps in the change process
- the role of the change agent