



Towards the Next Generation Change Model

An Exploration of Change Models as They Relate to
Organizational Complexity and Dynamics

By Jeff Evans and Liz Thach

INTRODUCTION

AS THE LEVEL of complexity increases within organizations and the pressure to change becomes overwhelming, change practitioners search for new ways to accelerate and build commitment to change. Knowledge of systems and organizations is advancing rapidly, and every iteration is creating a fresh perspective from which to view organization change.

We begin with a working definition of organizational change, and also define the difference between change model and methodology. Next, we examine the major themes of change models; analyzing how they have adapted over the years to deal with the increasing complexity and dynamics within organizations. From this we are able to suggest the next generation of change perspective as implied by the evolution of the models.

DEFINING ORGANIZATIONAL CHANGE

For the purpose of this paper, we are adopting the following definition of organizational change from Rajagopalan and Spreitzer : "A difference in the form, quality, or state over time in an organization's alignment with its external environment." This type of change can occur at the business, corporate, and collective levels of an organization. However, as we proceed with our exploration of the more complex organizations of the 21st century, often illustrated by virtual working relationships, accelerated time zones; and staggering deluges of data, we have adapted this definition slightly to: Organization change is "a creative emergence of form and functionality, framed by collective intentions, for best fit within the external environment."

It is also useful to differentiate between conceptual change models and methodologies. We

view change models as a mechanism by which to describe the philosophy of how the change will occur within the organization. It is a perspective or lens on how to view change. Methodologies are the actual tools and techniques to implement the change. Holman and Devane describe this as a variety of specific methods with step-by-step processes to help plan and structure change within organizations. In general, it can be said that the variety of different methodologies to create organizational change are plentiful; whereas the conceptual models, or perspectives around change are more limited, and can be categorized into a few specific areas.

CHANGE MODEL THEMES

As we examine the various conceptual change models throughout the literature, it is quite apparent that Lewin’s Equilibrium Model is the first evidence of a change perspective that propels organizations out of the mechanistic thinking of Taylorism and Scientific Management. Through his tenets of cooperative social problem-solving, and

the use of such tools as force-field analysis, Lewin was able to introduce a change perspective that allowed organizations to launch themselves out of quantitative individualism to create workplaces of meaning and dignity. His work was the basis for many of the change models that followed, with the majority of the shifts in thinking rooted in the increasing complexity and new social dynamics emerging within 21st century organizations.

We have selected six conceptual models to describe the progression of the basic organizational change models. Though it can be argued that there are more change models than these, we find that the philosophical underpinnings of these models generally encompass the minor nuances of difference which others models may proclaim.

EQUILIBRIUM MODEL—First introduced by Kurt Lewin, this model describes the organization as being in a state of equilibrium, often described as calcified or frozen. The equilibrium is sustained by a balance of opposing forces. This concept gave rise to Lewin’s practical tool of the force field analysis. Lewin theorized that change is induced by the action of a change agent who alters the forces, or creates competing forces within the system. Lewin is famous for his description of “unfreeze, change forces, and refreeze” terminology to describe the organizational change.

Specific assumptions behind the Equilibrium Model are that the organization is in a static state, and that it is relatively insulated from changes in the external environment. At the time this model was introduced, the rate of change within organizations was much slower than today. This model also assumes that once the organizational change takes place that it will return to equilibrium and remain that way for a period of time, unless some new unfreezing action is taken.

SYSTEMS APPROACH—The work of von Bertalanffy introduced the notion of biological systems to the thinking of organization practitioners. The concepts of systems began to impact the use of Lewin’s model and the many inter-relationships they needed to consider. These relationships had to do with interplays between corporate strategy, structure, people, information flow, rewards, and various other internal processes—and, to some

AUTHORS

JEFF EVANS, PH.D., is the principal of the Gaian Group, an organization development consulting firm focused on change navigation. For the past 10 years he has worked large-scale organization change as an internal and external consultant. His work has included new organization designs and start-ups, large group change methodologies, and joint ventures and alliances in international and global settings. He has undergraduate and graduate degrees in education and social sciences.

ELIZABETH “LIZ” THACH, PH.D. is Associate Professor of Human Resources and Organizational Behavior at Sonoma State University in California. She currently has over 18 years experience in the field, specializing in international leadership development, change management, and the application of communication technology to workplace performance. Liz has extensive corporate experience—having worked previously for Compaq, USWest, Amoco, and Texas Instruments. To date, she has published 25 articles and two book chapters in the field of HRD.

extent, the external environment. As diagrams began to be developed to describe these inter-relationships, e.g. the Star Model, and the Congruence Model, a new perspective was developed that began to identify the common internal components of organizations.

The assumptions around the Systems Approach are that the external environment does impact the organization, and that in order to prosper, the organization needs to adapt to external changes. The organization is still viewed as relatively static, but the concept of interdependent relationships within the organization is also introduced. The model still assumes that a change agent is needed to study the organization and then act upon it—though this also can be accomplished through a collective group of employees analyzing the data and implementing the change. Finally, as with the previous model, this approach assumes that the organization will return to equilibrium after the change.

OPEN SYSTEMS PLANNING—Open systems theory is considered an outgrowth of general systems theory. The significant difference is that it treats the organization as a living, “breathing” system. As such, it views the system as engaged in exchange with the environment through a transport mechanism. By constant monitoring of the environment through the transport mechanism, it can react more quickly to external changes. This change model is often linked closely to strategic planning, in that the input from the transport mechanism helps shape the vision of the future, future scenarios, and organization purpose. From this data, people within the organization can better understand the need for change and create more flexible organizational structures.

Beckhard & Harris presented the change—stability dilemma as a part of open systems planning. This brought forward the idea that organizations were not simply at equilibrium, but were instead working with a dilemma of trying to move in two directions at one time. Rather than being held fast in place by opposing forces in an equilibrium model, organizations were drawn towards a goal. In times of change, the organization managed the pull towards the future state and the corresponding pull towards the present state. The change

methodologies then put forth ways to allow more energy to be directed at creating the future state than in maintaining the current state. This was a subtle but significant shift in describing organizations as goal seeking and intentional.

MACRO PROCESS MODELS — During the 1980’s, the movement to increase the quality of products and become more globally competitive led to the rapid spread of **Total Quality Management (TQM)** as a model for organizational change. It moved as a product of the times with a strong focus on the analytical aspects of improvement. While not necessarily a model for organizational change, it did drive large changes in many businesses and was the beginning of what we refer to as Macro Process Models, or theories that focus on work processes within organizations to create change.

Though there was no specific “beginning model” of organization as with the other models explored here, TQM’s gift to organizational change work was the increased understanding of process and analysis in organizations. Furthermore, TQM accentuated the need to get every employee involved in “continuous improvement”—setting the framework for models of the future.

In the late 1980’s and early 1990’s, the complexity rate within organizations grew exponentially as they became increasingly larger in size and dispersion, across both geography and business lines. The TQM process improvement craze was becoming an organizational norm, and practitioner’s eyes turned to increasingly larger levels of process. **Business Process Re-engineering (BPR)** set the stage to attempt to obliterate current processes and re-create new macro processes that better reflected needs of the environment, the business, and the beliefs and values of the system. This Macro Process Model reflects the understanding of process but attempts to circumvent the time required to incrementally improve, recognizing that changes in the environment were occurring faster than processes could be improved.

CONSTANT ADAPTATION MODEL—As the rate of complexity grew within the organizations of the 1990’s, and the time gap between changes became shorter and shorter due to multiple exter-

nal competitive pressures, a new change perspective came into being. This is best defined as a mindset within the organization of striving for continual change and challenging of the norm. This change perspective calls for a constant monitoring of external environment as well as interaction with futurists to impel creative product, process, and service design. It is the “ability to engage in rapid and relentless, continuous change as a crucial capability for survival”, according to Brown and Eisenhardt. This Constant Adaptation Model has been used by some of the more successful Internet companies and greenfield divisions within more mature industries. It is way beyond the TQM philosophy of continuous improvement, and instead, is a way of living that embraces change and flees equilibrium. Employees engaged in this change perspective could be described as embracing an “organizational mind of constant adaptation.”

The assumptions behind the Constant Adaptation Model are that the organization is a living system, with a very thin membrane between it and the environment. It is very organic in nature—almost approaching an intentional basis in its change actions. No specific change agent is needed, as all employees—regardless of whether they are working remotely or in physical proximity—are constantly involved in implementing change—in “pushing the envelope”, so to speak. Wheatley notices that the organization is simple in structure, and may not even have a real bricks and mortar location. It also has very few “policies and procedures” and instead relies on “fractals of behavior” based on values. Also, specific tools and processes are available to facilitate the constant change. Examples include experimental products, futurist, strategic partnerships, and frequent meetings—both face-to-face and virtual.

FRAMEWORK SIGNIFICANCE— PROVOCATIVE QUESTIONS

In analyzing the framework, it is obvious that the models have progressed with outward changes showing increases in complexity and increased attention to working with larger parts of the system as well as multiple parts. The earlier models were fairly simple and straightforward. The models


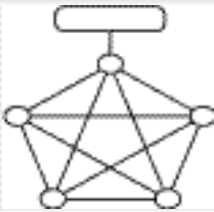
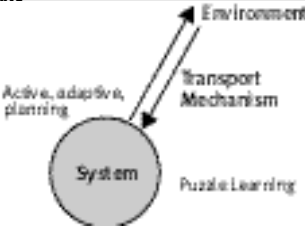
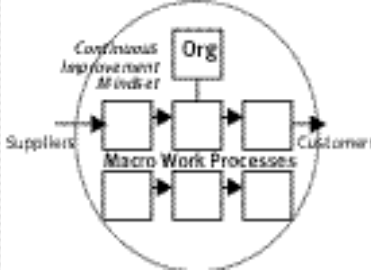
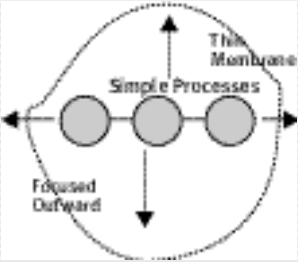
led the change agent to select an area of the organization in which to intervene, and then create the forces that altered one part of the system and allowed the whole to move in a desired direction. After the system moved, it stabilized at a new position of equilibrium. (See Table 1, opposite.)

The models have changed to reflect the emerging complexity of large organizations. The metaphors have become more rich as deepened understandings of casual loops, action at a distance, and information density have pushed the envelope of our imaginations. What begins to emerge as a primary difference in models is whether the framers believed change was unnatural (equilibrium models) or natural (non-equilibrium). In an equilibrium model, change must be forced and created as opposed to a non-equilibrium model, in which change must be engaged, supported, and fostered. Resistance in an equilibrium model is actually opposition or defense of status quo. In a non-equilibrium model resistance would be system edges or boundaries around difference, as the bank of a river offers resistance to the rushing water, maintaining form and channeling energy. Each requires a different role for the change agent. These have moved with the shift in models, along a continuum of roles from most detached as an external manipulator of the system in the most basic equilibrium models, to the most attached in the holistic models, as an internal influencer of the system. This shift presents many questions for practitioners of change. If the boundaries on organizations are softening, then change becomes a constant, without the need for a change agent to put the organization in touch with the environment.

THE NEXT EVOLUTION OF CHANGE MODEL

Based on the framework analysis described above and the future organizational needs it points to, we suggest the next generation of change model as one which moves beyond the organic to the intentional in nature. We describe this as a **Holonic Change Model**. Holonic suggests that each individual in the organization is a reflection of the whole. The individuals are components of the

Table 1: CHANGE MODEL DESCRIPTIONS AND ASSUMPTIONS

NAME & DIAGRAM	THEMES	ASSUMPTIONS EQUILIBRIUM
<p>EQUILIBRIUM MODEL</p> 	<ul style="list-style-type: none"> ■ Organizations seek equilibrium ■ Sustained through opposing forces ■ Need to unfreeze, change, and refreeze 	<ul style="list-style-type: none"> ■ Organization is static ■ Change agent studies and acts ■ Returns to a state of equilibrium
<p>SYSTEMS APPROACH</p> 	<ul style="list-style-type: none"> ■ External environment impacts organizations ■ Inter-relationships between parts ■ Inputs & outputs 	<ul style="list-style-type: none"> ■ Organization is static; but environment can impact ■ Change agent studies and acts ■ Returns to a state of equilibrium
<p>OPEN SYSTEMS PLANNING</p> 	<ul style="list-style-type: none"> ■ Transport mechanisms are developed to bring organization closer to environment. ■ Can react more quickly to environmental changes ■ Strategic Planning model 	<ul style="list-style-type: none"> ■ Organization is dynamic and "breathing" through transport mechanism ■ Closely linked to external environment ■ Employees involved in change via planning process ■ Organization changes often
<p>MACRO PROCESS MODEL</p> 	<ul style="list-style-type: none"> ■ Focus on external environment via customers and suppliers ■ View organizational change across macro work processes ■ All employees involved via continuous improvement mindset ■ Focus on measurement and data 	<ul style="list-style-type: none"> ■ Organization is dynamic ■ Closely linked to external environment via customers & suppliers ■ Employee body involved in change via measurement data ■ Organization changes often
<p>CONSTANT ADAPTATION MODEL</p> 	<ul style="list-style-type: none"> ■ All employees constantly implementing change. ■ Change is rewarded ■ Linked by thin membrane to the environment ■ Simple processes; few policies & procedures 	<ul style="list-style-type: none"> ■ Organization is organic and dynamic; respond quickly. ■ Proactive change ■ Flees equilibrium ■ Employees initiate

larger organization, and are connected in thought and idea through what Margaret Wheatley describes as the morphogenic field. The analogy can be taken further to describe the organization as a hologram, in which every part is a smaller, complete representation of the whole.

The Hologonic Change Model is related to the Constant Adaptation Model in that all people in the organization have adopted the new mindset of living with change and fleeing equilibrium, but with the Hologonic Model it moves one step further. The organization exhibits the characteristics of an intentional organism. It is so close to the external environment that it instinctively has the capability of making an instantaneous metaphysical change to adapt. It can be described as “energy collecting,” as the minds of the individuals within the organizations shift to the new change—so that the collective organizational consciousness changes immediately. Change, therefore, happens, as a collective unfolding of the organization.

Similar to the Constant Adaptation Model, the actual organization is simple in structure, and may not possess a physical location. Norms of behavior replace most of the traditional policies and procedures. A diagram to illustrate this model, as well as the description and assumptions, can be found in Table 2.

This concept is related to some of the findings of chaos and complexity theory. Here the chaos principle elevates the metaphysical part of the system, or the morphogenic field that encompasses shared vision, purpose, beliefs and values, etc. Evolution of chaos thinking does not necessarily make the earlier change models “wrong.” It is just that this new Hologonic Model may simply be more


appropriate for sustainability and dynamic environments.

CONCLUDING THOUGHTS

Evaluating the literature of change, it becomes apparent that organizational theory is poised for a leap to the next step. In keeping with the changing model of organization, the focus of change methodologies must also change. Deep levels of systems analysis will make less sense as we focus more on collective intention in the organization. Dialogue and multilogue will be increasingly important, both within the organization and without. Working on internal support systems and stabilizing systems will give way to cross boundary systems as we encourage organizations to destabilize and live in disequilibrium. Tools for working to lessen an organization’s resistance to change will fade in importance as we begin to honor resistance as the organization’s bounded energy, poised to move in another direction.

Chaos theory teaches us that as a system moves closer to strange attractors, the system moves farther from equilibrium and closer to a spontaneous reorganization. These transcendent evolutions are the sort of change that we will be witnessing more and more in the coming decade. The movement to new business models, the explosion of internet companies, and the increasing density of information exchange are going to do nothing but increase the rate and complexity of change. At the same time, organization practitioners must also engage the seductive questions of the next generation models that embrace the flight from

Table 2: THE HOLOGONIC CHANGE MODEL

NAME & DIAGRAM	THEMES	ASSUMPTIONS EQUILIBRIUM
<p>HOLOGONIC CHANGE MODEL</p> 	<ul style="list-style-type: none"> ■ Organization evolves to higher state of possessing capability and making intentional change. ■ Metaphysical ■ “Energy gathering” ■ Organizational Mind 	<ul style="list-style-type: none"> ■ Assumes organization is organic and intentional ■ Flees equilibrium ■ Change happens ■ Change is made across the collective mindset of the employees

equilibrium, focus on the development of intentional organization, and love the leap to the next state.

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