

# Theories of Organizational Change



GERO 820  
TUESDAY OCTOBER 8, 2013  
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# AGENDA



- Introduction to Organizational Change
- Change Within the Organization
  - Stage Theory, Organizational Development Theories
- Change Across the Organization
  - Interorganizational Relations Theory, Community Coalition Action Theory
- Application in Gerontology
- Critique
- Directions for Future Research
- Summary

# What is an organization?



- A group of people intentionally organized to accomplish an overall common goal, or a set of goals

OR

- Integrated social system, divided up into smaller units or groups, that have various resources (inputs) that are used to produce certain deliverables (outputs)

## *What is organizational change?*

The extent, rate, and overall nature of activities, led by a change agent, to enhance the overall performance of the organization.

# Organizational Change & Health Promotion



## *What's the connection?*

- HP programs **take place in** organizational settings
- Organizational environments **directly and indirectly influence health** via services and policies
- Organizational **policies and practices are the target** of health promotion interventions
- Organizational theories can **assist with facilitating adoption** or institutionalization of an intervention
- Organizations **must embrace change and innovation** in order to achieve their goals and objectives over the long term

# Behavior Change Levels in Organizations



- *Individual behavior change*
  - coaching, training goal setting
- *Team or groupwork behavior change*
  - effective communication, role models, conflict strategy
- *Organizational Change*
  - complex set of complimentary strategies that are responsive to internal and external cultural and environmental influences

Change strategies are most effective and likely to be sustained when they are directed at **multiple levels of organization**, while simultaneously taking the **external environment** into account

# 4 Dimensions of Organizational Change

Organizationwide

Subsystem

Transformational

Incremental

Remedial

Developmental

Reactive

Proactive

versus

McNamara (2006)

# Mobilizing Organizations



## Change Within

- Stage Theory
- Organizational Development (OD) Theories
  - *Focus on the different strategies are needed at different stages*

## Change Across

- Interorganizational Relations (IOR) Theory
- Community Coalition Action Theory (CCAT)
  - *Emphasize understanding how organizations work together and sustain their relationships*

# Stage Theory



- Assumes that organizations pass through a series of steps or stages as they change;
- Explains how organizations develop new goals, programs, technologies and ideas

To properly apply this theory, the social environment and the innovation's stage of development must be carefully assessed before the appropriate strategies for each stage are selected.

# History of Stage Theory



- Modern stage theory is based heavily on Lewin's 3-stage model (1951)
  1. Unfreezing of past behavior and attitudes within the organization
  2. Moving by exposure to new information, attitudes, and theories
  3. Refreezing through process of reinforcement, confirmation, and support for change
- Later research determined that individuals often adopt innovations as members of organizations

# Key Concepts of Stage Theory



Kaluzny & Hernandez (1998)	Beyer & Trice (1978)
1. Define Problem (Awareness Stage)	1. Sense unsatisfied demands on system 2. Search for possible responses 3. Evaluate alternative 4. Decide to adopt course of action
2. Initiate Action (Adoption Stage)	5. Initiate action within system
3. Implement Change	6. Implement the change
4. Institutionalize Change	7. Institutionalize the change

# Application of Stage Theory



- Focus on activities within stages, instead of how organization moves between stages

For example...

“change agents” within a long-term care facility – assume leading roles during different stages

*The strategies the organization uses depends on their stage of change and whether the social environment supports the innovation*

# Organizational Development (OD) Theory



*What is organizational development?*

“a systemwide process of applying behavioral science knowledge to the planned change and development of strategies, design components, and processes that enable organizations to be effective” (Cummings, 2004)

In other words...

OD addresses organizational systems (members, work teams, whole organization), and the relationships between organizations and the larger external environment

# History of Organizational Development Theory



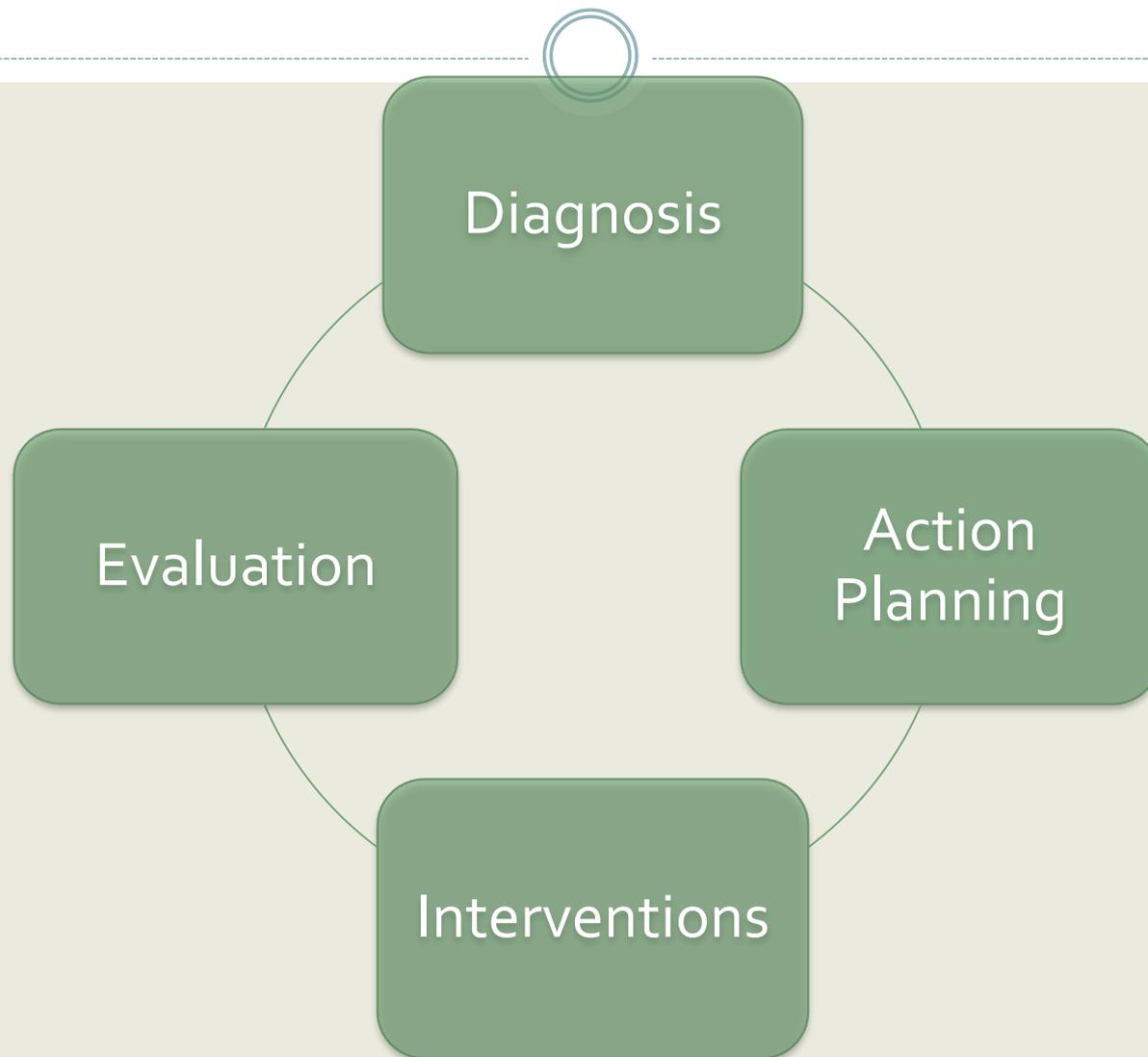
- **1930s:** Emerged out of human relations studies – organizational structures and processes influence worker behavior, motivation, communication, problem solving abilities (ie. Hawthorne effect)
- **1960s:** Interventions focused on organizational design, technologies, and human processes to make work more rewarding and fulfilling
- **1970s:** Focused on impact of rewards in promoting performance
- **Recently:** Expanded focus on aligning organizations to their complex environments through learning and knowledge management, and transforming organizational norms and values

# Key Concepts of Organizational Development Theory



Key Concept	Definition
<b>Organizational Climate</b>	The personality of the organization
<b>Organizational Culture</b>	Assumptions/beliefs shared by members of an organization; operate unconsciously
<b>Organizational Capacity</b>	Optimum functioning of an organization's subsystems

# Application of Organizational Development Theory



# Mobilizing Organizations



## Change Within

- Stage Theory
- Organizational Development (OD) Theories
  - *Focus on the different strategies are needed at different stages and have the greatest potential to produced positive changes in organizations when combined*

## Change Across

- Interorganizational Relations (IOR) Theory
- Community Coalition Action Theory (CCAT)
  - *Emphasize understanding how organizations work together and sustain their relationships*

# Interorganizational Relations (IOR) Theory



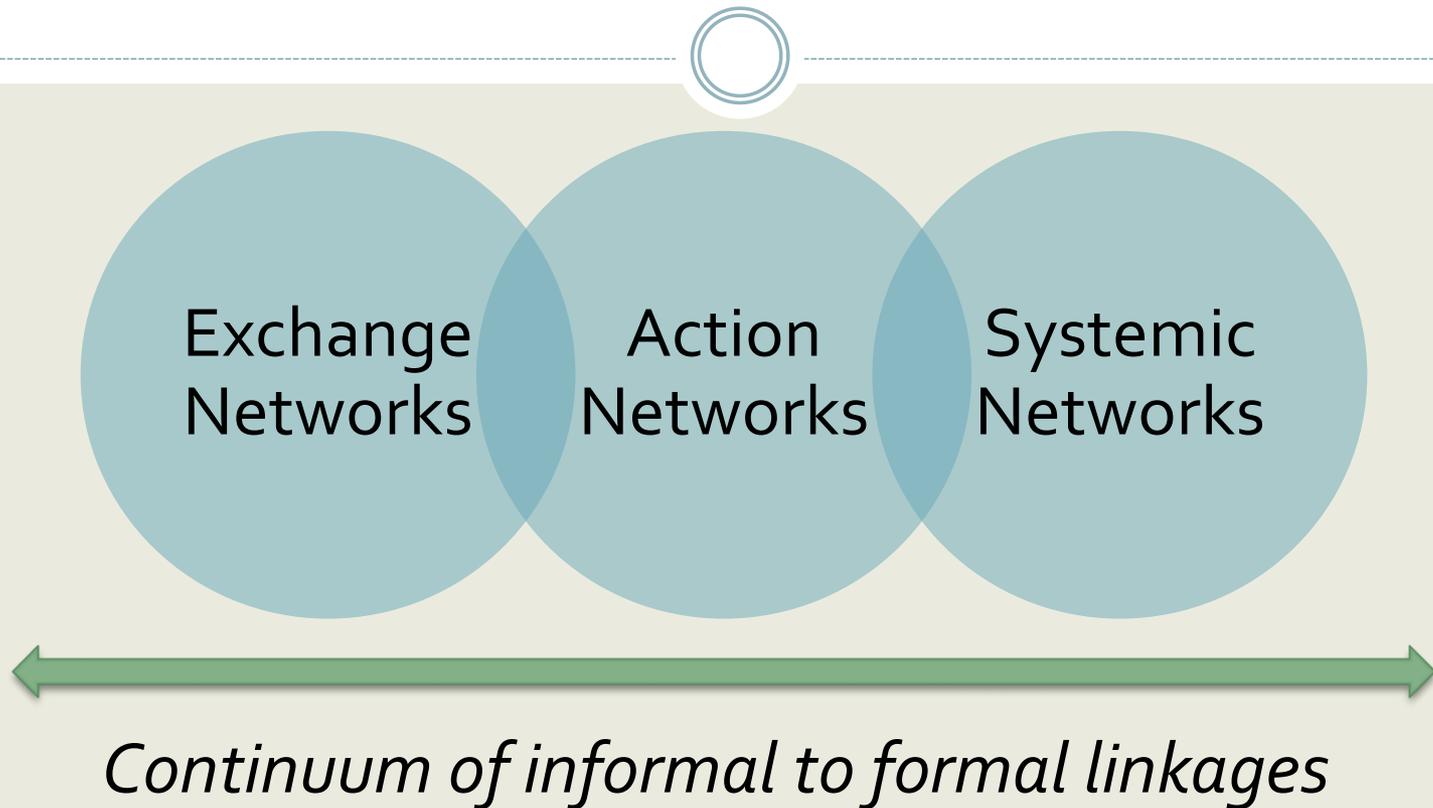
- How organizations work together
- IOR networks: grassroots coalitions to hospital collaborators
- IOR Theory assumes that **collaboration** among community organizations leads to a more **comprehensive, coordinated approach** to a complex issue that can be achieved by one organization
- *Note: Not developed for health promotion, but provides a foundation to understand and enhance community mobilization that addresses public health issues*

# History of IOR Theory



- **1960s:** How organizations could decrease uncertainty in the environment via collaboration
  - Early research focused on factors that influenced an organization's decision to enter a collaborative relationship based on cost-benefit analysis
- **1980-90s:** factors critical to IOR formation
  1. Recognition of need for coordination/interdependence
  2. Available resources (time, staff, expertise)
  3. Mandates from funding/regulatory agencies
  4. Clear & mutual shared goals, values, interests, norms
  5. Positive previous experience in working together
- **Recently:** Found organizations with similar resources compete with one another; organizations with similar ideologies have more synergistic relationships

# Key Concepts & Hypotheses of IOR Theory



The design of an IOR will reflect the degree of complexity of the environment in which the organization operates.

Alter & Hage (1993)

# Community Coalition Action Theory (CCAT)



## *What is a community coalition?*

- Formal, multipurpose and often long-term alliances that work locally or regionally and usually have paid staff.

## *What do they do?*

- Promote a health agenda or issue, prevent disease or reduce a community problem.

## *What are the benefits?*

- Facilitates ownership → successful institutionalization
- Builds capacity and competence among members; may help to address other community issues as well

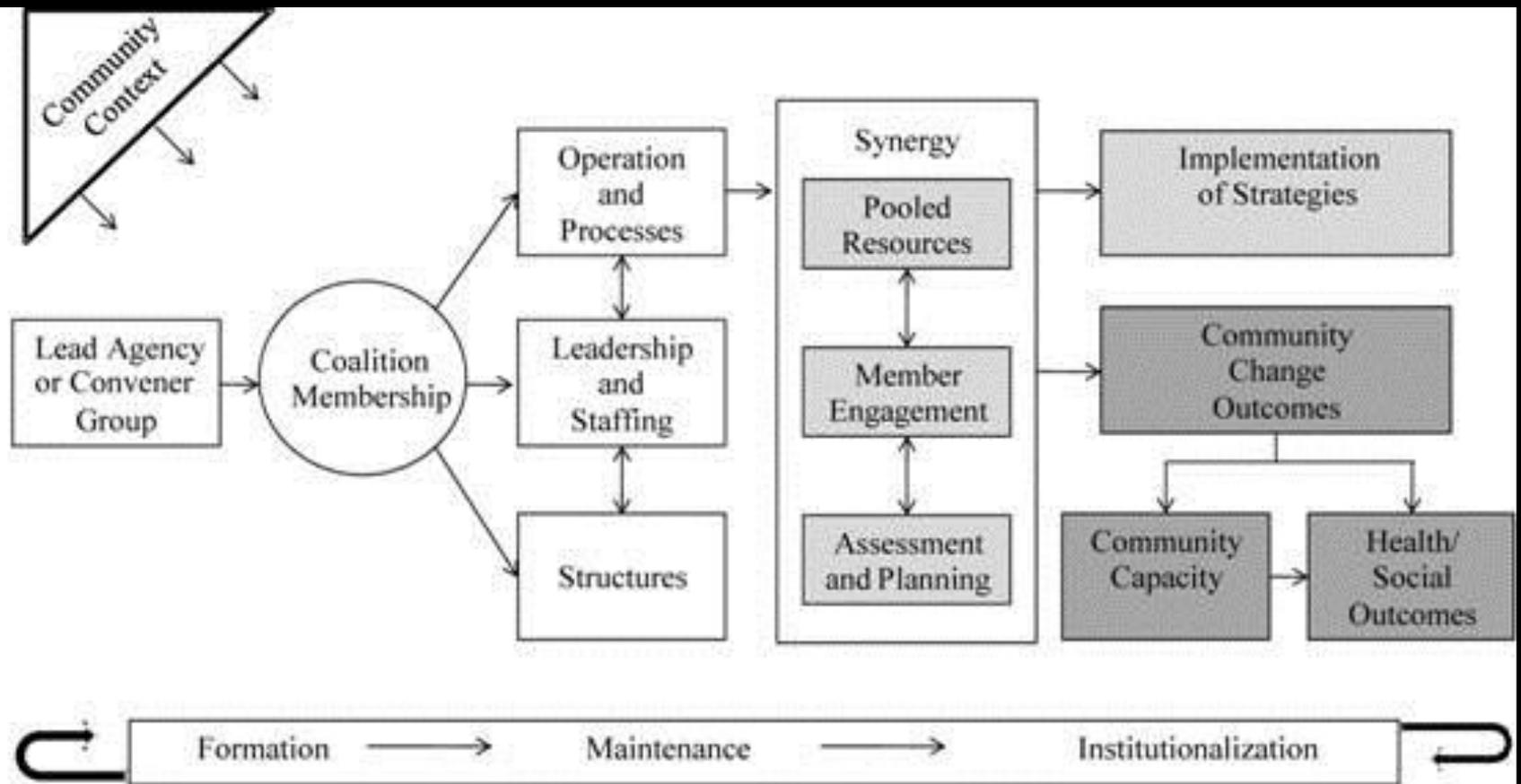
# Community Coalition Action Theory



CCAT seeks to explain or predicts improved organizational structure, function, and effectiveness

CCAT describes the stages of coalition development, coalition functioning, development of coalition synergy, and the creation of organizational and community changes that may lead to increased community capacity and improved health and social outcomes

# Community Coalition Action Theory



Source: Recreated from Butterfoss, 2007

# Critique of CCAT



## Challenges

- Difficult to test empirically
  - Constructs difficult to measure
  - Small sample sizes
  - Feasibility of design

## Recommendations

- Define and operationalize constructs
- Application in comprehensive contexts

# Evaluation of an inter-organizational prevention program against injuries among the elderly in a WHO Safe Community



**Aim:** evaluate the outcome of a participatory community-based prevention program against injuries among the elderly (environmental factors targeted)

**Methods:** Theoretical framework: step-by-step participative strategy for community involvement

• **Safe Community Program interventions:**

- organization of a local cross-sectoral action group (for local ownership);
- Reliance on existing local community networks (for planning); and
- Continuous tracking of high-risk environments and groups (for targeted social action)

**Network:** district Health Services Board, the Municipal Board, political committees, and management groups accepted responsibility for acting on the results of the community analysis

**Results:** The total injury morbidity decreased marginally, but there was a clear reduction of non-minor injuries ; the nature of multi-sectoral interventions makes it difficult to interpret which program components contribute to an outcome.

# Critique



- Too much focus on individual; adopt a multi-level perspective in HP and HE programs
- Generalizability issues: small sample size therefore low statistical power, difficult to generalize findings, secular trend of interest
- Measurement issues: access to information at the organizational level is difficult to obtain and validated given the diverse perspectives
- Models that work should be used; models that are ineffective need to be improved or discarded

# Future Research



- Properly identify stage
- Stage specifics
- Stage progression
- Influence of context
- Range and complexity of IOR
- Dynamics of IOR networks

# Summary



- Role of organization in health behavior and health promotion under-investigated at grad level
- Appreciate the value of organizational change for health promotion and how to successfully facilitate theory-informed organizational change via Stage Theory, Organizational Development Theory, Interorganizational Relationships Theory, and Community Coalition Action Theory
- We understand how these strategies mediate various internal and external challenges and influence positive change

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