

Strategic Management of Change

Dr. Hamza Aib

University of M'Sila

Chapter 3. Congruence model of change

Objectives of the chapter

- To grasp and comprehend the constituents of organizational change;
- Understanding the distinction between internal and external change;
- Expanding the behavioral framework by examining change through three perspectives: structure, policies/means, and culture.

Congruence model of change

Congruence

External Congruence

Internal congruence

Changing environment

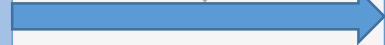
Strategic renewal

Organizational change

Competition
Customers
Consumer behavior
Politics
Economy
Society
Technology

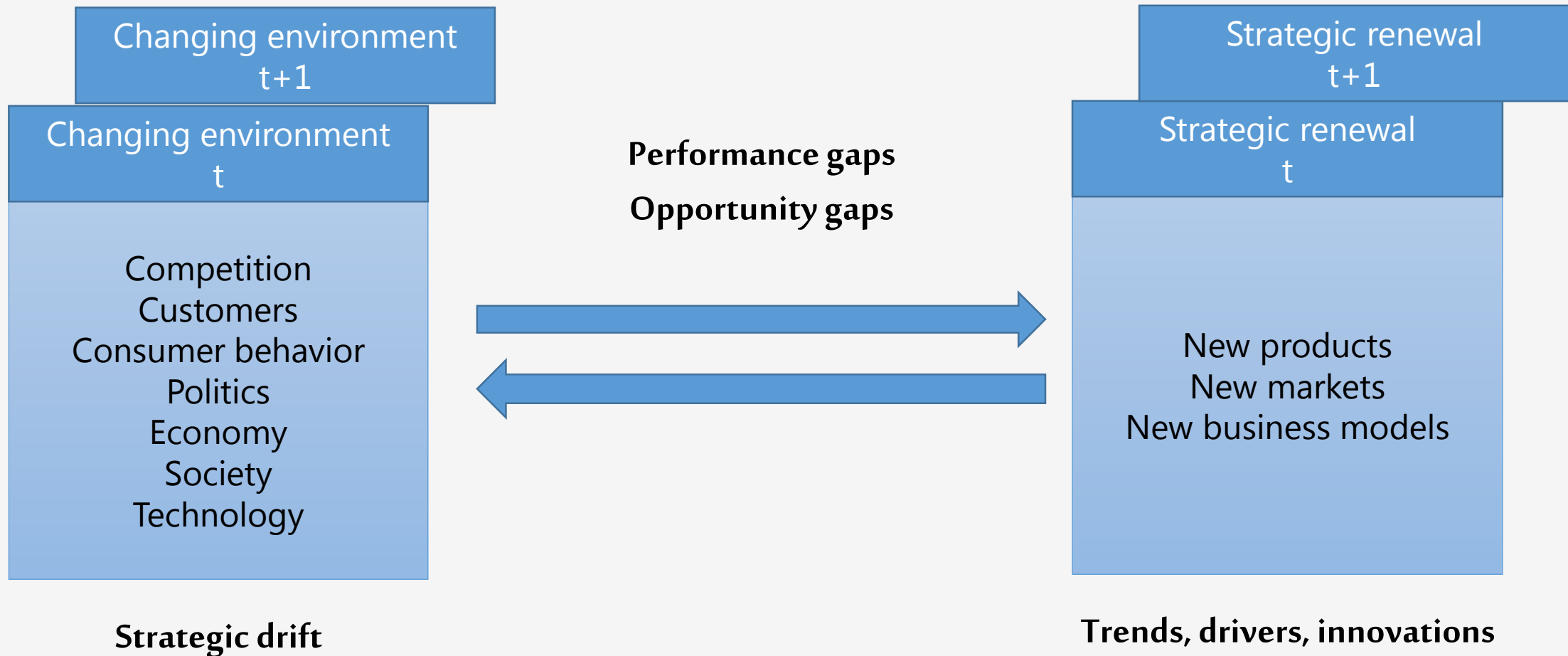
New products
New markets
New business
models

Activities
Structure
Policy
Means



External congruence

External congruence

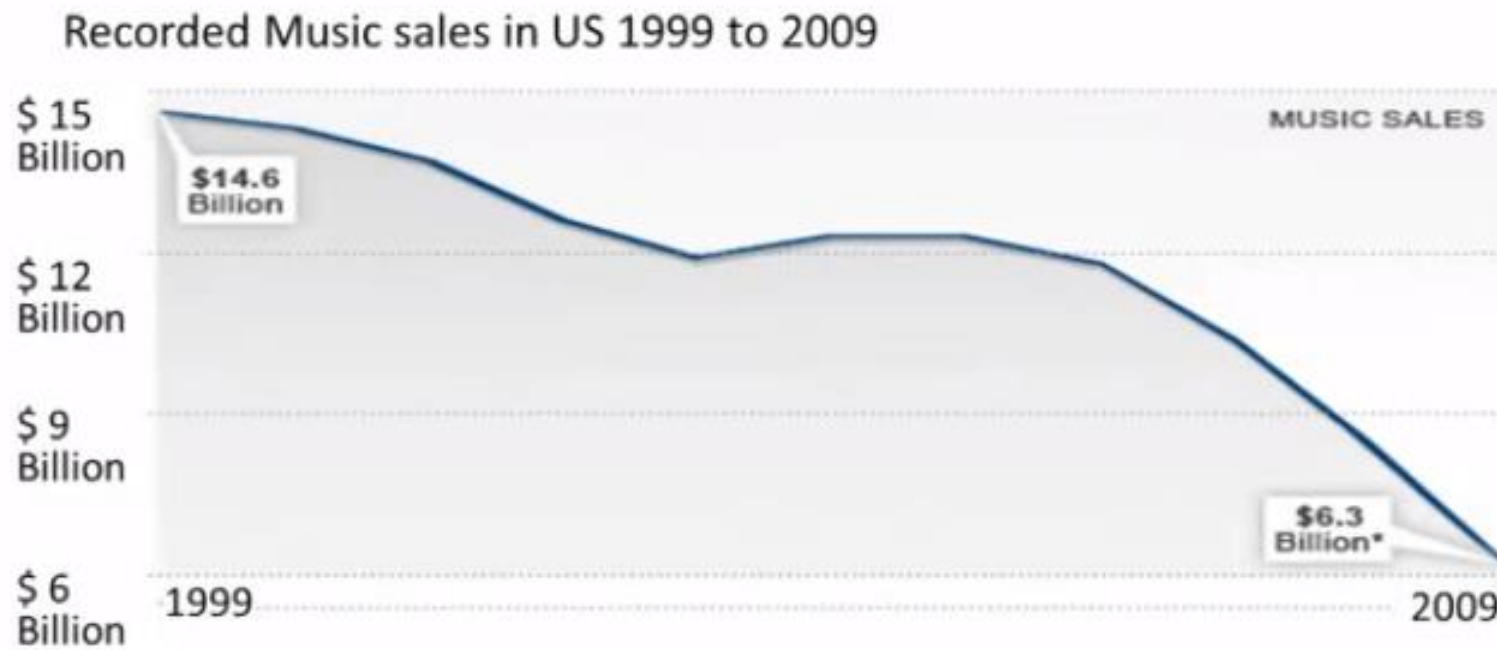


Adapted from Tushman & O'Reilly (2002)

External conguerence

Example:

The Music Industry: Radically changing Environment

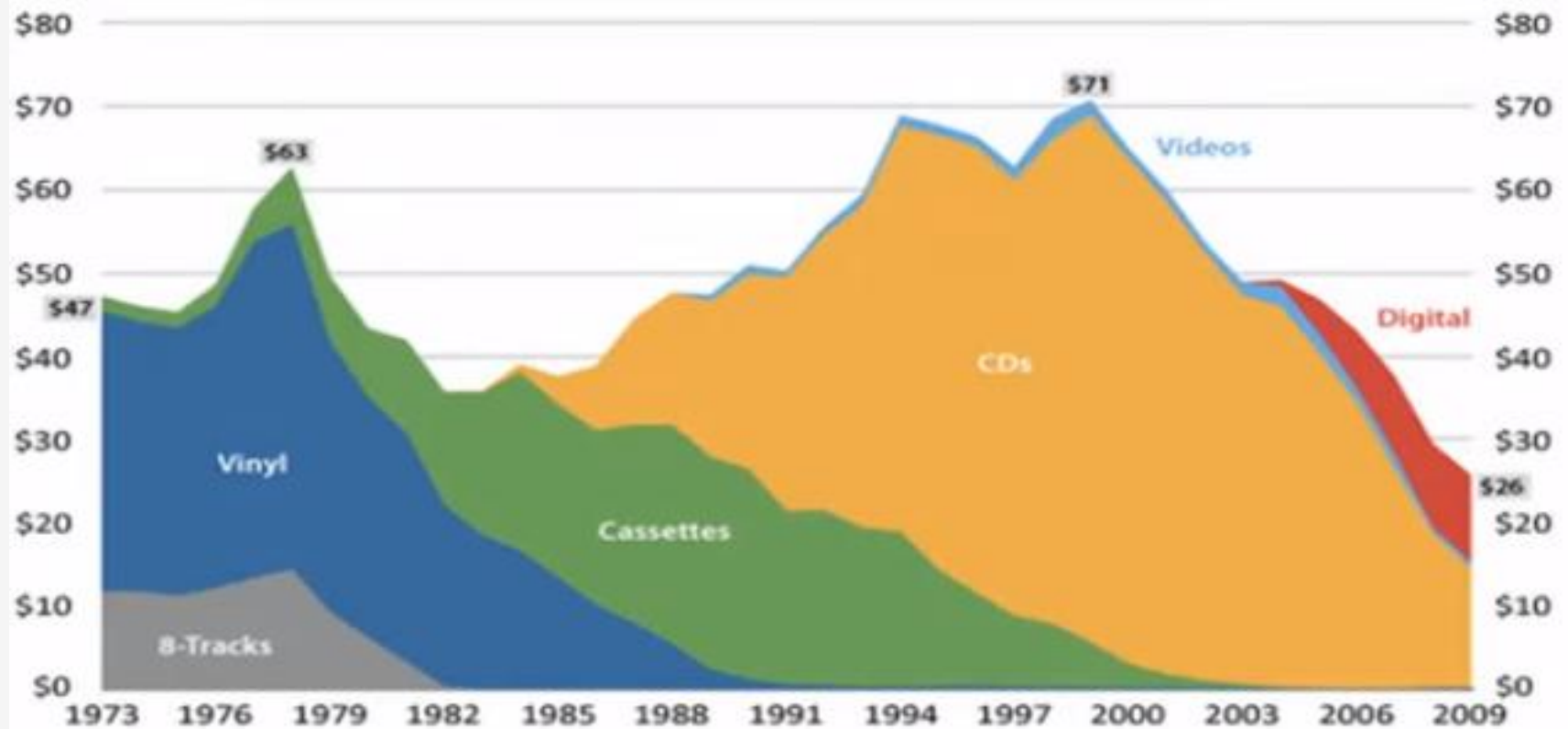


Source graphic: Based on Forrester Research Forecast (2010)

External conguence

Example:

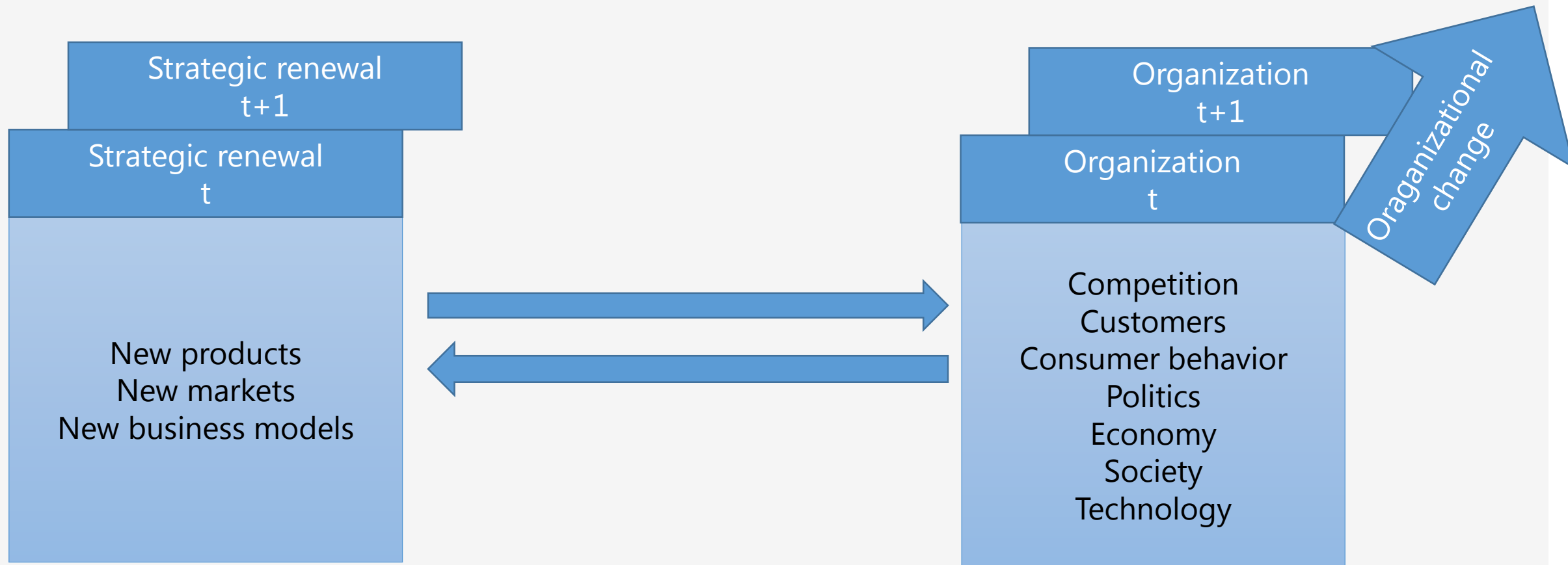
US Recorded Music Revenue – 2011 Dollars per Capita



Source graphic: DeGusta (2011)

Internal congruence

Internal congruence



Congurence model of change

	Structure	Politics	Meanings
Central concept	Machine, tool.	Jungel, game.	Theater, temple.
Focus of the analysis	Formal rules, roles, objectives, policies, structures, technology.	Power, conflict, negotiation, partners, interests.	Symbols, rituals, celebrations, myths, heroes.
Driver of acting	Efficiency.	Interests.	Interpretations.
Role of the leader	Engineer Designing frameworks for activity and accounting.	Dealer / Mediator Agenda setting, integration building, finesse.	Shaman Inspires and dispels the mystery towards the goal.

Source adapted after Bolman & Deal (2011)

Summary

- To avoid strategic drift, organizations need to align their strategy with the external environment.
- Internal congruence means aligning the new strategy with the organization and its activities.
- Diagnosing and developing change activities should occur at three dimensions: structure, politics, and meanings