

Building an Organization in Stability and Asking It to Change

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15 years is not a long time for a company to have been around, but it is long enough for much maturing to occur and many significant patterns to be established. I work for a successful technology retailer that has slowly and logically responded to a stable and safe environment by organizing itself in a traditional hierarchal form that improves execution and efficiency. The same organizational decisions that have improved performance have also reduced the organization's ability to respond to change: something it has not faced recently. To become more unified the organization is creating internal change by integrating a separate business sales unit more completely with the rest of the organization. Challengingly, this change to integrate is upending the stability created through prior evolution and this stability has reduced the ability to adapt to such changes. In furthering a structural evolution towards stability this company must face a paradox and create change it is less adept than ever at digesting.

My workplace is a technology retailer where computers, tablets, smartphones, and related items are sold and serviced. Despite the traditionally high competitiveness of the retail industry and the volatility and dynamism of the technology marketplace, our external environment is one of plenty with stability and safety throughout. The success and wealth of our parent company and the steady demand for our products ensure that no "life-or-death" threats exist for the short or medium term for the individual branch locations of this chain and the entire retail division. We do experience seasonality in sales and service but demand is steady and sufficiently high that even during lulls we can easily operate profitably. The seasonality is also highly predictable and therefore able to be planned for and approached with familiarity. Growth has been rapid at many points in the past but in recent years is more moderate. The volatility associated with the dynamic and always evolving nature of technology is mitigated at this retailer since we only sell

one manufacturer's product and can therefore safely ignore industry-wide fluctuations in standards and new product introductions. Our business is easily profitable and yet also only represents a small fraction of our parent company's income. Together these two factors reduce profit pressure and increase desire to preserve brand experience with customers through quality of service.

Morgan (1997) summarizes work on open systems related theories and research as seeking to balance an organization's strategy, structure, and technology with the environmental challenges and needs of its people. From this perspective, this business's environment is a stable one which would suggest that a conventional hierarchy with extensive rules would function well (Morgan 1997). Indeed, this is the case with a Senior VP of the parent company running the division with a hierarchical structure of Senior Regional Directors under her, each with reporting regional directors who have market managers through to store leaders and senior and line-level managers within each branch location. The organization's strategy is also congruent with the stable and positive market conditions and traditional hierarchical system of reporting. The strategy is to efficiently utilize payroll resources to maximize sales and service performed while maintaining high customer satisfaction. Since this retailer's parent company is a technology firm one might assume that much technology is utilized to enhance the efficiency of daily productivity and one would be correct in this assumption. These high-tech tools have custom software that has been developed over many years to provide ever more specialized systems to enhance efficiency and productivity and along with it procedures, rules, and policies to regulate the expectations and methods of operating. The dominant managerial approach is to encourage efficient productivity from employees and adherence to procedure and authority structures. To summarize, the environment is stable, the structure is hierarchical, the strategy is to steadily

increase efficiency and productivity of individual and collective output. Technology is used throughout as an efficiency boost and managerial style is to encourage productivity through close supervision and direction.

Lastly, also in line with the expected result for an organization operating in a stable environment, integration is extensive with relatively few examples of internal differentiation amongst functional groups. Managers typically operate across sales, service, and inventory teams throughout each day. One exception to this rule of integration involves two parallel sales teams: one for consumers and individuals and another for businesses. The business sales team has been in existence for less time than the other sales team, has experienced less stability through a shorter lifespan to date, and has less mature technological tools developed for its use.

Contingency theories have found that stable environments encourage more integration (Morgan, 1997). A push for this appears to be occurring in this retailer with new efforts to bring these separate and parallel business teams fully within the rest of the organization. However, the opposite of these patterns is true as well: organizations that frequently need to adapt to unstable environments tend to develop differentiated structures to best enable them to do so (Morgan, 1997). An organization that has been optimizing around stability has intentionally reduced its ability to adapt to change. Integrating business teams into the store is appropriate for the external environment but this integration will create turmoil the internal structure is not built to execute on.

Within the branch location that I currently work at in this retail organization, the culture reflects the organizational structure and the environment of the wider organization. I have worked in several different locations as well, and while there are notable differences in culture they share many themes. The hierarchical approach to structure puts a good deal of authority in

the hands of the store leader who operates from a largely autocratic stance. The culture of the store is to defer to this leader's opinion, direction, decisions, and predilections. Her patterns of behavior and that of the store in general create a culture of efficiently executing policies and pursuing high standards in results and quality. Processes are established, everyone is comfortable following them, and questioning of established policies and processes is the exception. Most new ideas come from up the hierarchy and if line-level employees introduce ideas to managers they are asked what the store leader's opinion of the idea is. The overall tendency of the team is to interact congenially with one another and to cooperate deferentially with the goals of management. Permission is sought if procedures or norms might need to be altered on an exception basis. Changes that the teams undertake are done with high solidarity and typically represent further enhancements of existing system or processes and not dramatic reversals of existing methods. These changes typically originate at the corporate level or at least from the store leader. There is also a high degree of shared language, concepts, and the group identities collectively as a high-performing team. Leadership is viewed as somewhat paternalistic or at least upholding of additional cultural values to do good and be helpful to customers. This aim to be of use and assistance to others provides a significant source of meaning to the work employees do and therefore motivation to continue.

Again, the existence of the separate business sales team is a minor exception to this unified culture. The business team members have their own language, work according to a different schedule, focus on specialized priorities, and membership is perceived as an elevated status indicator by the broader team.

Lastly, due to the growing stability of this business, a cultural value that available job titles and positions will not change has developed. This stability creates a sense of a predictable

future and possible career growth to employees. The effort to integrate with business team with the larger team will directly challenge that cultural value through elimination of a position and the creation of a new position.

To integrate these two sales teams, there will be aspects of unlearning current cultural norms for both groups to take on. As is, the consumer sales team utilizes and relies on the business sales team to assist certain customers and customers with specific needs such as bulk purchases, discounts, or specialized purchase terms. This team will have to stop relying on the existence of a separate business team and find a way to integrate the performance of these roles and tasks within their own abilities. In doing so it will have to unlearn its culture of sending business tasks to another team and integrate a new culture of completing these specialized tasks. Whether these set of roles and tasks creates conflict with existing identities and goals is an open question that will be revealed and could be a significant impediment if it is true.

Perhaps the biggest challenge will come from motivating both parties involved in this integration to change. According to Schein (2009), the first step in change is for unfreezing and motivation to change to occur. The stability and success that currently describe the environment of both separate teams will not easily present survival anxiety nor guilt required to motivate change. The organizational structure and cultural norms of this organization make it clear that the impetus for this change will have to originate for each store in the store's leader. Compliance with her desires will be the established cultural norm that can act as a vehicle for this change. The store leader should provide disconfirming evidence that the current processes are produces the desired results. She should draw a contrast between the team's cultural value of being helpful to everyone and feedback from customers that states otherwise.

After this stage of disconfirmation has been implemented, Schein describes for a second phase where learning and change can take place (2009). Again this organization should leverage the existing hierarchical structure and cultural respect for the store leader in combination with cultural values of being helpful to change. The store leader should share examples from the newly integrated team that demonstrate the beliefs held by the team and make examples of new outlier behavior that successfully demonstrates the vision of an integrated team.

Schein labels the last step in learning and change as refreezing (2009). In this organization, the hierarchical structure and sustaining cultural values can also be put to use to reestablish stability after the successful effort to integrate has processed. The store leader can emphasize instances of success and tie values of helpfulness and service to the new ways of conducting sales similarly for businesses and consumers.

In summary, a position of stability has made it difficult to make logical changes to become more integrated. To successfully complete an integration, key aspects of culture—namely respect for hierarchy and desire to be helpful to everyone—should be leveraged in service of the change. First, the status quo must be unfrozen by highlighting disconfirming results that contrast with cultural values. Secondly, learn and adapt by leverage existing culture of hierarchical leadership to match cultural need for vision and purpose with examples of success. Lastly, refreeze by connecting positive results to vision and purpose and continual demonstration of leadership alignment with new vision and purpose.

References

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