Major Types of Organizational Change

Typically, the phrase "organizational change" is about a significant change in the organization, such as reorganization or adding a major new product or service. This is in contrast to smaller changes, such as adopting a new computer procedure. Organizational change can seem like such a vague phenomena that it is helpful if you can think of change in terms of various dimensions as described below.

Organization-wide Versus Subsystem Change

Examples of organization-wide change might be a major restructuring, collaboration or "right-sizing." Usually, organizations must undertake organization-wide change to evolve to a different level in their life cycle, for example, going from a highly reactive, entrepreneurial organization to one that has a more stable and planned development. Experts assert that successful organizational change requires a change in culture – cultural change is another example of organization-wide change.

Examples of a change in a subsystem might include addition or removal of a product or service, reorganization of a certain department, or implementation of a new process to deliver products or services.

Transformational Versus Incremental Change

An example of transformational (or radical, fundamental) change might be changing an organization's structure and culture from the traditional top-down, hierarchical structure to a large amount of self-directing teams. Another example might be Business Process Re-engineering, which tries to take apart (at least on paper, at first) the major parts and processes of the organization and then put them back together in a more optimal fashion. Transformational change is sometimes referred to as quantum change.

Examples of incremental change might include continuous improvement as a quality management process or implementation of new computer system to increase efficiencies. Many times, organizations experience incremental change and its leaders do not recognize the change as such.

Remedial Versus Developmental Change

Change can be intended to remedy current situations, for example, to improve the poor performance of a product or the entire organization, reduce burnout in the workplace, help the organization to become much more proactive and less reactive, or address large budget deficits. Remedial projects often seem more focused and urgent because they are addressing a current, major problem. It is often easier to determine the success of these projects because the problem is solved or not.

Change can also be developmental – to make a successful situation even more successful, for example, expand the amount of customers served, or duplicate successful products or services. Developmental projects can seem more general and vague than remedial, depending on how specific goals are and how important it is for members of the organization to achieve those goals.

Some people might have different perceptions of what is a remedial change versus a developmental change. They might see that if developmental changes are not made soon, there will be need for remedial changes. Also, organizations may recognize current remedial issues and then establish a

developmental vision to address the issues. In those situations, projects are still remedial because they were conducted primarily to address current issues.

Unplanned Versus Planned Change

Unplanned change usually occurs because of a major, sudden surprise to the organization, which causes its members to respond in a highly reactive and disorganized fashion. Unplanned change might occur when the Chief Executive Officer suddenly leaves the organization, significant public relations problems occur, poor product performance quickly results in loss of customers, or other disruptive situations arise.

Planned change occurs when leaders in the organization recognize the need for a major change and proactively organize a plan to accomplish the change. Planned change occurs with successful implementation of a Strategic Plan, plan for reorganization, or other implementation of a change of this magnitude.

Note that planned change, even though based on a proactive and well-done plan, often does not occur in a highly organized fashion. Instead, planned change tends to occur in more of a chaotic and disruptive fashion than expected by participants.