

## CHAPTER 7

# Reorganization step by step

In development work, no one reorganization is like another, but there are a number of 'signposts' that can be followed on the way.

**Table 2.** Reorganization step by step

1. Current situation	2. Pre-conditions	3. Design	4. Change
<ul style="list-style-type: none"><li>• Motives</li><li>• Diagnosis</li></ul>	<ul style="list-style-type: none"><li>• Ideological basis</li><li>• Stakeholders</li><li>• Decisions</li></ul>	<ul style="list-style-type: none"><li>• Processes</li><li>• Structure (anatomy)</li><li>• Working methods and systems (physiology)</li><li>• Culture and values (psychology)</li></ul>	<ul style="list-style-type: none"><li>• Project formulation</li><li>• Opposition</li><li>• System changes</li><li>• Checklist for change</li></ul>

We won't try to be all-inclusive for each phase keeping instead to the most important points with reference to other sections of the book.

## Current situation

Experience and research show that businesses often embark on change for reasons that have nothing to do with the organization's best interests. If you are thinking about making changes to your or-

ganization, it's important therefore to be honest with yourself. Some of the motives for organizational change are:

- A. Selfish interests: to further one's own career.
- B. Power derived from influencing the actions of others.
- C. Personal questions arising from people working together. Personal chemistry: sympathy/antipathy.
- D. Current trends, such as flat organization, dividing an organization into business units, etc.
- E. Calls for change from owners or company boards.
- F. Indications that the effectiveness of operations is waning, or a fear of looming difficulties because of the external environment, business mission, etc.

All of these factors come down to our perception of reality, whether it be psychological or oriented to the business. The better our grip on this reality, the more pertinent changes will be. It might be a good idea to hire a devil's advocate to clarify motives by stimulating discussion. Remember, changing the organization may not be the solution to the problem! The other important component of this phase is producing the correct diagnosis and for this we need a clear picture of the reasons for reorganization. Symptoms that can be traced to the organization are, for example:

- Falling profitability
- Slower growth
- Coordination problems
- Internal focus
- Customer uncertainty
- Low productivity
- International investment
- Structural deals (acquisitions, mergers)
- Changes expected in the external environment