

Strategy and structure breakdowns benefit companies during radical change

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Breakdowns in the strategies and structures of companies undergoing radical change are valuable to organisations as they encourage reflection at all levels of management, according to new research published in the

Academy of Management Journal.

The [longitudinal study](#), led by Cass Business School Professor of Strategic Management, Professor Paula Jarzabkowski, investigated a 28-month period of change at a [telecommunications company](#) facing a legally binding mandate imposed by government regulators.

The research identified that problems in actioning the mandated regulatory change led to breakdowns in the organisation's espoused strategy and structure (ESS).

- Performing action cycles, where people initially attempt to enact the mandated change, cause [unintended consequences](#) such as communication failures and divisional siloes.
- Reinforcing action cycles, where these unintended consequences of the initial ESS are recognised but are seen as essential to the new mandate, escalate their effects until the change process breaks down causing the [company](#) to come to a standstill.
- Reflecting action cycles, where managers at all levels reflect upon the true intentions of the mandated change and modify the ESS to better embrace the spirit of the regulation rather than just the letter of the law help to restart and reinvigorate the change process.

The researchers found that these cycles were repeated throughout the 28-month period with the cumulative result of the breakdowns bringing about an improved strategy and structure that enabled the required change.

Professor Jarzabkowski said the study showed that breakdowns encouraged top managers to engage further with mandates and the governing body imposing them, as well as other industry stakeholders, while also encouraging managers at other levels to develop a deeper

understanding of the mandates and how to enact them.

"Companies are increasingly required to implement really radical changes to their strategies that also fully restructure the company," Professor Jarzabkowski said.

"Breakdown can actually be a really important trigger for more successful change."

The paper "The social practice of co-evolving [strategy](#) and structure to realize mandated radical change," is published in the *Academy of Management Journal*'s June edition.

More information: Paula Jarzabkowski et al. The Social Practice of Coevolving Strategy and Structure to Realize Mandated Radical Change, *Academy of Management Journal* (2018). [DOI: 10.5465/amj.2016.0689](https://doi.org/10.5465/amj.2016.0689)

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