

WHEN ORGANIZATIONS STAND STILL

A valid claim can be made, that any organization is constantly five years from insolvency - if it lacks the inherent ability to change. This begs the question: why is organizational change equally needed in times of success and prosperity? The answer is simple: an organization is part of a larger system and as such in constant interaction with its environment. If the organization does not manage to adapt to those changing conditions, a common and dangerous phenomenon occurs: stagnation!

Organizations are social systems. As such they can only survive by creating value in the exchange with their environments. Given that these environments constantly change, organizations need to adapt accordingly - sometimes gradually, sometimes more radically.

Stagnation is the logical consequence of a lack of change, which may eventually lead to a state of crisis. The underlying reasons for a lack in development are often multi-dimensional and complex. As such they are often hard to identify. Effects are enhanced when managers misjudge the situation, act too late or fail to act at all or only fight symptoms rather than the underlying causes.

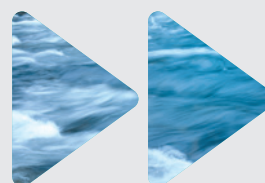
Stagnation can occur in every kind of organization, regardless of its success. Research shows that causes are often related and occur in multiple areas of the organization. Underlying patterns can be identified and show a clear commonality: in 90 % of cases, stagnation is directly related to management performance - and therefore a homemade problem that can be avoided.

In contrast to this finding, factors outside of the control of the organization are often cited as the cause for crisis. This is only part of the story. While these factors undoubtedly exist, they only become an existential threat to the organization if the management in charge fails to act. Causes for stagnation are therefore the failure of management to adapt to the change in these factors, rather than the factors themselves.

There is no universal remedy for stagnation. However, since it is often caused internally, these causes can also be overcome internally. Managers too often try to ignore or avoid the complexity of challenging situations. They fear making the wrong decision and often subsequently display an inability or unwillingness to act decisively. This can only lead to failure, as change requires decision-making. Managers need to understand that the complexity of organizations needs to be continuously managed, not reduced. If this responsibility is ignored, stagnation occurs and can quickly lead to crisis.

MANAC supports organizations in the removal of barriers that hinder development and cause stagnation. We developed a diagnostic tool that interprets the visible symptoms and identifies the underlying causes of organizational stagnation. The MANAC Accelerator Check is a one day workshop that allows management and employees to identify and understand the symptoms and causes of stagnation. MANAC will drive for the interpretation of these results and the definition of clear action points. This way the organization regains the ability to act, change and develop.

If you want to understand the causes of stagnation in your organization and are interested in our MANAC Accelerator Check, please contact us. We look forward to working with you.



Management Accelerated GmbH
 Bahnhofstrasse 6
 CH-9100 Herisau
 Phone: +41 (0)71 351 2444
 E-Mail: info@manac.ch

Sources:

Hagen, S. (2010). Was zeichnet ein innovatives Unternehmen aus?, online unter: <http://pm-blog.com/2010/11/25/was-zeichnet-ein-innovatives-unternehmen-aus/>, abgerufen am 07.02.2017.
 Krystek, U. (2006). Krisenarten und Ursachen, in: Hutzschenreuter, T., Griess-Nega, T. (Hrsg.). Krisenmanagement - Grundlagen, Strategien und Instrumente, Wiesbaden, S. 64.
 Hauschildt J., Grape, C., Schindler, M. (2005). Typologien von Unternehmenskrisen im Wandel, in: Schriftenreihe aus den Instituten für Betriebswirtschaftslehre der Universität Kiel, Nr. 588, Kiel.
 Kraus, K., Haghani, S., (2004). Krisenverlauf und Krisenbewältigung - der aktuelle Stand, in: Kraus, K. (Hrsg.). Die Unternehmenskrise als Chance - Innovative Ansätze zur Sanierung und Restrukturierung, Heidelberg, S. 46.