

Pasmore, W. P. (1994). *Creating strategic change: Designing the flexible, high-performing organization*. New York, NY: John Wiley and sons.

Reviewed by

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Biographical Information

Rene Fukuhara Dahl is a professor and associate chair in the Department of Recreation and Leisure Studies at San Francisco State University. Organizational change, behavior and theory; ethnicity and leisure; and the sociology of leisure are the foci of Dr. Dahl's scholarship and teaching.

William Pasmore, professor of organizational behavior at Case Western Reserve University, has written an accessible, informative book about how to design flexible organizations that are responsive to change. He draws extensively from his consulting work with major for-profit corporations. He suggests that change, while not always positive, can be dealt with in ways that strengthen, versus diminish the commitment people have to an organization. He goes on to cite four rules of change: first, any process of change must begin with concern for the people involved; second, people must be prepared for change through education and the knowledge of what leads to successful change; third, people must be involved in change as much as possible; and fourth, alter or change what really needs to be different in the entire system in order to produce real results.

Two major themes run through this book on change; first, the focus on people and how they are integral to change; and second, flexibility. Pasmore claims that only when people participate in the change process will change be effective. People must be prepared for change by learning important skills (e.g. social, technical). In addition he argues that work systems, incentives, and rewards must be redesigned to help people effect real change. "We can ask people to change, but when we fail to redesign the structures and systems around them, a lot of old behavior gets reinforced and new behaviors go unrewarded."

His second theme is flexibility - which means flexible people, flexible technology and flexible systems. Pasmore claims that becoming a flexible organization is more easily imagined than put into practice, as evidenced by upheavals in every sector of the economy. He argues that flexibility must be built into a company, its people and its structures because short-term responses such as downsizing and reengineering are counterproductive and weaken a company's ability to respond to further change. The problem with such short-term strategies is that they don't always involve the workers in the change process, they don't teach people to manage future changes, nor do they change work systems to be more flexible and supportive of people's efforts. Instead, Pasmore argues that companies must

use a different kind of strategy to help organizations deal with change, "... one that prepares the organization for continuous change in a world that provides no stability and accepts no excuses for being unprepared; a strategy based on *Flexibility*." In his view, the companies that succeed or adapt to changing circumstances are those that accept change gracefully, and respond flexibly, without attempting to produce more of the same.

He spends a fair amount of time discussing the importance of preparing people for change and claims that if we want more flexible organizations, "we need to do a better job of preparing people to participate in the process of change and then involving them in making decisions that really matter to them." We limit workforce participation to relatively trivial issues because we don't think employees are capable of taking part in more meaningful and substantive issues.

Pasmore identifies traits of flexible people, including being: open-minded, willing to take reasonable risks, self-confident, concerned, and being interested in learning. He then chronicles ways in which we have lost our flexibility.

The challenge to helping people become more flexible is to help them learn to participate effectively in decisions that really count, and to do this, people need to develop business, technical, and social skills required for effective participation. Once employees understand the technology, systems and effective interaction (sociotechnical systems), they can help to make an organization more adaptable, because they have the requisite understanding with which to be flexible.

Designing flexible work is key to becoming a responsive organization. The benefits of flexible work come when employees examine their work, decide it isn't what they should doing and *do something about it*. It requires a "base-level understanding of the whole task or system, but it doesn't require that people become completely interchangeable parts." People are involved in flexible work when it requires them to: develop new skills, work with many different people over time, develop new methods and technologies to perform the work, move about from place to place in order to work with others to do it, receive rewards for innovation and for success in task completion, take responsibility for decision-making based on their expertise, and operate with a minimum of organizational restrictions on their actions. "Kind of like professors," Pasmore adds.

Pasmore uses the life of professors as an example of flexible work and claims that they are given a high level of trust by society to carry out their work. "Society is willing to gamble on supporting universities in their dual mission of research and education; and universities rely on professors to advance the state of knowledge in their chosen fields... Advancing the state of knowledge is what keeps the whole system going in the long run. Without new knowledge, there would be nothing new to teach; and after a while, no real need for the university." He adds that most professors understand that they must return enough value to society if they want to continue earning their freedom.

Pasmore's example of equating the life of a professor to flexible work is valuable in another context, that of learning. Throughout much of the book, he stresses how important learning is at all levels of the organization. He uses the phrase, *knowledge work*, which simply put, is thinking and then translating thoughts into action. He argues that often, the workers with the most knowledge are often the least empowered to make decisions. An impediment to involving the most knowledgeable workers is our belief those at the top of the hierarchy are better at *everything* than those at the bottom.

Thus, he begins his discussion of organizational structure and says "A fixed hierarchy is antithetical to knowledge work." He recommends that permanent hierarchies be removed. While hierarchies are useful as coordinating mechanisms, the same people don't need to coordinate everything. Instead, more people need to be involved in the decisions, managing what they are responsible for managing. Project teams are an example of a structure where people "communicate, cooperate, change their roles, integrate, provide leadership, listen to the customer, watch their quality closely, help others develop, manage the expense budget frugally, come up with ideas for making things more efficient, raise their standards, cut out unnecessary tasks, and even reduce staffing levels when necessary." In summary, what Pasmore is suggesting is using different modes of organizing that allow more people to influence decision-making.

He offers two types of unique organizational structures; first, a polynoetic organization, meaning many centers of knowledge; and the fractal organization. The polynoetic organization has five principles: first, the design must be nonhierarchical; next, the organization should maximize freedom of movement; third, knowledge must be widely shared and easily accessible; fourth, the organization must involve people with knowledge in goal setting and integration activities; and finally, the organization must be designed to encourage, support, and reward learning. In this section, Pasmore examines flexible management versus bureaucratic beliefs and structure. In this discussion he talks about the flexible leader, stating that "In a world of change, leadership must help the organization to make the best decisions it can about things it never intended to decide, as quickly as possible."

The second kind of organization is the fractal organization, a term borrowed from physical science meaning a basic building block of highly complex and chaotic-appearing systems. What is important in this type of setting is "getting the right knowledge into the places where it can affect important decisions. In the fractal organization, the right knowledge includes not only technical information about products and services and news about the environment, but also values and beliefs and perspectives."

The book concludes with discussion about how to prepare for change by training people to develop three kinds of skills: 1) individual skills (speaking, participating, facilitating); 2) technical skills (design and operation of technical systems); and 3) business skills (needs of customers, finances, strategy). Pasmore discusses the importance of designing systems and integrative mechanisms to support change efforts.

Pasmore's book has much to offer the profession. Managers of leisure service agencies or heads of academic departments are offered key insights about the change process, how to involve the workforce in change, the importance of knowledge and the knowledge worker, and useful organizational design alternatives to hierarchy. Teachers of courses in management and leadership can offer their students a glimpse of the work environment in which they will be working, and hoping to excel. While most of Pasmore's examples and experience come from the private sector, at no time does his book seem irrelevant or not applicable to the government and not-for-profit agencies, or the academy. Instead, it helps us to take our place right in the midst of on-going change which all organizations experience, and offers us useful knowledge on how to adapt, or ideally, how to thrive.