

HANSEN MODEL FOR ENTREPRENEURIAL GROWTH AND DEVELOPMENT

EXECUTIVE SUMMARY

[Organizations] "...the successful ones live with paradox, or what they call dilemmas. Those firms have to be planned yet flexible, be differentiated and integrated at the same time, be mass marketers while catering to many niches; they must introduce new technology but allow their workers to be masters of their own destiny; they must find ways to produce variety and quality and fashion, all at low costs; in short, they have to reconcile what used to be opposites, instead of choosing between them."

Charles Handy

The project goal for the Monterey Institute of International Studies (MIIS) team was to review and provide an analysis of the Surviving Success model.

The MIIS team began their analysis of Surviving Success, authored by Jeffrey Hansen, by researching recent organizational theories. The team reviewed current studies in organizational development, lifecycle, contingency and situational leadership and change theory as follows:

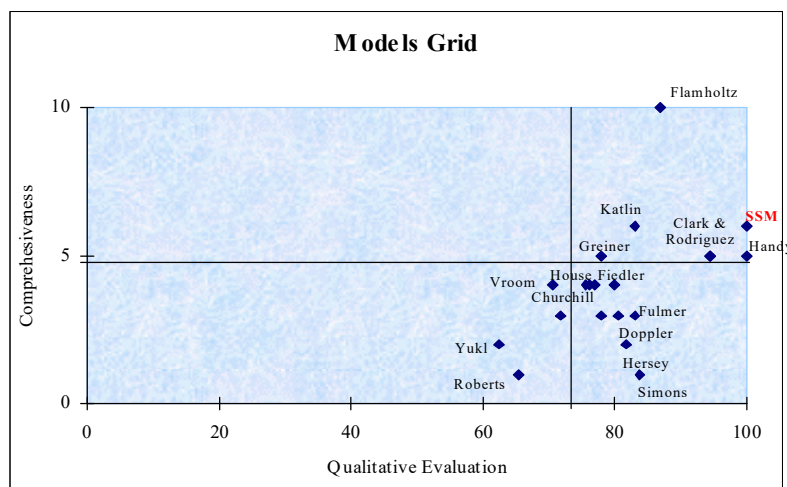
- Life-cycle models are considered because they are the closely allied with the Hansen model.
- Management and leadership concepts are interesting because the Hansen model addresses management and leadership styles in each developmental stage.
- The change management framework helps companies align their current capabilities with their strategic goals.
- Contingency theory is relevant because the Hansen model can only be fully understood within the framework of a dynamic business environment.
- Adaptive organizational models were considered because the Hansen model describes the adapting mode as a necessary platform for the niche development stage.
- Change management models are relevant because they address the breathtaking pace of change today. Market conditions for many companies are changing every two to three years, bringing with them new paradigms for the conduct of business and the creation of value. Such dramatic change creates massive new opportunity and companies must react quickly and efficiently in order to succeed.

An initial difficulty the team encountered was sifting through the voluminous material that is available on organizational and leadership theory. After initially reviewing current periodicals¹ it became clear that these articles did not have the depth and comprehensiveness

¹ Journal of Managerial Psychology; Harvard Business Review; Academy of Management Journal; Academy of Management Executive; Academy of Management Review; Administrative Science Quarterly; Administrative Management; Business Process Management Journal; Business Management; Journal of

that the team required in order to adequately analyze the material. It therefore became necessary for the team to switch to more fundamental and original material. The team sorted the material into some predictable categories; organizations and how they develop whether predictably or chaotically and leadership and whether leaders can or should change leadership style as dictated by the environment.

The *** seven *** criteria against which the team evaluated the Hansen model are efficacy, applicability, adaptability, longevity, understandability, currency and popularity. Since the models differed considerably in comprehensiveness, the team decided to consider comprehensiveness separately. The team applied a two-dimensional grid with the results from the criteria evaluation on the horizontal axis and comprehensiveness on the vertical axis. Mapped on this grid, all models fall into three of the four possible quadrants.



The Hansen model ranked 100 on the qualitative evaluation and out performs most others on the comprehensive scale. The upper right quadrant reflects the competitors of Hansen model. The bottom right quadrant contains the complementors to the Hansen model. Two models stand out from the rest: The Flamholtz' seven stage organizational development model and the Charles Handy's-curve lifecycle model. The team saw these two models as providing additional conceptual value to the Hansen model.

The team concluded that integration is the strength of the Hansen model. It is this integration of organizational dynamics with leadership style, market and product development theories that makes the model intriguing.

In all, the Hansen model delivers the road map it promises. Well grounded in traditional theoretical constructs, the Hansen model describes the development of the organization and its leadership and provides a pathway that is at once dynamic and stable. Hansen holds up well under analysis. Avoiding the *pop* culture trap, it is a solid work that packs the staying power it needs to remain current for some time to come.

RESEARCH METHODOLOGY

For the most part, research was conducted through library searches at the Monterey Institute of International Studies. Where available, the team pursued primary research material; authors were reviewed and references were, where possible, traced to their source documents. However, the MIIS team also relied on secondary research consisting of trade magazines and popular publications.

Originally, the intent of the team was to concentrate on theories that had emerged within the last two to three years. However, it soon became evident that many of the current theoretical propositions were either too recent to have critical analysis or insufficiently documented to be of reliable value. Many of the current theories are based on analyses that were established some 20 years ago. Therefore, it followed that our research migrated to a stronger theoretical basis.

SCOPE

The project compares the Hansen model to recent organizational development concepts. The research focuses on organizational lifecycle, leadership, general management, change management, strategy, contingency and adaptive organizational theories. Lifecycle models are considered because they are closely allied with the Hansen model. Management and leadership concepts are interesting because the Hansen model addresses management and leadership styles in each developmental stage. The change management framework helps companies align their current capabilities with their strategic goals. Contingency Theory is relevant because the Hansen model can only be fully understood within the framework of a dynamic business environment. Adaptive organizational models were considered because the Hansen model describes the adapting mode as a necessary platform for the niche development stage. The pace of change today is breathtaking. Market conditions for many companies are changing every two to three years, bringing with them new paradigms for the conduct of business and the creation of value. Such dramatic change creates massive new opportunity. Companies must react quickly and efficiently in order to succeed. Adaptive organization models and change management models are intended to address these issues.

MODEL EVALUATION METHODOLOGY

The MIIS team identified through an iterative process seven unique criteria for the qualitative evaluation of the Hansen model. It is against these criteria that other models were considered and ranked.

The seven evaluative criteria were efficacy, applicability, adaptability, longevity, understandability, currency and popularity. The table below lists the criteria and the associated definition. Criteria were ranked using a pair-wise comparison. Each model was then evaluated against each of the criteria on a scale of 1 to 5 as follows:

- 1- Far below
- 2- Somewhat below
- 3- Satisfactory
- 4- Somewhat above
- 5- Far above.

Three was considered standard or average. If a model performed better than average it was given a rating of 4. If its performance was outstanding, it received a score of 5 and so on.

Weights were then assigned to each of the criteria based on its rank. The team then computed the total weighted score of each model [Appendix B. Model Evaluation Scores]. A two-dimensional chart was used to enhance the decision-making quality of the evaluation. Based on the results, each model was mapped in the Models Grid that describes the positioning of the theory compared to the others.

Table 1. Differentiating Elements

Differentiating Elements	Description
Understandability	<ul style="list-style-type: none"> • User-friendly and self-explanatory text • Use of visual aides
Applicability	<ul style="list-style-type: none"> • Commercially applicable • Evaluative tools, e.g. questionnaires • Easy to implement
Longevity	<ul style="list-style-type: none"> • Conceptual life span • Previous successful implementation
Currency	<ul style="list-style-type: none"> • Information reflects and corresponds to current trends • Up-to-date
Adaptability	<ul style="list-style-type: none"> • Flexibility in adjusting to fast changes • Easy to integrate into management effort • Nonsequential application
Efficacy	<ul style="list-style-type: none"> • Effective in managing growth & development within the organization
Popularity	<ul style="list-style-type: none"> • General attractiveness – reputation

Evaluation of Hansen Model

The team agreed unanimously on the exceptional understandability of the Hansen model compared to other models. It assigned a score of 5 for understandability.

On efficacy the Hansen model was graded as 4 – somewhat above. The Hansen model addressed all stages of organization growth and provided advice and guidelines for

leadership style, management and control systems in each of the phases. While the MIIS team agreed that the model should be effective in managing growth and development, the team did not have empirical evidence to support a greater than 4 score. Furthermore, the model did not address the growth or development beyond the niche development stage. In other words, the Hansen model does not address the concept of “re-inventing” the entrepreneurial spirit within the organization.

For applicability the Hansen model was given 4 – somewhat above since the model is geared towards commercial application and not academia and provides the tools necessary for a manager to evaluate a company’s current situation. Hansen model is also written in a straightforward, easy to understand manner and provides detailed information on what the organization should be in every stage of its development. Moreover, the Hansen model could be applied to both small and large businesses since it identifies different stages of organizational development based on the complexity of the organization rather than its size. Again, the team did not award a score of 5 because it did not have empirical evidence to support ease of implementation. Although it is intuitively clear that the lifecycle models are applicable for organizations in different types of industries, as was mentioned in Greiner’s and Flamholtz’s models, the Surviving Success model does not investigate its applicability to various industries. Also, in the case of a mature organization (after niche development stage), the Surviving Success model does not prescribe guidelines for the “next stage” of development.

On adaptability Hansen model was graded as 3 – satisfactory. Hansen does not clearly develop its responsiveness to changes in the environment. Lifecycles are shortening, product-cycles are developed in a world of hyper-competition and companies are tasked with responding to these changes in creative and innovative ways. “Strategic plans will not hold up for a very long time, and strategic processes must be designed to recognize continuous change and rapidly adjust to it. Speed and decisiveness are key qualities for success”². The only model graded 4 on this criteria was Handy’s model. Handy’s model and its relationship to Hansen is discussed below under the section COMPETING MODELS.

On longevity Hansen model was given 4 –somewhat above. This rating was awarded because the Hansen model has been available for approximately 20 years and has not lost its value. The detracting factor here was some lack of evidence for successful implementation. In this instance, the issue was more a lack of evidence than evidence to the contrary.

On currency Surviving Success model was given 3 – satisfactory. The model does not address the issues of the hyper-change and hyper-competition, which is a current trend in the theoretical marketplace today. Some other models that received a rating of 4 in this criterion were first published many years ago but recently updated, for example Greiner’s

² Grady E. Means and Matthew Faulkner “Strategic Innovation in the New Economy”. Journal of Business Strategy, May/June 2000.

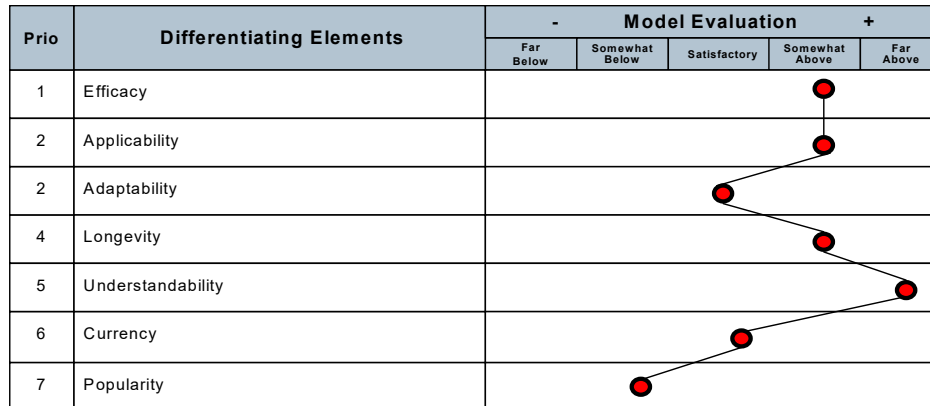
model of the five stages of the organizations development was first published in 1972 but updated by the author in 1998.

In the popularity rating, the Hansen model was graded as 2 – somewhat below. The model appeared only once in our search in Amazon.com while other theories frequently appear through Google.com, Yahoo.com, Harvard Business Review or other well-known trade magazines. Moreover, an internal Monterey Institute search did not elicit any further references to either Surviving Success or its author.

Table 2. Pair-Wise Comparison of Differentiating Elements

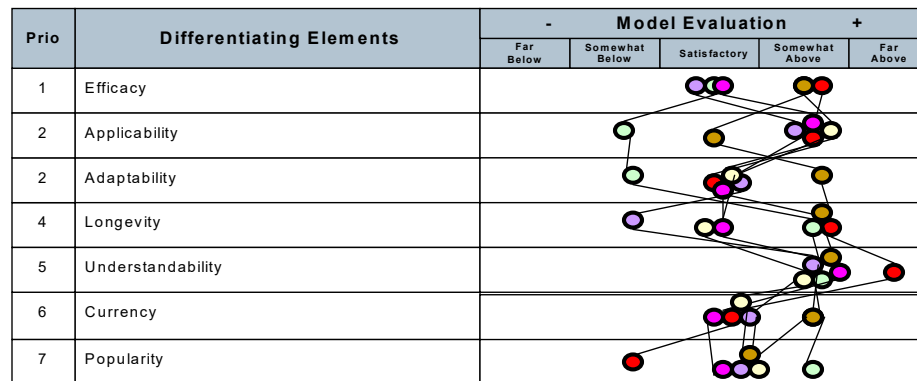
Differentiating Elements	1	2	3	4	5	6	7	Score	Prio
1. Understandability (20)	-	0	0	1	0	0	1	2	5
2. Applicability (40)	1	-	1	0	1	0	1	4	2
3. Longevity (30)	1	0	-	1	0	0	1	3	4
4. Currency (15)	0	1	0	-	0	0	.5	1.5	6
5. Adaptability (40)	1	0	1	1	-	0	1	4	2
6. Efficacy (60)	1	1	1	1	1	-	1	6	1
7. Popularity (5)	0	0	0	.5	0	0	-	.5	7

Table 3 – Surviving Success evaluation



Evaluation of Other Models

Evaluation of Surviving Success and other models based on differentiating elements



● Handy

● Clark&Rodriguez

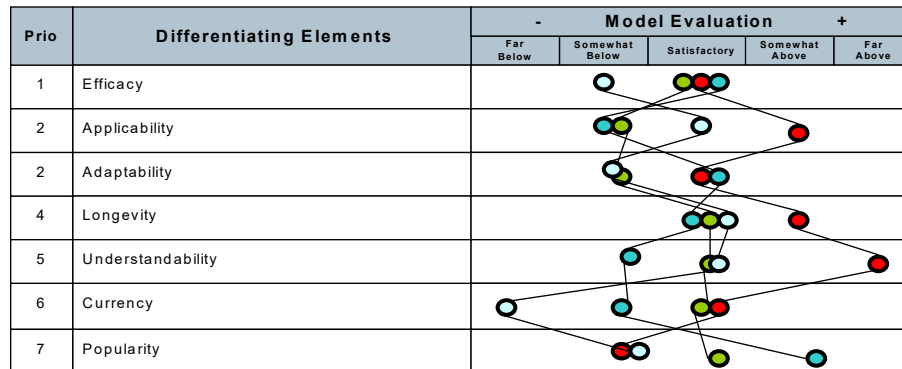
● Catlin

● Flamholtz

● Greiner

● SSM

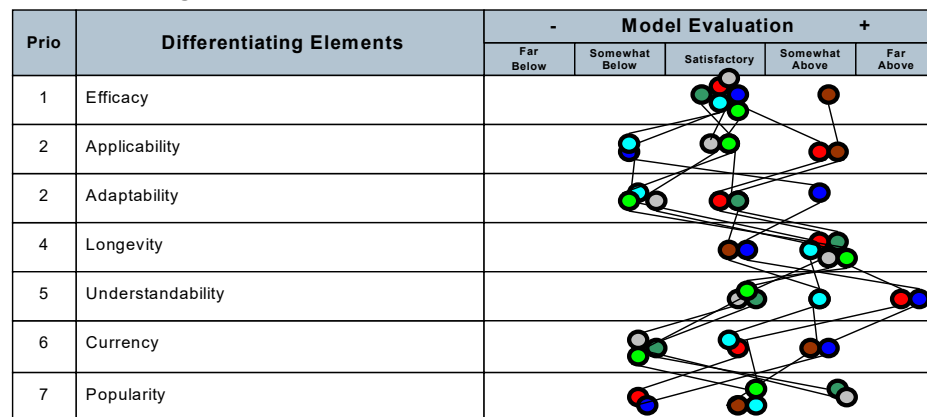
Evaluation of Surviving Success and other models based on differentiating elements – cont.



○ Yukl ● Vroom ● Roberts ● SSM

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Evaluation of Surviving Success and other models based on differentiating elements – cont.



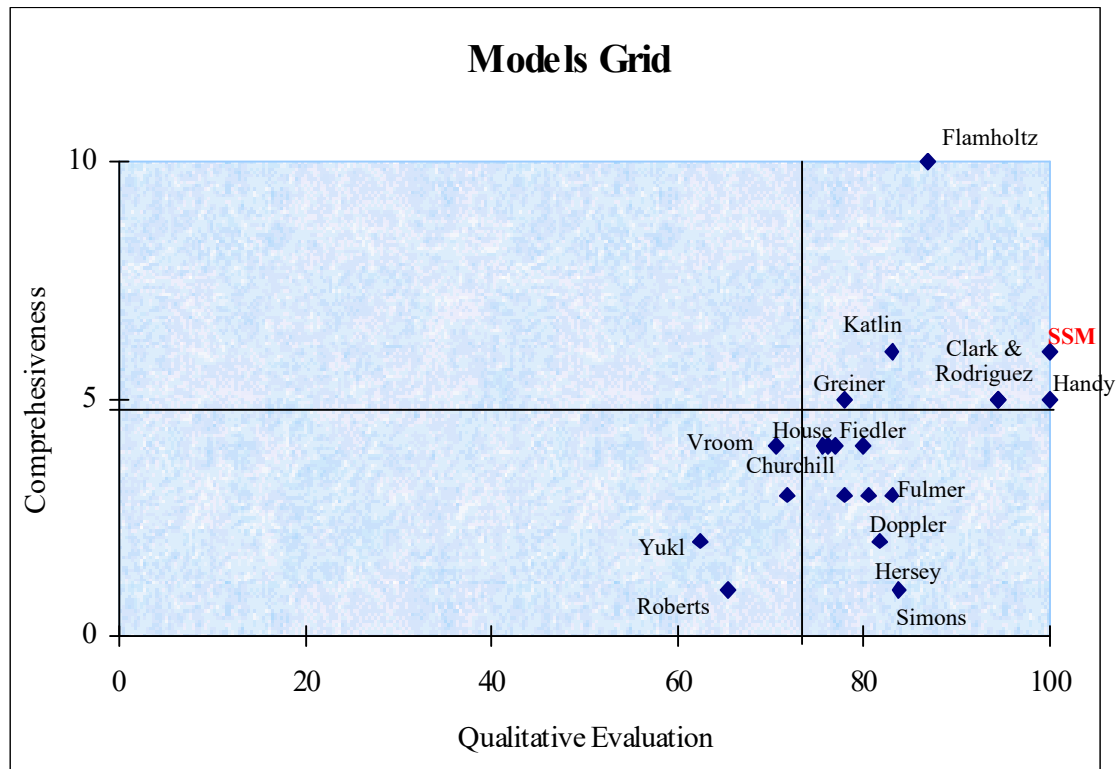
● House ○ Fiedler ● Churchill ● Doppler ● Hersey ● Simons ● SSM

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The above graphs represent the evaluation of the other models that were reviewed based on the seven differentiating elements (Appendix A.). The same logic was used on these models as was applied to the Surviving Success evaluation.

Model Comparison

Comprehensiveness was not included as a criterion for model evaluation. To include "comprehensiveness" would have required that the team choose only models that had the same depth of comprehensiveness as the Surviving Success model. As has been stated, the Surviving Success model is among the most comprehensive combining multiple theories where many other models are one or two-dimensional. In order to address the comprehensiveness issue the team developed the Models Grid (see below). The total score or the qualitative evaluation of each model is the horizontal axis. Comprehensiveness, measured as the number of categories described in a theory such as leadership style, control systems, corporate culture, management systems, operational systems, etc, is the vertical axis.



Ranked along two distinct axes all models fall initially into three of the four possible quadrants. Models in the right top quadrant are competitors of the SURVIVING SUCCESS MODEL because they have high scores based on the evaluation criteria or qualitative evaluation and are very comprehensive. Theories in the right bottom quadrant might be complementors to the SURVIVING SUCCESS MODEL because they have good qualitative evaluation but are not as very comprehensive. The concepts in the left bottom

quadrant are excluded from the present research because of their insufficient qualitative evaluations.

The Surviving Success model out performs other models based on the criteria of this evaluation. It is comprehensive provides detailed in-depth analysis of the organizational issues such as leadership style, management control systems, organizational structure and culture etc. As the grid shows, the Flamholtz model of the seven stages of organizational development is more comprehensive, addressing operational systems and resources. Although the Greiner and Churchill models contain descriptions of many facets, they do not deliver an in-depth analysis.

THE COMPETITORS OF THE SURVIVING SUCCESS MODEL

CHARLES HANDY

In his book *The Age of Paradox*, Charles Handy discusses nine different paradoxes that can be found in today's world. Among these is the organizational paradox about which Handy says the following of successful firms:

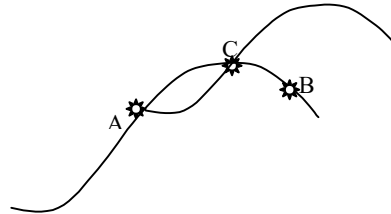
"...the successful ones live with paradox, or what they call dilemmas. Those firms have to be planned yet flexible, be differentiated and integrated at the same time, be mass marketers while catering to many niches; they must introduce new technology but allow their workers to be masters of their own destiny; they must find ways to produce variety and quality and fashion, all at low costs; in short, they have to reconcile what used to be opposites, instead of choosing between them."

In turn he argues that managers must be "masters of paradox" steering between the hard and soft features of the organization, "the structured, controlled, masculine side and the flexible, responsive, feminine side, both of which are needed for success."

Handy describes paradox as confusing, because in today's world, "things" don't respond the way we expect them to and we are forced to exist in a world of simultaneous opposites. Through this, he suggests that the sigmoid curve (s-curve) is a convenient and descriptive way to plot a path through the confusion. Adding to the paradox is the accelerating pace of change that is shrinking every subsequent s-curve. The challenge, as Handy sees it, is to change - to begin the next curve before the first gives out - to change when everything argues against change.

Life cycles used to take decades to complete. Today, organizations operate in an accelerated environment where traditional measurements are no longer effective. The lag in reaction and response time, perhaps the result of individual and organizational inertia, obscures a downturn until well after it has occurred. The accelerating pace of change shrinks every subsequent sigmoid curve and according to Handy: "Typically, you are almost never where you think you are on the curve, and almost always much farther along than you would care to acknowledge. "

Each new s-curve is accelerated and compressed resulting in increasing dissonance and confusion. The result is chaos. According to Handy, the pathway through this chaos is "managing simultaneous opposites, confusion and chaos - the conflict of the visible success of the old (or current) and the unfelt immediacy of the new and different. Leaders who live beyond the curve gain a shared understanding of the paradox very early in the cycle and actively create the next wave with a clear vision and sense of purpose. "



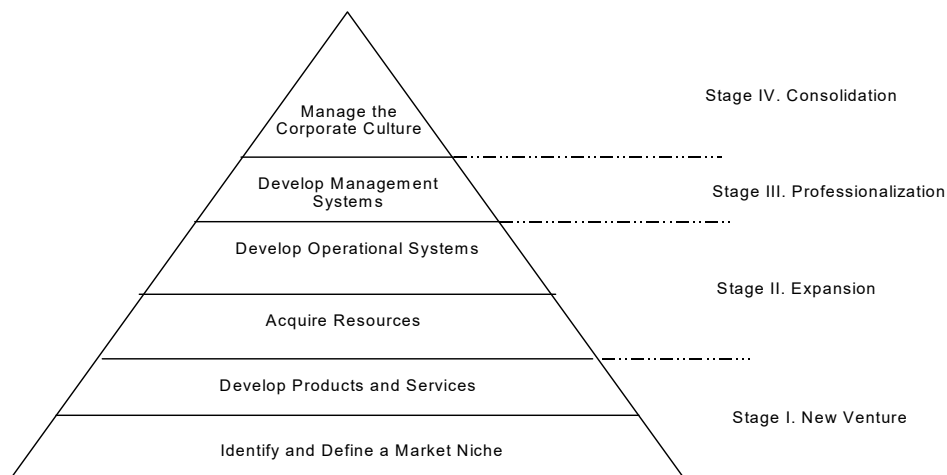
THE CURVE AND THE POINTS

- Point A to point C on curve is initial exploration and floundering. When new curve begins at Pt. A - it is the pathway through paradox.
- The goal should be to build a new future while maintaining present.
- The difference between the first curve and the second curve between Point A and Point C is the period of paradox where the new must exist simultaneously the old - two ideas are competing for the future.
- Resources at Pt B are depleted and energy is low. Waiting until Point B to make a change will require Herculean efforts to initiate a second curve.
- Corporations must bring in new people at top because old team has no credibility. Leaders at Pt B will be perceived as having failed. The leaders that lead the second curve may not be those that lead the first.

FLAMHOLTZ, ERIC C.

Flamholtz's model is the closest competition to the Surviving Success model among all other life-cycle models under consideration.

Pyramid of Organizational Development



Flamholtz identified six tasks that are critical in the organizational development. They comprise the pyramid of organizational development pictured above. Flamholtz's model considers seven stages of the organizational development. A certain set of tasks is critical for the organizational survival on a particular stage. The first four stages in the organizational Lifecycle are identified below.

First Four Stages of Organizational Growth

Category	Stage I. New Venture	Stage II. Expansion	Stage III. Professionalization			Stage IV. Consolidation
			A	B	C	
<i>Critical Development Areas</i>	Markets & products	Resources and operat. systems	Management systems			Corporate culture
<i>Appr. Org. Size (Sales in Mil. \$)</i>	Less than \$1	\$1 to \$10	\$10 to \$100			\$100 to 500
<i>Org. Structure</i>	Prefunctional	Functional	Functional	Divisionalizing	Divisional	COO, Complex
<i>Management Development</i>	On-the-job training	Fundamentals of management	Basic	Advanced	Leadership	Leadership
<i>Control Systems</i>	Personal observation	Personal, respon. account	Basic	C&P Center	Comprehensive	For decentral. management
<i>Corporate Culture</i>	Informal but understood	Attenuating	Tenuous			Explicitly defined
<i>Management Systems</i>	Informal	Informal	Formalizing			Formal
<i>Operational Systems</i>	Basic	Developing	Well-developed			Well-developed
<i>Resources</i>	Thin	Stretched thin	Increasing surplus			Strong
<i>Leadership Styles</i>	Benevolent autocratic/autocr.	Benevolent autocratic/autocr.	Consultative or participative			Consultative or participative

As the Surviving Success model, Flamholtz's model is very comprehensive. It gives a very in-depth description of such categories as organizational structure, management style, corporate culture, control systems, etc. for every stage of the lifecycle. Flamholtz's concept, like the Surviving Success model, contains tools for the evaluation of the current stage of the company's development.

One of the strong points of Flamholtz's model is that it depicts the development of the organization beyond stage IV, e.g. when the market saturated, whereas the Surviving Success model just mentions the necessity of starting the life-cycle all over again. According to Flamholtz's model, in stage V- Diversification the company has to re-deploy its entrepreneurial skills. The author uses a new term intrapreneur. Entrepreneur is someone who can create a new business where none existed previously. In contrast to the entrepreneur, intrapreneur is someone who could create a new business venture within an established organization. After completion of stage V-Diversification, the organization has both multiple product line and multiple sets of businesses to manage. The key challenge in

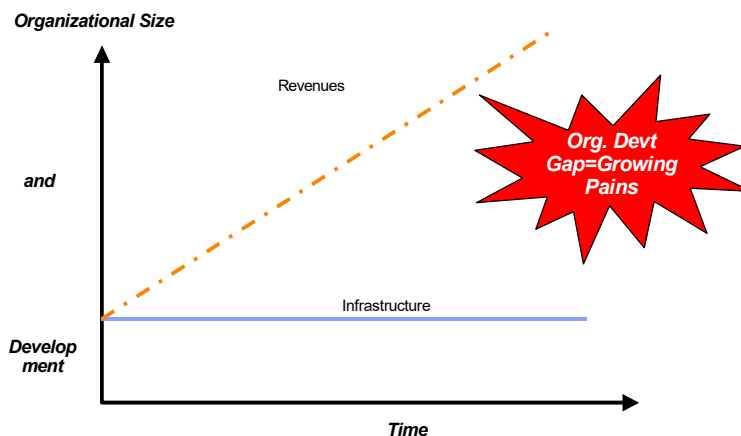
stage VI – Integration is to integrate the business while maintaining entrepreneurial spirit, which requires simultaneous centralized control and sufficient freedom. This idea was also developed in Brown and Eisenhardt study (see a detailed description of the study in the **OTHER MODELS AND STUDIES** section). They found that managers who were able to launch a new product line successfully combined limited structure (e.g. priorities, responsibilities) with extensive interactions and freedom to improvise current products. In stage VII-Revitalization- the company has to simultaneously focus on all six tasks shown in the pyramid above. The corporation must “reinvent itself”.

Advanced Stages of Organizational Growth

Category	Stage V. Diversification	Stage VI. Integration	Stage VII. Decline and Revitalization
<i>Critical Development Areas</i>	New products: replication of the stage I-IV cycle	Integration of different business units	Revitalization of org. at all levels of the pyramid of org. devt
<i>Approximate Org. Size (in Sales)</i>	\$500-\$1 billion	\$1 billion plus	Varies
<i>Org. Structure</i>	Multibusiness, divisionalized company	Complex	Complex
<i>Management Systems</i>	Redeployment of entrepreneurial skills, Intrapreneur	Management of a set of business	Simultaneous concentration on all org. devt areas

Causes of Organizational Growing Pains

The greater the incongruity between the organization’s size and its infrastructure, the greater is the probability that the firm will experience growing pains.



Industry Implications of Flamholtz’s Model

- Each stage of growth is reached earlier in service companies than in manufacturing.

- Service companies are more complex than manufacturing firms. The service company's "value added" is greater than that for a manufacturing firm.
- To convert the service company's revenues into comparable units of a manufacturing company, the service company's revenues should be typically multiplied by 3.
- Distribution companies can be viewed as a hybrid between service and manufacturing and the multiple of 1.5 can be applied as an adjustment factor.
- In high technology manufacturing and service entrepreneurial organizations the participative ("We'll decide together but not all votes are equal") style of leadership was more common, while the consultative ("I'll decide but I'll discuss it with you to get your opinions") style of leadership was more common for low-technology manufacturing entrepreneurial companies.

CLARK & PRATT (1985)

With the Clark and Pratt model, lifecycle theory begins to be combined with the theories of leadership. The Clark and Pratt model suggests that there are different requirements of a leader during the various stages of the organizational lifecycle. The various leadership styles and their associated traits are combined with the standard life cycle dimensions below.

LEADERSHIP STYLE	LIFECYCLE POSITION	LEADER'S CHARACTERISTICS
<i>Champion</i>	Start-up	Win orders, organize, broad leadership abilities
<i>Tank Commander</i>	Growth phase	Bulldoze ideas through, drive organization forward
<i>Housekeeper</i>	Maturity	Cost effectiveness, Development & application of procedures, protection of resources
<i>Lemon squeezer</i>	Decline or rejuvenation	Squeeze juice out of existing organization, inject new life

It is a relatively straightforward comparison with the Surviving Success model with some exceptions. The Clark and Pratt model does not address the Restructuring mode as does Surviving Success. This may be differentiating for Surviving Success in that most of the life-cycle models reviewed reflected the same absence of transition between the lifecycle phases. Additionally, because the lifecycle of the organization is not separated into discrete periods and in fact, does not progress linearly through the life-cycle stages, management of the transition (or as Surviving Success identifies it, restructuring) becomes critical.

RODRIGUES, C.A. (1988)

C.A. Rodrigues proposed a model similar to Clark & Pratt except that he suggests that the real challenge for most organizations is in attempting to continue to function in a constantly dynamic context. Leaders must contend with the ever-changing demands of the organizational experience. And once more a model suggests that leaders should be changed at intervals if they cannot adapt to changes in the situation.

Surviving Success, as has been noted previously, takes the position that leaders can manage their styles according to the environment, even though they may need to rely on a backup style. The problem of course is that a leader may have either a weak backup style or the life-cycle phase requires a style that is the leaders weakest style. Alternatives in these situations need to be identified and solutions need to be suggested.

CATLIN, KATHERINE, MATTHEWS, JANA

The work of the Catlin Group, which provides management consulting services, is the biggest competitor of the Surviving Success model. The model is described in the following two books: "Leading at the Speed of Growth" and "Building the Awesome Organization".

The first book – "Leading at the Speed of Growth"- explains what it takes to manage growth and achieve true entrepreneurial success. This model shows three modes or stages of growth after the organization has passed through the Start-up stage:

During Start-up you are trying to figure out what product or service to offer that will meet the needs of the market and ways, your company can provide value to its customers.

- *Initial Growth*- In this stage, the company is very sales driven as it tries to launch a new or different product, capture market share, and grow revenues. Company operations are fast paced, highly flexible, even chaotic. People do whatever is necessary to be successful.
- *Rapid Growth*- In the second stage, the company is trying to achieve widespread use of its products or services, gain a significant share of its chosen markets, ward off advances from competitors, and move into a market leadership position. Many new people have to be hired, integrated and aligned in the company.
- *Continuous Growth*- This final stage comprises rounds of turbulence and periodic "reinvention" of the company. Rapid Growth has led to many more customers and market opportunities, a much larger employee base, a more complex organization, and the potential to dominate the industry. However, more of everything also includes potential to go out of control. In continuous Growth, the company tries to dominate the industry by finding new markets and growing new niches in the current market, expanding the product lines, providing more total solutions to help customers. Growth

strategies include new product development, strategic alliances, acquisitions and mergers, spinning off subsidiaries, corporate partnerships to provide funding, and even an initial public offering (IPO).

According to the authors, the way you lead your company should depend on your goals. But as the company changes, so do your roles and responsibilities as a leader. You will need to make those changes in order to successfully lead your company through the stages of growth shown in the following table and figure:

Evolution of your role as CEO:

Building the Awesome Organization			Surviving Success
Continuous Growth	Dominate the Industry	Change Catalyst Organization Builder Strategic Innovator Chief of Culture	Collaborative Visionary
Rapid Growth	Lead the Market	Team Builder Coach Planner Communicator	Methodical Engineer
Initial Growth	Drive Sales	Delegator Direction Setter	Decisive Commander
Start-up	Develop Product	Doer/Decision Maker	Decisive Visionary

Similarities between the Surviving Success model and the Leading at the Speed of Growth model:

1. Both model propose three stages of Business Development after the Concept development mode.
2. The respective changing role of the leader is recognized as crucial as the organization grows and changes.
3. The roles of the leaders are similar, although the authors use different names: Decisive visionary corresponding to Doer/Decision maker, Decisive Commander to Direction setter, Methodical Engineer to Coach/Planner, and Collaborative Visionary to Change Catalyst.
4. Catlin Group also gives the “Common Pitfalls on the Road to Growth”, which are the most common roadblocks, the entrepreneurs have encountered as they worked to build their companies:
 - Not knowing what to expect- never having grown a company before, many entrepreneurs are unaware of the need for change
 - Thinking difficult issues are just part of normal growing pains and thus unavoidable- be creative in finding solutions to seemingly impossible problems

- Thinking what you have done in the past will lead to success in the future- leadership habits that have led to initial success may fail you at the next stage of development.
- Being unaware of how others perceive you- blind leaders de-motivate people, stifle innovation, and dramatically limit a company's growth potential.
- Not listening- it is difficult to incorporate other's perspectives, feedback and ideas.
- Not focusing the company- lack of clarity about direction, priorities, targeted opportunities
- Not communicating enough- keep people in the dark about vision, plans, and decisions.
- Not managing new hires appropriately- work collaboratively with new hires to integrate them into the culture.
- Not making the tough decision- trying to hold on and continue the current path, rather than engage your team in planning for reinvention, can seriously delay the company's growth.
- Not adding new skills to the entrepreneurial repertoire- the success of the company is all about good leadership and learning to fully maximize your leadership capacity.

Chapter 11 in *Surviving Success* also addresses 10 undesirable legacies, which create barriers to growth and success, e.g. Battles over Turf and Titles; You had to be there at the beginning; The office manager crisis; Premature diversification; The crisis and rescue cycle; Snowflakes in waiting; The sequel is not as good as the original; Defiant innovation becomes defiant isolation; A flotilla of 100 rafts; Repeated cultural revolutions.

5. Questionnaires and quizzes are offered to the readers to evaluate their company and find out in which phase of business development their organization is and what are their strengths and weaknesses.

Differences between the *Surviving Success* model and "Leading at the Speed of Growth":

"Leading at the Speed of Growth" outlines the different stages of growth and development of the organization and the recommended behavior of the leader. However, in their second book "*Building the Awesome Organization*", the authors go further and explore the factors within the organization, which they consider crucial for the sustainable success of the organization.

The second book - **Building the Awesome Organization** - recognizes six components of an awesome organization. Each of them is equally important and must be consciously built and continuously strengthened if you want your company to grow. If any single component

or building block is weak, the company's growth and performance will be at risk. Then six components, described in chapters 3 through 9 of the book, are:

1. Culture for Growth
2. Awesome People
3. Plan for Growth
4. Top team as Leaders of Growth
5. Infrastructure for Growth
6. You, the awesome Leader of Growth.

According to the Catlin Group, even if the organization is in the right mode of operation and has the appropriate leadership style, if the leader does not succeed to build and develop the six factors mentioned above, to the level required by the respective mode of operations, the company can not develop its potential and will not be able to move to the next operational mode successfully.

The other difference between SS and Building the Awesome Organization is the questionnaire that the latter offers for the reader to find out in which mode of operation his organization is, and which chapters they should read first. The chapters are self-sustainable and the reader can address the book in any chapter sequence, which is convenient for her. If, for example, your company's Overview Quiz scores are lowest in the Top Team component, you can go directly to chapter 7, "Prime your Top Team for Growth". However, all the components or building blocks of an awesome organization are interconnected, so eventually you will have to read the whole book in order to get an accurate reading.

Following is the recommendation that Building the Awesome organization offers, when the reader has to address particular weak point in her organizational behavior after completing the quiz. The authors promote the so-called Project Management concept, where the leader works together with her team to solve the problems. Project Management Concept contains Action Plan for Improvement:

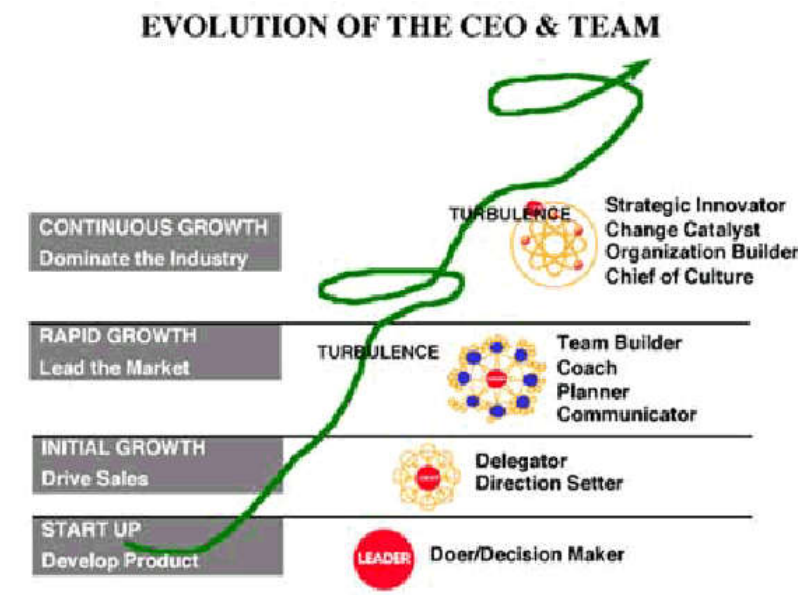
1. Ask your top team to complete the quiz in order to assure comprehensive feedback
2. Meet with your top team to:
 - compare and contrast ratings
 - discuss reasons
 - agree on areas for improvement
3. Prioritize the addressed areas
4. Get consensus on the Action Plan, the resources and budgets needed to make the necessary changes.
5. Communicate the Action Plan to Everyone- get involvement, feedback.
6. Hold yourself and the others accountable for achieving the new goals and milestones.
7. Set a time frame.

Moreover, Building the awesome organization book includes a series of appendixes to provide additional information and tools for the reader: Glossary of Growth and

Organization-Building Terms; Creating a Core Values Statement for Growth; Model for Creating Problem Solving; Examples of Mission, Values and Vision Statement; Helping Build your Company's Profit Spiral.

Surviving Success should also consider incorporating some similar Tools and Evaluation Methods. Because of the up-to-date nature of Terms like mission and vision, many entrepreneur are faced with the problem how to formulate the mission of their company, so that it reflects the companies strategic objectives and the leader's aspirations. Representative sample of techniques and vision or mission examples will be very helpful for the leaders, especially for those whose companies are in the Innovation mode of development.

There are several examples of the implementation of the Catlin Group model listed in the appendix. The Catlin group model is very popular because, the authors use it in their consulting services and in the special programs for CEO training, which their organization offers. This training includes Forums, Conferences and direct relationships, especially with fast growing companies in the Hi-Tech industry. Blue Heron should consider organizing similar training events, where the Surviving Success model and its applicability can be promoted and proven into solving real life problems. Surviving Success and the Leading at the Speed of Growth are competitive rivals and Surviving Success has the competitive Advantages to get ahead and to find wide applicability in many management and organizational consulting projects.

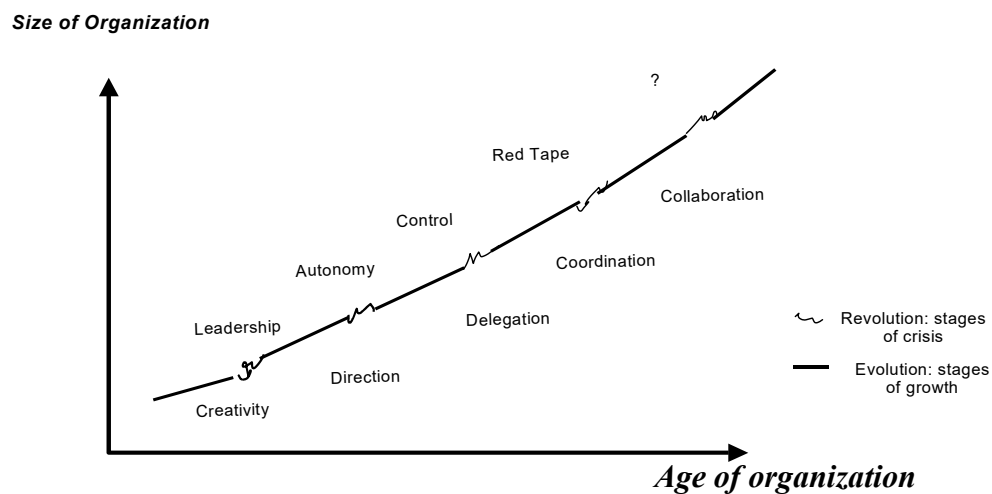


GREINER, LARRY E.

This article originally appeared in July-August 1972 issue of Harvard Business Review. After the author updated the information the article was published again in 1998. Greiner considers five phases of organizational development. Each phase begins with a period of evolution, with growth and stability, and ends with a revolution, substantial organizational turmoil, which reminds of a restructuring mode in the Surviving Success model. The resolution of each revolutionary period determines whether the company will move to its next phase of evolutionary development. Management practices that work well in one phase may cause a crisis in another one.

According to Greiner, the growth rate of the industry seems to determine the length of the phase. There are also miniphases within each evolutionary stage. The article was written mainly about industrial and consumer goods companies. After studying later a number of consulting, law and investment firms, the author concluded that they also experience evolution and revolution as they grow. While revising the model, Greiner also changed his understanding of the crisis after Phase 5. The crisis is based on realizing that there are no internal solutions (new products) to further growth of the company. The firm starts looking outside for partners or for an opportunity of acquisition by a big company.

Five Phases of Organizational Growth



The table below describes organizational practices in the five phases of growth. Although the table seems to contain a rather comprehensive list of categories that need to be adjusted in different stages of organizational growth, such as management style, control systems, organizational structure and reward systems, the article does not provide a sufficient description and in-depth analysis of these categories, compared to the Surviving Success model. Greiner's model also does not contain any tools that are necessary for a manager to evaluate where his organization is in the developmental sequence.

Category	Phase I Creativity	Phase II Direction	Phase III Delegation	Phase IV Coordination	Phase V Collaboration
Management Focus	Make and Sell	Efficiency of Operations	Expansion of Market	Consolidation of Market	Problem Solving and Innovation
Organizational Structure	Informal	Centralized and Functional	Decentralized and geographical	Line Staff and Product Groups	Matrix of Teams
Top Management Style	Individualistic and Entrepreneurial	Directive	Delegative	Watchdog	Participative
Control System	Market Results	Standards and Cost Centers	Standards and Cost Centers	Plans and Investment Centers	Mutual Goal Setting
Management Reward Emphasis	Ownership	Salary and merit Increases	Standards and Cost Centers	Profit Sharing and Stock Option	Team Bonus

COMPLEMENTORS TO THE SURVIVING SUCCESS MODEL

FULMER, WILLIAM E.

Drawing on the groundbreaking work of scientists like Charles Darwin, Stuart Kauffman, and Murray Gell-Mann, Fulmer clearly explains the nature of complex adaptive systems, which are nonlinear, and where simple cause-and-effect outcomes are rendered useless. His analysis gives readers a broader perspective of their world, as well as the ability to cope with the unexpected rather than trying to control the future.

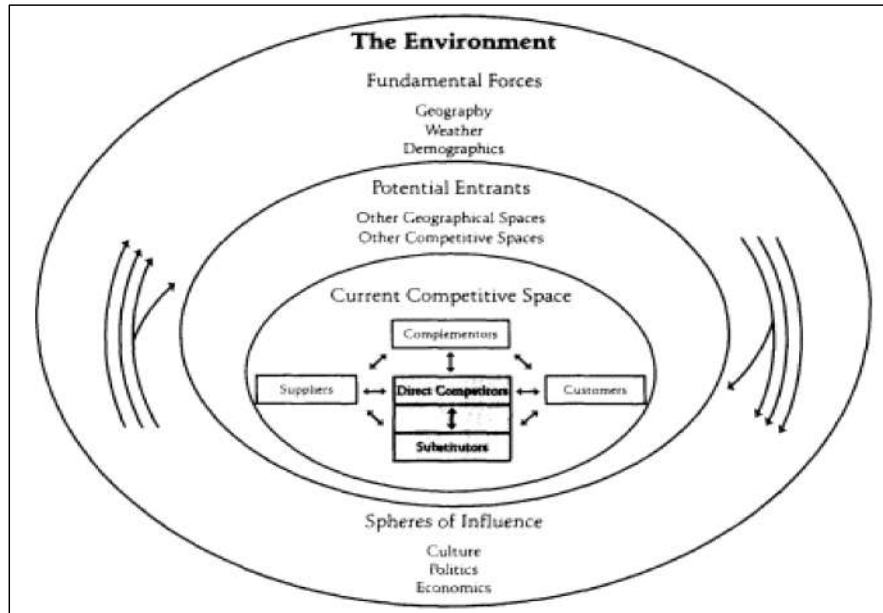
Fulmer's biological framework is not only more comprehensible than other models drawing on the sciences, but is also more practical as it provides answers on how to develop an adaptive organization - one that can survive and grow, even in a constantly changing environment. The book's concepts and strategies look at:



Landscape. What is your business environment? Is it rugged or flat? And how fit is an organization to navigate it? Understanding the landscape, and a company's changing role within it, is the first step to rethinking critical strategies.

Learning. Companies that successfully create an adaptive culture are those that not only encourage individual learning but also encourage sharing it. Further, by considering some of the adaptive concepts introduced here, a company can adjust its very structure in order to leverage learning and respond faster to changing market conditions.

Leadership. Managing an adaptive company requires nontraditional vision and skills. Paying special attention to the distinct needs of startups versus established companies.



However the most important to consider is how innovation can come from any one of these spheres and can affect the landscape of its players. These innovations can range from incremental improvements to transforming innovations.

Organizations, like organisms, have to keep evolving if they are to survive. And each change in the landscape brings the process to that dire junction: adapt or die

Though this book is being written very recently it cover areas very broadly without further explaining. Surviving success covers topics more precisely than this model.

KLAUS DOPPLER & CHRISTOPH LAUTERBURG

Doppler introduced a rather simplistic and at the same time useful approach to change management. Organizational transitions need to be approached holistically. This means that any change effort must include all subsystems of an organization in order to be sustainable. Organizational capabilities need to be upgraded or built in order to align the organization to a new strategy. There are two types of organizational subsystems: “hard” (visible), such as reward systems, budgets, performance measurement and control systems, organizational structure, and “soft” (invisible), e.g. organizational culture and leadership. Change Management concept can be broken down into three easy-to-follow steps. First, the current state of the organization is examined. Second, the future desired state of the organization is described that the management would like to reach. Finally, step one and two should be compared to make a thoughtful conclusion where to start changing the organization.

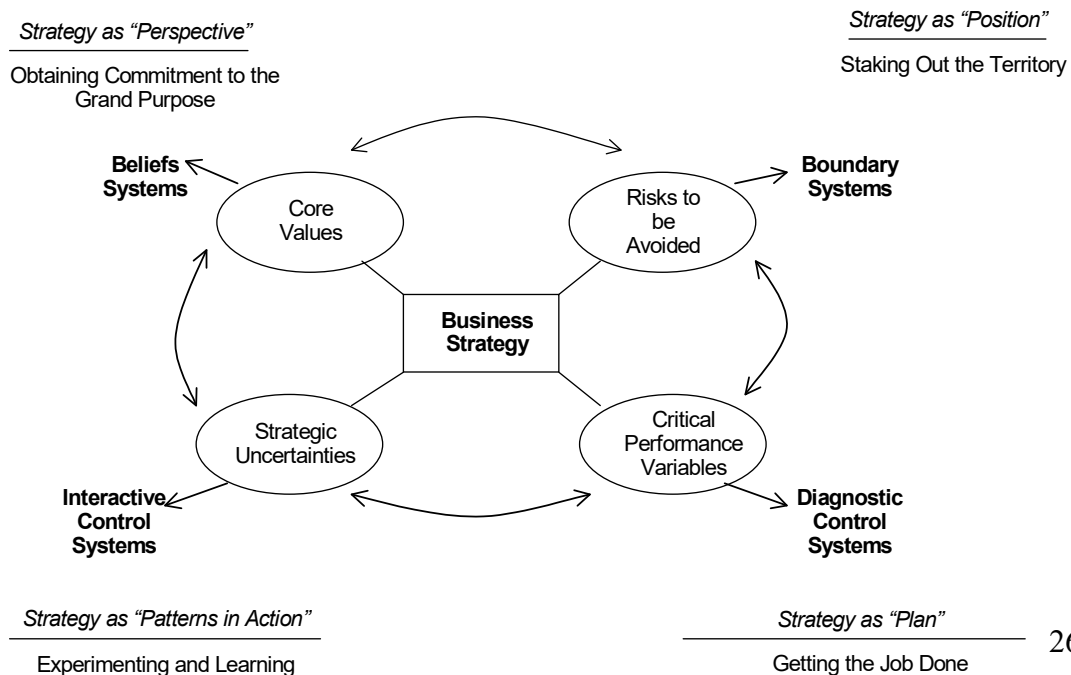


This concept is helpful for organizations to evaluate their current situation in every stage of their development in order to make sure that there is an alignment between all subsystems and they move in the direction the management wants to. Doppler's model supports the idea of the Surviving Success more from a strategic perspective.

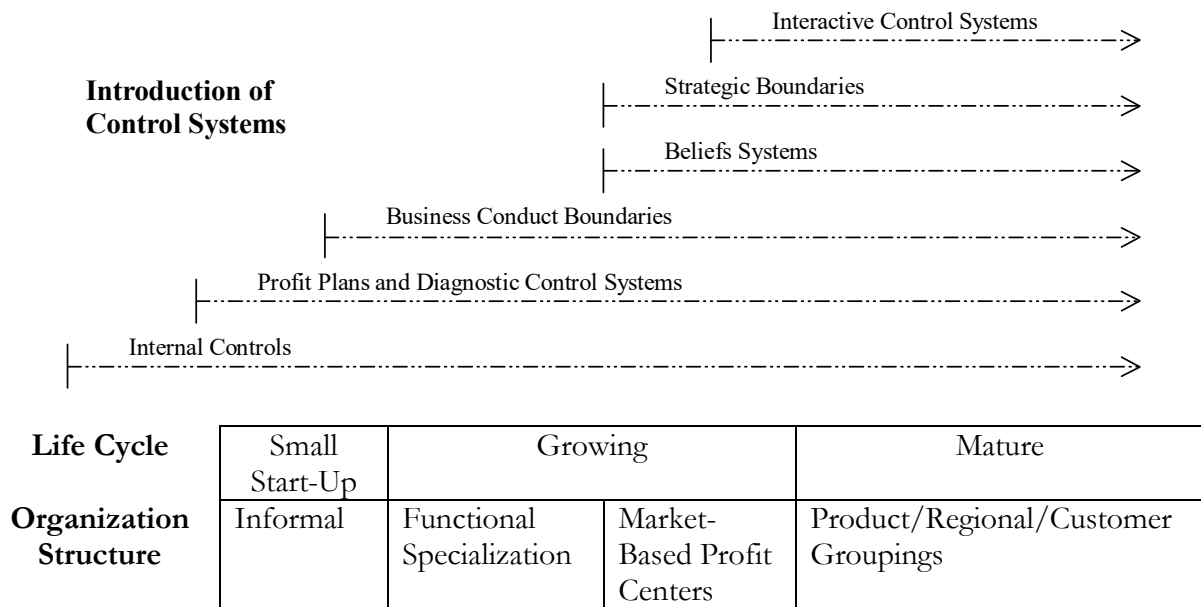
SIMONS, ROBERT

Simons' model might serve as a good elaboration on a control system part of the Surviving Success model because it has a new – accounting/ strategic management - perspective on these issues. Simons' model combines the 4P's of strategy framework with control systems for strategy implementation. *Diagnostic control systems* are feedback systems that monitor organizational outcomes and correct deviations from present standards of performance, e.g. profit plans and budgets, goals and objective systems, balanced scorecards, etc. *Interactive control systems* are control systems that managers use to involve themselves regularly and personally in the decision activities of the subordinates, e.g. profit planning systems, balanced scorecards, intelligence systems, brand revenue systems. Interactive control systems help focus organizational attention on strategic uncertainties and provoke the emergence of new initiatives and strategies. *Beliefs systems* are explicit set of beliefs that define basic values, purpose, and direction, including how value is created, level of desired performance, and human relationships, e.g. mission and vision statements, statements of purpose, etc. *Boundary systems* are formally stated rules, limits, and proscriptions, tied to defined sanctions and credible threat of punishment, e.g. codes of business code, strategic planning systems, operational guidelines, asset acquisition systems, etc.

As shown in the figure below, two of the control systems – beliefs and interactive – (the left part of the figure) motivate organizational participants to search creatively and expand new opportunities. The other two systems – boundary and diagnostic – (the right part of the figure) are used to constrain search behavior and allocate scarce attention.



Simons' model could expand the description of control systems of the Surviving Success model in different stages of the organizational lifecycle. The figure below demonstrates the introduction of control systems over the life cycle of the organization. It is worth mentioning that internal control systems are necessary during the whole life of the company, even in a start-up stage. *Internal control systems* are systems that safeguard assets from theft of accidental loss and ensure reliable accounting records and financial information systems, e.g. segregation of duties, restricted access to valuable assets, complete and accurate record keeping, etc. Accurate information collected from the very first stage will help the organization in the future to develop formal procedures and control systems. According to Simons, in the last stage the management should introduce at least one interactive system to identify new opportunities. This idea was supported by the study conducted by Brown and Eisenhardt in 1997 (see a detailed description of the study in the **OTHER MODELS AND STUDIES** section). The study showed that managers who successfully launched new products looked to the future using different means, e.g. a variety of low-cost probes (experiments) and/or strategic partnerships. Interactive control systems could help organizations change continuously.



HERSEY & BLANCHARD (1982)

Situational leadership theory as developed by Hersey and Blanchard is based on the existence of two distinct sets of leader behavior; task behavior and relationship behavior. Leader effectiveness results from using a behavioral style that is appropriate to the demands of the

environment. Furthermore, leader effectiveness depends on learning to diagnose the environment.

The Hersey and Blanchard model bridges the gap between style and contingency leadership theories. Although leadership style is emphasized in the model, it also introduces situational aspects as determinates of leader behavior.

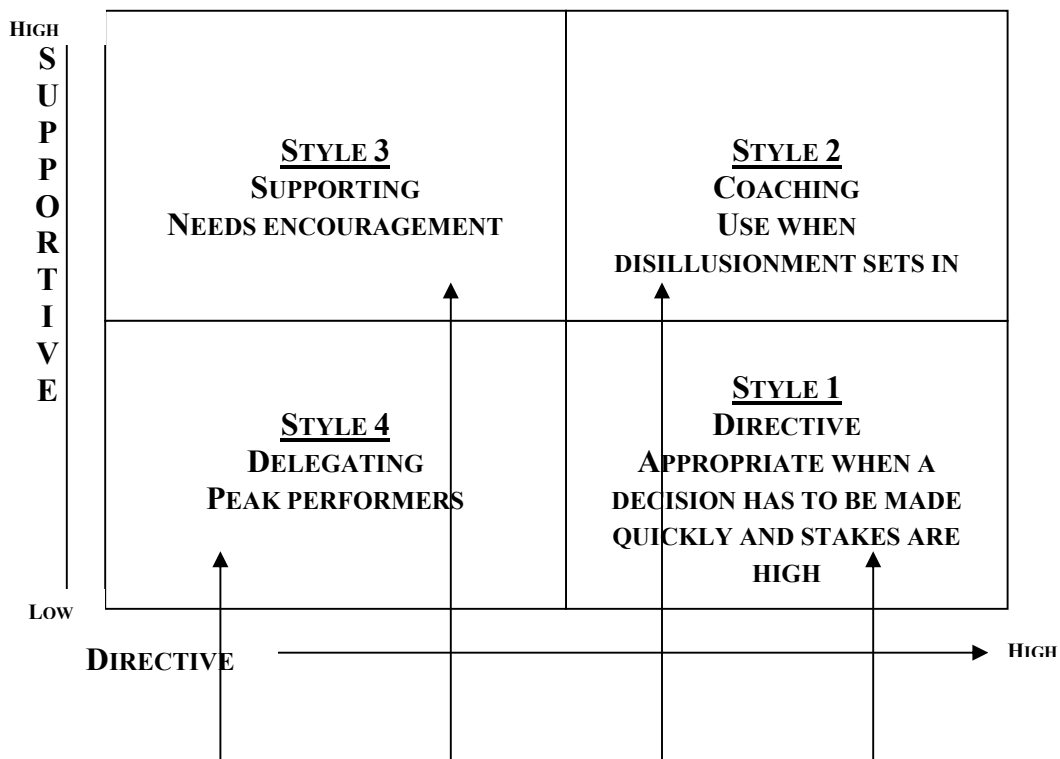
Leadership competencies include:

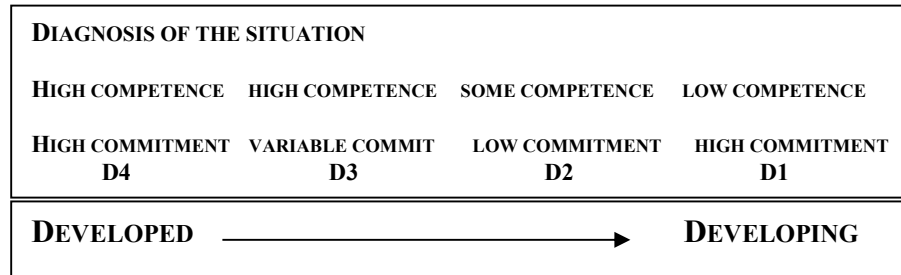
- Diagnosing the environment
- Adapting with the appropriate leadership style
- Communicating that style to subordinates

Situational leadership theory proposes four leadership styles:

- Directing
- Coaching
- Supporting
- Delegating

The Hersey and Blanchard model is based on the work of Blake and Mouton's Managerial Grid. Both models are often criticized for the lack of empirical support. However, in spite of this, the models continue to provoke popular acceptance and are widely quoted and trained. Notably, Hersey and Blanchard model does not address the concept of follower maturity. This weakness is also evident in the Surviving Success model and may be area for further discussion and study.





GIMENEZ, FERNANDO A. P.

The literature on strategy has focused a great deal of attention in the quest for taxonomy of generic strategies (Hatten & Schendel, 1977; Herbert & Deresky, 1987; and Miller & Dess, 1993). A generic strategy can be seen as a broad categorization of strategic choices with ample applicability across industries and organizational forms (Herbert & Deresky, 1987). On this study, the model proposed by Miles and Snow (1978) was adopted to describe firms' competitive and adaptive strategies.

Miles and Snow have produced a typology of competitive strategies. Miles and Snow proposed that firms in general develop relatively stable patterns of strategic behavior in order to accomplish a good alignment with perceived environmental conditions. Their typology involves four strategic types:

1. Defenders,
2. Prospectors,
3. Analyzers and
4. Reactors.

Miles and Snow proposed that firms in general develop relatively stable patterns of strategic behavior in order to accomplish a good alignment with the perceived environmental conditions. The authors have described them as follows:

1. Defenders are organizations, which have narrow product-market domains. Top managers in this type of organization are highly expert in their organization's limited area of operation but do not tend to search outside of their domains for new opportunities. As a result of this narrow focus, these organizations seldom need to make major adjustments in their technology, structure, or methods of operation. Instead they devote primary attention to improving the efficiency of their existing operations.

2. Prospectors are organizations that almost continually search for market opportunities, and they regularly experiment with potential responses to emerging environmental trends. Thus, these organizations often are the creators of change and uncertainty to which their competitors must respond. However, because of their strong concern for product and market innovation, these organizations usually are not completely efficient.

3. Analyzers are organizations that operate in two types of product-market domains,

- At relatively stable market
- Changing market

In their stable areas, these organizations operate routinely and efficiently through use of formalized structures and processes. In their more turbulent areas, top managers watch their competitors closely for new ideas, and then they rapidly adopt those that appear to be the most promising.

4. Reactors are organizations in which top managers frequently perceive change and uncertainty occurring in their organizational environments but are unable to respond effectively. Because this type of organization lacks a consistent strategy-structure relationship, it seldom makes adjustment of any sort until forced to do so by environmental pressures". (Miles & Snow, 1978: pp. 29).

Miles & Snow have also proposed that the four different types of strategy would differ in three basic dimensions of what they have called the adaptive cycle. Strategy differentiation is based on distinct approaches to:

- a) Entrepreneurial problems: definition of a market-product domain;
- b) Engineering problems: choice of technical systems;
- c) Administrative problems: related to organizational structure and processes.

Defenders according to the authors will carve a niche in the market where stability can be found even in more dynamic industries, whereas prospectors will be the source of instability in an industry by constantly producing innovations. Hambrick (1983) found that, as predicted by Miles and Snow's model, prospectors tend to thrive in innovative, dynamic environments, capitalizing on growth opportunities, whereas defender type firms were most prevalent in stable, mature, and non-innovative industries.

Miles and Snow argue that three of these strategic types are stable forms of organization, namely, defender, analyzer and prospector firms. If there is an alignment between chosen strategy and organizational structure and processes, than any of these strategies may lead the organization to be an effective competitor in a particular industry. However, a non-alignment between strategy and structure, will result in the firm being an ineffective competitor in the industry, characterizing unstable forms of organization which Miles and Snow have termed Reactors.

The inconsistency of reactor strategies may stem from at least three sources:

- (1) Management fails to articulate a viable organizational strategy;
- (2) A strategy is articulated but technology, structure and process are not linked to it in an appropriate manner; or
- (3) Management adheres to a particular strategy-structure relationship even though it is no longer relevant to environmental conditions" (Miles & Snow, 1978: pp. 82).

Finally, Miles and Snow have proposed the analyzer strategy as a unique combination of the prospector and defender types. They have put these two types of organization at opposite ends of a continuum of adjustment strategies, with the analyzer being somewhere in the middle of this continuum as a viable alternative strategy. Miles and Snow's model proposes that defenders, prospectors, and analyzers will outperform reactors assuming that their strategies are well implemented.

Also from the research done from samples of 150 firms it was found that the firms who adopted defender, analyzer and prospector strategies produced a better performance, especially in terms of turnover growth, than reactor ones.

Compared to Surviving Success this model gives an overall idea of what type of organizations are or give just the strategies that are adopted by the organizations rather than explaining how and when this strategies or changes should be done.

FIEDLER, FRED E. (1967, 1987)

This contingency model combines three situational aspects for determining the most effective style of leadership. (Style is defined as an expression of the leader's personality preferences for either a task or a relationship approach.)

This model proposes that success is a function of the interaction between

- the relationships in the workplace,
- the task to be achieved,
- the relative power balance between leader and led and
- the preferred style of the leader.

Fiedler suggests that in attempting to optimize effectiveness, organizations should allow managers to maximize the fit between their preferred style and the other variables. Subsequently in the 1980's, Fiedler developed Cognitive Resource Theory that identifies the situational circumstances which interact with the cognitive characteristics of the leader and which impact on group performance.

The Surviving Success model reflects some of the elements of Fiedler's model. For example, according to Fiedler, there is no ideal leader. Both task and relationship-oriented leaders can be effective, if their leadership orientation fits the circumstance. This perspective is similar to the Surviving Success model in that SS suggests that leadership styles can be modified to match the needs of the organizational structure and stages within the organizational life cycle. Fiedler's model further suggests that leader effectiveness is based on 'situational contingency', or a match between the leader's style and situational "favorableness".

Contrary to the Surviving Success model, Fiedler postulates that improving effectiveness requires changing the situation to fit the leader (i.e. task v. relationship v. power), to capitalize on his/her strengths. However, the Surviving Success model suggests that task and relationship and style are intimately tied to the organizational life cycle. Notably, Fiedler's contingency theory has drawn criticism because it implies that the only alternative for an unalterable mismatch between leader orientation and an unfavorable situation is changing the leader. The Surviving Success model stops short of suggesting the Fiedler solution preferring to suggest a dominant leadership style is alterable, although perhaps not as efficient. The Fiedler model validity has been criticized as a result of the methodology of measuring leadership style.

Cognitive resource theory (CRT) modifies Fiedler's basic contingency model by adding traits of the leader (Fiedler and Garcia 1987). CRT attempts to recognize the conditions under which leaders and subordinates will use their intellect, skills and knowledge effectively. While it is generally assumed that more intelligent and more experienced leaders will perform better than those with less intelligence and experience, this assumption is not supported by Fiedler's research.

OTHER MODELS AND STUDIES

CONTINGENCY AND SITUATIONAL LEADERSHIP

The basis of the contingency model suggests that the most appropriate style of leadership or organizational design is *contingent* on a wide range of variables. The contingent model links circumstance and structure and presupposes that the subsequent structure is the result of forces impacting the organization and its leaders. External, internal and managerial objectives and perceptions interact with the organization and the results are contingent upon the input received. Simply put, it is the "it depends" approach.

The Surviving Success model reflects some of the elements of Fiedler's (see Appendix A) model. For example, according to Fiedler, there is no ideal leader. Both task and relationship-oriented leaders can be effective, if their leadership orientation fits the circumstance. This perspective is similar to the Surviving Success model in that SS suggests that leadership styles can be modified to match the needs of the organizational structure and stages within the organizational life cycle. Fiedler's model further suggests that leader effectiveness is based on 'situational contingency', or a match between the leader's style and situational "favorableness".

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changing the leader. The Surviving Success model stops short of suggesting the Fiedler solution preferring to suggest a dominant leadership style is alterable, although perhaps not as efficient. The Fiedler model validity has been criticized as a result of the methodology of measuring leadership style

Another contingency model, path-goal leadership, proposes that individual leaders are capable of changing their style to match the needs of the situation. The model suggests four dimensions of leader behavior:

- Directive leadership
- Supportive leadership.
- Participative leadership
- Achievement-orientated leadership

Additionally, personal characteristics of the subordinates and the environmental pressures are two other situational factors that influence leadership behavior.

While there is clearly some overlap between the Surviving Success model and the House and Mitchell model, the important issue here is the presumption that leaders are able to change their style to meet the needs of the situation and furthermore that the situation involves both subordinate characteristics as well as environmental circumstances. Also, the House & Mitchell model expands leader behavior to four dimensions.

VROOM, YETTON & JAGO (1988)

The Vroom *et al* model identifies styles of leadership appropriate to particular situations. This model presupposes that leaders can vary their styles of behavior and that only some aspects of the situation are relevant to the type of leadership that would be most effective in that context. Furthermore, the model postulates that it is the degree of subordinate involvement in the decision-making process that is the major variable in leader behavior.

The model is managerially oriented and offers a way to determine a high-quality decision in relation to the task itself, but at the same time ensure that subordinates will actively support the decision. There are four decision trees offered by the model; two for group problems and two for individual problems. Each pair contains a decision tree for emergency (or time pressured) situations and one for less time sensitive events. The decision tree does not provide an answer for the problem but instead offers suggestions for leader style that should generate the best decision in the circumstance - based on the levels of subordinate involvement.

The difficulties that are associated with the model include:

- Changing style could lead subordinates to thinking that leader is inconsistent.
- Changing style may create confusion, conflict, or lower morale and/or productivity.

- Subordinates may become accustomed to being involved in decision-making or unsure of the degree of involvement at any given time.

The critical variable of this model is employee involvement in the decision-making process. Surviving Success does not delve into the issue of subordinate-manager relationships per se. Rather, it deals with the style of the leader in relation to the leader's decision process and largely ignores how the leader's style may be altered by the maturity, experience, culture etc. of the existing subordinate group. Surviving Success may be able to enhance its value to the user by including the variable of subordinate pressures and styles.

YUKL, G.A. (1989)

Yukl's model argues that the “one best style” of leadership is that in which the leader demonstrates high degrees of both task and relationship styles. Task and people-oriented styles are not mutually exclusive and leaders often have a capacity for displaying varying degrees of both styles simultaneously.

NEIL CHURCHILL & VIRGINIA LEWIS

The model was first published in 1983 and revised in 1991. The theory describes five stages of development of a small business. Churchill criticizes the Greiner's model because it assumes that the company has to pass the stages in a defined sequence and determines the company's size as sales volume and number of employees, thus ignoring such factors as complexity of a product line, and rate of change in products. Describing five stages of the organizational development, Churchill's model addresses corresponding types of the following categories in each stage: managerial style, organizational structure, extent of formal systems, major strategic goals, and the owner's involvement in the business.

As the Surviving Success model, Churchill's concept allows non-sequential movement along the stages and considers diversity and complexity of the organization as one of the description. However, it fails to provide management with tools for the evaluation of the current situation in the company as well as to give a thorough and in-depth description of each developmental stage.

Category	Stage I Existence	Stage II Survival	Stage III-D Success- Disengagement	Stage III-G Success- Growth	Stage IV Take-off	Stage V Resource Maturity
Management Style	Direct Supervision	Supervised supervision	Functional	Functional	Divisional	Line and Staff
Extent of Formal Systems	Minimal to nonexistent	Minimal	Basic	Developing	Maturing	Extensive
Major Strategy	Existence	Survival	Maintaining profitable status quo	Get resources for growth	Growth	Return on investment
Key Problems	Obtaining customers and delivering the product	Relationship between revenues & expenses	To use the company as a platform for growth or as a means of support for owners as they completely or partially disengage from the company		How to grow rapidly and how to finance the growth	How to control financial gains and retain the entrepreneurial spirit

SHONA L. BROWN & KATHLEEN M. EISENHARDT

The punctuated equilibrium model assumes that long periods of incremental changes are interrupted by brief periods of radical change. Although incremental change is assumed to occur, radical change is the focus of the punctuated equilibrium model. Brown and Eisenhardt study was intended to extend the punctuated equilibrium view and to prove that in high-velocity industries ability to change continuously is crucial for survival. The study is based on high-velocity computer industry during 1993-1995. The change is explored in the context of multiple-product innovation.

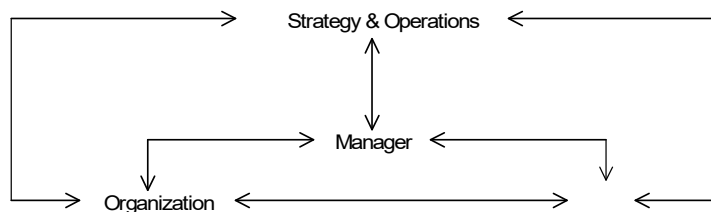
Study Findings

- Managers with successful product portfolios combined limited structure, in the form of clear responsibilities, priorities and formal meetings, with extensive communication to manage current projects.
- Successful managers looked to the future using a variety of low-cost probes (experiments) and/or strategic partnerships.
- Successful managers linked present projects to future ones through rhythmic transitions from one project to the next (predictable time intervals between successive projects and choreographed transition procedures). For example, in one of the researched companies a transition was made to a new generation of the core product every 24 months. Transition procedures were well choreographed. Transitions were led by technical gurus, who were charged with developing the overall products concept.

MICHAEL J. ROBERTS

Management Models

Responsibilities	Description
Strategy and Operations	WHAT is enterprise's strategy and WHAT operating activities are required in order to achieve it?
Organization	HOW can these broad objectives be broken down into specific tasks, and HOW should these tasks be structured and coordinated?
Staff	WHO should do the work?



Responsibility	Mode			
	Content	Behavior	Results	Context
Strategy & Operating	Do analysis, develop strategy, make plans and budgets.	Prescribe analysis to be done, criteria to be used, assumptions.	Define desired results along financial, competitive, and market dimensions.	Define mission.
Organizing	Group tasks. Define jobs, units, structure and performance standards. Oversee and coordinate day-to-day activities.	Prescribe actions and behavior.	Define results required of specific organizational units.	Create culture.
Staffing	Recruit, select and train.	Prescribe approach, process criteria for selection.	Define performance standards personnel will be held to, as well as reward and punishment system.	Instill values.

Roberts model considers management responsibilities and tasks in the growing organizations. The figure below describes manager's responsibilities.

There must be some fit between operation and structure, between implementation and the skills and capabilities of the people in the organization. The art of management lies in crafting this fit.

The managers have several options in the regard to the means of influence available to them: creating the organizational context in terms of people, values and corporate culture, specifying business objectives and results desired, deciding upon specific tasks and behavior that will lead to these results, actually doing the work. The above mentioned choices comprise four modes of management (see table below).

The table below reflects the combination of modes of management and responsibilities of the manager.

Modes	Description
Real-time management of content (content)	The manager is intimately involved in doing the task.
Management of behavior (behavior)	The manager can prescribe behavior by specifying rules and procedures (e.g., send a weekly list of accounts to call on for a sales force).
Management of results (results)	The manager directs a subordinate or group to achieve a particular result, without specifying a particular behavior that leads to that result.
Management of context (context)	Managing the context means managing the people, the mission, values and culture of the firm. The manager charts a broad set of objectives, and worries more about the type and quality of individual who becomes part of the organization, the values of the organization, and environment it provides for its members.

Transitions between modes are critical. While some transitions can happen over years, others happen daily. Good managers do not use only *one* mode.

	Mode			
	Content	Behavior	Results	Context
Situation	Young, small simple enterprise	Somewhat larger, more involved enterprise	Large complex organization	Very large, very complex mature organization
Driving assumptions	Insufficient knowledge, experience to plan. Subordinates not capable of independent action or decisions.	Too little time to do everything. Subordinates can act independently but in accordance with managerial prescription.	Too little time. Subordinates can achieve better outcomes with their own means.	Too little time and knowledge. Right people in the right environment with right mission will succeed.
Behavior	On the front lines. Barking orders. Pitching in to help out.	Developing process and procedure. Observing.	Attending meetings, reviews. Studying plans, papers, reports. Writing memos.	Lots of time on key hires and promotion. Tone-setting events.
Key skills, tools	Action, decisions	Policies, procedures, behavior audit	Plans, budgets, organizing structure and systems	Communication, leadership by example

The table above shows how modes of the management and managerial behavior should change as the organization grows. It reminds of the management style changes depending on the developmental stage. Roberts' model in alignment with Surviving Success model emphasizes the necessity of the change of the management style. Roberts, Harvard Business School professor, wrote this model in 1993. It is one of the management models being taught in Harvard.

MODULAR ORGANIZATIONAL FORM

This article focuses on the strategy, culture and time orientation that influence the speed, pace and timing needed by these firms to be successful.

To create change constantly **Modular Organizational Form** can be used:

For firms to survive they must build dynamic core competencies and develop their human capital and manufacturing technologies in a way that **enables strategic flexibility**. One-way to do this is making a greater use of contingent workers and outsourcing.

Modularity bestows greater flexibility on a system by enabling its components to be recombined in a different way, often to serve different function.

Organizational Modularity can enable a firm to specialize in fewer activities, and this is particularly attractive when an industry has both heterogeneous demand and is under heavy price pressure. By focusing on the activities in which it has a competitive advantage, a firm can maximize its chance of producing a product that has price-to-value ratio that attracts customers while reducing the overhead of maintaining a wide scope of activities.

The resource-based view as a developmental growth process:

Resource-based theory is concerned with the origin, evolution, and sustainability of firms. Firms experiencing the highest growth have added new competencies sequentially, often over extended periods of time.

The sequence of strategic moves is critical to firm survival, growth and sustainable competitive advantage. The growth potential of any firm depends upon the resource base it develops in a path-dependent process. In a changing environment, firms must continuously invent and upgrade their resources and capabilities if they are to maintain competitive advantage and growth. This sequential development of resources and capabilities can make a firm's advantage inimitable. Competitors cannot simply buy these resources and capabilities without acquiring the entire firm. This is because the resources and capabilities are built over time in a path-dependent process that makes them inextricably interwoven into a firm. A fundamental idea in Resource-based theory is that a firm must continually enhance its resources and capabilities to take advantage of changing conditions. Optimal growth involves a balance between the exploitation of the existing resource position and the development of new resources. When unused productive resources are coupled with changing managerial knowledge, unique opportunities for growth are created. Firms in essence develop dynamic capabilities to adapt to changing environments. The term "dynamic" refers to the capacity to renew resource positions to achieve congruence with changing environmental conditions. A "capability" refers to the "key role of strategic management in appropriately adapting, integrating, and reconfiguring internal and external organizational skills, resources and functional capabilities to match the requirements of the changing environment."

Responding to environmental change is not sufficient to generate long-term growth. By acquiring new resources to service new markets, a firm can shape environmental change that may alter the competitive environment in its favor to provide for long-term growth. The capability to lead environmental change is related to the concept of "creative destruction". A firm must continually replace previously defined sources of competitive advantage with new sources of advantage to provide for dynamic firm growth. New firm managers are uniquely positioned to create significant organizational breakthroughs. In Resource-based theory, new manager are both the brake on and the accelerator for the growth process. They create new learning opportunities. New learning is a firm's stock of capabilities that generate new ideas. These capabilities are often platforms for new markets.

How to manage change in a small company?

The speed and complexity of change are such that many organizations are playing catch-up to build the leadership capacity they need. There can be a considerable lag between a company's decision to rethink leadership strategies, actual implementation of those strategies, and practical outcomes in terms of individual competencies and behaviors. If companies want to realize the full potential of their workforce, they must develop work environments that allow each employee to lead within their sphere of influence. 'Markets are changing too rapidly and the competitive environment is too complex for strategic intelligence, decision-making and groundbreaking initiative to come from the top corporate levels alone.' "For the first time, the human mind is the prime mode of value creation.

Intellectual capital is business' most critical asset. If companies are to compete in the global marketplace, a new kind of leadership that is distributed throughout the organization would be needed.

Critical factors for performance in the new economy:

- key systems and processes supporting a focus on the future
- a strategic approach to markets
- greater organizational alignment around goals and values.

STUDY OF THE HIGH-TECH INDUSTRY

The following model examines the changing leadership and organizational behavior in the Hi-Tech industry after the failure of the Dot.com companies a year ago. It outlines the new external business environment and its requirements, which shape the internal organizational culture and behavior.

According to the authors Riolli-Saltman and Luthans, Change is the focus of the future business and in order to succeed the companies have to Compete on the so-called Edge Strategy, which includes:

- Adaptable organizational culture
- Future time orientation
- Speed

These are the most important strategies to the technology-dominated small firms in the New Time environment so that they can get and stay in front of the wave of dramatic change. Speed, which accounts for competitive-advantage in today's dramatically changing environment, has completely altered the very essence of strategy, organizational culture, and time orientation.

The environment facing small high-tech firms is being characterized by unpredictable and high-velocity change, where speed is one of the most important competitive advantages. The competitive environment faced by these companies requires a much more compressed time line.

The rate of innovation in developing products, managing the supply chain, or building quality into products changes dramatically. In such an environment traditional strategies, cultures and time orientation are no longer relevant. Small high-tech firms that become nimble and flexible, allow their organizational culture to be continually reinvented, and have a future time orientation will be better prepared to compete in the New Time environment.

These new firms faced few barriers to entry and could almost immediately use B2B Internet transactions to reduce their procurement and distribution costs. The net result of this New Time environment is greatly increased competition for everyone.

The question is whether the leaders of the small high-tech firms understand the value of innovative strategies, a future time orientation and an organizational culture that needs to be continually reinvented.

According to the authors, the biggest change in the Hi-Tech business is A New Strategy for the New Time Environment:

The New Time environment is characterized by fluidity and instability and for the burgeoning small, high-tech firms, this means meeting high velocity and hyper-competition. Traditional strategy approaches have been focused on the question of where to create competitive advantage. This old approach is no longer sufficient in today's high-velocity, hyper-competitive environment. The new approach to strategy must also address how to create competitive advantage. The answer is found in continuous reinvention of the core distinctive competencies.

Today's successful organizations change continuously with the following strategic concepts:

- a. **Edge of chaos**
- b. **Edge of time**
- c. **Time pacing or rhythm.**

a. **Edge of chaos** is applicable to organizations that are partially structured. If an organization's structure can be characterized on one extreme as totally chaotic, then change is unlikely to happen in an uncoordinated environment. On the other hand, an organization structure that can be characterized as too settled prevents change. The middle-position environment seems the most flexible and adaptable for the appropriate level of change.

b. **Edge of time** is relevant to organizations that balance the need to learn from the lessons of the past, the need to carry out the operations of the present, and the need to look optimistically to the future. There are important lessons from the past, but too much reliance on the past doesn't allow the perspective of the future to take form. By the same token, too much focus on the future ignores the day-to-day operations and prevents current implementation and execution of strategies. However, keeping future perspectives in mind is necessary to envision and create change rather than just reacting to it.

The third component, **time pacing** is one of the most important strategies for leading in fast-changing and unstable markets. Time pacing is the creation of new services or the capturing of new markets in a regular, rhythmic, and proactive manner. In a company where speed and intensity are synchronized, time pacing secures a reliable rhythm for change.

The authors give recommendation how the companies can cope with the changed environment:

1. Coping with the Edge of Time through Organizational Culture

In order to create the flow of existing and changing competitive advantages, successful organizations develop an adaptive, flexible culture that involves participative decision making, empowerment, knowledge sharing across the boundary-less organization, team sharing of ideas, and visionary leadership. Since today's marketplace is characterized by unprecedented speed, new ideas, products, and services must be forthcoming now. High-

velocity, hyper competitive environments have changed the rules of the game for high-tech firms.

The most fundamental challenge facing high-tech firms in the New Time environment is creating an organizational culture that provides the basis to manage the need for high speed, while maintaining concern for people, respect, trust, and growth.

If strategies can be characterized as directions that organizations choose to follow in order to achieve competitive advantage, then culture can be described as the characteristic way and values through which work is done in organizations. If competing on the edge is the strategy chosen by high-tech firms to achieve competitive advantage in the New Time environment, then the cultural values will encourage and support hyper speed. Such cultural values would include customer centricity, innovation, knowledge sharing, teamwork, trust and integrity, and high-velocity leadership. This culture would support speed to market, speed to serve customers, and speed to develop products. High-velocity leaders in this culture "set goals that make you stretch; plan carefully but allow for improvisations; invite different perspectives; proceed with optimism; maintain the climate of openness and honesty across the team; and demonstrate passion toward commitment to success."

The key competitive challenge becomes how organizational culture influences the pattern, pace, and timing of developing new products, services, and capabilities. The role of the high-velocity leader in articulating, communicating, and shaping organizational cultural values is far more difficult, but more important, than being just a visionary strategist. The major function of the leader is to transmit and serve as the model for the major assumptions and values of the organizational culture. In today's New Time environment, leaders can shape the needed hyper speed culture by fostering the values that allow for greater organizational flexibility. By emphasizing and personifying the values of speed, simplicity, and confidence, Jack Welch was able to successfully reinvent GE's culture.

Organizations that successfully compete on the edge need to create an adaptable and flexible organizational culture. However, building on past experiences for established and new firms is also fundamental to creating competitive advantage. New companies that use their short but successful experiences can save time and outperform more established competitors. New tactics that consider the past in the short run, but balance it with new developments that are more risky, create the opportunity for firms to develop faster than competitors. In particular, organizational cultures based on decision-making that involves all employees who will be affected, and is especially based on shared information and knowledge, can gain an advantage through the edge-of-time strategy. Creating and using real-time information and building collective climates allows large firms such as Sun or Cisco as well as small high-tech firms to pursue new developments.

Another edge-of-time strategy involves creating a vision of the future and providing flexibility for it. Having a flexible strategy for the future is vital because competition and a high-velocity environment may cause reaction, whereas having a clear vision for the business

will not. Traditional strategic planning can serve as a roadmap, but engaging in experimentation in the future will create a successful edge-of-time process.

2. Coping with Time Pacing Through Organizational Culture

Organizations with high variety and many opportunities to learn, and especially those with diverse teams having a variety of viewpoints, will benefit from the wide array of perspectives generated in order to create a vision. Companies with leaders emphasizing team goals, idea exchange, and working as a team will neither get locked on a single plan concerning the development of business nor allow the firm to play a simple reactive role to the moves of a competitor.

Changing on a regular basis rather than reacting to events is one of the major strategic factors in outperforming competitors, especially in high-tech industries. Introducing new services, or entering new markets with routine and regular deadlines, creates a rhythm that, in turn, creates the change rate of the firm. In this way, management has a good vision about the pace of moving from past to present and toward the future. Since time pacing forces managers to look at situations on a regular basis, and to adapt to them, their ability to anticipate is sharpened.

Organizations that set goals and guide the business through rhythmic time deadlines can facilitate the process through a culture that emphasizes the flow of information both vertically and across the organization. A peer work facilitation culture can also help in making the transition from one market, or even project, to the next, and in setting the rhythm in tune with the market. Knowledge management techniques can assist this sharing cultural value. This is especially important in testing new strategic decisions and pacing through the rhythms of time.

3. The Importance of Time Orientation

In the high-velocity, hyper-competitive environment facing today's high-tech firms, the importance of time and its relationship to competitive advantage becomes critical. Such activities as strategic planning, setting goals, and envisioning objectives are all related to future-time orientation.

Time orientation is interrelated with how an organization creates strategies, and plans, and coordinates its activities. Although a business may be oriented toward future success, past experiences and present activities affect perception of the future. Importantly, today's innovative organizations combine past and present events with future vision in new ways and mixtures. For example, although established firms such as IBM or Hewlett-Packard have to be cautious not to bring too much of their past to bear on present or future market opportunities, they also have to learn how to learn, and one such lesson is not to give too much weight to the past.

If time is perceived as a line of sequential events passing at regular intervals, the organization in turn takes on a sequential approach to organizing activities. Since planning is so important

to get all stages completed on time, sequential processes can't be as effective in the high-speed New Time environment. There are too many events that can be easily forgotten or unforeseen in a sequential perspective.

Time can also be perceived as a cycle, "compressing past, present and future by what these have in common: seasons and rhythms." Activities can be tracked and done in parallel, and the final goal can be reached without having to go through sequential, well-planned schedules. Certain stages can be skipped on the way to reaching the final goal. In general, there is less attention to tight schedules and more time is given to employees who are highly valued.

Another way of looking at time is from a long- or short-term horizon. Time horizon pertains directly to the way companies do business. The key in the New Time environment is to strategically integrate short-term realities with long-term purpose and vision.

Real life example: The Success of Global Software Solutions, Inc.

In order to understand a competing-on-the-edge strategy through adaptive, flexible organizational culture and a future-time orientation of small high-tech companies, the authors look at Global Software Solutions (GSS), which reveals how a small, high-tech, service-oriented company competed at the front of the wave, attracted first-rate clients, handled continuous change, retained valued staff, and leveraged financial and human capital, recent technology, and knowledge. GSS, which provided the global framework for launching B2B processes for mostly e-business companies moving into international markets, was very successful not only during the boom period, but also after the economic bubble burst in the spring of 2001.

The main conclusions, which the company has made to change its strategy, organizational behavior and leadership style include:

1. Time is the key factor.

Success for most high-tech companies comes down to whether or not they can get products quickly to the clients, gaining the first-to-market advantage and greater time to earn revenue. Speed is accompanied by high customer expectations of high-quality delivery. There is no tolerance for not delivering quality to customers. Since speed was crucial, flexibility played a key role. This meant strategically competing on the edge and accepting change.

2. Change is part of every day work.

Many successful executives have come to realize that no advantage, even temporary, can be reached without constant change, and creating continuous change is often very challenging. Change is no longer an exception to the rule; instead it is the focus of the future business.

3. Successful Strategy in relation to fulfilling the corporate vision is even more critical in a hyper dynamic environment.

Hyper dynamic environments have many moving parts relevant to accomplishing SSI incremental goals. Strategy is necessary to identify what each moving part should be working toward, and, secondly, how all the moving parts are assembled in working toward the corporate vision. In this environment, the front-line employees dealt with task-oriented strategy and upper-level management dealt with application of all parts to a single vision. Successful strategy stems from the process of developing a collective perception about corporate vision, maintaining constructive time orientation and pacing, and organizing chaos. In rapidly changing markets, new strategic directions and new competitive advantages characterize firms such as GSSI. The dynamic capability of successful strategic decision-making and the organizational culture's flexibility to allow this is an important competency of successful companies operating in high-velocity environments.

4. Stay focused on the core competencies.

Maintaining high growth without losing profitability has been one of the major challenges of companies such as GSSI. Although high-velocity environments don't allow much time for careful examination of extensive information, executives of successful firms do consider as much information as they can by having a collective organizational intuition. GSSI held regular monthly organizational meetings where real-time information and knowledge was shared among the employees, and weekly meetings between client services and engineering production services. In the words of the CEO:

Strategic and tactical business moves were shared by the leadership with all involved in order to fulfill the larger organizational vision. This collective real-time information and knowledge sharing enables executives of high-velocity firms such as GSSI to move ahead with speed and quality as opportunities arise.

5. Have a short time frame, but very clear entire vision and use the past to build the future.

Nowhere is the shorter time frame as apparent as in the new high-tech, service-oriented firms such as GSSI. Reusing past concepts while creating new insights and innovation is one of the dilemmas of maintaining edge-of-time process

Firms deal with two types of work--work they know how to do and work that charts unmapped territory. Building past experiences into new regenerative experiences to allow the business to evolve faster than the competition is what GSSI tried to do. This is done by always bringing new types of projects to keep the innovation flowing so the company understands where the industry is moving.

6. Innovation is stimulated by customers rather than competitors.

Companies that are market leaders in their category change every six months. In launching a global-commerce framework, experimenting on customers became the name of the game. The advantage, of course, is that once a client went through a new experience built by GSSI, the firm could then turn around and adapt it to other clients in that category. This created opportunity for time pacing and rhythm. "We don't really look at the competition; our

vision, our products, and our service profile are not influenced by competition. What is setting the rhythm of our business are the client/market leaders, i.e., what they are doing and what they need for their services or products".

7. The organizational culture should value mutual respect for all employees.

The IT field is a very demanding field with high expectations, long hours, and challenging projects; it also gives people the opportunity for career building through projects that stretch their capabilities and boost their skill sets. Successful companies understand that, to support their high-speed culture, they have to build from the ground up. "We generally look for people that will fit with our company's top priorities."

8. The success of the organization is based on the success of the staff. Because successful high-tech companies operating in the New Time environment set a very high performance bar, and because the majority of the work is innovative, it is very important that all employees believe they can perform at that high level. The participants must have high self-efficacy, and the confidence, that they are able to accomplish the assigned tasks. To build efficacy, the cultural values must advocate and the leadership must do everything possible to ensure that all employees are able to succeed and can vicariously learn from others' successes. GSSI set people up for success, notwithstanding the number of potentially frustrating projects requiring fast release and delivery. The CEO noted: "We attempt to respond very quickly so our employees learn that when a person needs support we don't get our egos involved. We drive people back to our mission that we are an organization, not a bunch of individuals, and the organization thinks much better collectively than based only on one brain." Such supportive cultural values and action give employees the confidence to try new things and meet the ambitious time deadlines for delivery.

Employees who internalize organizational values and believe in and identify with the mission of the organization are commonly recognized characteristics of successful organizations, where sometimes change was viewed as problematic. That may be why GSSI was so successful in shortening the time-to market of its services and products that were designed and delivered with high quality to clients. Learning, development, and innovation were all believed to have increased over time.

9. Implications for the Role of Culture and Time

The importance of organizational culture is widely acknowledged in the organizational behavior and strategy fields. However, high-tech firms in the New Time environment, especially those which grow through mergers and acquisitions, seem to challenge traditional notions about the sustainability and even the importance of organizational culture in this industry. The competing-on-the-edge strategy needed by firms in this industry should have an adaptable and flexible organizational culture. However, the implications of size need to be noted. The adaptable and flexible, which is a strength in exploiting market opportunities and serving clients with speed and quality may backfire during rapid expansion or while being swallowed up. Organizational cultures that are adaptable and flexible may have very different, not necessarily positive, implications for small versus large firms in this industry.

The economic plunge of late 2000 and early 2001 was a wake-up call for both large and small firms in the high-technology industry. They need to grow fast, adapt as markets dramatically change, and keep and grow their creative and technically competent talent. The high-tech firms that want to stay ahead of the wave of change need to continually reinvent their culture and be aware of and shape their time orientation. A reinvented organizational culture that promotes decision making, speed, upward and horizontal communication, sharing knowledge with everyone, clear expectations, visionary leadership, caring supervision, accountability for high standards, teamwork, high involvement in change initiatives, and a realistic but future time orientation can position and sustain today's high-tech companies in front of the wave.

Based on this evaluation, the MIIS team recommends the following points that Surviving Success should consider about the Hi-Tech industry in order to reflect its requirements:

A. Select and develop managers who perceive rhythm and patterns of events

In order to anticipate and proactively respond to changing competitive conditions, it is important to select and develop managers, who have the intuition to understand the patterns of where things are going, and to see rhythms and regular pattern changes in organizational environments. The use of real-time information facilitates this process. These leaders not only develop the vision based on the patterns and rhythms, but also obtain the employees' commitment to achieve this vision.

B. Ground innovation in cultural values and sound business principles

Speed to market requires greater innovation that is embedded in the organizational culture. During the economic boom period, innovation was too often done at any cost, and often for the wrong reasons, such as merely jumping on the bandwagon. After the bubble burst, people realized that innovation was still very necessary, but that it must also adhere to sound business principles. Innovation focuses on the generation of new ideas and approaches that can be developed into practical implementation with a strong market foundation and appeal, and make a profit. The challenge of high-tech managers is to move quickly and almost instinctively, but still be grounded in sound business principles.. Strategy, organizational culture, and time orientation may get small high-tech firms on top and even in front of the wave, but old-fashioned business practices are still needed to prevent them from drowning in the undertow and backwash that are also part of the New Time..

- C. The changed perceptions of flexible organizational culture that needs to be continuously reinvented
- D. The greatly increased competition
- E. the concept of change on a regular basis, not only as a reaction to events
- F. the role of the leader as more than a visionary strategist.

CONTINGENCY LEADERSHIP MODELS

HOUSE AND MITCHELL (1975)

Another contingency model, path-goal leadership, proposes that individual leaders are capable of changing their style to match the needs of the situation. The two main elements of the theory are leader behavior and situational factors. Leader behavior influences goal attractiveness and the paths available to reach the goals. Leader behavior is acceptable and satisfying to subordinates to the extent that they view such behavior as either an immediate source of satisfaction or an instrument to future satisfaction.

The model suggests four dimensions of leader behavior:

- Directive leadership - involves the planning, monitoring, and task assignment aspect of leadership
- Supportive leadership - involves the employee-oriented concern for the welfare and needs of subordinates.
- Participative leadership - involves using subordinates' ideas in decision-making.
- Achievement-orientated leadership - involves developing a highly challenging climate for an employee and demanding good performance.

Furthermore, there are two situational factors that influence leadership behavior: The personal characteristics of the subordinates and the environmental pressures with which the subordinates must cope in order to accomplish goals.

While there is clearly some overlap between the Surviving Success model and the House and Mitchell model, the important issue here is the presumption that leaders are able to change their style to meet the needs of the situation and furthermore that the situation involves both subordinate characteristics as well as environmental circumstances. Also, the House & Mitchell model expands leader behavior to four dimensions.

VROOM, YETTON & JAGO (1988)

The Vroom *et al* model identifies styles of leadership appropriate to particular situations. This model presupposes that leaders can vary their styles of behavior and that only some aspects of the situation are relevant to the type of leadership that would be most effective in that context. Furthermore, the model postulates that it is the degree of subordinate involvement in the decision-making process that is the major variable in leader behavior.

The model is managerially oriented and offers a way to determine a high-quality decision in relation to the task itself, but at the same time ensure that subordinates will actively support the decision. There are four decision trees offered by the model; two for group problems and two for individual problems. Each pair contains a decision tree for emergency (or time pressured) situations and one for less time sensitive events. The decision tree does not

provide an answer for the problem but instead offers suggestions for leader style that should generate the best decision in the circumstance - based on the levels of subordinate involvement.

The difficulties that are associated with the model include:

- Changing style could lead subordinates to thinking that leader is inconsistent.
- Changing style may create confusion, conflict, or lower morale and/or productivity.
- Subordinates may become accustomed to being involved in decision-making or unsure of the degree of involvement at any given time.

The critical variable of this model is employee involvement in the decision-making process. Surviving Success does not delve into the issue of subordinate-manager relationships per se. Rather, it deals with the style of the leader in relation to the leader's decision process and largely ignores how the leader's style may be altered by the maturity, experience, culture etc. of the existing subordinate group. Surviving Success may be able to enhance its value to the user by including the variable of subordinate pressures and styles.

CONCLUSIONS AND RECOMMENDATIONS

The Surviving Success model is an excellent guideline that offers thoughtful advice for those considering or engaging in the entrepreneurial process. It explores common problems and opportunities found in emerging companies. After the team read a number of different organizational models, it became abundantly clear that Surviving Success was written in a straightforward, easy to understand manner.

The Surviving Success model is comprehensive and explores the various facets of the organization in depth. It provides a thorough and detailed description of leadership style, management control systems, organizational structure and culture etc. The team found only one model that was more comprehensive than Surviving Success – the Flamholtz model of the seven stages of organizational development. Flamholtz also addresses operational systems and resources. Although the Greiner and Churchill models contain descriptions of many facets, they do not deliver an in-depth analysis.

It seems that the Surviving Success model should be effective in managing growth and development of the organization. Unlike the majority of models that were reviewed by the team, Surviving Success integrates lifecycle theory with leadership, management, market and product development in order to provide guidelines for necessary change as the organization grows.

Surviving Success is geared towards commercial application and not academia and provides the tools necessary for managers to evaluate a company's current situation. Moreover, the Surviving Success model could be applied to both small and large businesses since it

identifies different stages of organizational development based on complexity of the organization rather than its size. Churchill in his “The Five Stages of the Small Business Growth” mentioned that many lifecycle models are inappropriate for small businesses because they characterize the company size largely in terms of annual sales (or number of employees) and ignore other factors such as complexity of a product line, rate of change in products, etc. Intuitively, it seems that this model is also applicable to different types of industries.

The team recommends looking at the following issues for further enhancement of the Surviving Success model.

- First, the Surviving Success model does not address hyper-change and hyper-competition. The speed with which the company reacts, the speed with which it makes strategic decisions, delivers the product to market and develops its human capital are crucial to remaining and succeeding in the marketplace today. Handy talks about the ever-shrinking S-curve where the lifecycle of the organization, the products and the markets in which they exist are changing at lightening speed. Therefore, it is not only prudent but necessary for the organization to develop processes that continually recreate the organization.
- Second, the Surviving Success model should address in a more specific way what the organization should do after the niche development stage. This matter was considered in the Flamholtz’s model, which suggests that the organization must re-deploy its entrepreneurial skills to become *intrapreneurial*. The key challenge is to maintain simultaneous centralized control and sufficient freedom. This idea was also developed in the Brown and Eisenhardt study. They found that managers who were able to launch a new product line successfully combined limited structure (e.g. priorities, responsibilities) with extensive interactions and freedom to improvise current products. Handy also discussed the multiple paradoxes that exist in the market today where firms must simultaneously be planned yet flexible, differentiated yet integrated, find ways to produce variety yet maintain quality and fashion – in other words, reconcile opposites.

In the final analysis, Surviving Success is well rooted and supported by traditional theory. As noted, the issues of change and reinvention are areas for development. The MIIS team concurs with other evaluations that recognized the Surviving Success model as a roadmap for development and change within the organization.

APPENDIX A. EVALUATION OF MODELS

Greiner's Model

Evaluation of Greiner's model (five phases of organizational development)
based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy					
2	Applicability					
2	Adaptability					
4	Longevity					
5	Understandability					
6	Currency					
7	Popularity					



Greiner

7

Evaluation of Catlin's model based on differentiating elements

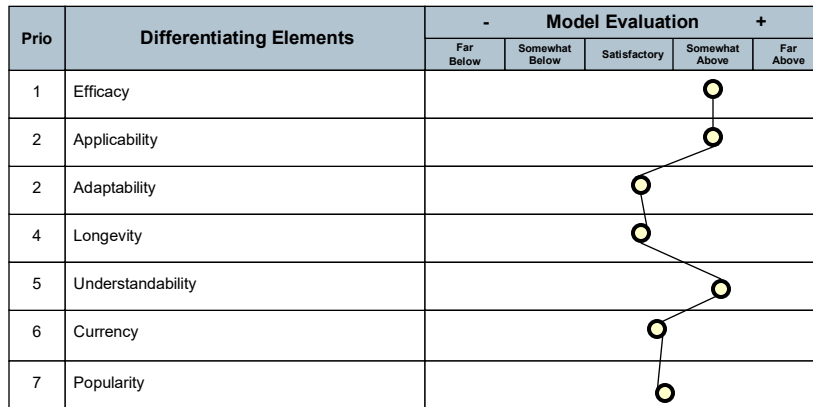
Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy					
2	Applicability					
2	Adaptability					
4	Longevity					
5	Understandability					
6	Currency					
7	Popularity					



Catlin

8

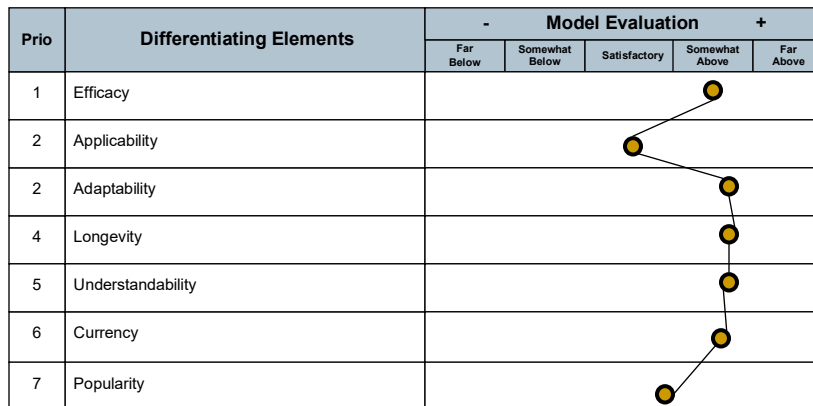
Evaluation of Clark & Rodriguez's model based on differentiating elements



○ Clark&Rodriguez

9

Evaluation of Handy's model based on differentiating elements



● Handy

10

Evaluation of Simons's model (strategy) based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy					●
2	Applicability					●
2	Adaptability			●		
4	Longevity			●		
5	Understandability					●
6	Currency					●
7	Popularity					●



● Simons

14

Evaluation of Fiedler's model based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy			○		
2	Applicability			○		
2	Adaptability		○			
4	Longevity					○
5	Understandability			○		
6	Currency		○			
7	Popularity					○



○ Fiedler

18

Evaluation of Fulmer's model based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy			●		
2	Applicability			●		
2	Adaptability				●	
4	Longevity		●			
5	Understandability				●	
6	Currency			●		
7	Popularity			●		



● Fulmer

17

Evaluation of Roberts's model (management) based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy			●		
2	Applicability		●			
2	Adaptability		●			
4	Longevity			●		
5	Understandability			●		
6	Currency			●		
7	Popularity			●		

Evaluation of Yukl's model based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy		○			
2	Applicability			○		
2	Adaptability		○			
4	Longevity			○		
5	Understandability			○		
6	Currency	○				
7	Popularity		○			

Evaluation of Hersey's model based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy			●		
2	Applicability			●		
2	Adaptability			●		
4	Longevity				●	
5	Understandability				●	
6	Currency		●			
7	Popularity				●	

**Evaluation of Churchill's model (five phases of organizational development)
based on differentiating elements**

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy			●		
2	Applicability		●			
2	Adaptability		●			
4	Longevity					●
5	Understandability					●
6	Currency				●	
7	Popularity				●	



● Churchill

11

Evaluation of House's model based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy			●		
2	Applicability			●		
2	Adaptability		●			
4	Longevity					●
5	Understandability				●	
6	Currency		●			
7	Popularity				●	



● House

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Evaluation of Doppler's model (knowledge management) based on differentiating elements

Prio	Differentiating Elements	Model Evaluation				
		-				+
		Far Below	Somewhat Below	Satisfactory	Somewhat Above	Far Above
1	Efficacy			●		
2	Applicability		●			
2	Adaptability				●	
4	Longevity			●		
5	Understandability					●
6	Currency				●	
7	Popularity		●			



● Doppler

APPENDIX B. MODEL EVALUATION SCORES

Wgts		SSM		Greiner		Churchill		Flamholtz		Doppler		Simons		Roberts		Katlin		Fiedler		H & M		Vroom		Clark		Rodriguez		Yukl, GA		Hersey		Handy		Fulmer	
29	4	114	3	86	3	86	3	86	3	86	3	86	3	86	3	86	3	86	3	86	3	86	4	114	4	114	2	57	3	86	4	114	3	86	
19	4	76	2	38	2	38	4	76	2	38	3	57	2	38	4	76	3	57	3	57	2	38	4	76	4	76	3	57	3	57	3	57	3	57	
19	3	57	2	38	2	38	3	57	3	57	3	57	2	38	3	57	2	38	2	38	3	57	3	57	3	57	2	38	3	57	4	76	4	76	
14	4	57	4	57	4	57	3	43	3	43	3	43	2	29	2	29	4	57	4	57	3	43	3	43	3	43	3	43	4	57	4	57	2	29	
10	5	48	4	38	4	38	4	38	5	48	4	38	3	29	4	38	3	29	3	29	2	19	4	38	4	38	3	29	3	29	4	38	4	38	
7	3	21	4	29	3	21	3	21	4	29	4	29	3	21	3	21	2	14	2	14	2	14	3	21	3	21	1	7	2	14	4	29	3	21	
2	2	5	4	9	3	7	3	7	2	5	3	7	3	7	3	7	4	9	3	7	4	9	3	7	3	7	2	5	4	9	3	7	3	7	
100		379		295		286		329		305		317		248		314		290		288		267		357		357		236		310		379		314	
		100		78		75		87		80		84		65		83		77		76		70		94		94		62		82		100		83	

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