PLANNING FOR ORGANIZATIONAL CHANGE:
Linking the Past with the Present and Future

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Most strategic planning in the field of Jewish communal service neglects the impact of organizational history on planning for the future. This article identifies a framework for assessing the past as a way of informing the planning process for organizational change.

The challenges facing directors of Jewish communal organizations come from all directions and can overwhelm the most talented among them (Austin, 1989a). Scarce financial resources, changing demographics in the Jewish population, and economic recession are just a few of the challenges. This article identifies some of the tools that administrators use to deal with these challenges and describes a new tool, defined as a framework, for understanding an agency's past and its link to the future. The implications of this framework are identified for improving current management practice.

I became interested in this topic of understanding agency history over a decade ago as I worked as a teacher of management practice, a management consultant to a variety of Jewish agencies throughout the United States, and as an academic administrator. As a teacher, I was struck by the significant absence of any discussion of organizational history in the management texts for both nonprofit and for-profit organizations. The implicit message to managers was that the most relevant history begins when they take charge of an organization. And yet, curiosity drives most administrators to at least explore the agency's recent past. As a management consultant, I noted that very few of the executives with whom I worked had a thorough grasp of the history of their agency and even fewer knew where

to look to find documents of historical significance. It is only in recent years that any attention has been paid to the role of the executive in preserving agency records (Barbeau & Lohmann, 1992), let alone conducting oral histories of former agency board officers and staff. And finally, in my role as an academic administrator (Austin, 1989b) charged with the responsibility of managing a graduate school of social work in a leading research university, I was immediately confronted with the challenge of highlighting an 80-year-old institution's unique niche in the marketplace and using historical documents and oral history interviews to communicate with alumni and prospect applicants. As I resigned from the deanship and left the university, I struggled to identify the historical legacy of my seven-year stewardship (Austin & Gilmore, 1993). Out of all these experiences grew the lingering question: Is there a conceptual map that could guide a new administrator in his or her efforts to understand the organization's history? This article explores an answer to that question, but first it is necessary to describe the context for this question and the reasons for its importance.

MANAGEMENT TOOLS FOR ADDRESSING TODAY'S CHALLENGES

One of the most significant management tools for guiding organizational change over the past decade has been strategic planning. This methodology seeks to focus the attention of staff and lay leadership on such issues as (1) the current relevance of

the agency's mission statement (if there is one), (2) the nature of current community needs and interests related to the mission, (3) the efficiency and effectiveness of current services/programs, (4) the nature of the population being served over the past decade and the changes noted, (5) the emergence of competition and its impact on the marketplace, (6) the nature of changes in the environment (economic, political, social, technological, etc.), and (7) the outcome of a thorough self-assessment of organizational strengths and areas for improvement. It is the synthesis of these issues that constitutes the foundation for the major new strategies or directions that an organization publicly displays in its strategic plan.

From my recent experience with the development of strategic plans in three Jewish organizations—a large urban Reform synagogue, a large city federation, and a large national women's organization—I have derived several observations about strategic planning. First, it is very challenging for staff and volunteers to engage collectively in a shared exploration of their interdependent futures. Some staff are far ahead of their lay counterparts and must restrain themselves so as not to be seen as dominating. Conversely, some lay leaders are way out in front of their staffs and must control their sense of urgency for fear of being caught out on a limb all by themselves. Second, strategic plans represent a series of compromises negotiated publicly and/or privately between those seeking massive change and those who are more cautious and deliberative. Third, whatever the outcome, most strategic plans devote a substantial amount of internally focused attention to updating and upgrading a full range of operational activities that a large consensus of people recognize as long overdue for renovation and/or termination. Fourth, since most plans are designed to be implemented in a 36- to 60-month time frame, it is only at the margins (politically and financially) that highly innovative pilot projects and/or controversial initiatives can be

implemented. If successful, they become the major devices for promoting significant organizational change and redirection. Fifth, since most Jewish communal organizations have engaged in strategic planning more than a decade after their organizational counterparts in the for-profit corporate world, it is not yet clear whether or not second-generation strategic planning will be as productive as the first generation, given the rapid pace of change. Most of the first-generation plans focused on strengthening internal operations, whereas second-generation plans seem to address external issues linking the organization with its environment for the purpose of repositioning, growth, and survival.

The management tool that challenges all parties to look beyond the short-term nature of the strategic plan is the development of a vision statement for the organization. Thinking about the agency beyond the year 2000 can tax the most creative among us. We tend to be such captives of the present that dreaming about what might be possible in the future can stretch our brains to the limit. However, developing a vision statement can free up those most able to dream beyond the present. In essence, if there was more than enough money, staff, facilities, and lay-professional collaboration, could we actually envision an organization so exciting in its mission and programs that we could not wait to build it?

However, even in the process of addressing the present and the future, it became clear that something important was missing in the strategic planning process. And that missing element turned out to be the insufficient attention being given to the past. In only a very preliminary way, knowledgeable lay and professional leaders began to see that (1) the future may be less determined by outside influences than by the organization's history, (2) the past organizational structures may significantly affect future adaptive capacity and growth, and (3) the future may be profoundly shaped by the past that they had failed to carefully document

and understand. Jewish communal institutions began to understand what some of their colleagues in the business world were beginning to articulate, as noted by Kantrow (1986):

- History offers another way of thinking that helps teach people to accept ambiguity, to be comfortable with it, and to reject formulas.
- In the last decade or so, the rate of change in the business environment has gotten so fast that simply understanding the context of what has gone on before becomes that much more important if you're going to have any kind of real help in knowing where you are going.
- Studying (organizational) history helps give you some idea of the domain over which managers actually do have power and influence. It helps you see where you can have an effect. It helps you understand what happened—and what can happen.
- In organizational settings, if you know your history, you know what to expect.
- Mark Twain once said that history doesn't repeat itself but sometimes it rhymes.

UNDERSTANDING ORGANIZATIONAL HISTORY

One approach to understanding organizational history is to view Jewish organizations in developmental terms. As Greiner (1972) has noted, at least three major forces can be used to view an organization from a developmental perspective.

1. *Age:* How old is the organization? In what era was it founded, e.g., before the turn of the century, between the great wars, after World War II? The era may have had a profound and lasting effect on the original mission of the organization as reflected in some of the management problems and opportunities of the present.
2. *Size:* How large is the organization?

Has it grown or shrunk over time, and when did this change occur? As organizations grow, coordination becomes more difficult, more hierarchy sets in, and jobs become more complex. Similar issues emerge as organizations decline in size.

3. *Rate of change:* How fast did the agency grow or decline? The rate of change can be linked externally to the nature of the times and the environment, as well as to the internal environment of leadership and ownership. The speed of change can have a profound effect on the historical development of an organization. Even when the pace of change is slow and steady, people and processes can be lulled into a false sense of security by the "hum" of onward momentum. Numerous American corporate giants have been caught in such a dilemma (Bartlett & Ghoshal, 1989).

The three forces of age, size, and rate of change provide a context for understanding the history of an organization. However, Greiner (1972) also calls our attention to the key stages through which for-profit organizations pass. He links one developmental phase with another by using the concepts of evolution and revolution. When organizations evolve over time, they make modest adjustments that are needed to sustain growth. However, they also experience periods of substantial turbulence and revolution, which can lead to upheaval, threats to organizational survival, and new organizational processes. The most dramatic forms of such turbulence can be seen in corporate bankruptcies, downsizing, and mergers and acquisitions. The solutions of one era may sow the seeds of revolution in the next era.

Although it is not clear that the concepts of evolution and revolution apply directly to the life cycle of Jewish communal organizations, Greiner's approach to defining each stage of organizational development holds

much promise. Each of Greiner's five stages (1972) includes an evolutionary process, a crisis component, and a call for change that pushes the organization into the next stage:

Stage 1: Creativity—This beginning stage is based on the creativity and entrepreneurial capacities of the founders who often display little patience for management and organization-building activities. Communication is frequently informal, the size of the organization expands, and there is a reluctance to address routine organizational tasks. The crisis emerges when it becomes clear that the chaos of creativity requires more orderly responses and a different kind of managerial leadership, creating much tension for the founders who may be reluctant to relinquish control.

Stage 2: Direction—Organizations that survive the first stage by installing strong leadership usually experience growth using the common organizational processes of increased job specialization, work standards, performance evaluation, and formalized communication that are usually absent from the founders' approach to management. However, with growth and the passage of time, a crisis emerges out of staff frustration with formalized, centralized processes that restrict the flexibility needed to make timely decisions based on more intimate knowledge of local conditions. This crisis leads to the next stage, which calls for more autonomy and decentralization.

Stage 3: Delegation—In this stage new managerial leadership gives more authority to staff and relies on periodic reports for communication and incentives to enhance staff morale. Communication from the top is brief and infrequent in contrast to the previous stage. Although the goal is to decentralize authority in order to help the organization make more timely and responsive deci-

sions, top management may experience the need for more coordination as decentralized decision making fails to sufficiently take into account the organization's overall direction. This emerging crisis reflects top management's efforts to regain or centralize control, which lead to the need for more coordination.

Stage 4: Coordination—In this stage top leadership try to establish coordination mechanisms, such as management information systems, coordinated budgeting, and organizational units that monitor their costs in order to make more efficient use of resources. Although staff have increased autonomy, they must also justify all their actions through extensive documentation. What emerges from the proliferation of reporting systems and procedures is the crisis of expanding paperwork. Line managers increasingly resent directions coming from people who are not familiar with local conditions, and senior management specialists complain that the managers are not cooperative and sufficiently mindful of overall organizational priorities. The crisis calls for more collaborative leadership.

Stage 5: Collaboration—The crisis of coordination systems is addressed in this final stage by establishing matrix or multidisciplinary teams to reach decisions through skillful confrontation of differing perspectives. The formal controls are replaced with social controls and discipline. The emphasis is on teamwork designed to recapture some of the creativity reflected in the first stage of founder involvement as information systems are used in a more effective and rewarding manner.

Although few American organizations have moved beyond the fifth stage, Greiner (1972) suggests that the intense requirement for teamwork and creativity may lead to the creation of dual-structure organizations. One organizational component

would be geared to carrying out the regular work of the organization while the other component would be the creative think tank (sometimes called centers for innovation). Staff would move between the two components as their energies are dissipated and refueled.

In Figure 1, these five stages have been modified somewhat to reflect more closely the pattern of organizational development found in nonprofit Jewish communal organizations. In this case, leadership is usually a shared partnership between volunteer leaders and professionals. In assessing the relevance of Greiner's (1972) model for understanding the history of Jewish communal organizations, it is clear that Stage 1 has some validity in capturing the dynamics of the distant past when the organization was founded. Similarly, Stage 5 related to coordination relates to the present as Jewish organizations struggle with creativity, reinventing themselves, and the importance of collaborative teamwork in a period of rapid change. Figure 1 could be used as a diagnostic tool to gather volunteer and staff perceptions on different stages of organizational development.

It is not clear that the intermediate stages of direction, delegation, and coordination are the most appropriate categories to capture the intervening years of the history of a Jewish communal organization. However, the five stages provide a framework for raising a set of questions that might guide the leadership of any Jewish communal organization in its search to understand how its history evolved and affects the present. The historical research questions might include the following:

- Can we identify the years in the agency's history that reflect, approximately, each stage of organizational development?
- Can we identify key events that could mark the transition from one stage to the next?
- Do the stages define the roles played by both volunteer and professional leader-

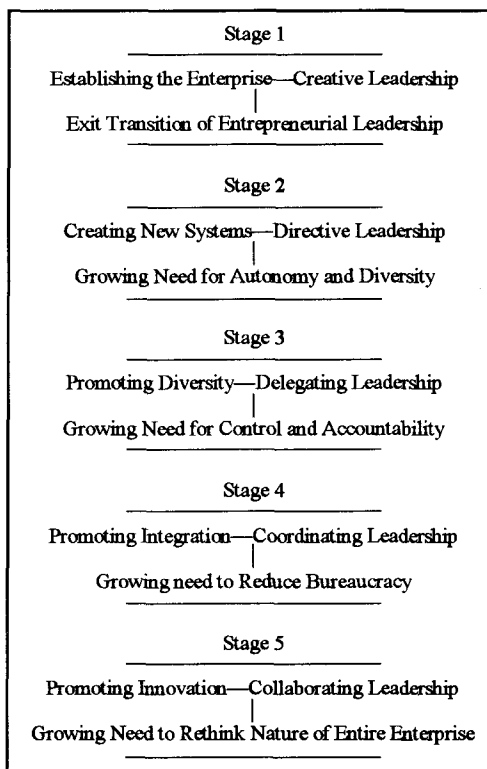ship, or do different leadership cycles operate over time?

- To what extent do external national and international events help shape the leadership and history of the organization, and to what extent were the opportunities created by these events seized by the leadership?
- How can the past experiences of resisting change or reluctantly accepting change inform change efforts in the future?
- How can new volunteer leaders and staff gain an appreciation of the organization's history?
- What elements of the organization's culture and values have been enduring over time?

Applying the Organizational History Framework to a Large Federation

These are some of the questions used to construct the history of a large city Jewish federation, UJA-Federation of New York (Austin, 1996). The federation of New York was created in 1917, linking the interests of local agencies in maintaining a steady source of financial support from the community with the interests of donors who wanted to create one major solicitation to replace the chaos of annual multiple solicitations. The UJA of New York traces its origins to the merging of several overseas relief agencies in 1940. Table 1 shows the highlights of applying the organizational history framework to the history of UJA-Federation. Various in-house reports, oral histories of former executives, and scholarly references were used to reconstruct the organizational history.[1]

[1]Ballon, Charles, & Bernstein, P. (1985). *Findings and recommendations of the Committee to Explore the Future Relationship of UJA and Federation.* New York: UJA-Federation, 1985; Kagan, Jane. (1983). *Crisis and response, 1933–1983: Honoring William Rosenwald's 50 years of leadership in Jewish Philanthropy.* New York: Birdsall and Co; Liebman, Charles S. (1979). Leadership and decision making in a Jewish federation: The New York Federation of Jewish Philanthropies. *American Jewish Yearbook;* Lurie,

Figure 1. An historical framework for understanding an organization's past by identifying significant transitions in each phase of its development

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Stage 1

Establishing the Enterprise—Creative Leadership
|
Exit Transition of Entrepreneurial Leadership

Stage 2

Creating New Systems—Directive Leadership
|
Growing Need for Autonomy and Diversity

Stage 3

Promoting Diversity—Delegating Leadership
|
Growing Need for Control and Accountability

Stage 4

Promoting Integration—Coordinating Leadership
|
Growing need to Reduce Bureaucracy

Stage 5

Promoting Innovation—Collaborating Leadership
|
Growing Need to Rethink Nature of Entire Enterprise

Although the details of the shared history and ultimate merger of the New York UJA with the federation are noted elsewhere (Austin, 1996), only a few of the lessons evolving from this nearly 80-year-history have been identified. The following six lessons all relate to the creativity, energy, and deep commitments of Jews in New York, both lay leaders and staff, who demonstrated that Jewish caring and continuity begin at home:

Harry L. (1961). *A Heritage affirmed: The Jewish Federation movement in America.* Philadelphia: Jewish Publication Society; Raphael, Marc Lee. (1982). *A history of the United Jewish Appeal, 1939–1982,* Providence, RI: Brown University and Scholars Press; United Jewish Appeal. (1989). *The whole UJA catalogue: UJA at 50.* New York: Author; Federation of Jewish Philanthropies. (1967). *A history of the Federation of Jewish Philanthropies of New York From 1917 to 1967.* New York: Author.

1. The giving of time and money is a highly personal act and must be rediscovered and redefined by each succeeding generation of lay leaders.

2. The combined actions of lay leaders and professionals at critical junctures in the history of UJA-Federation have contributed to the growth and survival of the largest Jewish federation in North America.

3. The recruitment, retention, and training of first-rate professionals and lay leaders to assume leadership positions strengthen the lay-professional partnership, which is at the core of all UJA-federation activities.

4. The UJA-Federation has been able to respond successfully to the changes in the community over the decades by demonstrating the wisdom and courage to invest in sophisticated agency systems and facilities with a clear eye on

Table 1. Applying the Organizational History Framework to UJA-Federation, New York

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Stage 1. *Establishing the Enterprise:* The birth of federated fund raising and allocation (1917–1940)

24 Charter Societies of federation come together (hospitals, schools, nursing homes, social service agencies, residential institutions, and recreational/cultural organizations)

- building a communal point of view out of an era of separateness
- launching a communal planning for campaigns and coordinated services
- responding to the needs of overseas Jewry (War Relief Campaign–1918)

Executive Directors I. Edwin Goldwasser (1919–1920) and Solomon Lowenstein (1920–1942) in partnership with ten federation presidents

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Stage 2. *Creating New Systems:* Responding to crises (Depression and World War II) and opportunities in Israel (1940–1970)

- formation of the national and local United Jewish Appeal (1939)
- rapid growth of federation's Trades and Professions groups (164 by 1944)
- emergence of the State of Israel (1948)
- the Six-Day War (June 1967)

Executive Directors Maurice Hexter (1942–1967) and Joseph Willen (1967–1970) in partnership with nine federation presidents and Henry Bernstein (1940–1970) in partnership with six UJA presidents

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Stage 3. *Promoting Diversity:* Recognizing the potential for partnership (1970–1986)

- the Yom Kippur War (October 1973)
- building a joint fund-raising campaign (UJA and federation)
- establishing the joint Committee to Explore the Future Relationship of UJA and Federation (1983–1986)

Executive Directors Sanford Solender (1970–1981) and William Kahn (1981–1986) in partnership with six federation presidents and Ernest Michel (1970–1986) in partnership with eight UJA presidents

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Stage 4. *Promoting Integration:* Launching the merged organization (1986–1996)

- conducting an organizational self-study to strengthen the new organization
- developing a new UJA-Federation Mission Statement
- designing and implementing the first strategic plan
- managing change and organizational restructuring

Executive Directors Ernest Michel (1986–1989) and Stephen D. Solender (1986–present) in partnership with three UJA-Federation presidents

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Stage 5. *Promoting Innovation:* The vision of the 21st-century UJA-Federation (1996–present)

- experimenting with new approaches to financial resource development
- responding to a changing community at home and abroad
- building a new organizational culture

Executive Vice President Stephen D. Solender and Senior Vice President Jeffrey R. Solomon in partnership with UJA-Federation presidents

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future needs and population growth.

5. When difficult decisions needed to be made about collaboration and the ultimate merger of the two organizations, there was always the implicit understanding that strong minds, linked by shared hopes and dreams, would clash and find compromises for the sake of building a stronger New York Jewish community.

6. International conflicts (World War I, World War II, Israel's War of Independence, the 1967 War, and the Yom Kippur War) and peace initiatives (Camp David Accords, Soviet and Ethiopian Exodus, etc.) were powerful events that influenced the growth and survival of the UJA-Federation.

As might be expected, there are numerous issues in reconstructing an organizational history. The most obvious is the trap of revisionist thinking where those in the present ignore the most sensitive or provocative issues that emerge throughout the organization's development, such as incompetent leaders, negative perceptions of the organization, unethical behaviors, and the like. Given the limitations of organization records, most organizational histories rely on official board minutes, annual reports, conference proceedings, press releases, and the oral histories of senior staff and volunteers who are still alive.

CONCLUSION

The challenges facing Jewish communal organizations have encouraged volunteer and professional leaders to find new ways to handle the rapid pace of change. The primary tool in recent years has been the strategic plan, which deals with the present and short-term issues. There is also the need for a vision statement, which is a device to frame the long-term future scenario of an organization. It has also become increasingly clear that the present and the future are also linked to the past. It is this neglected area of organizational history that

requires far more attention, especially in times of rapid change where the rationale for some Jewish organizations is being called to question.

The lessons that can be derived from the historical perspective are many. In connection with managing organizational change, Wilkins and Bristow (1987) have identified three:

1. *Honoring the past* by (1) returning to the past for inspiration and instruction (e.g., are some of the founders' ideas still relevant today?), (2) moving back to the basics by defining the present problems as a result of straying from the path, (3) identifying the old principles that will remain constant and those that will change, (4) finding examples of success from the past that are relevant to the present, and (5) envisioning a future as a logical evolution from the past

2. *Growing in new ways* by (1) rewarding efforts in the right direction that build upon the past, (2) recognizing the evolutionary process of organizational change over time, (3) experimenting with incremental learning and recognizing that change takes time as reflected by the organization's evolution over decades, and (4) approaching change as a pruning process whereby dysfunctional branches of the organization are selectively trimmed or removed but the core trunk of the organization is protected, which contributes to its capacity to survive over extended periods of time

3. *Managing in new ways* (Greiner, 1972) by (1) knowing where you are in the developmental stage of your organization's history so that you recognize the time for change, (2) recognizing the limited range of solutions, in which old solutions may not work in new situations, (3) realizing that solutions breed new problems for the future, and (4) demonstrating how the use of greater

historical understanding of current problems can prevent the tendency to blame problems on the present.

In conclusion, it is useful to note Greiner's (1972) observation that "the critical dimension of time has been missing far too long from our management theories and practices...(and) the intriguing paradox is that by learning more about history we may do a better job in the future."

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