

Larry Greiner Growth Model in the Organization Life and a Case Study

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Abstract: The study aims to inquire in terms of Larry E. Greiner's Model of Organizational Growth in the development process of structural changes in the organizational life. The present case study explicitly will be able to reveal "how" realizing according to Greiner's Model of Organizational Growth. This study will help to understand to us the process of organizational growth and the content of the subject. In addition this study specifically will help to understand along with organizational growth which comprising according to phases of organizational life cycle of the organizational culture and organization structure of the strategies of Greiner's Model of Organizational Growth.

Due to such motivating facts as the promise made by organization management beforehand to allow me to conduct a comprehensive survey, changes in the management styles, adaptation of the theories of modern management and the ability of ongoing continuous of the growth's providing in the extend of qualitative, an advanced and technological manufacturing environment and a dynamic competitive atmosphere. Kordsa Inc. was chosen to be handled for our analysis. The research covers prospective practicing of organizational growth and organization history of Kordsa Inc. from 1973 to 2004 in Turkey.

Key Words: L.Greiner's Organizational Growth Model, Organizational Life.

1. Introduction

Organizations go through some phases as born, growing, maturity and death like every living organisms. However organization can be immortal contrary to live organisms in the theory. For immortalizing their lives, organizations have to manage organizational growth process successfully in the hyper competition periods.

There are organizational growth models and applications, which were developed in the scope of organization life cycle, (Sutton at all.,p.45;Miller at all.,p.225; Churchill at all.,p.30-35;Adizes,p.10; Santora at all.,p.12;Lester at all.p.314) for not terminating and also maintaining organizational growth. Among these models, Larry E. Greiner's Organizational Growth Model(Greiner p.55;) is accepted as a classic in organization literature by organization theorists. Accordingly, Greiner Organizational Growth Model's theoretical ground consists of terminating evolutionary problems in organizational growth's different phases by using revolutionary solution approaches. Greiner's Organizational Growth Model, its applications, effects of applications on organizational structure and organizational culture, effects of Greiner's Organizational Growth Model applications in Kordsa Inc. on organizational structure and organizational culture were analyzed in the study.

Filley and Aldag said that "Organizations can harmonize themselves to environmental situations; however they cannot previously predict this harmonization. At the same time, Filley and Aldag propose that transitions in organizational growth phases doesn't happen frequently, and expecting how it will shape advanced level organization is not possible (Whetteen et all,p.50).. On the other hand, theorists like Cavoie and Culbert argue that developments in frequent intervals guide organizational transitions truly by the time. (Cavoie et all.,p.417-420).

2. L. Greiner Organizational Growth Model

Organization theorists developed models trying to explain organizational growth phases. L. Greiner's article named "Evolution and Revolution as Organizations Grow" is the most valuable one and is accepted as a classic. (Bedeian, at all, p.466.). In addition to this, also Kaplan and Johnston modeled organizational growth from the evolutionary and revolutionary dimensions (Kaplan at all., p.13).

Greiner propose that dissolution of every revolution time interval determines whether organization will arrive to next evolution phase or not. At the same time, finalization of growth phases cause to arise of management crises belonging to every phase (Tang etc.p.29).. Greiner analyzed organizations' growth situations in five main dimensions. These are from Figure 2; Organization's Age, Organization's Size, Evolution Phases, Revolution Phases and Sector's Growth Rate.

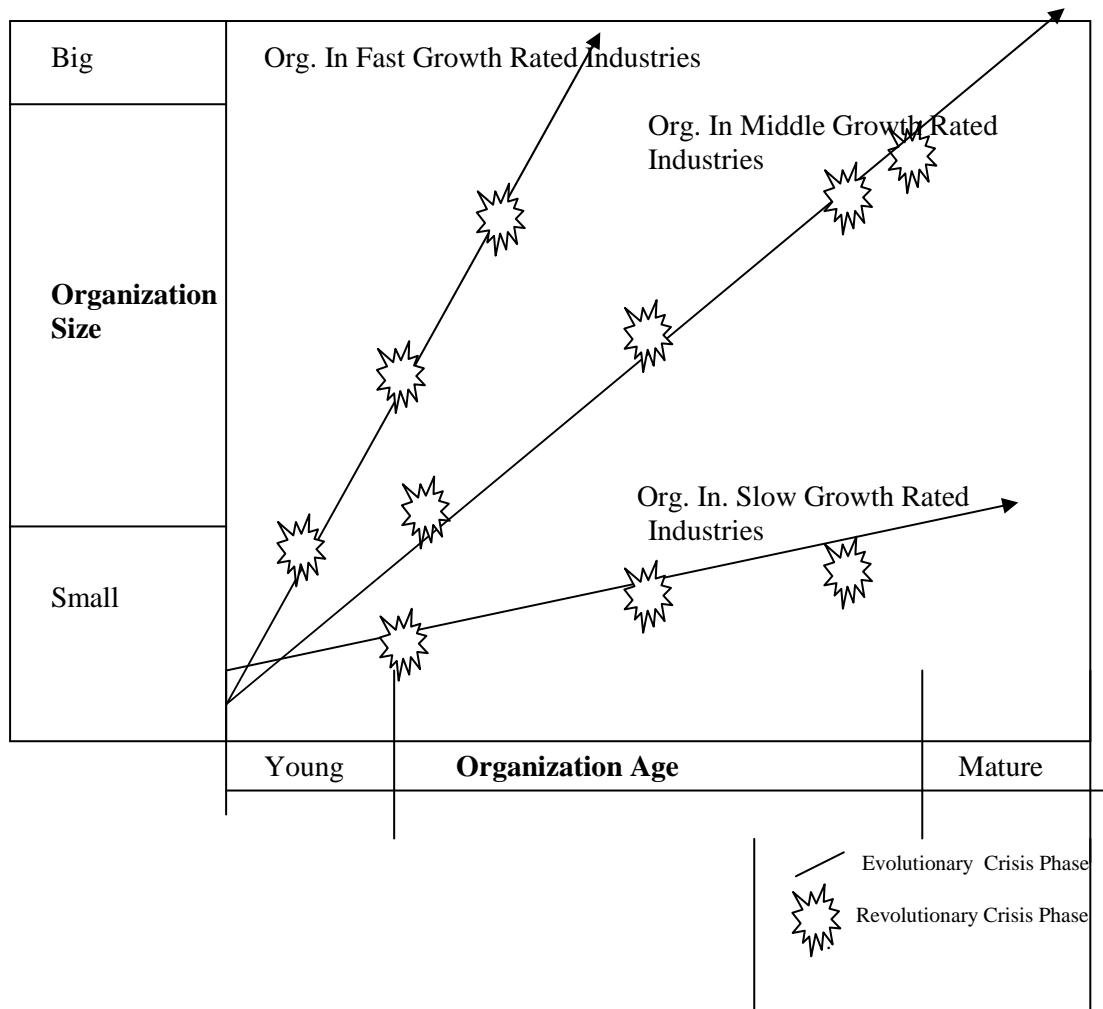


Figure 1. How do organizations grow?

Resource: GREINER, 1998, s. 56.

3. L. E. Greiner's Organizational Growth Applications

Greiner Organizational Growth Model consists of five phases and every phase has two dimensions. First dimension is evolutionary dimension in which organizational growth is stable and calm, another dimension is revolutionary dimension in which every phase triggers other phase.

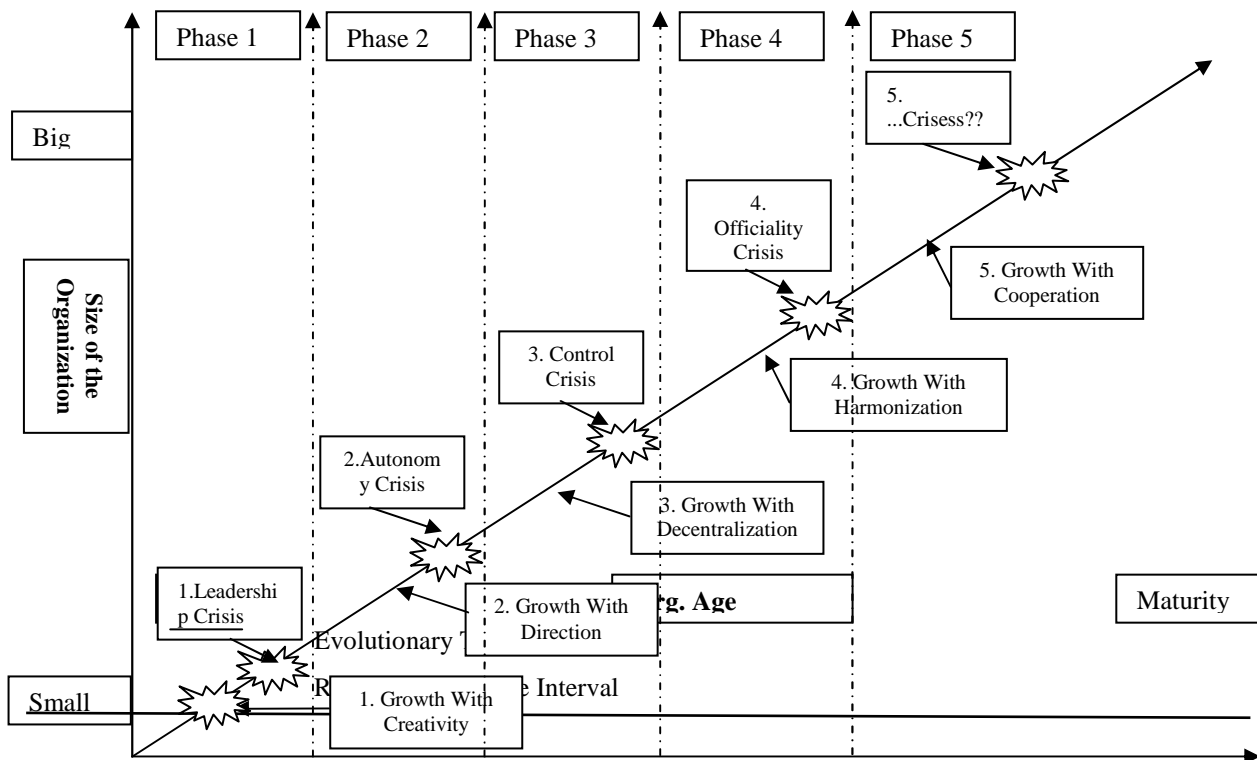


Figure 2. Greiner's Five Phases Organizational Growth Model

Resource: GREINER, Evolution.. s. 58; Larry E. GREINER, "Evolution and Revolution as Organizations Grow", *President and Fellows of Harvard College*, July-August 1972, s. 39.

Organization comes to the breakpoint while accumulations and tensions in one phase is calm, and revolution is created to cause radical changes in organizational structure. According to this model, every structure is valid for a specific time period and organizational change triggers radical structure changes. Changing organizational structure solves the problems in that time, and prepares infrastructure for the problems that may occur in the future.

4. Reflections Of Organizational Growth Applications On Organizational Structure

Organizational structures in organizational growth process can adapt to new situations during passing new phases. These organization structures; Informal Organization Structure, Centralized-Functional Organization Structure, (Jones,p.453;Greiner, Harvard,p.53).. We will try to analyze organizational growth reflections on organizational structures which occurs during growth process.

5. Reflections Of Organizational Growth Applications To Organizational Culture

Compatible Organizational culture applications to changing structures are seen in organizational growth process. In this part, organization cultures (Flamholtz at all.p.314;Schein,p.262,), Entrepreneurship-Power Culture, Role Culture, Professionalism-Institutionalism-Process Culture, Destek Kültürü, Cooperation Culture were analyzed.

6. Analysis Of Reflections Of Greiner Organizational Growth Model's On Organization Structure And Organization Culture

6.1. Research Purpose

General purpose of the study is analyzing Kordsa Inc.'s organization structure and organization culture in light of Greiner Organizational Growth Model.

Answers to research questions determined in the framework of this general purpose will be searched in the light of data gathered.

- How do Kordsa organizational growth applications change according to L. E. Greiner Organizational Growth Model applications?
- How are the reflections of Kordsa organizational growth applications on organization culture according to organization life cycle phases seen from the perspective of G Model?

6.2. Scope Of Research

Selection of the organization using organizational growth application effectively has big importance for arriving the aim of the study. Therefore, Compatibility of main parameters in E. Greiner's Organizational Growth Model like Organization Age, Organization Size, Evolution Phases, Revolution Phases and Growth Rate of The Sector Kordsa Inc.'s organization structure, became effective to determine sample organization in the study.

6.3. Research Method

The study is a qualitative research. Semi structured interview technique and content analysis were used in this qualitative research. In this study, as one of case study techniques, technique was chosen.

Semi structured interview technique was applied to executives. Data intended for organization growth applications, the subject of the study, was tried to be obtained. In content analysis, records, activity reports about phases of managements' foundation to now, and data from management proceeding handbooks were analyzed.

6.4. Research Limitations

Main constraint in the study is there is no empirical study on organizational growth from the perspective of organization life cycle in our literature. Furthermore, executives didn't reply some questions by accepting them as a company secret.

6.5. Research Results And Evaluation

a. Results and Evaluation About the Relationship between L. Greiner's Organizational Growth Model Applications and Organization Structure and Organization Culture

L. Greiner's Organizational Growth Model Applications has effect on organization culture and organization culture according to organization life phases. According to these phases an organization structure in newly founded organization goes through phases in order of; informal organization structure, centralized-functional organization structure, matrix organization structure. At the same time, organization cultures in this phase are; entrepreneur-power culture, role culture, professionalism-institutionalism-process culture, support culture and cooperation culture.

b. Results and Evaluation About the Relationship between L. Greiner's Organizational Growth Model Applications and Organization Structures in Organization Life Cycle Phases

In the research, by making observation-interview-document analysis researches it was found that, sample has passed first four phases and now in the fifth phase in organizational structure changes shaped by phases at Greiner Organizational Growth Model applications.

After making observation-interview-document analysis researches it was found that organizational structure in this phase has organic organization structure qualifications consisting of matrix organizations.

c. Results and Evaluation About the Relationship between L. Greiner's Organizational Growth Model Applications and Organization Culture in Organization Life Cycle Phases

After making observation-interview-document analysis researches it was found that Creativity, sharing, harmony and role culture is dominant from the foundation date of Kordsa 1973 to 1987.

In 1987 by organizational growth, Kordsa's organization structure transformed to divided structure, Kordsa's production capacity increased, and Kordsa started to enter wide markets. In this phase, deficient culture transformed to support culture.

In 1994, institutionalism-professionalism-process culture was started to be applied.

In 1998, Kordsa made a %50-50 cooperation with Dupont and in 2004 it bought remaining shares of Dupont. By this, this corporation transformed to a global structure from organizational dimension. In this phase, “cooperation culture” was seen. Similar results were found in literature review.

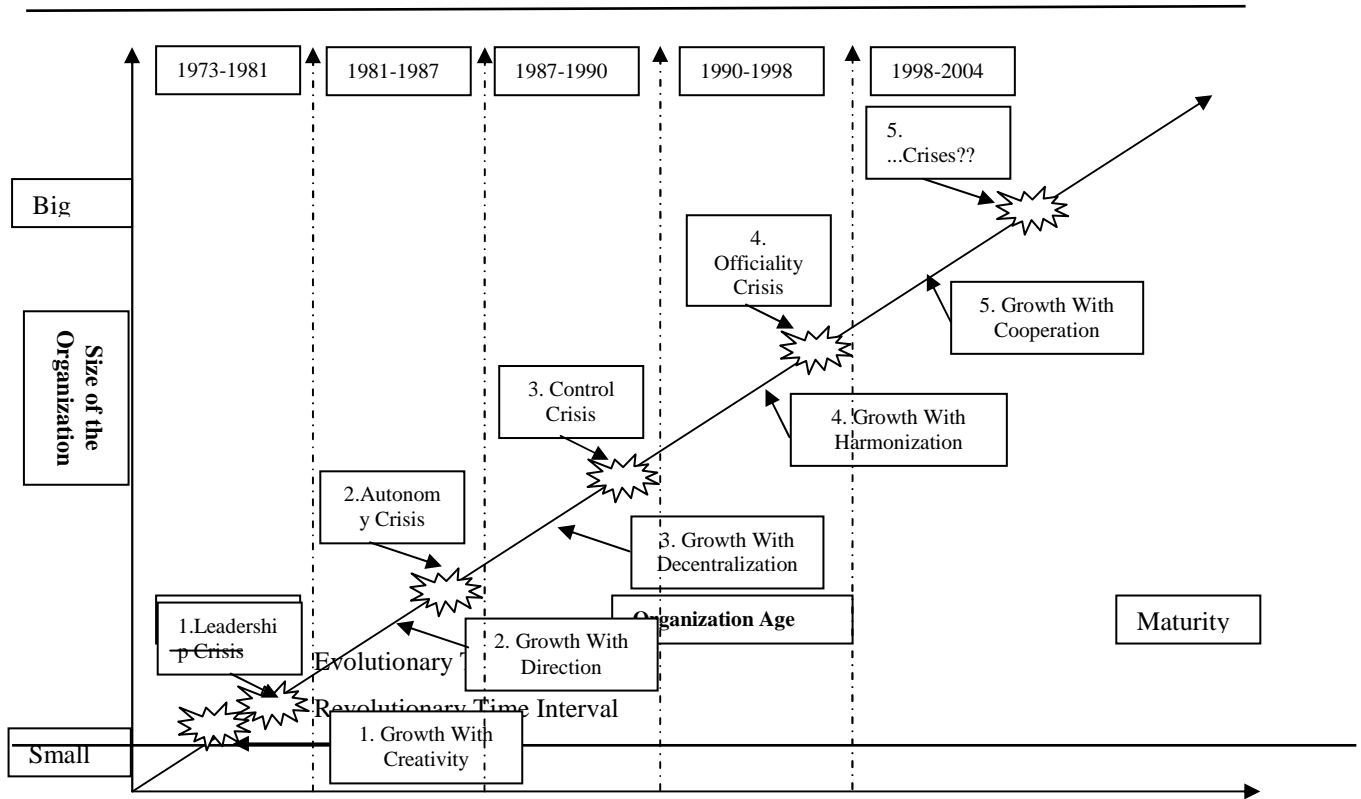


Figure 3. The Five Phases Of Greiner Organizational Growth Model Of Kordsa Inc.

7. Results and Suggestions

Kordsa Inc. was founded in 1973 and consequently it was understood that it is important to analyze organization’s age, including periodical applications between 1973-2004 years and as anticipated in Greiner Organizational Growth Model.

Organizations’ growth and maturation arise in evolutionary process. This evolutionary phase, is long growth process defined as “specific time interval”. Kordsa Inc. experienced evolutionary process among the periods 1973-1981, 1981-1987, 1987-1990, 1990-1998, 1998-2004.

Unimpeded evolution is not inevitable and is not sustainable indefinitely. Organizations enter a revolutionary process by the crisis after evolutionary phases. Kordsa Inc. experienced these processes among the years 1987-1990 and 1998-2004.

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