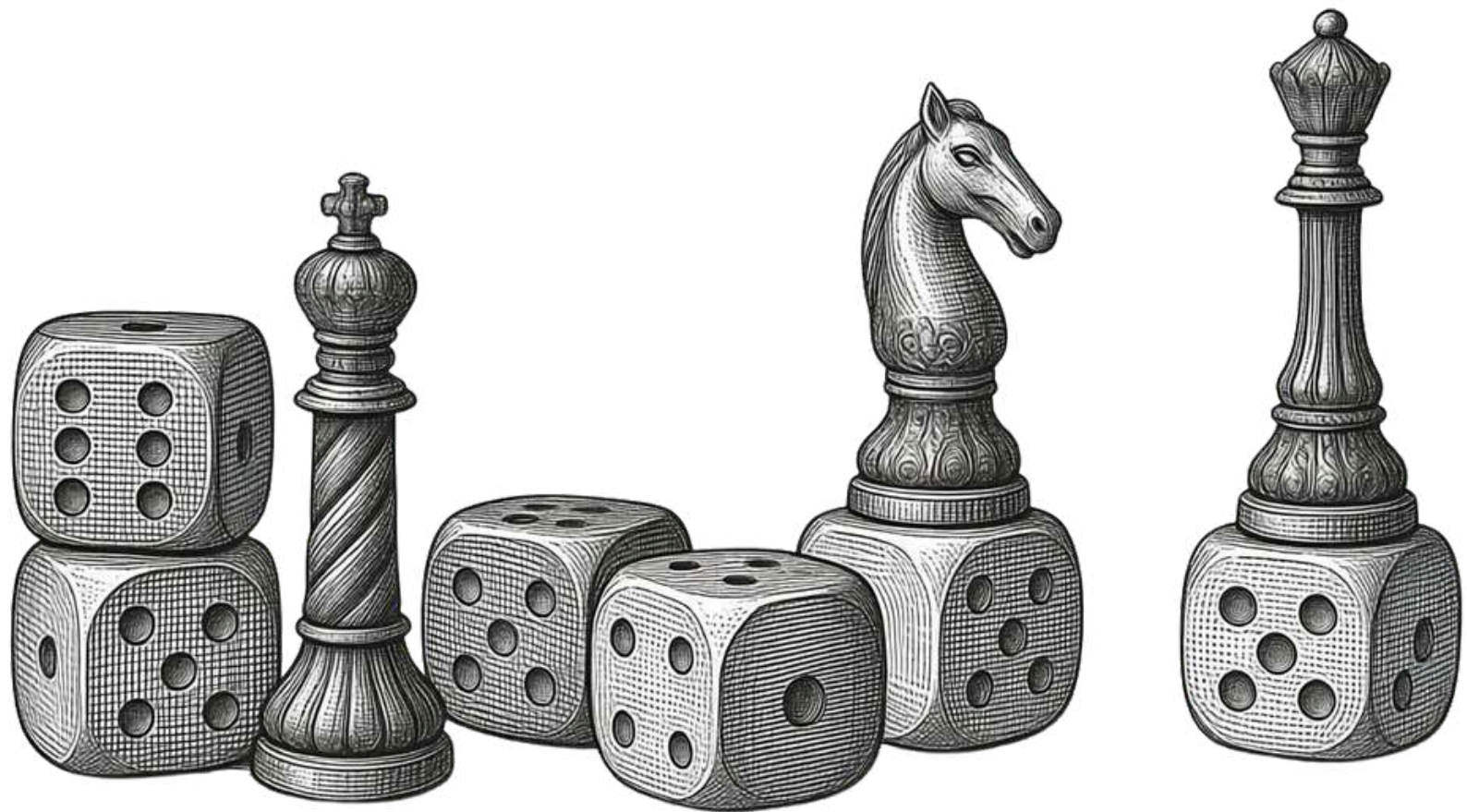


ANNA STUSIK-KURSA

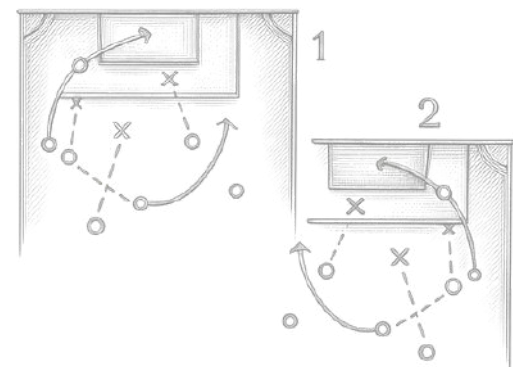
GAME ON!

How to Execute Change?



A Systemic Framework for Organizational Change:
The Architecture Of Organizational Change and Healing

WWW.BUSINESSTURNAROUND.EU

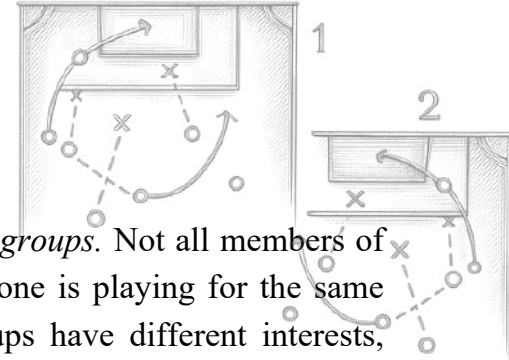


INTRODUCTION

It might seem that nothing more can be said about change. The sheer number of methods, frameworks, and approaches appears sufficient, and most issues have been simplified and reduced to the practical layer: managing resistance, communication, and implementing well-known tools. Similarly, complex restructuring processes today are often reduced solely to their financial dimension, which drastically impoverishes the entire spectrum of corrective actions. Transformational processes, on the other hand, are most frequently scaled down to pure technological implementation—such as deploying Artificial Intelligence (AI) solutions—or the mechanical introduction of new operational frameworks, like Lean methodology. In both cases, there is a lack of a systemic view of change as a set of interconnected elements functioning within the entire architecture of the organization.

Change is a live game in which individual elements remain in constant interaction. This game includes not only the physical elements of the system but also the operational logic of its participants, their interests, prevailing rules, relationships between groups, and their way of interpreting reality. There is also a lack of a proper approach to the human factor. Organizational practice indicates a widespread belief that better communication, more workshops, or more intense persuasion are enough to successfully implement change. Meanwhile, in organizational reality, excessive persuasion often leads to increased resistance.

The change model *The Architecture of Organizational Change and Healing* represents an attempt to capture the change process more fully. The model begins at the starting point: the organization's decision-making logic. This logic is described across seven dimensions that allow for an understanding of the dominant tendencies within the organization and help answer the question of which directions of change are natural for it, and which remain in conflict with it. For example, if an organization is characterized by a tendency to build a highly hierarchical order, is closed, and relies on a high level of control, attempts to introduce changes aimed at organicity, flat structures, or broad collaboration without a genuine readiness for such a transformation will most likely end in failure. This happens not because these solutions are inherently bad or poorly implemented, but because they contradict the established decision-making logic. ***In the game metaphor, decision logic corresponds to the objective of the game.*** It defines what victory means, which behaviors are rewarded, and which are punished. Without understanding these rules, it is difficult to comprehend the game itself. Therefore, to change anything, one must first understand the foundations. We need to answer the question: on what foundations do we want to build the change? ***What is the game being played for, and what is it really about?***



The next level of the model consists of *social groups and power groups*. Not all members of an organization strive for the same success; therefore, not everyone is playing for the same team. The organization becomes a space where individual groups have different interests, different levels of agency, and varying influence on the direction of the system's development—and thus, on the implemented change. We repeatedly encounter situations where, regardless of the quality of ideas or proposed solutions, certain groups are capable of successfully blocking them or significantly contributing to their success. ***In the game metaphor, these are the players.*** Each of them possesses their own goals, resources, and capabilities to influence the course of the game.

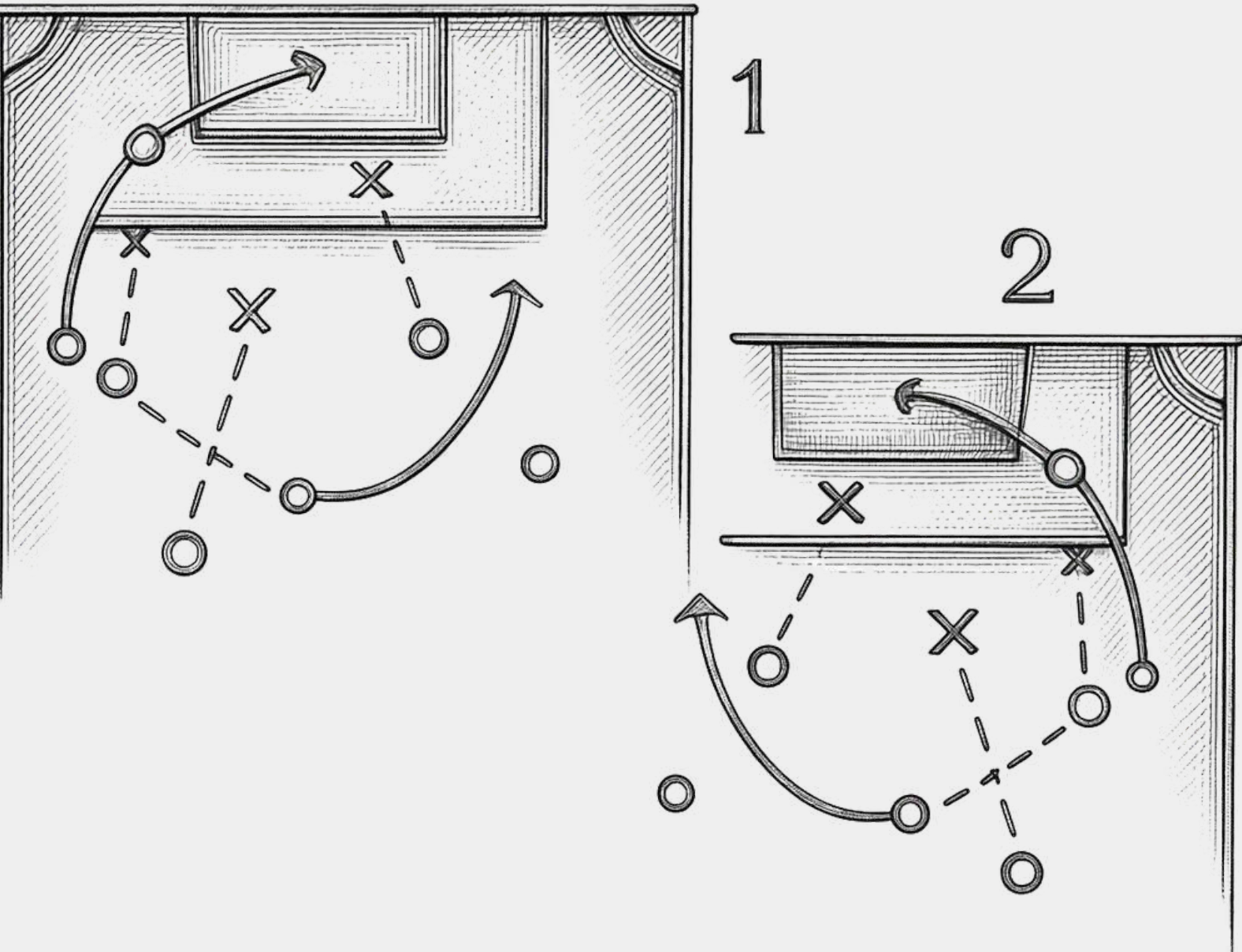
The third level of the model is *structure*. This is an often-underappreciated element of organizational functioning, as it is precisely here that the operational logics of people and social groups become embedded. Structure is the physical and social anchoring of how an organization functions. It encompasses elements of collaboration, cooperation, dependencies, and communication flows. It can be described as the materialization of the system participants' mindset. It includes operational rules built over the years, the degree of interdependence between system elements, communication methods, tools, procedures, and already implemented practices that have formed the backbone of the organization's functioning over time. ***In the game metaphor, the structure is the board.*** It is the space where the players move. The board defines the possible directions of movement, constraints, and the ways in which participants interact with one another.

The penultimate level of the model consists of *Action and Operations*. This is where new tools, frameworks, projects, processes, or transformational initiatives appear. It is the level of practice where players execute specific, daily actions in accordance with the rules resulting from the system's logic, their own interests, and the possibilities provided by the structure. ***In the game metaphor, these are simply the moves made by the players on the board.***

The final element of the model is *Outcomes*. They include financial performance, organizational efficiency, goal achievement, or the development level of the organization. ***In the game metaphor, they are the outcome of the entire match.*** They constitute the result of all previous elements of the model: logic, players, structure, and actions. However, the result alone does not provide significant knowledge about the system. It does not show the mechanisms that led to it. It only tells us how it ended. Therefore, observing results alone carries limited cognitive value. Understanding the process of their creation is far more important. Only an analysis of the rules of the game, the players' behaviors, the design of the board, and the moves made allows us to understand why an organization achieves specific results rather than others.

It is precisely this interdependence between logic, players, the board, moves, and results that forms the foundation of *The Architecture of Organizational Change and Healing Model*.

I. CHANGE MODEL: THE ARCHITECTURE OF ORGANIZATIONAL CHANGE AND HEALING

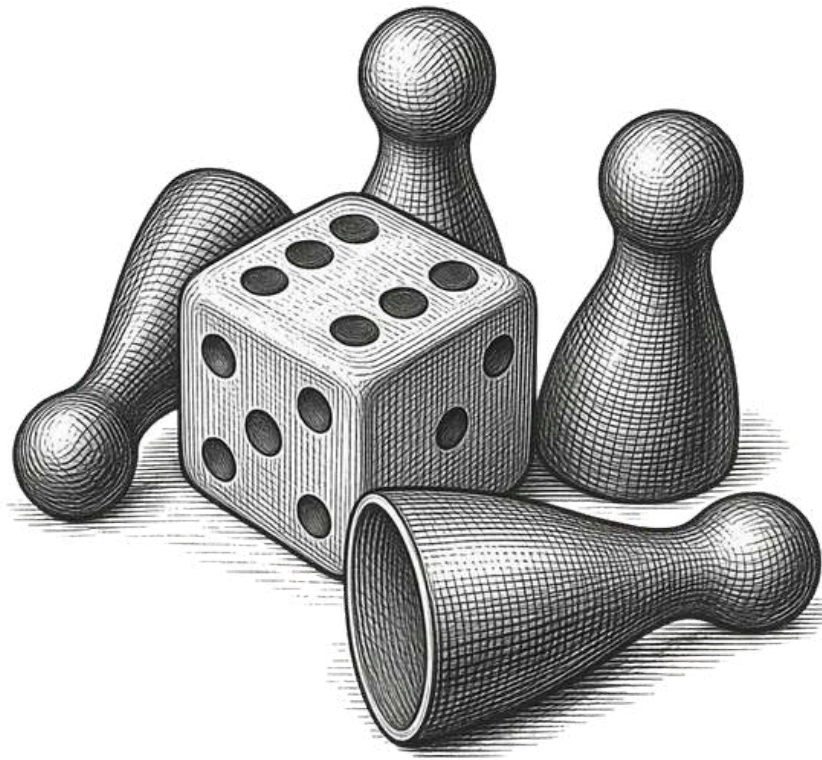


LEVEL ONE: DECISION LOGIC

WHAT IS THE GAME BEING PLAYED FOR AND WHY?

LEVEL ONE: DECISION LOGIC

We do not think the same way in business. Every manager, and consequently the organization they create, possesses a completely different perception of change and a different purpose that this change is meant to serve. Decision logic is responsible for how an organization interprets market reality, how it assigns meaning to incoming information, and on what foundations it makes key decisions. This is the dimension where the deep meaning of the game is established—it top-down determines the identity of its participants (Level 2), the rules prevailing on the board (Level 3), the nature of the moves made (Level 4), and the final result (Level 5). This layer answers the fundamental question: What is the actual goal of the game?



OPERATION IN THE MODEL:

Traditional, historically rooted logic guarantees the organization clear rules and a sense of absolute certainty, regardless of the demands of the market environment. A deep change in this logic does not consist of implementing new software or a procedure—it requires a fundamental transformation of the way of thinking and mapping reality by the management team.

KEY DYNAMICS:

It is at this level that the first, critical distortions emerge, cascading down to all lower layers of the organization. Leaders have a natural tendency to protect today's predictability and comfort zone.

SEVEN DIMENSIONS OF DECISION LOGIC (A.R.E.S. FRAMEWORK – ARCHITECTURAL READINESS & EXECUTION SYSTEM)

Short vs Long Perspective: What is the time horizon adopted when making decisions in the human, technological, strategic, process, and financial areas? Is the system governed by pressure for a quick, quarterly return (Short), or a culture of patient, long-term value creation (Long)?

Hierarchical vs Organic: Where, according to the organization's assumptions, lies the right to take risks and make final decisions? Is it dominated by a top-down structure based on control and influence (Hierarchical-Mechanical), or a decentralized network based on autonomy and trust (Organic)?

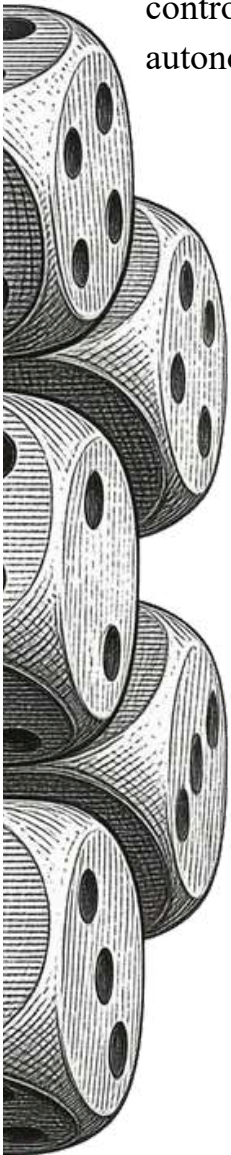
Analytical vs Intuitive: What constitutes the ultimate proof and justification for actions taken in the organization? Is it a hard, impartial analysis of data and facts (Analytical), or a subjective hunch, charisma, or "business nose" of the dominant leader (Intuitive)?

Silos vs Cross-Functional: Does the organization perceive itself as a sum of independent, competing elements (Silos), or as an integrated, horizontal value stream (Cross-Functional)?

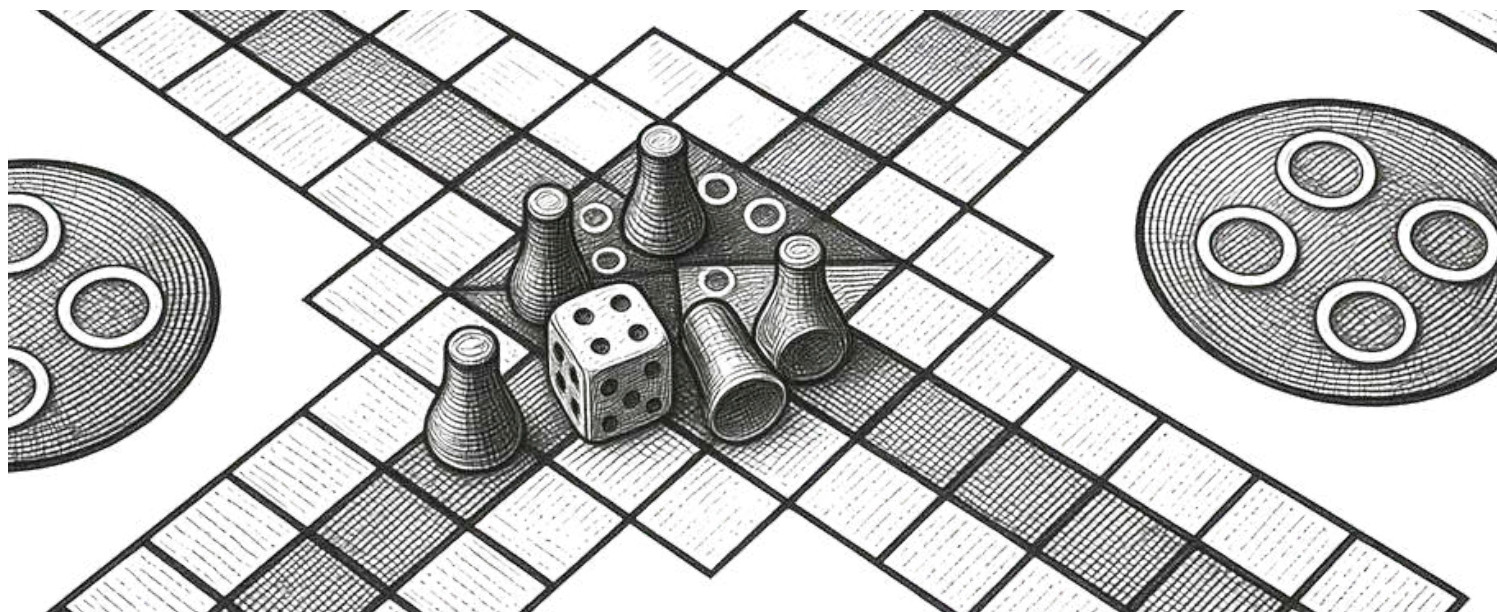
Adaptability vs Inadaptability: Does the organization's logic allow for constant reassessment, questioning of its own assumptions, and changing established patterns under the influence of new market signals (Adaptability), or does it blindly stick to a once-chosen path, ignoring the facts (Inadaptability)?

Flexibility vs Rigidity: Is the overriding assumption of the system a rapid change within the organization (Flexibility), or is permanence and immutability deeply embedded in its logic, imposing stiff barriers, restrictive limitations, and absolute frameworks (Rigidity)?

Openness vs Closure: What is the fundamental principle of knowledge flow in the organization and acquiring it from the outside? Is it dominated by radical transparency and openness to novelty (Openness), or selective rationing of information as a tool of power and closure to the environment (Closure)?



PRACTICAL CONTEXT



SITUATION :

A traditional retail trading company (20 years on the market) decides to enter the e-commerce channel to compete with modern digital platforms. The management board appoints a dedicated digital transformation team.

LIMITED PERSPECTIVE :

The management board believes that the change is a technical issue: it is enough to set up an online store, hire a marketing agency, and train the sales representatives.

SYSTEMIC REALITY :

The project collapses because the new, digital business requires a logic of: Long, Organic, Analytical, Cross-Functional, Adaptability, Flexibility, Openness. Meanwhile, the "operating system" of the board's brain is cemented in the logic of: Short (they expect profits in 3 months), Hierarchical (the CEO must personally approve the appearance of every banner), Silos (the brick-and-mortar sales department treats e-commerce as hostile competition and blocks warehouse stock), and Closure (data on the real margin is hidden from the project team).

EFFECT :

Modern tools and structures (Levels 3 and 4) were superimposed on an old, incompatible operating system (Level1). The transformation team leaves the company due to frustration, and the investment in e-commerce brings multi-million losses. The organization rejects the change because it was contradictory to the decision-making logic of the decision-makers.

HOW TO BEGIN THE DIAGNOSIS OF DECISION LOGIC

Do not examine processes or structures. You must conduct an analysis of the management team's mindset. Use the assumptions of A.R.E.S. (Architectural Readiness & Execution System) for this purpose:



STEP 1: WORKSHOP

Gather the management board and key directors. Present the 7 dimensions to them as extreme sliders (from 1 to 10). Ask each of them to anonymously mark where the organization realistically is today, and where it should be to execute the new strategy. Discrepancies in the results (e.g., the CEO marks Openness at 9, while the directors mark it at 2) will expose the lack of a shared meaning of the game.

STEP 2: ANALYSIS

Analyze the minutes from the last 10 key board meetings. Examine: On what basis were projects rejected or accepted? If 80% of the discussion concerned costs in this quarter (Short) and "who will take responsibility for this" (Hierarchical/Rigidity)—you have the dominant genetic code of the system in black and white.

STEP 3: CRITICAL ASSUMPTIONS INTERVIEWS

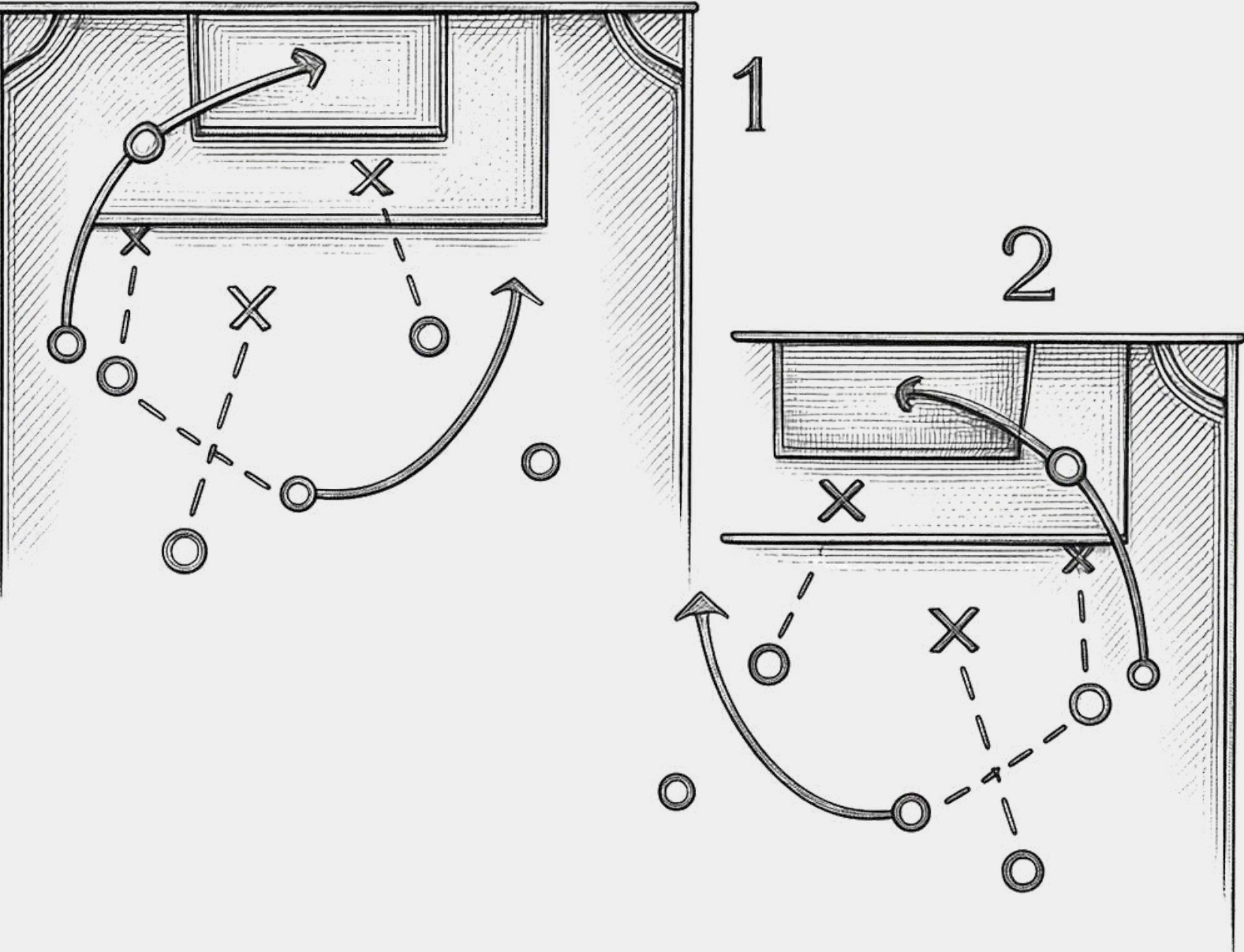
Ask leaders provocative questions, for example: "Let's imagine that a lowest-level employee makes a decision that costs the company 50,000, but teaches us something breakthrough about the customer. What happens to them?" The answers will precisely indicate the sliders on the Hierarchical vs Organic and Flexibility vs Rigidity axes.

LIMITED APPROACH VS. SYSTEMIC APPROACH

To change the cognitive logic of an organization, you must stop teaching people "how they should act" and start changing the context in which they "think".

Criterion	Limited Approach	Systemic Approach
1. Short vs Long	Expecting the organization to build long-term value and innovation, while evaluating managers solely on short-term, quarterly financial goals.	Deliberate alignment of the evaluation horizon. If the goal is a quick return (Short) – hard financial KPIs. If the goal is long-term (Long) – embedding a multi-year analysis requirement into the decision-making
2. Hierarchical vs Organic	Declaring the creation of a flat, agile network (Organic) without formally shifting decision-making boundaries and financial limits down the structure.	Real alignment of the power slider. Either maintaining full centralization and top-down control (Hierarchical), or officially delegating the right to independent budget decisions to the lower levels (Organic).
3. Analytical vs Intuitive	Investing in data collection systems (Big Data) to allegedly systematize decisions, while in reality, key moves are approved based on the leader's gut feeling.	Dismantling the facade. If the system relies on the leader's charisma and intuition (Intuitive) – abandoning costly analytics. If it is meant to be data-driven (Analytical) – the board debates exclusively on facts.
4. Silos vs Cross-Functional	Demanding horizontal cooperation and customer care from departments, while the bonus systems of these department heads are set up for competition and pursuing conflicting goals.	Synchronizing interests with process architecture. Either optimizing independent verticals (Silos), or eliminating intra-departmental goals in favor of teams evaluated on shared outcomes (Cross-Functional).
5. Adaptability vs Inadaptability	Labeling the organization as agile while clinging tightly to the original, rigid transformation plan and budget despite drastic market changes.	Acceptance of real plasticity. Either ruthless execution of the plan to the bitter end (Inadaptability), or implementing strict assumption-verification loops with the right to kill projects on the fly (Adaptability).
6. Flexibility vs Rigidity	Organizing agility and creativity training for employees, while daily procedures and job descriptions block any margin of freedom to act.	Aligning autonomy with operational requirements. Either hard rigor and precise procedures (Rigidity), or replacing micro-instructions with general framework principles (Flexibility).
7. Openness vs Closure	Promoting slogans about transparency and open communication, while the board deliberately hides real data about the company's health and plans from key managers.	Deliberate information policy. Either maintaining secure, selective knowledge-sharing (Closure), or fully opening up operational data to force independent thinking (Openness).

I. CHANGE MODEL: THE ARCHITECTURE OF ORGANIZATIONAL CHANGE AND HEALING

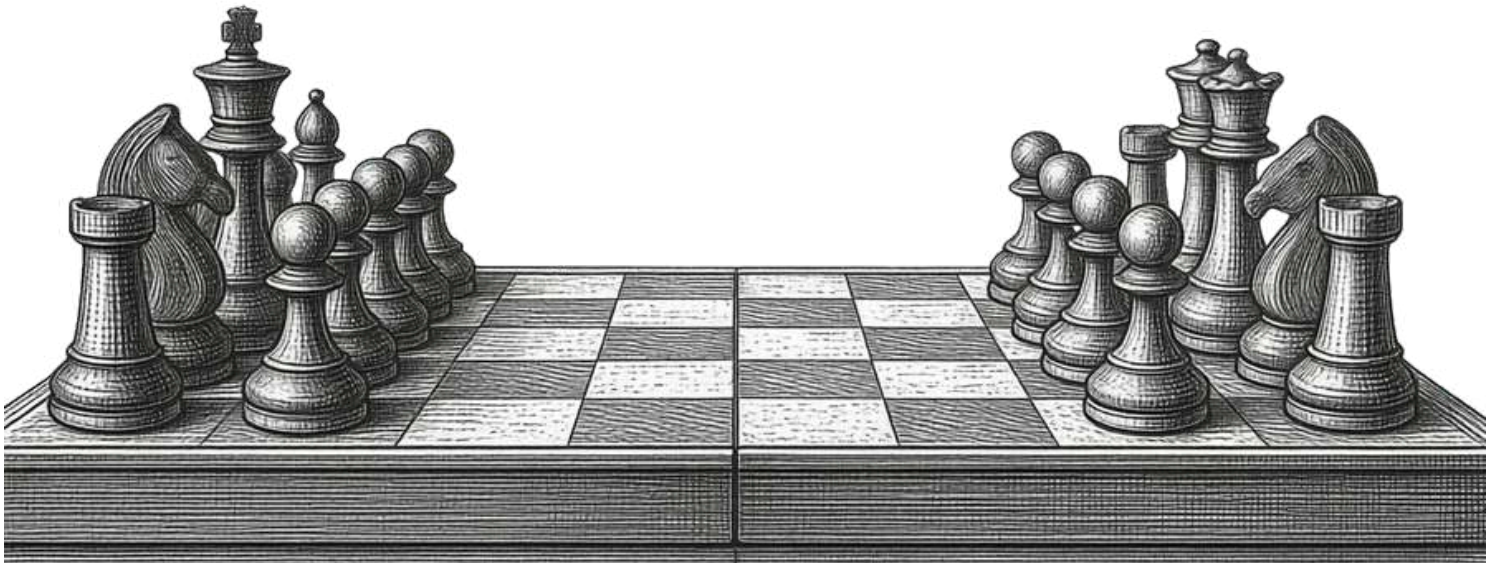


**LEVEL TWO: SOCIAL GROUPS AND
POWER GROUPS**

THE PLAYERS

2. LEVEL TWO: SOCIAL GROUPS AND POWER GROUPS

Actions deployed to implement change are usually based on an uncritical acceptance of its logic, intensifying communication, or working with the resistance of isolated individuals. Although contemporary theories place great emphasis on the individualization of attitudes, organizational resistance rarely stops at a single person. An individual standing in resistance naturally attracts supporters, transforming an individual rebellion into collective action. While the traditional view of group conflicts may seem outdated, the ultimate force of resistance remains the group, not the individual employee. Concurrently, limiting interest groups exclusively to individuals at the highest echelons of the organizational structure leads to a flattened, superficial perception of reality. This approach overlooks the diverse forms of pressure exerted by players who are completely omitted from the official organizational chart. To truly recognize who supports the change and who paralyzes its progress, a much deeper analysis is required, along with the application of techniques that go significantly beyond standard organizational practice.



OPERATION IN THE MODEL:

From the perspective of this layer, every change in an organization is, in reality, a reorganization of power. It answers the critical, hidden question of the system's participants: *Who will gain more influence after the change, and who will lose it?*

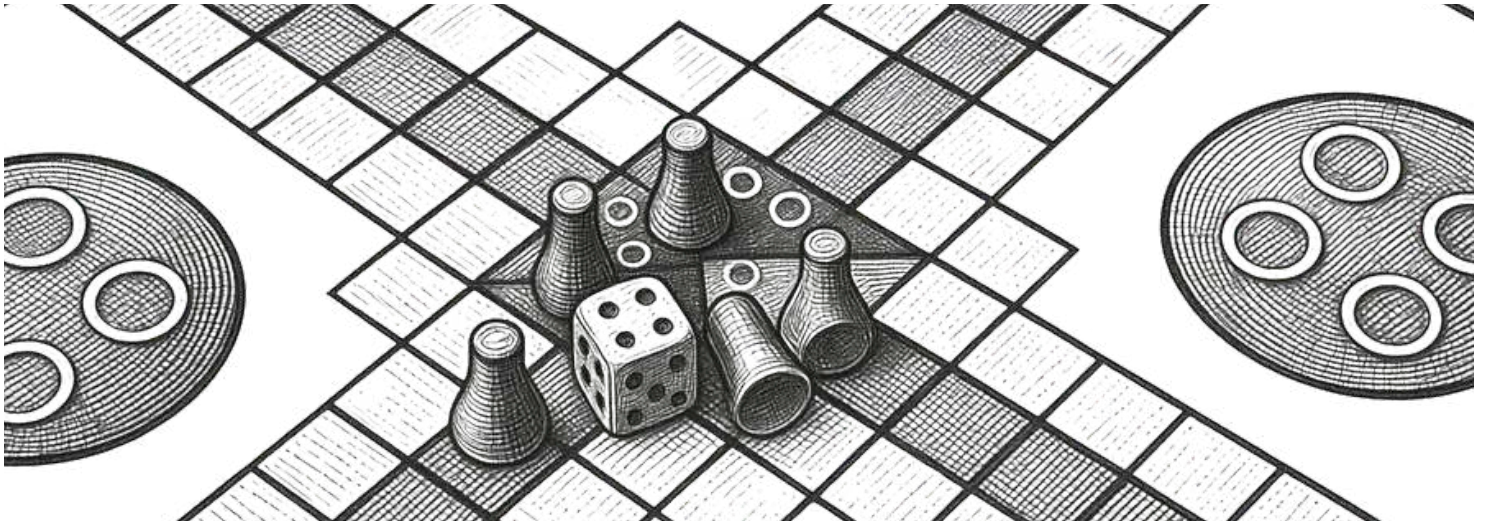
KEY DYNAMICS:

Group resistance does not stem from a lack of knowledge or a belief that the change does not serve the organization's greater good. It is a rational defensive reaction of communities that fear losing access to information, decision-making control, symbolic positioning, or expert status—regardless of the impact the change will have on the entire company. This manifests through coalition conflicts and passive resistance.

2. LEVEL TWO: SOCIAL GROUPS AND POWER GROUPS

SYSTEM DIAGNOSIS

This is where decision logic (Level 1) collides with social reality. At this stage, we examine how small and large interest groups behave within the company. The diagnosis of this layer is based on three group phenomena:



PROTECTION OF TERRITORY AND STATUS:

Groups do not think in terms of market rationality. They think in terms of survival and protecting their own influence. Every logical change from Level 1 (Decision logic) is either a threat to the group or an opportunity to seize power.

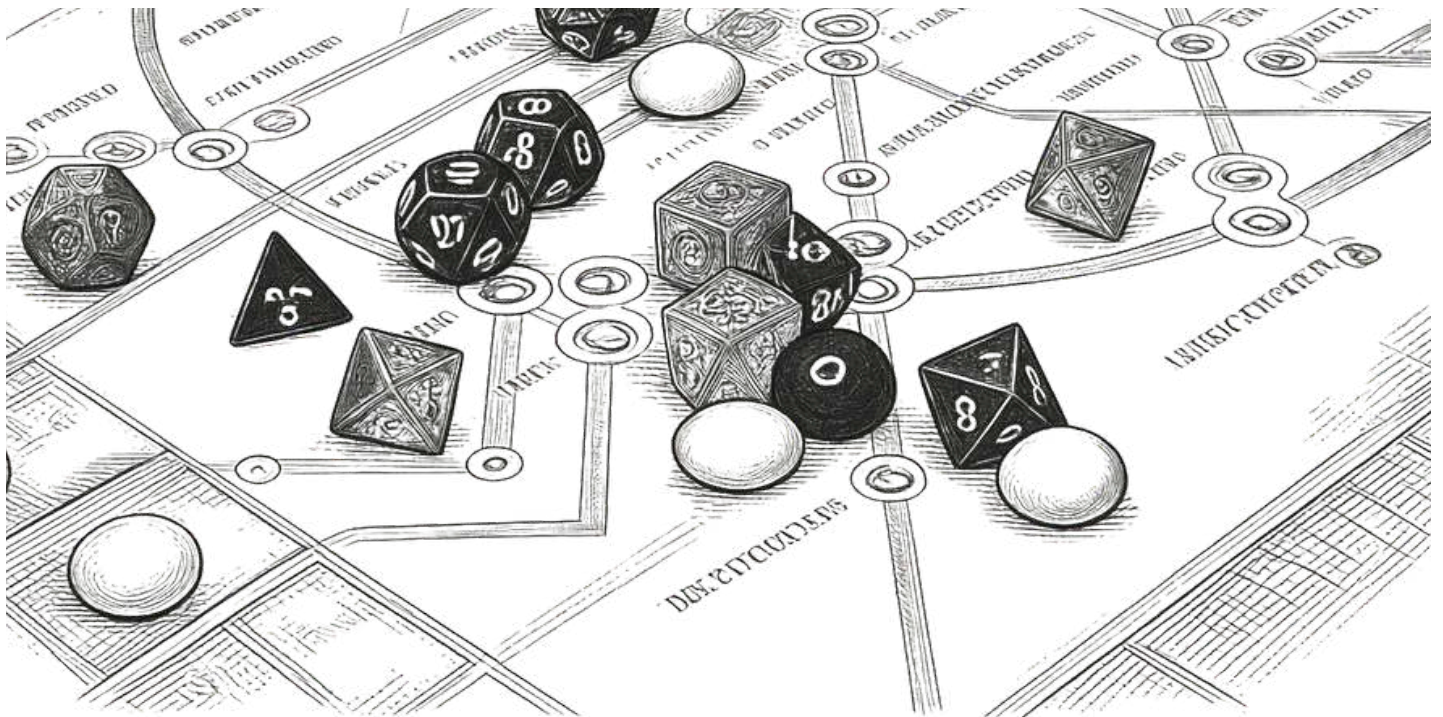
CONFORMITY AND GROUPTHINK SYNDROME:

Groups strive for internal cohesion. If a group leader rejects data or closes off their department, the entire group loyally replicates this behavior, constraining individuals who think differently.

COALITIONS AND POLITICAL RESISTANCE:

Groups form informal alliances to block decisions that infringe upon their sphere of influence. This happens regardless of how logical and justified those decisions are on a cognitive, economic, or organizational level.

PRACTICAL CONTEXT



SITUATION :

The management board of a manufacturing company implements a modern ERP system (e.g., SAP) designed to automate planning and reporting processes, drastically increasing data transparency.

LIMITED PERSPECTIVE :

The board believes that it is enough to train people and show them the benefits (time savings) for the system to start functioning.

SYSTEMIC REALITY :

The implementation is paralyzed by an informal coalition of Production Managers and the Controlling Department. Why?

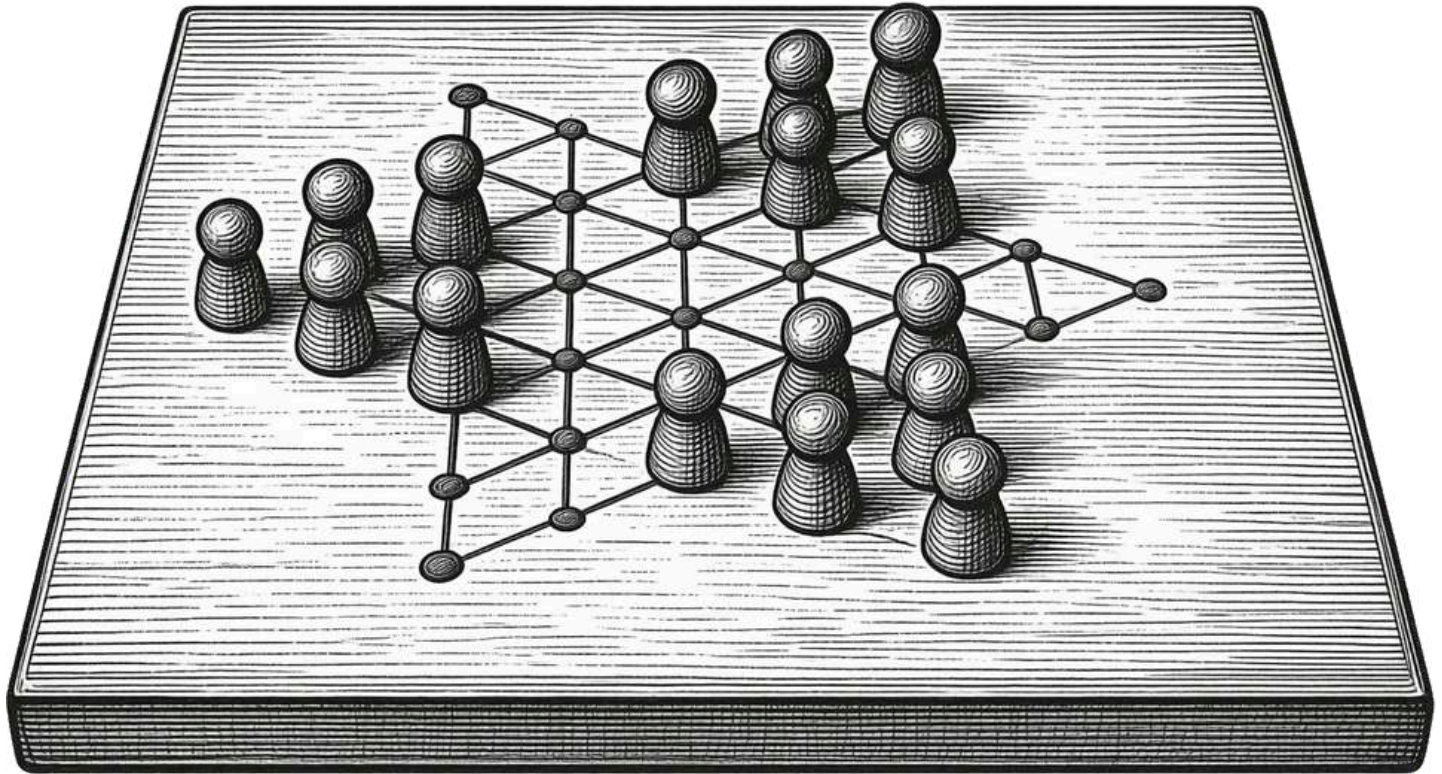
- Until now, Production Managers held a monopoly on knowledge regarding the real production capacity of machines ("expert status" and "territory protection"). The new standard exposes their hidden downtimes and errors.
- Controlling, on the other hand, loses its position as the "data gatekeeper" and the primary analyst for the board because the system generates reports automatically.

EFFECT :

Both groups, formally unrelated to each other, begin passive resistance: they delay data entry into the system, report fictitious software bugs, and prove to the board that "the old Excel was more accurate." The logical change threatened their informal power.

HOW TO RECOGNIZE POWER GROUPS

The standard organizational structure chart is useless here. To identify the real players, you must conduct network and behavioral analyses:



INFORMATION AND DECISION FLOW MAP:

Check who employees actually approach when a substantive problem or conflict arises. Who is the "bottleneck" through which unofficial arrangements must pass?

ANALYSIS OF MONOPOLY HOLDERS:

Identify which groups hold a monopoly on unique knowledge (e.g., "only John knows how to fix this"), a monopoly on relationships (e.g., "the client only speaks with this team"), or a monopoly on the interpretation of reality (e.g., "people listen to this manager's opinion, not to HR announcements").

OBSERVATION:

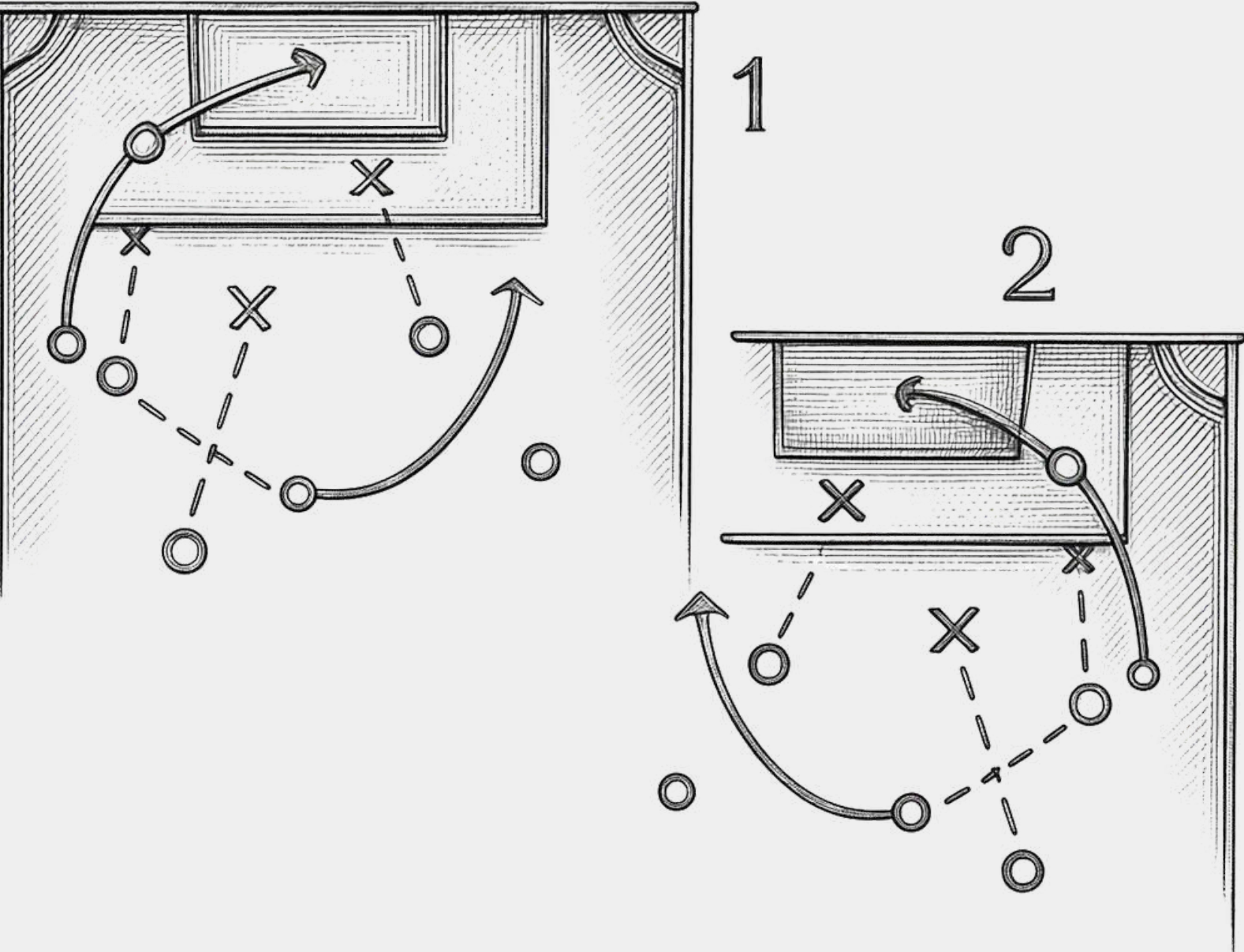
Instead of satisfaction surveys, observe behaviors "behind the scenes" (the kitchen, informal meetings). Analyze who aligns with whom to form defensive alliances during project meetings, and who remains silent due to group conformity.

LIMITED APPROACH VS. SYSTEMIC APPROACH

To change the cognitive logic of an organization, you must stop teaching people "how they should act" and start changing the context in which they "think".

Limited Approach	Systemic Approach
Increasing the number of motivational workshops and communication. The group views this as manipulation and "corporate propaganda," which increases resistance.	Negotiating new roles and positions within the new balance of power. You must directly address the group regarding what their new "status" and territory will be after the change.
Persuading group leaders using hard economic data. The group does not think with market rationality, but rather with survival and the protection of influence.	Involving informal opinion leaders in the design of the change. Give them real agency in the process (which satisfies their need for control).
Punishing or ignoring resisting individuals. The social system will immediately consolidate around the "victim," and the groupthink syndrome will intensify.	Breaking up the group by changing the architecture of its connections. This involves altering team structures, swapping members between departments, and building cross-functional alliances.
Counting on the "good of the company" to unite everyone. System participants play for different teams and protect their own political interests.	Designing "Quick Wins" mechanisms for key interest groups. The group must physically experience that the new reality provides them with new resources or security.

I. CHANGE MODEL: THE ARCHITECTURE OF ORGANIZATIONAL CHANGE AND HEALING



LEVEL THREE: STRUCTURE THE BOARD

LEVEL THREE: STRUCTURE

This is the backbone in which the entire organization is clothed. Structure should not be confused with the common, narrow understanding of an organizational chart. From a systemic perspective, structure is an institutionalized record of how the organization historically thinks, what meaning it has assigned to the game, which participants play in it, and what rules prevail on the board. It encompasses not only official charts, vertical divisions, responsibility matrices, regulations, and formal reporting levels, but also informal rules of collaboration and the level of real control. Within its scope, it accounts for both the mechanical structure—based on strong control, vertical integration, and authority—and the flat structure, which reinforces a culture based on autonomy and broad collaboration.



WHAT DEFINES THIS LEVEL:

It accounts for the formal and informal architecture of the organization. It rigidly distributes four key resources within the company: information, accountability, control, and reaction time.

OPERATION IN THE MODEL:

Traditional, hierarchical structures guarantee high predictability and efficient task control. Modern organizations attempt to flatten these structures to gain adaptability and flexibility. The price for this flexibility, however, is the loss of previous simplicity and clarity of operation.

KEY DYNAMICS:

When transitioning to an organic/flexible model, the former clarity regarding who makes key decisions and on what basis naturally disappears. New, flexible frameworks require experimentation, which old, still deeply rooted procedures and bonus systems simply do not support. A systemic misalignment (a "systemic split") is created.

PRACTICAL CONTEXT



SITUATION :

A large bank decides to undergo an agile transformation. The management board announces the elimination of traditional departments and establishes interdisciplinary, flat teams designed to autonomously and rapidly develop digital products.

LIMITED PERSPECTIVE :

The board redraws the organizational chart, changes job titles (from "Manager" to "Product Owner"), and expects an immediate increase in innovation.

SYSTEMIC REALITY :

The change is completely paralyzed by the misalignment of the resource architecture.

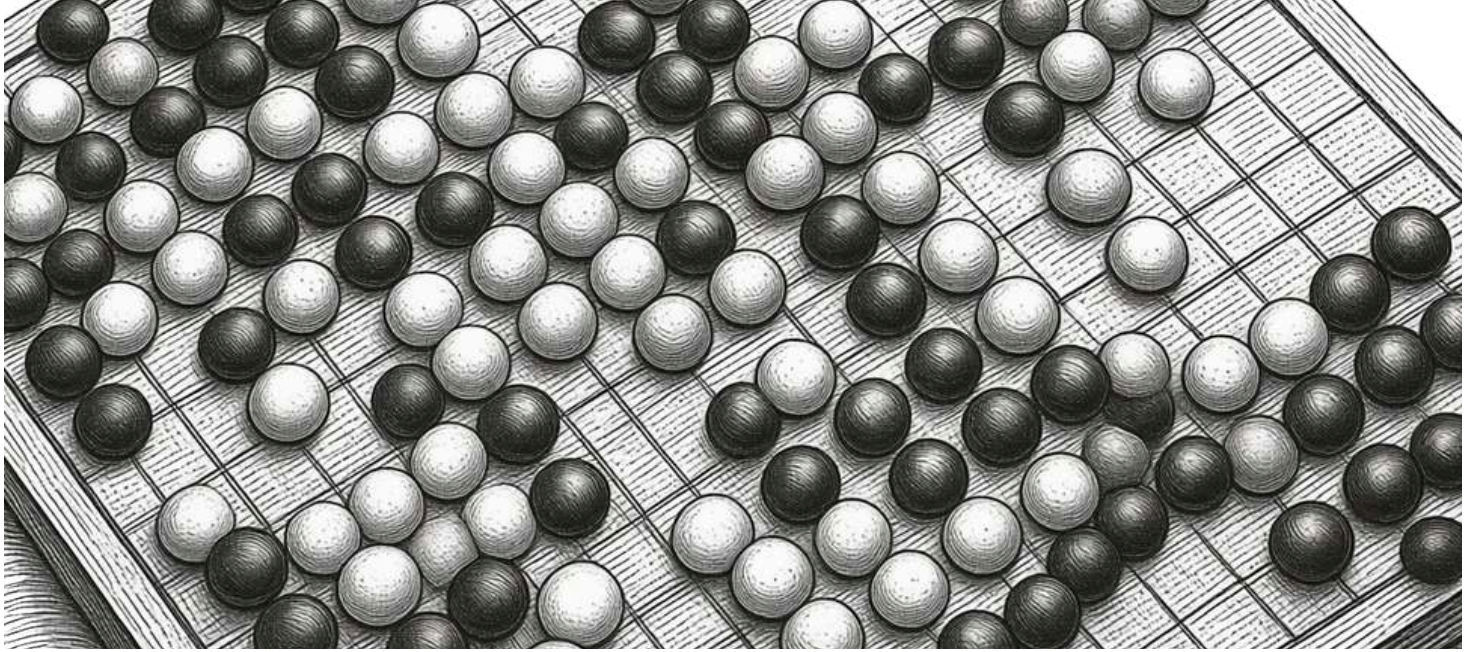
- Although the teams are supposed to be autonomous, control over budgets and accountability to the regulator remain assigned to the former Division Directors (who formally lost their departments).
- Information about strategy still flows through a narrow, hierarchical channel, and the employee reporting and evaluation system (KPIs) continues to reward individual sales goal achievement rather than teamwork.

EFFECT :

Employees in the new structures find themselves stuck in a decision-making paralysis. They want to experiment, but old procurement and legal procedures require them to collect a dozen directors' signatures. Instead of shortening, the reaction time lengthens, and the "flat structure" becomes a fiction on paper.

HOW TO RECOGNIZE (DIAGNOSE) STRUCTURE AND ITS ELEMENTS

To understand the real shape of "the board," do not analyze the official organizational chart. Conduct an audit of the distribution of the four key resources:



TRACKING THE DECISION PATH (CONTROL AND REACTION TIME):

Take a random, routine decision (e.g., purchasing a tool for \$500 or approving a vacation) and precisely map out how many hands, emails, and systems it must pass through before being finalized. This will show the real level of vertical integration in the system.

AUDITING INFORMATION ASYMMETRY (INFORMATION):

Examine at which level key strategic or financial data stops. Do operational employees know the context of their tasks, or do they operate in "information silos"?

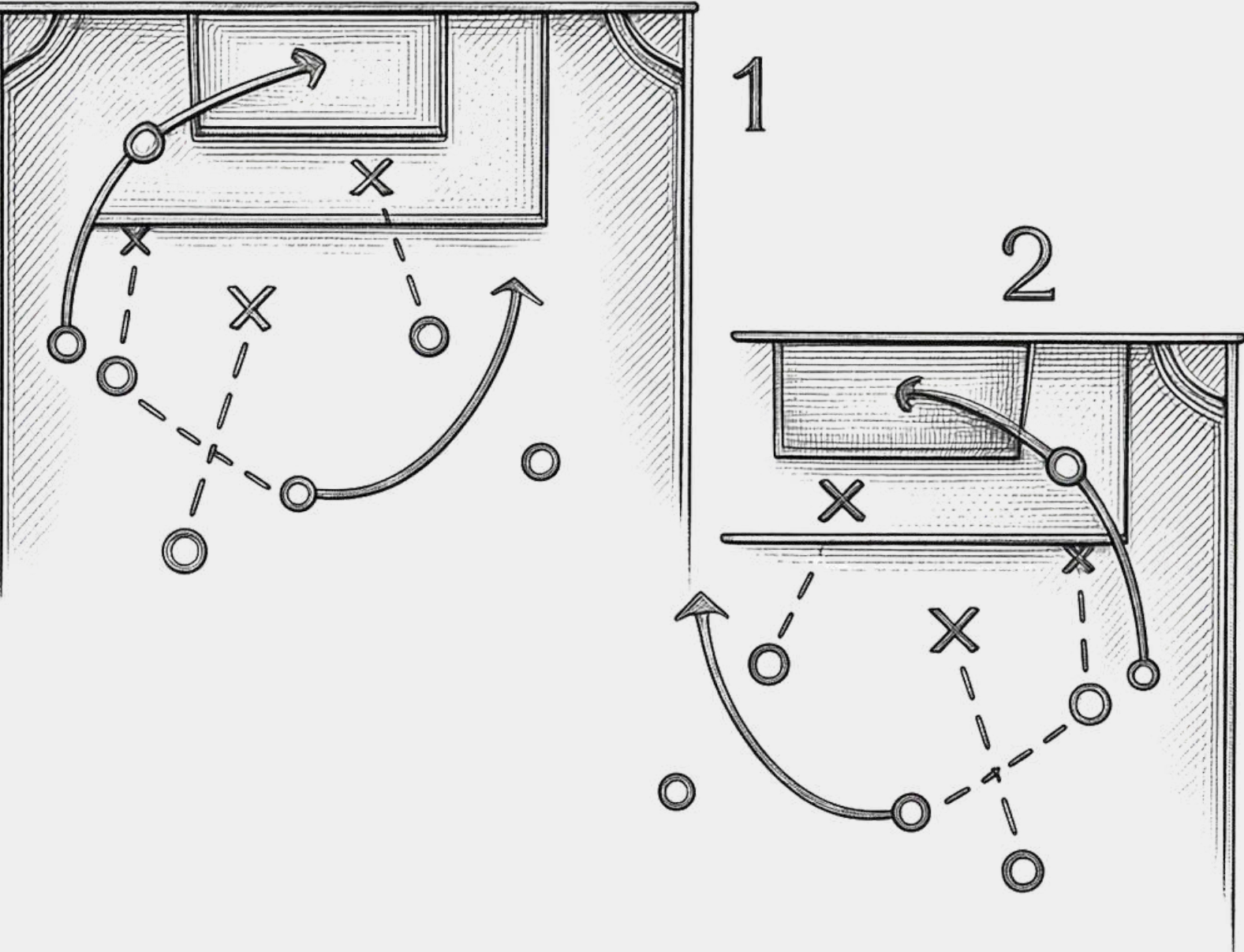
ANALYZING THE MATRIX OF CONSEQUENCES (ACCOUNTABILITY)

Check what actually happens in the organization when an employee takes a risk and makes a mistake. Does the procedural structure protect initiative, or does it automatically trigger defensive mechanisms and a hunt for the scapegoat?

LIMITED APPROACH VS. SYSTEMIC APPROACH

Limited Approach	Systemic Approach
<p>Changing job titles and redrawing boxes in the chart without changing the criteria for success. People enter new roles with old habits.</p>	<p>Redesigning decision-making processes (decentralization). Formally and irreversibly delegating the right to manage budgets or approve projects to a lower level.</p>
<p>Implementing flexibility while maintaining old, annual KPI systems based on silos.</p>	<p>Aligning bonus systems and operational procedures with the new structure. If you change the structure to a collaborative one, the system must reward team goals, not individual ones.</p>
<p>Demanding innovation and experimentation without changing safety procedures. People will not take risks if the old structure punishes mistakes.</p>	<p>Formally designating experimentation zones. Setting aside areas where old rules of control and reporting temporarily do not apply.</p>
<p>Ignoring informal leaders and unwritten rules of collaboration in favor of blindly implementing regulations and a hard RACI matrix.</p>	<p>Mapping informal collaboration networks. Checking how activities naturally flow within the company and legalizing these structures through official procedures.</p>

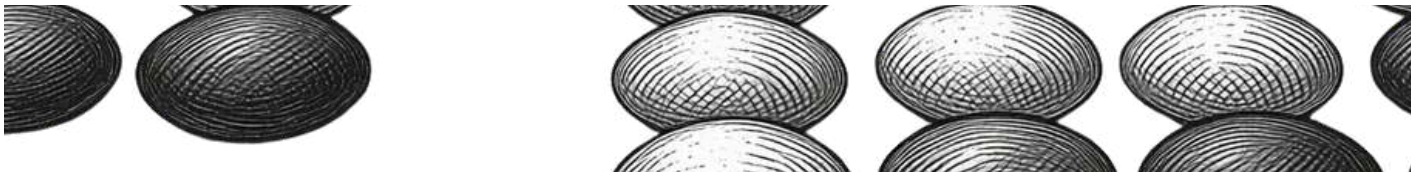
I. CHANGE MODEL: THE ARCHITECTURE OF ORGANIZATIONAL CHANGE AND HEALING



**LEVEL FOUR: OPERATIONS AND ACTIONS
MOVES ON THE BOARD**

LEVEL FOUR: OPERATIONS AND ACTIONS

This is the entire executive dimension of the organization, which constitutes a direct derivative of the levels described above. It is precisely here that actual, daily actions become visible. In this layer, the assumptions of logic as the meaning of the game (Level 1), the interests of the participants taking part in the match (Level 2), and the framework imposed by the design of the board (Level 3) are realized. Every implementation of new rules, tools, or frameworks is, in reality, a specific move on the board. All these actions must be aligned with the higher levels of the model. Inconsistency—for example, a decision to implement agile, collaborative methodologies in a system whose logic is deeply hierarchical and controlling—leads to massive internal contradictions and, with a very high probability, ends in failure. The most common mistake organizations make is starting any transformation precisely from this level. Leaders, driven by fashion or market trends, lose sight of what lies above. They attempt to "force" tools into the organization that completely do not fit it, ignoring the fact that they run counter to the prevailing logic. They also disregard that within the interest groups, there are those who will not give up control under any circumstances and will not allow line employees to act autonomously, panicking over the fear of losing their own significance.



WHAT DEFINES THIS LEVEL:

It is the place where logic (Level 1), social arrangements (Level 2), and structures (Level 3) materialize in the form of daily, repeatable habits, routines, and the character of operational work. At this level, we examine whether daily activity is a purposeful, prioritized execution of strategy, or merely reactive, chaotic firefighting.

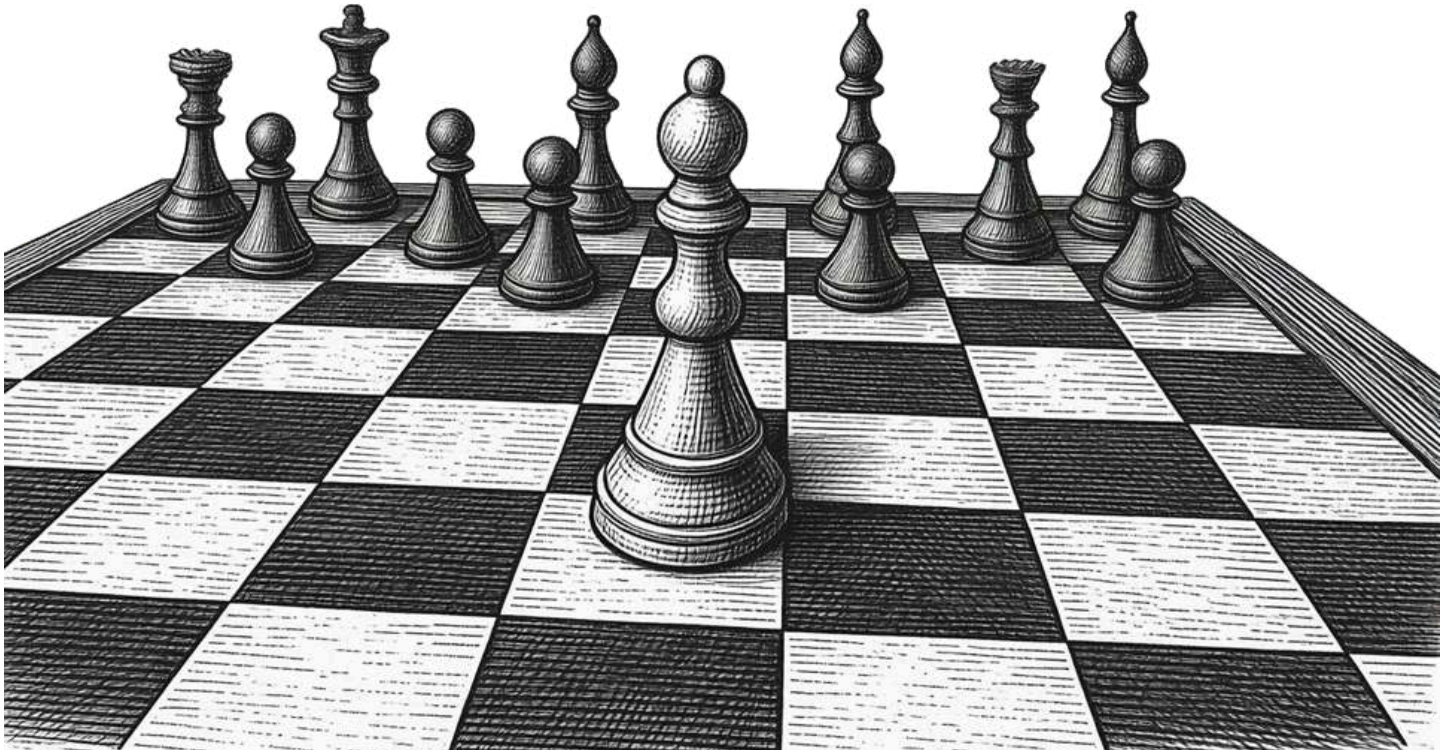
OPERATION IN THE MODEL:

This layer assumes that any tools or methodologies become effective only when they are aligned and congruent with the other levels. Tools in themselves are never the solution—they constitute merely a vehicle for the logic of action.

KEY DYNAMICS:

If a new framework or IT system does not fit the decision logic, the logic of power, and the structure of accountability, execution turns into a purely ritualistic layer. The result is the phenomenon of "playing at transformation," organizational cynicism, and facade compliance—employees perform hollow gestures and fill out forms without any real change in their way of thinking.

PRACTICAL CONTEXT



SITUATION :

A technology company suffers from a slow pace of product deployment and decides to introduce a fashionable framework (daily meetings, sprint planning, retrospectives).

LIMITED PERSPECTIVE :

The management board purchases software licenses, sends everyone to training, and expects teams to start deciding on their own work and delivering code faster.

SYSTEMIC REALITY :

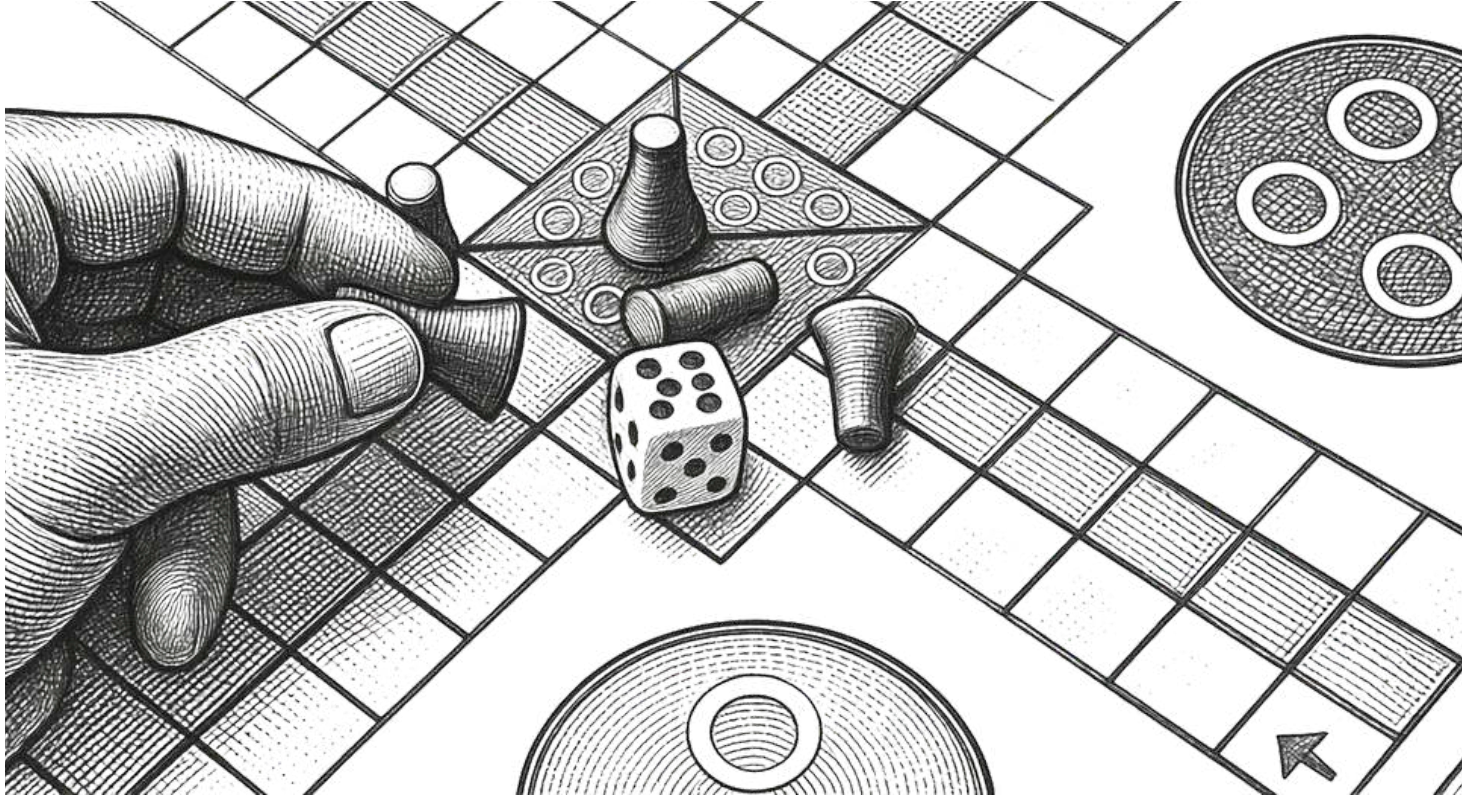
The tool collides with the higher layers. Decision-making logic (Level 1) still requires every step to be approved by the Director, and Interest Groups (Level 2) in the form of middle managers feel they are losing control over their people.

EFFECT :

Facade compliance occurs. Teams meet daily, but instead of serving synchronization, these meetings become a 15-minute, stressful progress report in front of a manager standing on the sidelines. The board in the software is perfectly updated solely so that "the management board sees green charts," but real project decisions are still made in unofficial meetings between the manager and the director. The tool becomes an empty ritual.

HOW TO BEGIN WORKING WITH TOOLS AND ACTION

Before you purchase new software or announce the implementation of a new framework, conduct a system analysis of the tool:



THE LOGIC TEST:

Check who employees actually approach when a substantive problem or conflict arises. Who is the "bottleneck" through which unofficial arrangements must pass?

AUDIT OF RITUALISM AND FACADE ACTIONS:

Analyze current meetings, reports, and procedures in the company. Check how many of them are "idle runs"—actions performed only because "the boss requires it," which in no way translate into business value (the result).

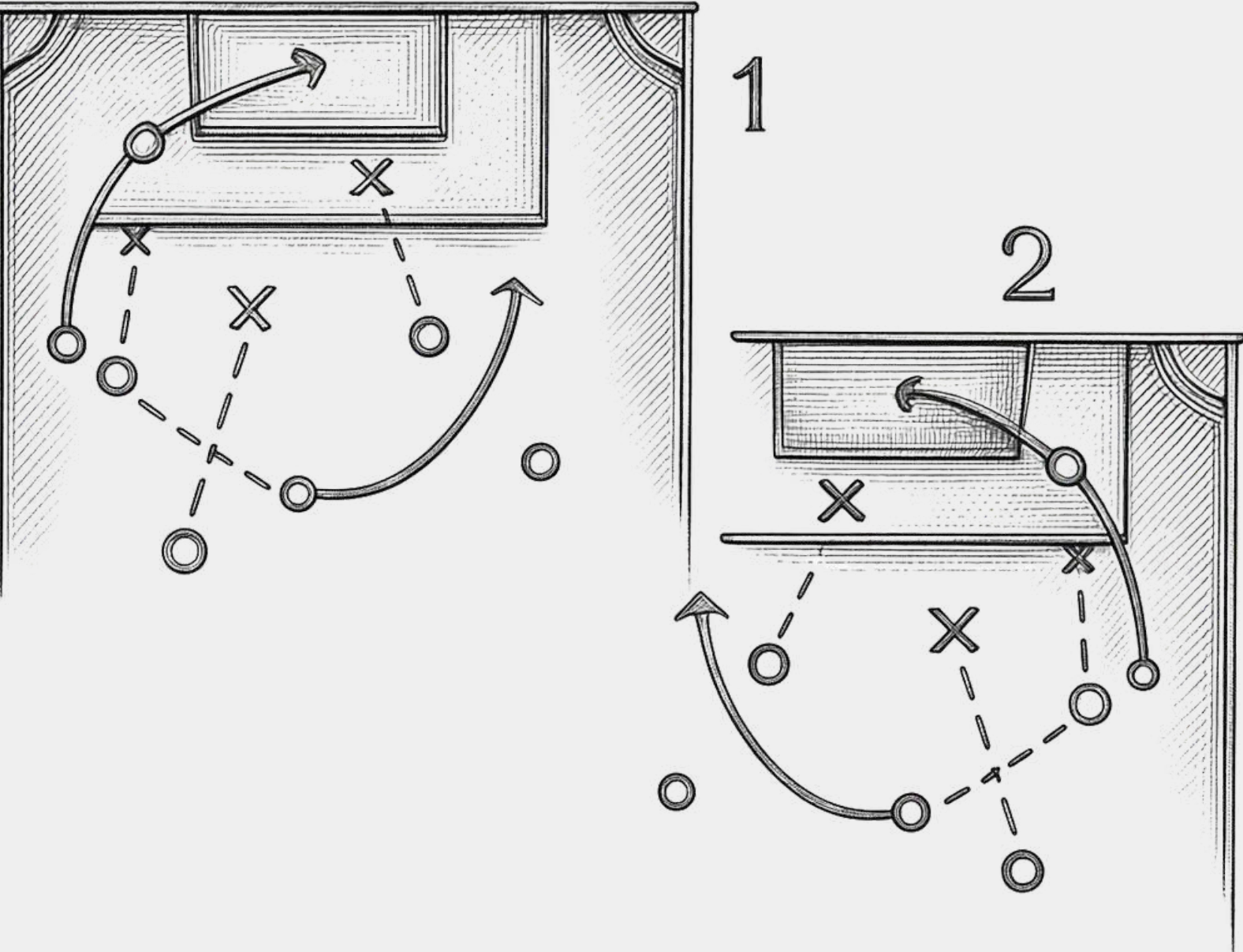
DIAGNOSIS OF THE NATURE OF EXECUTION :

Examine the structure of employees' calendars. How much time do they dedicate to planned, deep work on strategic goals, and how much to chaotically replying to emails, messaging apps, and putting out ongoing operational crises resulting from a poor structure (Level 3)?

LIMITED APPROACH VS. SYSTEMIC APPROACH

Limited Approach	Systemic Approach
<p>Purchasing expensive tools, IT systems, or frameworks just because they are fashionable or the competition uses them, without analyzing vertical alignment.</p>	<p>Selecting tools as a consequence of changes at higher levels. The tool is implemented at the very end as a technical assistant to the new structure and logic.</p>
<p>Forcing employees to strictly observe new ceremonies (e.g., meetings) while their leaders ostentatiously break the rules of that framework.</p>	<p>Designing new habits and routines from the top down. Leaders and interest groups must be the first to change their operational behaviors and model them within the team.</p>
<p>Measuring the success of a change implementation through tool adoption metrics (e.g., "100% of employees logged into the new system").</p>	<p>Measuring success through the degree of reduction in reactive behaviors (firefighting) in favor of a real shift of attention toward strategic goals.</p>
<p>Ignoring operational resistance and blaming it on people's "bad will" or laziness, instead of recognizing the interest groups' fear of losing significance.</p>	<p>Modifying tools in a way that protects the key psychological needs of the players (e.g., maintaining their expert status in the new process).</p>

I. CHANGE MODEL: THE ARCHITECTURE OF ORGANIZATIONAL CHANGE AND HEALING



LEVEL FIVE: OUTCOMES AND FINANCE -
AND THE FEEDBACK LOOP
THE RESULT OF GAME

LEVEL FIVE: OUTCOMES AND FINANCE – AND THE FEEDBACK LOOP

This is the mathematical final outcome of the entire game. The financial and organizational result is neither a starting point nor an autonomous element of the system—it is exclusively a symptom of the health or illness of the entire chain of conditions described above. Operating solely on finances, in isolation from the higher layers of the model, is bound to fail. True financial healing and ensuring the organization's survival require integrating business goals with logic, people, structure, and daily actions. Results are simply the final byproduct of how the entire rest of the system was designed and played.



WHAT DEFINES THIS LEVEL:

It accounts for observable, final market results, operational efficiency, and the long-term financial stability of the entire system.

OPERATION IN THE MODEL:

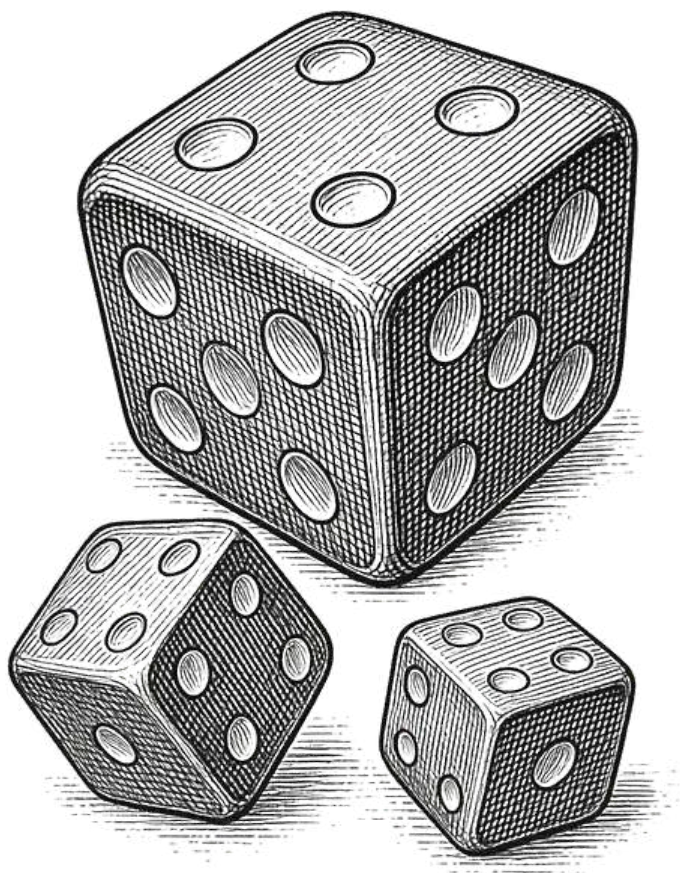
The financial result is the ultimate litmus test. *The Architecture of Organizational Change and Healing* model clearly indicates that organizations often lose a great deal by viewing change solely through the prism of a direct, isolated project budget (e.g., the cost of an IT license or the price of training).

KEY DYNAMICS:

This layer reveals the true state of the organization through hidden, often ignored systemic metrics. These include: structural drops in productivity during the change implementation phase, the irreversible loss of knowledge and relational capital along with people leaving the company, drastic overloading of management personnel, and an avalanche-like increase in coordination costs (the costs of spinning wheels and empty processes).

HOW TO BEGIN WORKING WITH OUTCOMES

To properly diagnose this layer and connect it with the model, financial data should be viewed through the prism of:



CALCULATING THE HIDDEN COST OF CHANGE:

Instead of looking only at invoices from consultants, calculate: By how much did the operational efficiency of teams drop during the first months of transformation? How much did it cost when three key managers, who mounted passive resistance, left? This is the real cost of change.

AUDIT OF COORDINATION COSTS:

Identifying expenditures spent on the so-called "maintenance of the system." How many man-hours (converted into salaries) does the organization waste on status meetings, correcting reports, collecting signatures in a hierarchical structure, and mediating political conflicts between interest groups?

ANALYSIS OF LEADING INDICATORS:

Ceasing to treat profit (a lagging indicator) as the only compass. Measuring indicators that predict future financial results: the burnout level of the management team, employee turnover in key knowledge hubs, or the index of operational frustration when using company tools.

LIMITED APPROACH VS. SYSTEMIC APPROACH

Limited Approach	Systemic Approach
<p>Managing the organization exclusively through an Excel sheet and financial tables, expecting that pressure on results will automatically heal processes.</p>	<p>Treating the financial result as feedback about the condition of logic, people, structure, and operations. Bad numbers mean errors at higher levels.</p>
<p>Cutting transformation budgets at the first market difficulties, without analyzing the losses.</p>	<p>Building the business foundations of change—linking financial goals with a real reduction in coordination costs and a shortening of reaction time.</p>
<p>Measuring project success solely by the "on time, on budget" criterion, ignoring the fact that the implemented tool has become an empty ritual.</p>	<p>Measuring success by the level of business adaptation—verifying whether the operational change translated into real value for the final customer.</p>

THE FEEDBACK LOOP: THE SUCCESS TRAP

The most fascinating and dangerous mechanism in The Architecture of Organizational Change and Healing model is the dynamic feedback loop: the financial result (Level 5) backwardly modifies, and often heavily distorts, cognitive logic. For instance, if an organization achieves excellent financial results—very often resulting solely from a temporary, excellent market conjuncture, the weakness of competitors, or historical merits—a characteristic cognitive process is triggered in the system:



THE ILLUSION OF INFALLIBILITY (LEVEL 1 DISTORTION):

Leaders look at high profits and automatically assume that their current seven dimensions of decision-making logic work flawlessly. A narrative emerges: "Since we are making millions, it means our management model is perfect."

CEMENTING OLD ARRANGEMENTS (LEVEL 2 LEGITIMATION):

A high financial result removes any pressure for change from the organization. Interest groups and political players gain a powerful weapon to fight change leaders. They block every attempt at modernization with the words: "Why change it and take risks when everything works great and brings profit?"

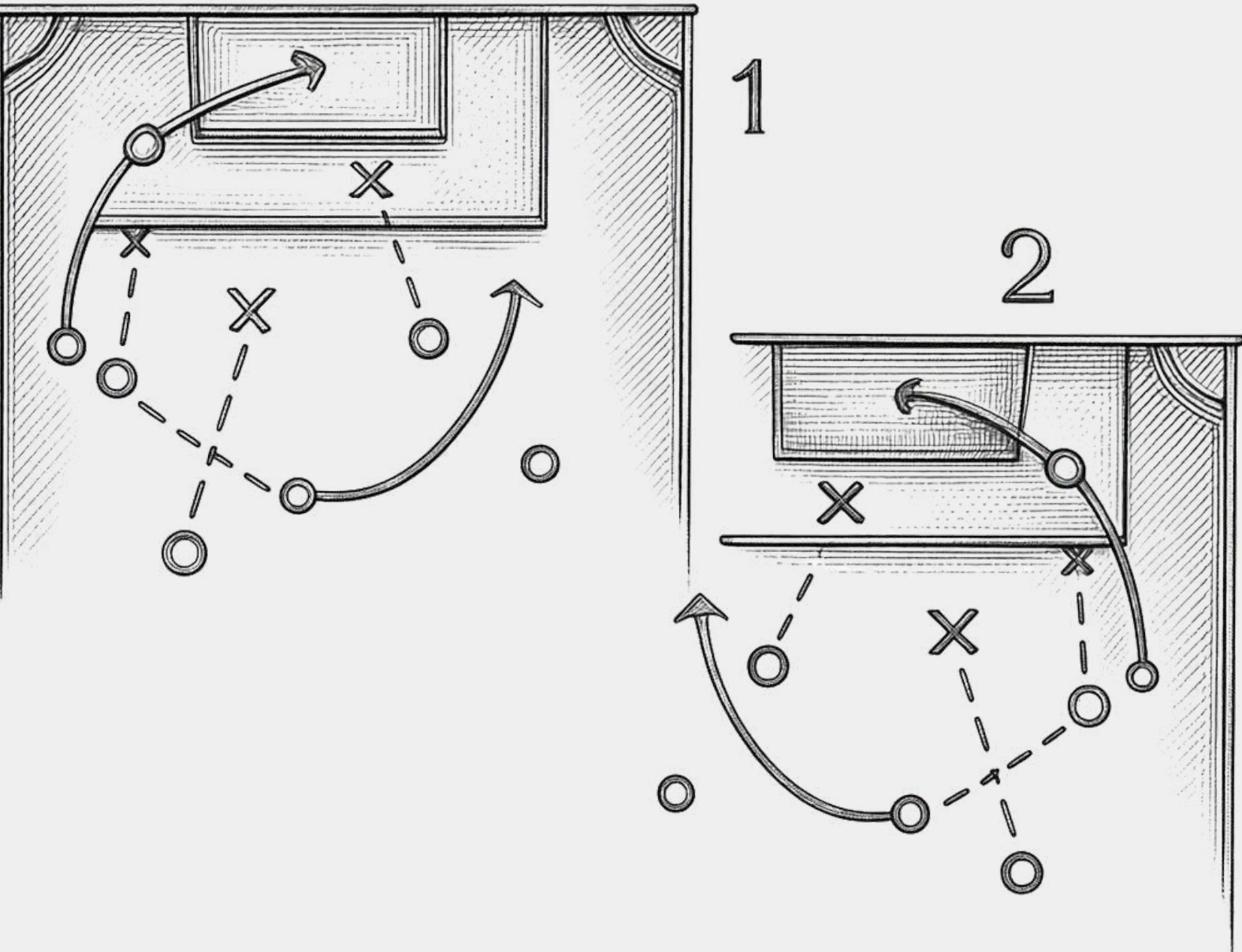
PERPETUATING STRUCTURAL PATHOLOGY (LEVEL 3 RIGIDIFICATION):

An architecture based on excessive control, information silos, and slow reaction times is ultimately legalized and frozen.

HIDDEN STAGNATION:

The system enters a phase of deep complacency. The organization stops learning and adapting. When the market conjuncture suddenly shifts, the organization wakes up with outdated logic, an ossified structure, and quarreling interest groups—deprived of any tools or habits necessary to survive in the new reality.

II. INTERGROUP CONFLICTS IN ORGANIZATIONAL CHANGE: CHANGE AS A SOCIAL PROCESS (GROUPS VS. INDIVIDUAL

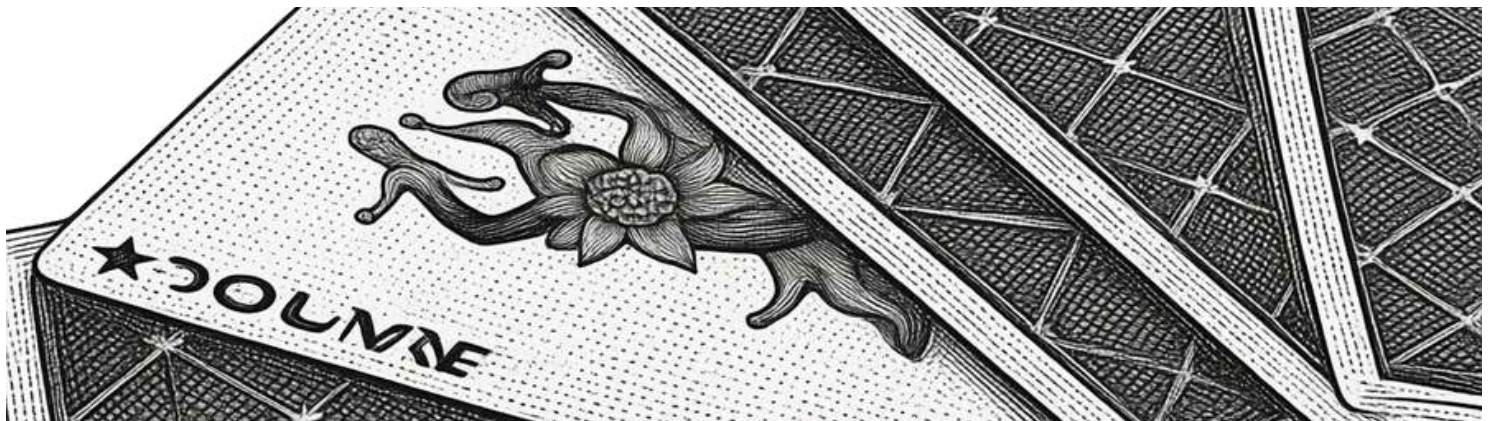


THE ORGANIZATION AS A SYSTEM OF GROUPS AND THE NATURE OF "RESISTANCE"

THE ORGANIZATION AS A SYSTEM OF GROUPS AND THE NATURE OF "RESISTANCE"

The traditional approach to change management tends to psychologize the change process by focusing heavily on individual motivations, personal willingness, fears, or the mythical "readiness for change" of individual employees. Focusing on the individual, however, obscures the real tectonic forces that move an organization forward or freeze it in place. Companies are not atomistic collections of independent units making sovereign, autonomous decisions. Instead, they function as complex systems of social groups and conflicting interests. These groups occupy different positions within the firm's architecture, possess varying levels of real influence (both formal and informal), and bear vastly different consequences—both gains and losses—resulting from the introduced changes.

In *The Architecture of Organizational Change and Healing model*, resistance is not defined as a simple, psychological opposition of an individual stemming from their alleged laziness or lack of flexibility. Resistance is a structural manifestation of intergroup tensions. It is a rational, collective reaction of social groups attempting to protect their territorial positioning, minimize their own operational risks, or maximize new political advantages.

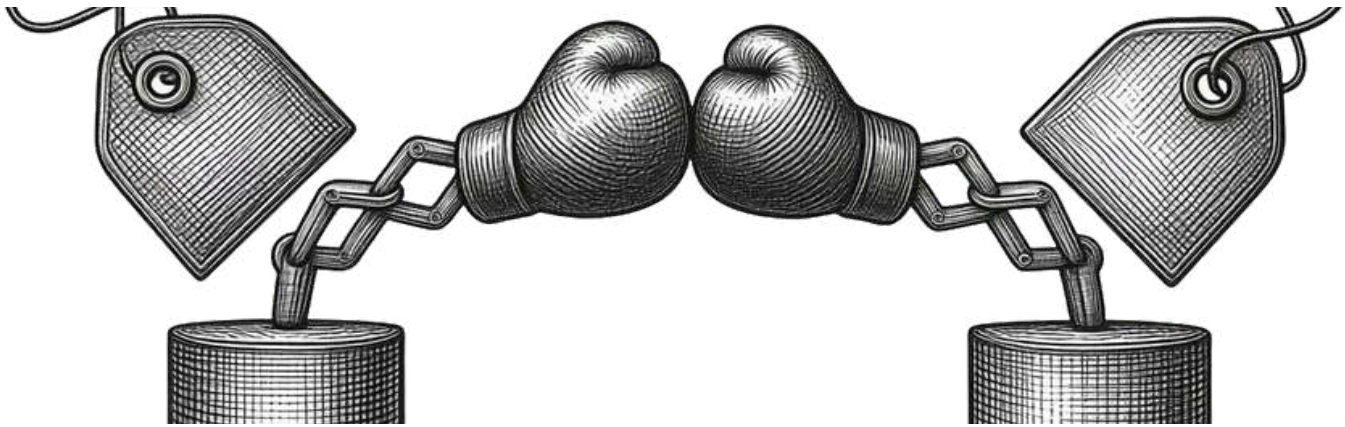


THE SIX AXES OF INTERGROUP CONFLICTS

Organizational change is never a neutral optimization of processes; in reality, it is always a reorganization of power. Every deep transformation process disrupts the status quo and triggers clashes across six fundamental axes:

A. CONTROL VS. EXECUTION

(EXAMPLE: EXECUTIVES / BOARD VS. MIDDLE MANAGEMENT)



CONTRADICTIONARY LOGIC:

Decisions regarding change are made in detached offices at the very top of the structure, but middle managers are the ones who single-handedly determine what actually happens in daily practice. One group decides within an abstract layer, while the other bears the full weight of physical implementation and operational risk.

MANAGERS' STRATEGY:

To survive, middle managers adapt the change to their own operational realities, deliberately delay processes, or implement new guidelines highly selectively—choosing only what is safe or what can be executed within limited timeframes.

THE BOARD'S REACTION:

Seeing a lack of satisfactory results, the board increases control, oversight, multiplies reports, and devolves into micromanagement.

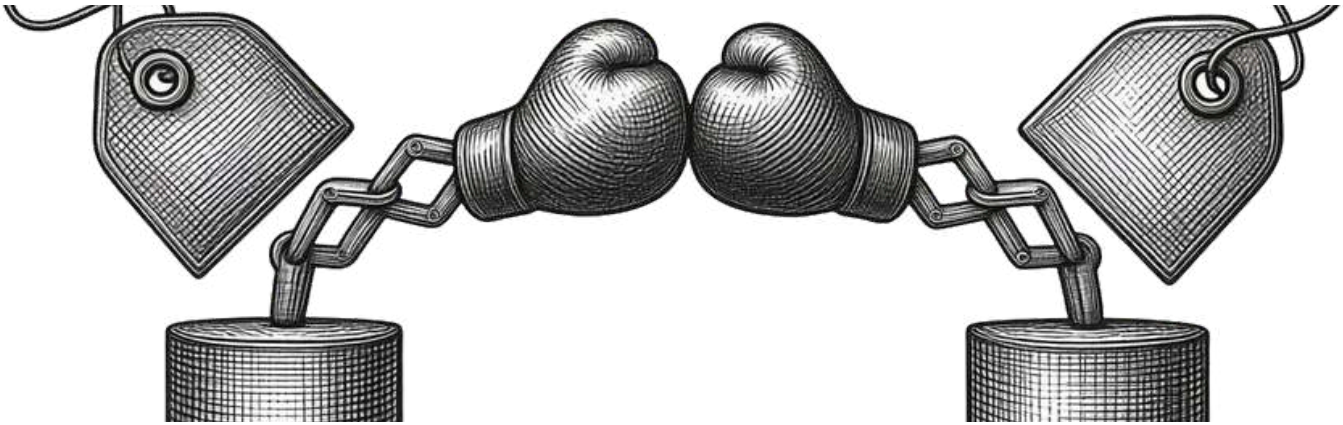
FINAL OUTCOME:

The change transforms into a negotiation regarding what, how quickly, and to what extent will realistically be implemented at the bottom of the organization.

WHAT TO DO ABOUT IT? (SYSTEMIC STRATEGY)

Instead of cascading prepackaged decisions, middle management must be granted real autonomy regarding how to execute the board's strategic intent. The board defines the "what" (the business goal), while middle management designs the "how" (the tools and processes).

B. STABILITY VS. CHANGE (EXAMPLE: BOARD / LEGACY POWER VS. CHANGE DRIVERS)



CONTRADICTIONARY LOGIC:

Groups responsible for the overall continuity and security of the system (the Board, Successors, the so-called "Legacy Power") focus on business continuity and risk minimization. Conversely, groups closer to the practice of change (Change Drivers, transformation agents, Project Managers) see exclusively opportunities for development

ACTIONS OF THE LEGACY POWER:

They utilize formal structures, silos, procurement procedures, legal frameworks, and compliance to slow down processes as much as possible and discourage change leaders

ACTIONS OF THE CHANGE DRIVERS:

Facing a procedural wall, they begin operating underground. They frequently take informal actions to push projects forward, consciously bypassing the official standards of the organization.

FINAL OUTCOME:

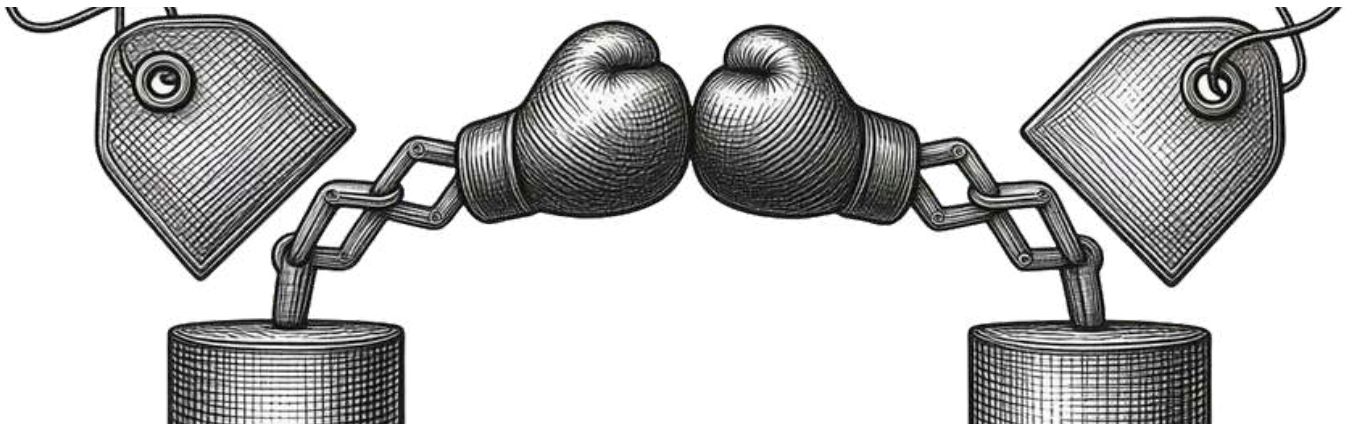
Two parallel realities emerge within the company. The official one (cautious, slow, filled with existing standards) and the operational one (adaptive, hidden from top-down control).

WHAT TO DO ABOUT IT? (SYSTEMIC STRATEGY)

Instead of operating in hiding, we must simply legalize experiments and give them clear boundaries. The key is to create a safe space where executive leadership officially suspends standard control, giving a green light to test new standards.

C. SECURITY VS. EFFICIENCY

(EXAMPLE: EMPLOYEES / UNIONS VS. EXECUTIVES)



CONTRADICTIONARY LOGIC:

Organizational change never distributes risks and benefits equally. Executive leadership focuses on financial optimization, cost reduction, automation, and absolute efficiency. On the other hand, operational employees (and the labor unions representing them) fight for basic social security, job stability, and an acceptable, humane level of workload.

FORM OF RESISTANCE:

When employees feel an existential threat, resistance takes an overt form (official collective disputes, negotiations) and—far more dangerously—a covert form. The latter manifests as a drastic drop in engagement, relational sabotage, and a meticulous, deliberate adherence to dead, obsolete processes (a classic work-to-rule strike).

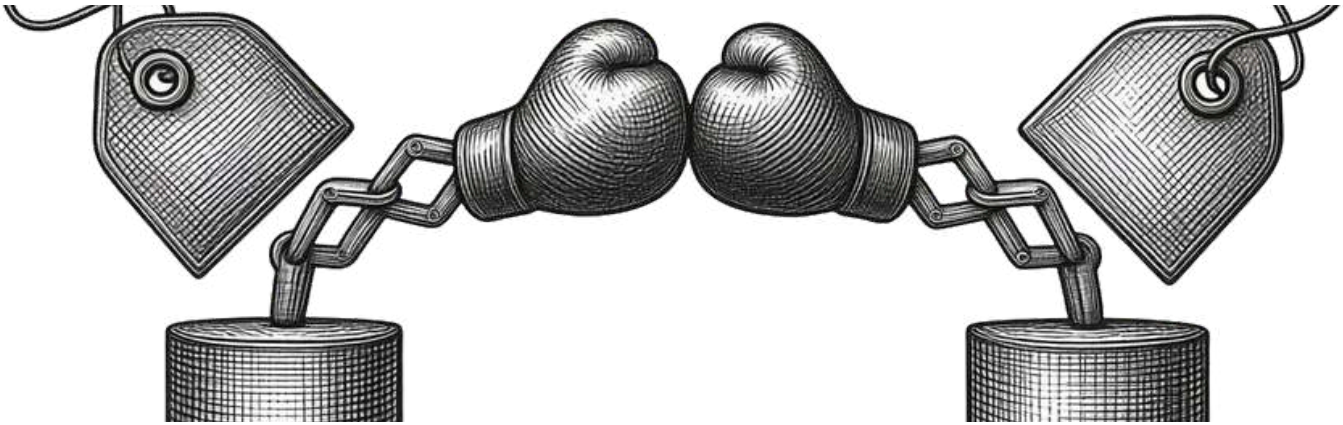
FINAL OUTCOME:

The change is drastically slowed down, frozen by legal costs, or completely diluted and ignored in daily, bottom-up execution.

WHAT TO DO ABOUT IT? (SYSTEMIC STRATEGY)

Introduce a strict psychological and social rule called the "Transition Guarantee." If a change optimizes a process, the organization must explicitly declare what will happen to the people whose work is being automated (e.g., a dedicated reskilling program and redeployment to new, growing areas), rather than maintaining a state of fear and ambiguity.

D. CAPITAL VS. OPERATIONS (EXAMPLE: SHAREHOLDERS / BANKS VS. ORGANIZATION)



CONTRADICTIONARY LOGIC:

External capital providers (Shareholders, PE/VC Funds, financing banks) operate within a logic of financial short-sightedness—expecting rapid quarterly returns on investment (ROI) and strict, mathematical risk rigor. Meanwhile, a living organization (as a whole) undergoing a change process requires time, operational flexibility, financial buffers, and a safe space to make mistakes and learn.

CLASH OF LOGICS:

Financial logic ("results here and now, EBITDA must align this quarter") collides head-on with a long-term, organic operational logic that requires investing in the system's foundations before reaping the harvest.

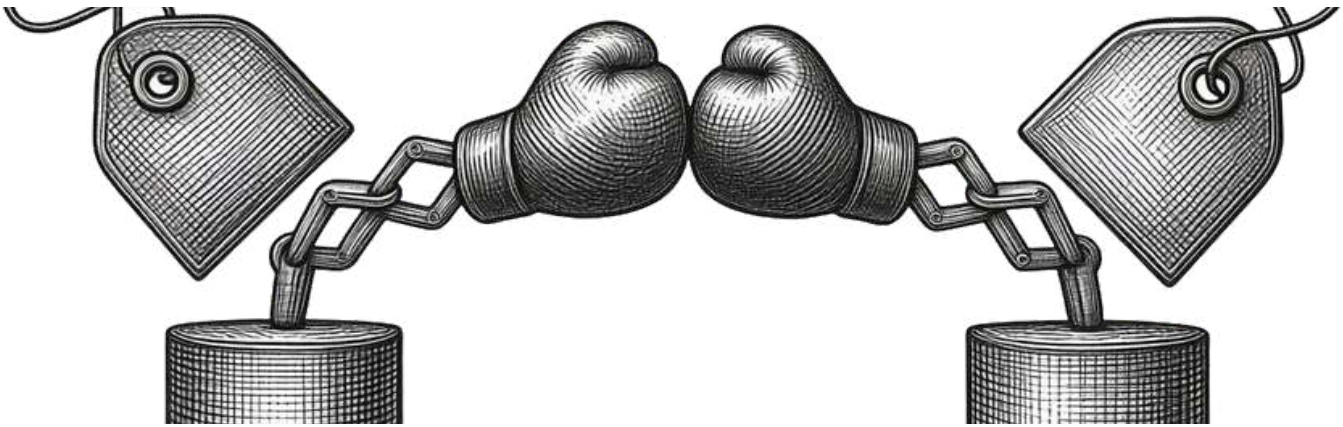
FINAL OUTCOME:

A deeply systemic tension is generated between external financial pressure and the actual execution capabilities of exhausted teams.

WHAT TO DO ABOUT IT? (SYSTEMIC STRATEGY)

Introduce capital metrics that account for a "transformation tax" into corporate governance. The board must formally negotiate a so-called "Transformation Capex" and a grace period on performance indicators with the supervisory board/investors (e.g., accepting a temporary drop in margin in exchange for a leap in productivity in 18 months).

E. KNOWLEDGE VS. POWER (EXAMPLE: EXPERTS VS. EXECUTIVES)



CONTRADICTIONARY LOGIC:

A classic corporate paradox: the individuals making the final strategic decisions (the Board, Directors), by virtue of their position, very rarely understand how microsystems, technological nuances, and processes function in daily, real practice. Subject-matter experts possess unique, deep operational knowledge, whereas senior executives possess only formal, abstract decision-making power.

CLASH IN ACTION:

Experts, seeing the unrealistic nature of top-down assumptions, quietly modify and adapt the implementation to whatever has any chance of working in practice. Executives, interpreting this as insubordination, attempt at all costs to standardize, centrally control, and force processes into rigid, theoretical frameworks.

FINAL OUTCOME:

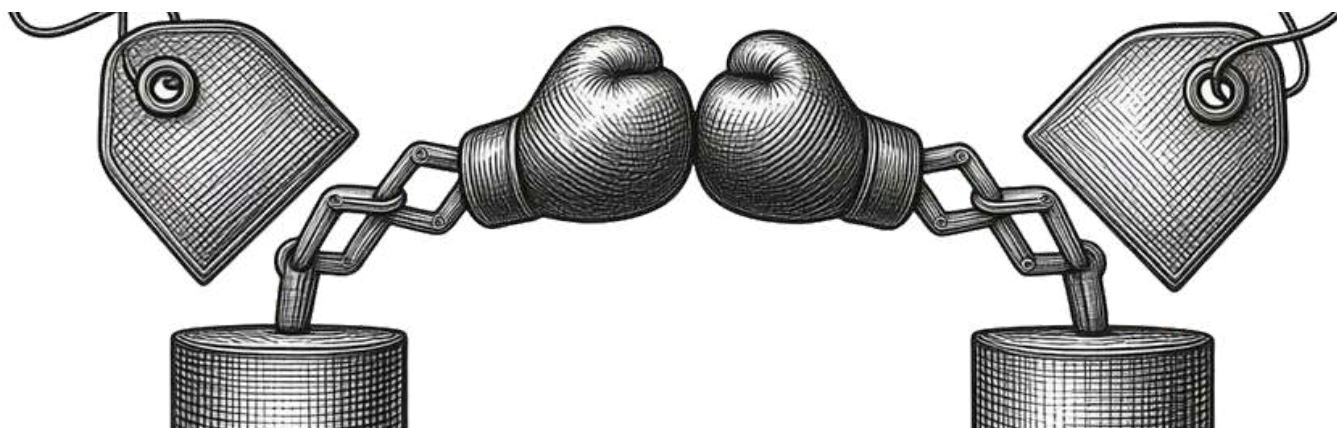
A massive, often business-critical gap opens up between what was planned on slides in boardroom offices and the organization's actual operational capabilities and results.

WHAT TO DO ABOUT IT? (SYSTEMIC STRATEGY)

Transition from a hierarchical structure to a structure based on the authority of knowledge. This involves establishing the role of a Process Architect (or an Expert Council) with veto power over, for example, the technological and operational decisions of the board. Strategic decisions must be shared by subject-matter leaders.

F. INTERNAL SPLITS

(EXAMPLE: MIDDLE MANAGEMENT VS. INTERNAL SUBGROUPS)



CONTRADICTIONARY LOGIC:

A major implementation mistake is treating management—such as middle management—as a homogenous group. In reality, it is a structure internally fractured by conflicting operational and personal interests.

DIVISION OF INTERESTS:

Within this layer, two distinct interests clash:

- *Stabilization-oriented managers*: They strive solely to maintain existing processes, ensure operational predictability, and protect the resources of their own department (preserving silos).
- *Expansion-oriented managers*: They view the change process as an opportunity for promotion, a way to seize decision-making budgets, and a means to expand their scope of responsibility at the expense of other organizational units.

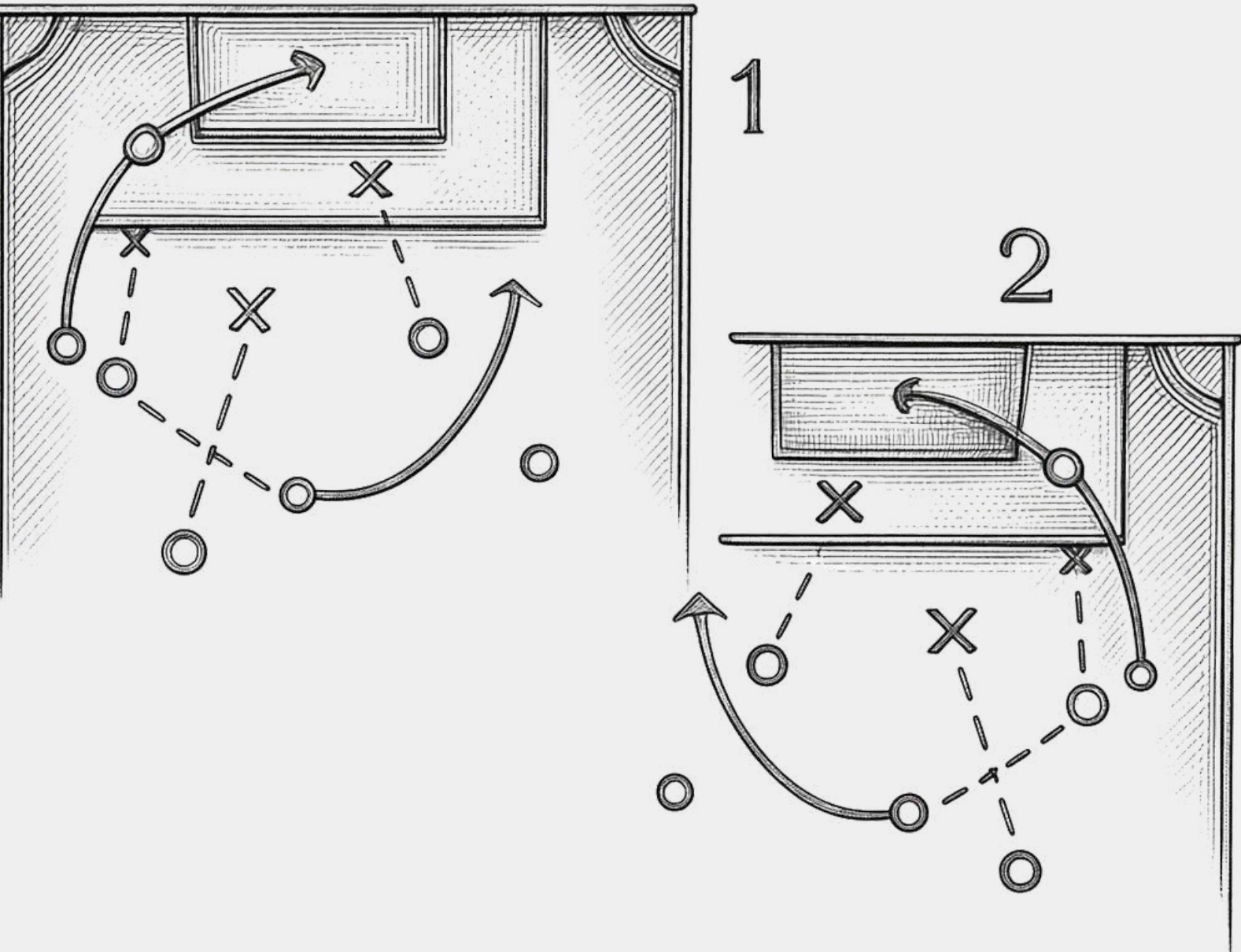
FINAL OUTCOME:

The execution of substantive project goals gives way to internal rivalry for influence. Informal coalitions emerge, which drastically complicates the decision-making process, reduces the efficiency of collaboration, and ultimately paralyzes business execution.

WHAT TO DO ABOUT IT? (SYSTEMIC STRATEGY)

Completely redefine the goal structure (KPIs) for middle management for the duration of the transformation. Purely siloed goals (e.g., the performance of my department only) must be eliminated in favor of so-called Interdependent Metrics. The success and bonus of a manager in Department A directly depend on how effectively they support the implementation of change in Department B. This strictly forces the dissolution of hostile coalitions.

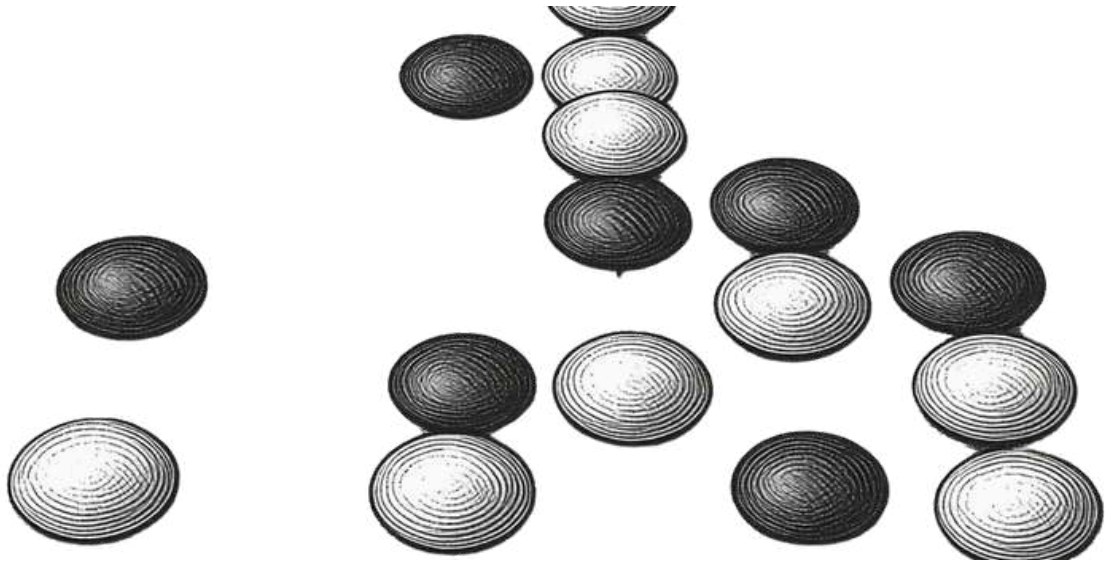
III. TYPOLOGY AND DYNAMICS OF RATIONALITIES IN ORGANIZATIONS



THE FIVE FUNDAMENTAL RATIONALITIES

T Y P O L O G Y A N D D Y N A M I C S O F R A T I O N A L I T I E S I N O R G A N I Z A T I O N S

In *The Architecture of Organizational Change and Healing* model, an organization is a space of continuous interplay and friction among five distinct logics of action, referred to as rationalities. Each of these rationalities possesses its own definitions of success, truth, and different tools used to achieve them.



A . C O G N I T I V E - D E C I S I O N R A T I O N A L I T Y

E S S E N C E :

A deep, systemic understanding of cause-and-effect chains. It focuses on continuously seeking answers to the questions: Why did we find ourselves in this place, and what is the real, deep mechanism of change? The measure of success here is objective truth and an accurate diagnosis, rather than maintaining the status quo or blind speed of action. It is about understanding one's own logic and perceiving its alignment with market expectations.

P O S I T I V E A P P L I C A T I O N :

It allows for precisely targeting the root cause of a crisis instead of merely treating superficial symptoms.

P A T H O L O G I C A L D O M I N A N C E :

The organization falls into deep analysis paralysis, wasting time on endless debates, market research, and committees, completely losing the ability to make any real, bold business moves.

TYPOLGY AND DYNAMICS OF RATIONALITIES IN ORGANIZATIONS



B. POWER AND HIERARCHICAL RATIONALITY

ESSENCE:

Concentration around a single decision-making center, formal authority, and forceful mobilization of the entire system. Success in this logic means absolute obedience, loyalty to leaders, and complete alignment with the official organizational narrative. Change is implemented firmly and top-down.

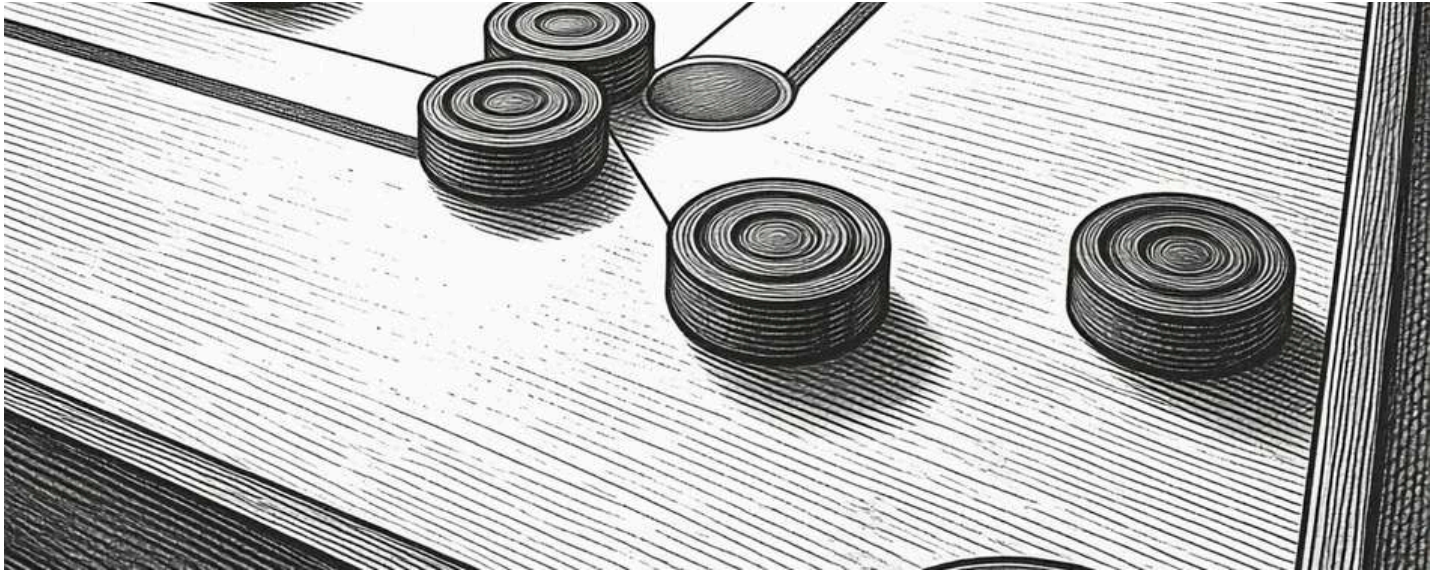
POSITIVE APPLICATION:

It becomes critical in moments of sudden market threats, public relations disasters, or the specter of bankruptcy. Authoritarian control seized by a strong leader, along with the suspension of committees and independent, immediate decision-making, can rescue an organization from collapse.

PATHOLOGICAL DOMINANCE:

Managers and employees become terrified of telling the truth about mistakes. The most absurd ideas are implemented solely because "the boss said so," while the real subject-matter expertise of line teams is completely ignored and stifled.

T Y P O L O G Y A N D D Y N A M I C S O F R A T I O N A L I T I E S I N O R G A N I Z A T I O N S



C. STRUCTURAL RATIONALITY – "THE ORDER TOOL"

ESSENCE:

The pursuit of absolute stability, repeatability, clarity, and security through procedures, instructions, and rigid frameworks. Success is defined as order, perfect compliance with checklists, and zero procedural errors. It focuses on protecting the existing method of collaboration.

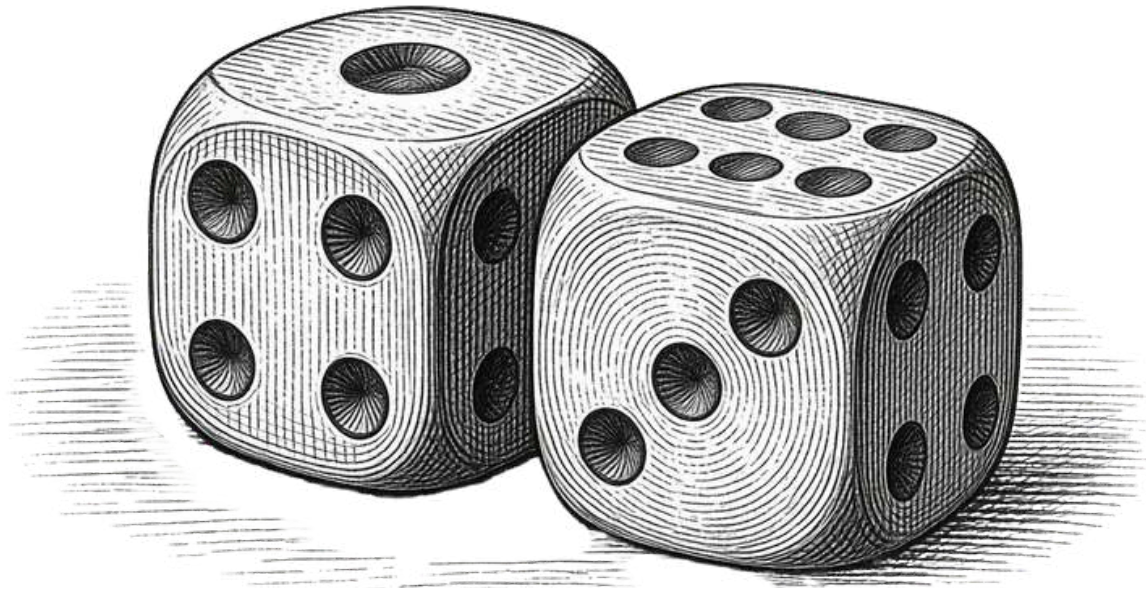
POSITIVE APPLICATION:

It is needed during phases of hypergrowth and organizational chaos. Introducing rigid logistical procedures and operational standards effectively restores stability.

PATHOLOGICAL DOMINANCE:

Extreme bureaucracy kills the business. Employees spend long hours filling out logs, reports, and change procedures, leaving them with no physical time for real work with the customer. The principle "The Excel sheet is perfect, but the customer left" becomes a reality.

T Y P O L O G Y A N D D Y N A M I C S O F R A T I O N A L I T I E S I N O R G A N I Z A T I O N S



D . A C T I O N A N D I M P U L S E R A T I O N A L I T Y

E S S E N C E :

A culture of extreme speed, immediate implementation of changes, and action at all costs, just to avoid standing still. Success is measured by tempo, the number of "checked-off" projects, and visible, permanent motion.

P O S I T I V E A P P L I C A T I O N :

It allows for an instant reaction to a sudden, drastic market crisis (e.g., a sudden lockdown). The organization does not analyze the situation for months—it acts immediately, releases new solutions within 48 hours, tests them directly on the living organism of the market, and corrects errors day by day.

P A T H O L O G I C A L D O M I N A N C E :

Permanent strategic chaos. The management board announces a new, "revolutionary" strategy every month (one time Agile, another time Lean, then Teal). Employees run from one meeting to another, producing hundreds of presentations, none of which are ever completed because a new "burning project" and a new idea for change always emerge.

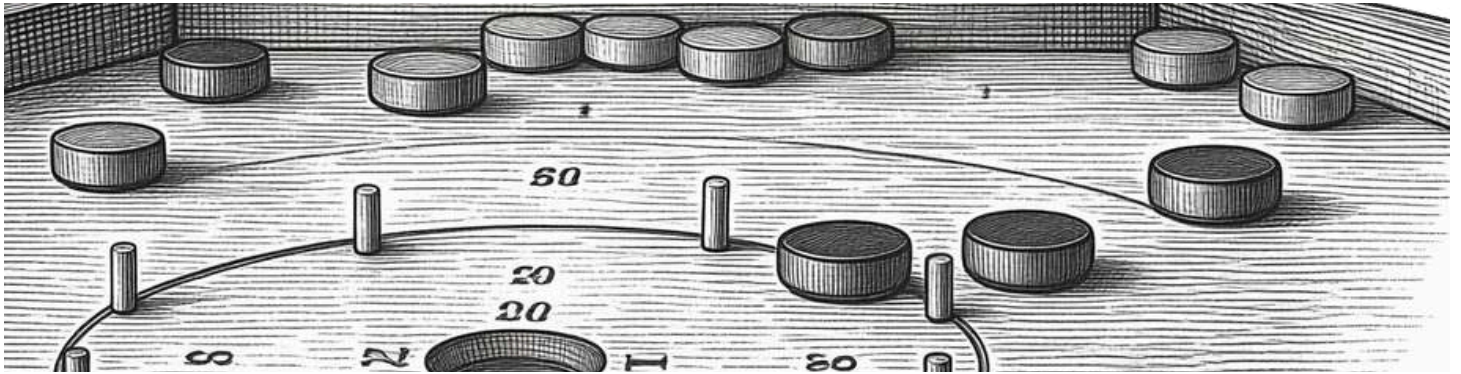
PRACTICAL APPLICATION OF THE DIMENSION IN ORGANIZATIONS

The most effective diagnostic method is to verify which question the organization uses to evaluate every key decision and which phrases dominate the organization's language:

Rationality	Key System Question	Typical Phrases and Key Sentences
Cognitive-Decision	Do we understand the problem well?	"We need more data", "We don't know the root cause yet", "Diagnosis first"
Hierarchical	Who is making the decision?	"What did the board say?", "We need clear direction from the boss", "There is no decision owner"
Structural	What is the process?	"Do we have a procedure for this?", "How do we fit this into the process?", "We need a clear standard", "We always do it this way"
Action	What did we accomplish this week?	"Let's not analyze this endlessly", "Let's test it", "Let's act instead of talking"
Financial	What will be the economic outcome?	"How much does it cost?", "What will be the ROI on this?", "Show me hard numbers"

CONFLICTS AND ALIGNMENTS BETWEEN RATIONALITIES

Conflicts in change projects rarely result from people's bad intentions—they are frequently clashes between differing systemic rationalities:



- **Cognitive vs. Action (Analysts vs. Executers):**

A classic transformation conflict. One side says: "We don't understand the problem yet, let's halt the movement," while the other responds: "We should have acted a long time ago, we are wasting time."

- **Financial vs. Cognitive (Spreadsheet vs. Truth/Order):**

Finance argues: "We cannot afford further research and diagnosis," to which cognitive rationality replies: "We cannot afford to make a wrong, costly decision."

- **Hierarchical vs. Cognitive (Power vs. Data):**

The CEO announces: "I have made the decision and this is the direction," to which subject-matter experts respond: "But all the hard market data shows something completely different."

- **Structural vs. Action (Procedures vs. Customer):**

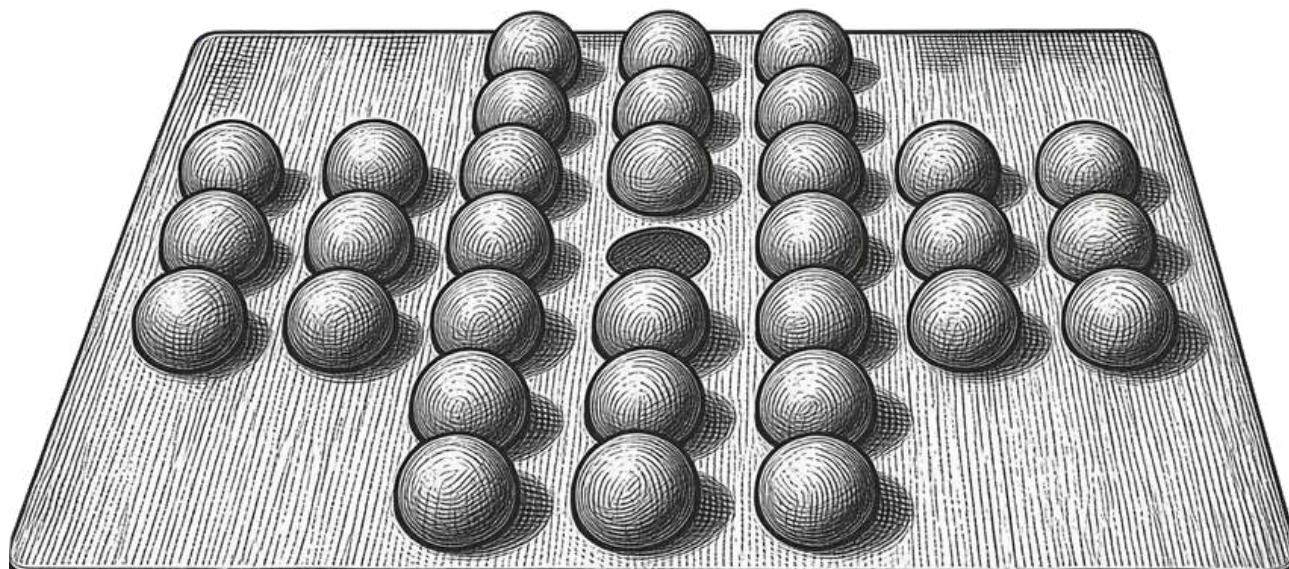
The Project Management Office (PMO) insists: "First, we must complete the procedure and pass the project gate," to which the business replies: "First, we must serve the customer, otherwise they will leave for the competition."

- **Financial vs. Structural (Savings vs. Security):**

Finance asks: "Why do we need so many control points and audits? It generates costs," to which structure replies: "Because this control drastically reduces the risk of operational error."

CONFLICTS AND ALIGNMENTS BETWEEN RATIONALITIES

Certain rationalities naturally enter into political alliances to effectively dominate the rest of the organization:



- **Hierarchical + Action ("Decide and Act"):**

An alliance of authoritarian leadership with rapid forward momentum. This setup is highly effective during sharp operational crises.

- **Cognitive + Structural ("Understand and Organize"):**

A coalition focused on operational excellence, quality systems, and deep, well-thought-out process transformations.

- **Financial + Hierarchical ("The Result Must Be Delivered"):**

A ruthless alliance most commonly encountered during restructuring processes and mass layoffs.

- **Financial + Action ("Let's Do What Yields Fast Results"):**

An alliance focused on immediate profits and quick market returns, typical of turnaround programs.

- **Cognitive + Financial ("We Understand the System and We Calculate It"):**

A rarer but powerful combination. It characterizes the best Chief Financial Officers (CFOs) and elite strategic consultants who can translate a hard diagnosis into a mathematical model.

THE BALANCED SYSTEM

A balanced organization in *The Architecture of Organizational Change and Healing* model does not imply a utopian state where all five rationalities exert the exact same, equal influence on every decision. This phenomenon is both impossible and harmful. Balancing the system means that:



EVERY RATIONALITY HAS A STRONG AND AUDIBLE REPRESENTATIVE WITHIN THE ORGANIZATION.

Someone in the system has the formal right and the courage to safeguard: the consistency of logic (Cognitive), decisions (Hierarchical), order (Structural), execution (Action), and the financial outcome (Financial).



THE DOMINANCE OF RATIONALITY SHIFTS SMOOTHLY AND PURPOSEFULLY DEPENDING ON THE ORGANIZATION'S LIFE CYCLE PHASE.

Leadership can consciously "switch the gears" of the system—from rapid testing (Action), through structuring (Structural), to cold financial analysis (Financial)—preventing any single logic from cementing the organization into a phase of pathological dominance.

Anna Stusik-Kursa

www.businessturnaround.eu

info@businessturnaround.eu

© 2026 Anna Stusik-Kursa. All rights reserved. This book is made available free of charge for educational and contemplative purposes only. Copying, modifying, distributing, or publishing any part of this work without the author's prior written consent is prohibited.