The Role of Proactive Strategic Planning in Punctuated Organizational Change: Revisiting Sastry’s Model
Jennifer Schurer, MSW & Peter Hovmand, PhD
George Warren Brown School of Social Work, Washington University

Abstract
Sastry’s (1997) simulation model of Tushman and Romanelli’s (1985) classic theory of punctuated organizational change supported the underlying causal theory and yielded several important insights regarding executive management’s role in monitoring the strategic fit with the environment and allowing for a trial period directly after reorientation. However, Sastry’s model focuses exclusively on reactive strategic reorientations triggered by sustained poor performance due to organization-environment misalignment, leaving no room for proactive strategic shifts in response to anticipated events. The extremely common process of strategic planning is geared toward just this type of change; routine planning attempts to manage uncertainty, anticipate future demands, and make targeted strategic changes before performance deficits make radical reorientation necessary. This poster explores the impact of adding a strategic planning routine to Sastry’s model on organizational performance and change.

Research Questions
1. How and to what extent does strategic planning impact organizational performance?
2. How and to what extent does strategic planning impact the frequency and magnitude of organizational change?
3. What is “high performance” with respect to planning?
   a. Is there an ideal planning time horizon?
   b. Is there an ideal future orientation?

References & Acknowledgements


The model was built using Vensim PLE, and is available in the conference proceedings.

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Revised Model Structure Incorporating a Strategic Planning Routine

Figure 1: Strategic Planning Routine Addition to Sastry’s Original Structure (new variables are in red)

Figure 2: Comparison of Performance between SPBase (red) and Under Conservative Planning (SPTest1; blue)

Results & Conclusions
• Organizations engaging in strategic planning change sooner and more often than when they are not planning.

Reflections on Modeling
• Rebuilding models from documentation can be a rich learning experience, highlighting multiple “correct” solutions and an awareness of one’s own modeling style.
• Units for abstract variables (e.g., strategic orientation) pushes the modeler toward unit consistency and a deeper understanding of the model and its mechanisms.
• Reliance on IF, THEN, ELSE and Min/Max functions can create discontinuity problems that obscure model behavior.

Limitations & Next Steps
• The model strategic planning routine performs very poorly in erratic or frequently changing environments.
• The strategic planning structure is very abstract and may be missing important real-world elements.
• Replace IF, THEN, ELSE and Min/Max functions with appropriate table functions, revise planning routine, and improve correspondence with real-world example.