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## Exploring Congruency within Organizational Changes in a Dutch Housing Association

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# Exploring Congruency within Organizational Changes in a Dutch Housing Association

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**Abstract**

Dutch housing associations are in the middle of making significant changes in their organizations. Triggered by recent economic and political developments, housing associations are shifting from conducting a wide range of activities on the real estate market and related social services to a focus on 'just' providing social housing, combined with a highly increased emphasis on efficiency. The associated organizational developments take shape in changes in different organizational elements such as strategies, culture, human resources, leadership styles and ICT systems. In theory, it can be expected that if different organizational elements are adapted in a congruent way, they are likely to reinforce each other and thus lead to increased efficiency and/or effectiveness. Little research, however, has been conducted in the way these elements are currently being adapted. In this paper an analytical model is presented to explore organizational changes in different elements of the organisation is presented and is tested on a housing association.

## 1. Introduction

Dutch housing associations are the major provider of social housing in the Netherlands, owning about 30% of the housing stock. In recent years, housing associations are shifting from conducting a wide range of real estate development and social activities to a focus on 'just' providing social rented housing (e.g. Nieboer and Gruis 2016). This shift in focus goes hand in hand with an increased emphasis on business efficiency and reduction of management costs. These developments are triggered by a range of economic and political developments including the impact of the financial crisis, financial levies imposed on housing associations by the national government as well as the changed sentiment in the sector about non-social housing activities. The latter is partly a response to some serious cases of fraud and extensive risk-taking activities beyond the scope of social housing leading to substantial financial losses among some housing associations and resulted in a Parliamentary Enquiry. Coinciding, the new Housing Act has been introduced, which places much more stringent restrictions on the range of activities that housing associations may undertake as well as the conditions under which they may perform non-social housing activities.

The shift in focus and increased emphasis on business efficiency triggers significant organizational changes within housing associations. A survey by Van Bortel et al. (2013) showed that almost 80% of the housing associations aimed to decrease their company costs in the next years. 42 % of the large associations even aimed at a reduction by 10 to 20 % within 2 years. To do
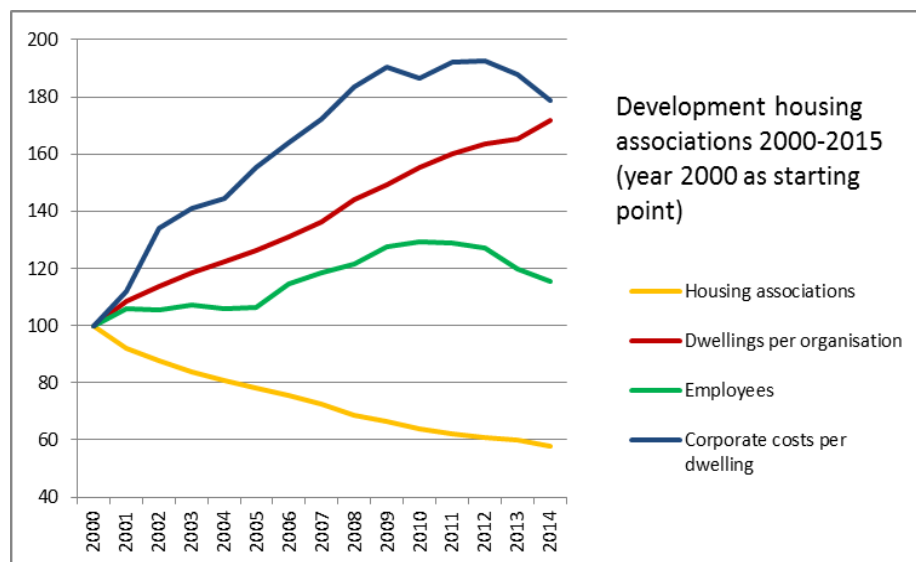


*Figure 1 Housing associations 2000-2015. Source: CFV, Aedes benchmark (edited)*

so they do not only reduce the scope of their activities, but also implement new ICT systems, 'lean' business processes and outsourcing of activities, resulting in reduction of staff throughout the whole organisation and more efficient work processes. If we look to the development of housing associations in recent years we see a change in the figures such as size, operational costs and number of employees. This is illustrated in Figure 1 which shows a break in the development of corporate costs per dwelling and employees per organization around 2010.

Most research so far to understand these changes is aimed at developing organisational concepts, models and strategies which can be employed by housing associations to increase their business efficiency , particularly dealing with outsourcing strategies, as a way to reduce operational costs. Sante (2015) for example suggests housing associations could reduce costs by increasing the efficiency of their companies' business processes and should assess for each activity if it is more efficient to outsource this activity or not. This was suggested earlier, for example by Wolters and Verhage (2001) and Vlak (2008) from a real estate management perspective, suggesting all operational activities and most tactical activities could be executed more efficiently by market organisations then by housing associations themselves. Dreimüller et al. (2013) further explored this concept and came to an conceptual organizational model, in which only core strategic management activities take place in the organization itself and all operational activities are outsourced. Little

research, however, has been conducted about the way in which organizational changes take shape in practice. Empirical studies conducted so far focus mainly on the strategic priorities of housing associations (e.g. Nieboer and Gruis, 2015; Mullins et al., 2012) and the general principles they adopt to increase business efficiency (e.g. Van Bortel et al., 2013). Furthermore, they are mostly based on survey methods, so the actual changes in the organisations remain a black box. The question thus remains to what extend and which elements of the organization housing associations are actually changing.

This paper focusses on a method to explore in-depth the organizational change within the housing association. The analytical framework is based on classification models by Waterman et al. (1980), Weggeman et al (2000), Quinn and Rohrbauch (1981) and related models and is developed to analyse the changes within the organizational set-up and the congruency of different organizational elements. It is tested on a housing association, aiming to contribute to knowledge about how organizational changes are taking place within the housing associations. Section 2 will discuss the theoretical basis of the analytical model with section 3 describing the framework itself. Sections 4 will employ the analytical model on one housing association and section 5 and 6 will elaborate on the findings and applicability of the model. Section 7 contains an overall conclusion.

### 2. Theoretical background on organizational theory

Organizations and organizational theory can be seen from different angles. This paragraph explores these angles the clarify the position of the analytical framework designed in this study. Organizations can be classified, for example, as structures (e.g. Mintzberg 1992), as systems (e.g. Senge 1990) or seen as hierarchies and networks (e.g. Kotter 2011). Organization theory aims to explain how organizations function and to which extent different elements within or surrounding the organization are (dis)contributing to its functioning. Some management theories focus on explaining and exploring how to 'do the right things' (Van der Starren 1999). Basic theories in this approach are for example Corporate Strategy by Ansoff (1984) and Competitive Strategy by Porter (1980). These strategy-based approaches start with questions about 'why' and 'what' an organization has to or can do, followed by concepts on 'how' to realize these objectives. For housing associations this approach has for example been followed by Gruis (2007, 2008) in his study on organisational archetypes for housing associations. He identified four different approaches, business concepts, by using the axes ideological orientation (placing focus on financial return on the one end and focus on societal return on the other) and orientation on innovation (placing Miles and Snow's (1978) Defenders on the one end and Prospectors on the other). See Illustration 1 Organizational archetypes by Gruis (2008).
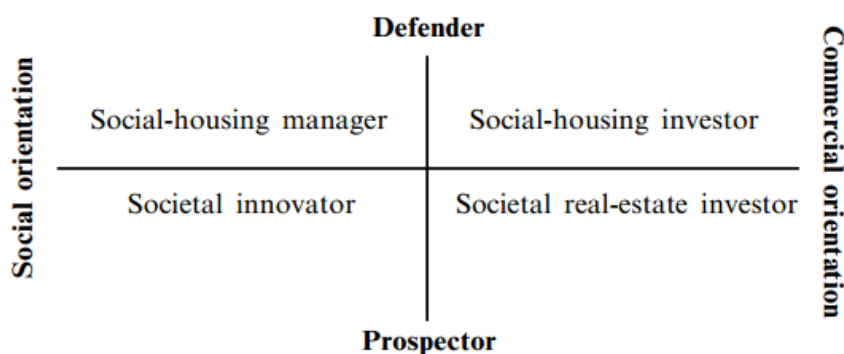


Illustration 1 Organizational archetypes by Gruis (2008).

Other theories focus on 'doing the things right' (Van der Starren 1999), where ideas as the Deming Circle (Deming, 1986) originate, focussing on the quality of actual business processes. Business

excellence and maturity modelling can also be seen as part of this approach, for example the EFQM-model (1996) in which fundamental concepts of excellence are developed in the shape of different stages an organization can achieve in order to perform in an optimal way. See illustration 2 EFQM-
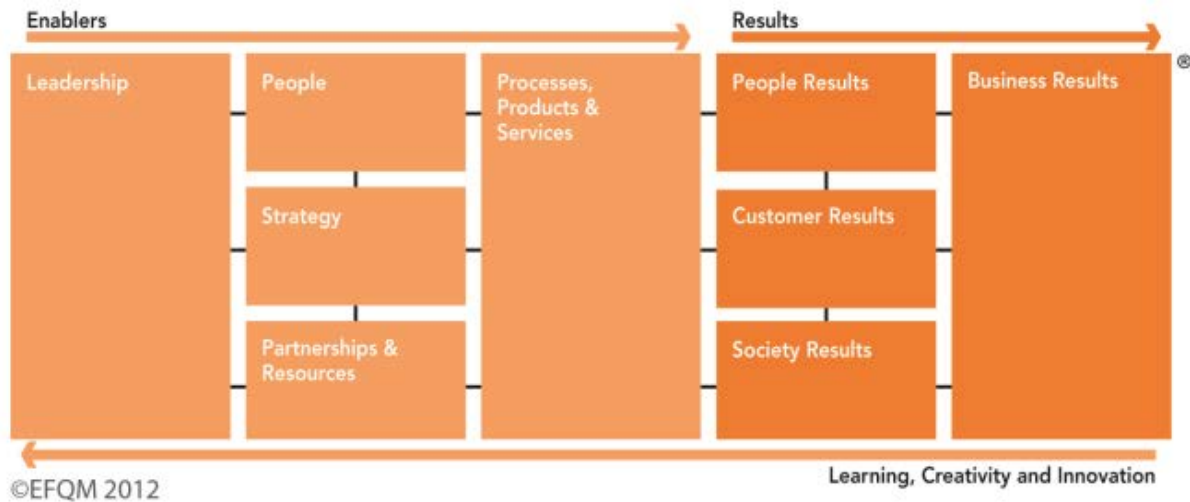
*Illustration 2* EFQM-model (source: www.EFQM.org)

model (source: www.EFQM.org). For housing associations this approach is for example used in the INK-model (Fokkema 2002). Waterman et. al (1980) typify organisations as a set of interrelated elements. In their 7-S model, they identify seven organizational elements, being structure, strategy, systems (the so-called hard elements), skills, style, superordinate goals (in later work transformed in shared values) and staff (the so-called soft elements). Waterman et al. (1980) introduced the 7-S model as a conceptual framework to diagnose and solve organizational problems. They stated that effective organizational change requires the improvement of the relationship between several elements within an organization and their environment. The model symbolizes a set-up without hierarchy for one organizational element over another and states that when these elements are congruent with each other, organizations are likely to perform at a higher level. Other studies introduced variations or more detailed differentiations of the organizational elements. Cummings (2009), for example, introduced three different levels to diagnose the organization: organization, group and individual level. Burke and Litwin (1992) searched for a causal relationship between organizational elements by introducing a hierarchy between the elements and elaborating on interactions between different management levels within an organization (for example by distinguishing the general organizational culture and work unit climate as different elements within one organization). They also more explicitly referred to the influence of the external environment and added 'performance' as an outcome measure for organizational achievements. Weggeman et al (2000), further worked out by Kor et al (2008), made this even more explicit in his Integrated Company Model the 'ESH-model': 'evenwicht' (balance), 'samenhang' (coherence) and 'heterogeniteit' (heterogeneity), adding the formulation of a mission, vision and goals as an essential activity to determine the organization's direction. He further defined six elements in the 'organizing' part, mostly in line with Waterman et al. (1980): strategy, structure, culture, staff, systems and management style, and separately identifies realizing the actual activities as a third part of his model. Weggeman explicitly refers to the underlying contingency theory for the model, quoting Galbraith: 'there is no best way to organize' and 'any way of organizing is not equally effective'. Gruis et al. (2010) used the elements identified by Waterman et al (1980) to describe the organization of housing associations and explore the possible development direction of the organization considering changes in the constitutional context. They explored two possible directions and their matching organizational set-up: the 'catalyst', in which housing associations are focused on executing their core-business activities in housing and activate other parties to do 'their share' of the societal tasks', and the 'societal entrepreneur', in which housing associations adopts a very broad mission and acts according to social problems at hand by offering social housing and non-housing services.

Quinn and Rohrbach (1981) introduced another approach in organizational theory. They constructed a Competing Values Framework (CVF), based on a systematic alignment of effectiveness criteria and the view that organizations are interpersonal market places. This CVF was further developed for analytical and diagnostical purposes by Cameron and Quinn (2006) to identify different orientations, mainly focussing on organizational cultures and leadership styles. The CVF consists of four quadrants separated by two axes, internal focus versus external focus, and focus on stability and control versus focus on change and flexibility. The CVF uses the differences in focus to explain behaviour in organizations, stating that each organization has characteristics in each quadrant but adopts different dominant characteristics given changing circumstances, which can change over time. Since its initial introduction, the CVF framework has been developed by the authors and other scholars to analyse several organizational elements, such as management style (e.g. Quinn 2007) and organizational culture (Cameron and Quinn 2006). Anheier (2007) shows that the orientations as in the CVF also play out in the context of non-profits and identifies several elements which act as management-dilemmas that non-profit organizations face. He elaborates on choices between efficiency versus effectiveness and permanence versus temporarily leading to the dilemma of 'Palace' versus 'Tent', meaning a fully controllable organization versus a flexible goal-oriented organization. He sees choices to be made between task-orientation versus people-orientation and formalization versus symbolic orientation leading to the dilemma of a technocratic culture versus a social culture. Furthermore he sees choices between monolithic versus polycentric decision-making and steep versus flat configuration, leading to dilemma's on hierarchy versus network. Last he identifies choices between contextual adaption versus identity development and external direction versus internal direction, leading to the dilemma of outer-directness versus inner-directness. Some studies have already applied to the CVF framework in the context of (Dutch) housing associations as well, notably Dreimuller for organizational culture (Dreimuller 2008) and Heemskerk (2013) for leadership. Dreimuller (2008) for example showed that most housing associations act with dominant characteristics of the 'family-culture', which emphasises stability and internal orientation.

### 3. Analytical framework

In our analytical framework, we adopted the view of Waterman et al. (1980) and Weggeman et al (2000) in order to identify the different organizational elements. Building on Kor et al. (2008), this leads to a framework of organizational elements for this study, as shown in Figure 2.

The different organizational elements are defined as:
- Vision: the intended way to execute the activities of the housing associations (how the organization intends to act). As this research is focusing on the organization (on the 'how'), vision is used here as vision on the organizational set-up of the organization.
- Strategy: actions which are set to work, on organizational aspects, in order to achieve the goals set (how the organization plans to act). Like vision in our model, strategy is focusing on the organizational set-up as well.



Figure 2 Organizational elements

- Culture: common norms and values of the organization and the people within the organization as well as their behaviour as part of that organization.
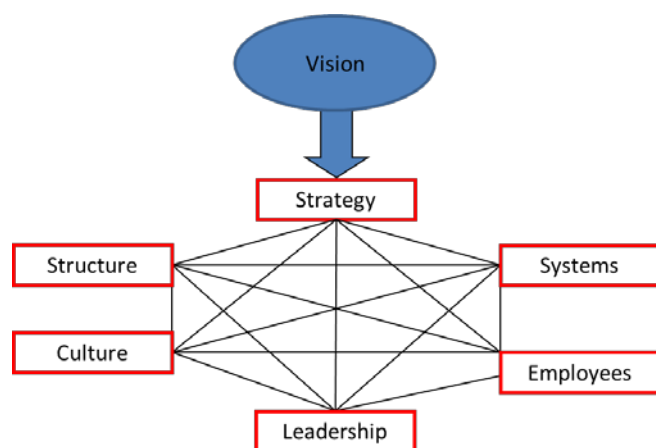
- Leadership: the behaviour and dominant styles of management and directors.
- Structure: (formally) organized division of responsibilities for the execution of activities undertaken by the organization.
- Systems: formal and informal rules and procedures which make the organization function.
- Staff: (proposed) competences and characteristics of employees within the organization.

Of course, like any other model, this model has his drawbacks as well. Tully et al (2014), for example, argue the 7-S model is limited for not tackling the interaction within the organization. Distinguishing the elements of an organization is not sufficient to typify what an organization actually looks like and how it functions. Therefore, the organizational elements culture, systems, staff etc. must also be analysed separately as well as on their congruency. To be able to relate the separate elements to each other and to determine if there is (indeed) congruency between them or not, a classification model is necessary that not only enables description of the elements on their own, but also allows investigation of relationships. Therefore, we have combined the analytical model based on Weggeman (2000) and Waterman et al. (1980) with a classification in line with the Competing Values Framework to characterize the organizational elements according to:
- a relative focus on stability versus a relative focus on flexibility;
- and a relative focus on the internal organization versus a relative focus on the organization as part of an external environment.

This leads to a model with four quadrants, as shown in Figure 3. Associative descriptions are given to each quadrant to describe the characteristics of each quadrant. Each quadrant has been given a general name to simplify the discussion of results of the analysis. An emphasis on internal focus and flexibility focus, is called 'Consideration'. An external focus combined with flexibility focus, is 'Network'. External focus



Figure 3 Analytical model

and stability focus is 'Results' and a combination of internal focus and stability focus is called 'Agreement'. Each organizational element is classified on the basis of these orientations, employing a questionnaire that partly builds on questionnaires developed by Cameron and Quinn (2006) and Dreimüller (2008). In the questionnaire, each organizational element is typified according to three (sub)aspects per organizational element (except for vision, for which has four aspects are used to enable classification in the quadrant). Table 1 Organizational elements summarises the subjects discussed to enable the classification, Appendix 1 contains the full description of characteristics in the questionnaire. In this questionnaire each first answer of a question relates to characteristics of 'consideration', the second answers to 'network'-characteristics, the third to 'results'-characteristics and the fourth to 'agreement'-characteristics.
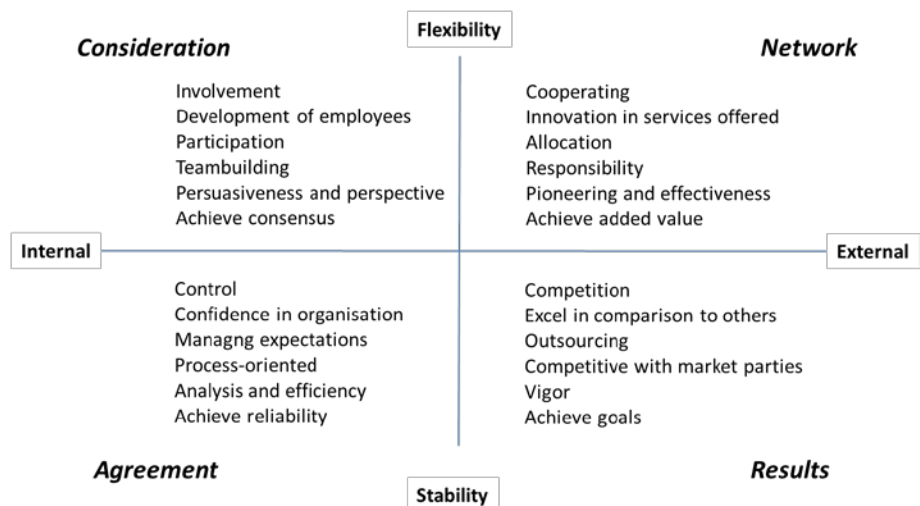
Table 1 Organizational elements

| | Subjects | | |
|---|---|---|---|
| Vision | Motto of the organization (relates to strategy and | View on structuring the organization (relates to | Characteristics of employees (relates to |

| | culture) | structure and systems) | management style and staff) |
|---|---|---|---|
| Strategy | Orientation on future development of the organization | System on deciding future course(s) of action for the organization | Strategy regarding the current and future employees |
| Culture | Main characteristics of the organization | 'Glue' of the organization | Success criteria used by the organization |
| Structure | General structure of the organization | Ratio on executing activities within the organization versus outsourcing | Organization design of business processes |
| Management style | Behavior of management | Management style to run the organization | Management focus in managing employees |
| Systems | Coordinating mechanisms within the organization | Organizational design of decision making | (In)formal orientation in policy making of the organization |
| Staff | Characteristics of staff employed by the organization | Competences of staff employed by the organization | Ambition and dynamics of staff employed by the organization |

The orientation for each aspect is then measured be dividing 10 points along the four main orientations, giving the description that fits best with the situation the most points and giving descriptions that fit less with the situation less points. This analysis is performed by triangulating three sources of data to be as accurate as possible. The description of the organizational elements is first used in the questionnaire to be answered by employees of the organization. The questionnaire is to be answered from three perspectives: to describe the organization as it 'was' (the organizational set-up as seen 5 years ago), as the 'current' situation is and as the direction the organization is heading, the 'desired' situation. This immediately shows the change the housing association is going through or is planning to change to. Secondly the organizations' documents are analysed and quotes from the document are labelled and 'scored' in the questionnaire as well, by the researcher involved according the description, leading to an additional assessment of the dominance of orientations. A third assessment is based on direct observations by the researcher during his involvement with people in and around the organization, again labelled and 'scored' in the questionnaire as well. This second and third analysis are used to verify the answers given by the respondents in the questionnaire. The results of these three sets of data are then summarised in an assessment and discussed with employees (mainly at management level) to verify the findings.

### 4. The case X

Corporation X[1] is one of the four housing associations involved in the study underlying the paper and is used to test the analytical framework. The management team (the director and managers of the departments Living, Real Estate and Business & Finance) and two internal advisors (one on strategy and one on general management) filled out the questionnaire, in March 2016 (for the complete questionnaire and the results for X, see Appendix 1). These characteristics were subsequently discussed at a management meeting. Additionally, the researcher made his own assessment based on documents and observations and interviews during in-company visits. This paragraph summarizes the results of this test. In this section, a brief overview of the organization is given, followed by the analysis of the separate organizational elements. Section 5 will elaborate on the findings for the complete organization and lessons drawn from the analysis about congruency between the different organisational elements.

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[1] Due to the process this housing associations and this study is in, results are handled anonymously

In 2015 X owned 3,706 rental units , of which 3,586 were dwellings) with an so-called (by Central Housing Fund) average financial and stock profile (CFV 2014). The portfolio consists of dwellings built after 1945, mostly in the years 1970-1979 (35%) and 1990-1999 (23%). The organization expects relative large investments in the coming years to keep the quality of these dwelling up to date. The housing association is considered financially healthy. X employs 44 people (39 fte).

*Vision*

As shown in Figure 4, the vision of X is going to change, but has not changed much in the last five years. The model shows a dominant 'internal' orientation and emphasises a 'Consideration' approach both in the 'was'- and 'is' situation. The organizational vision is considered to be different in five years from now, with a more evenly divided spread of orientations over all the four quadrants, implying a shift to a more external focus, with a slight emphasis on a 'Network' approach. This expected change is confirmed if we analyse the documents and interviews, as shown in Figure 5. This figure shows the difference between the answers of the respondents in the questionnaire and the results of the analysis of documents on vision and future images of the organization X in general. The orientations according to the documents are nearly the same as the 'desired'-situation as answered by the respondents in the questionnaire. This suggests the vision as written down and talked about during interviews and meetings is believed to be future instead of the present as assessed by the respondents.
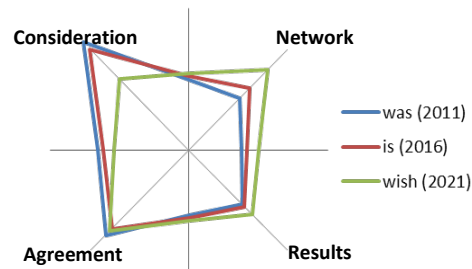


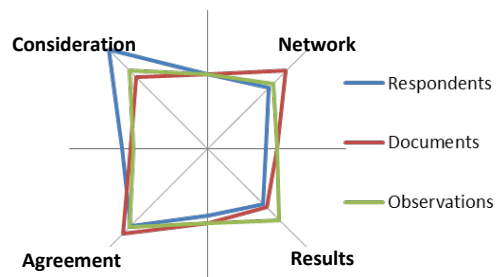*Figure 4 Vision in analytical framework*



*Figure 5 Vision current situation in analytical framework*

If the subjects within the organizational element vision are analysed more deeply, we can see that the shift in focus between current and future situation, based on the questionnaire, is mainly caused by a changing vision on organizing (structuring) and the desired characteristics of the staff than a change in paradigm of the organization. The organisation intends to place more emphasis on cooperation with and outsourcing to market parties and employees being more task-responsible and result-oriented, while remaining a focus on efficient business processes.

*Strategy*

As in the element vision, there is hardly any difference in X's perspective on strategy in the past and now, according to the respondents (see Figure 6). Focus is on the internal characteristics of the model, with a dominance on the Agreement orientation. The 'desired' situation however, shows a more or less equally divided pattern among all four quadrants with still a small preference on internal characteristics. If we compare the analysis of the document and observations to the answers by the
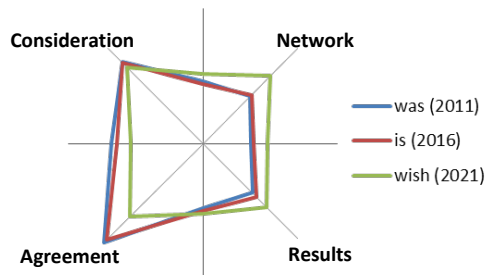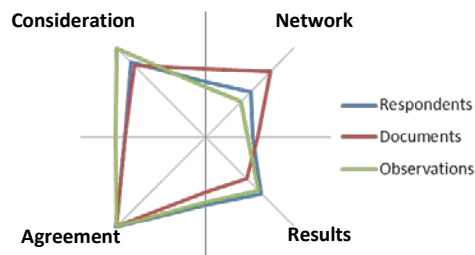
*Figure 6 Strategy in analytical framework*



*Figure 7 Strategy current situation in analytical framework*

correspondents, we see a difference. The documents indicate more dominance of the Network orientation, more or less according to the 'desired'- situation from the respondents.

The shift in focus from Agreement characteristics to more external characteristics can be explained by pressure to get 'in control' combined with changing legislation, which leads to redesigning the business processes,  increased need for information and extended  control-systems. At the same time the organization wants to increase their cooperation with other housing associations and market parties. They consider themselves vulnerable as a small organization and find it difficult to implement the changes required by developments in the institutional context (mainly the new Housing Act) to the organization, fearing overhead costs might be getting out of control if they would have to do it all by themselves. X feels they have a capacity to handle more dwellings then they currently manage (and overhead problems might be less) if they would have a larger portfolio and place more emphasis on efficient cooperation mechanisms.

*Culture*

The element culture resembles the assessment of the vision in the 'was' and 'current' situation, but the desired situation shows a little different orientation (see Figure 8). Change is desired from a Consideration approach to the opposite quadrant, emphasising characteristics associated with a Result orientation. This is explained by a bigger focus on results,  both for overall characteristics of the



*Figure 8 Culture  in analytical framework*

organization as well as a Result orientation being expected to acts as 'glue' in the organization, helping to focus people and processes. The respondents think, however, that the success criteria the organization employs will be mainly the same in the future as they are now, maintaining a relative dominance of internally oriented characteristics such as development of employees and efficiency rather than innovation and achievements compared to other organizations.

Looking at the documents, we see a relative strong focus on characteristic associated with an Agreement and Consideration approach. The observations match the answers given by the respondents. We have to keep in mind here, that the documents are not literally on culture, but rather focus on the procedural side of the organization. In the documents we notice a focus on elements which have to do with staying or becoming a smooth running



*Figure 9  Culture current situation in analytical framework*

organization running and being reliable has more emphasis in the documents than cooperation with other parties and achievements.

*Structure*

The element structure shows a big difference between the past and current situation and the desired situation, as can be seen in Figure 10. The focus on Consideration characteristics is hardly expected to change, but the organizat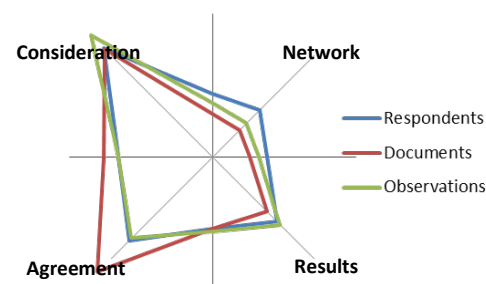ion wants to change from a strong dominance on Agreement in the 'was' and 'is' situation to external characteristics, both in terms of Network and Results characteristics. There is some



*Figure 10 Structure in analytical framework*

difference in this direction between the 'was' and 'is'-situation, implying the change is taken place at the moment. The aspect of structure where this movement is strongest is the development from a large operational core of the organization (a characteristic associated with an Agreement approach) to a combination of working in cooperation with other parties (Network) and outsourcing activities (Results).
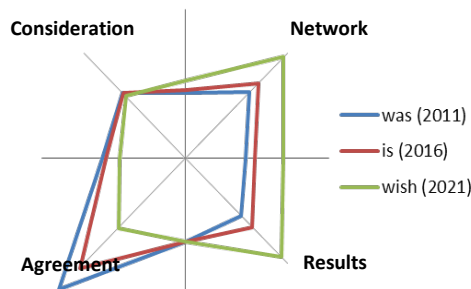
In its real estate activities, the housing association is already doing much activities in supply chain cooperation and by outsourcing activities to the market, although 'traditional' procurement is still taking place as well. Other activities such as the rental process, administration and the digitalization of the organization are focused mainly on characteristics associated with an Agreement approach, wanting to optimize the efficiency of the processes and getting more 'in control' by increasing the amount of information generated. When observing the organization however, we see more

characteristics of a Consideration approach than can be read from document or how respondents fill out the questionnaire (see Figure 11). Except in real estate activities, the organisation is currently structured considering employees available within the organization, rather than setting up cooperation on an activity with other companies together. This underlines the difference in how the organization strives to act and in some parts is still acting.
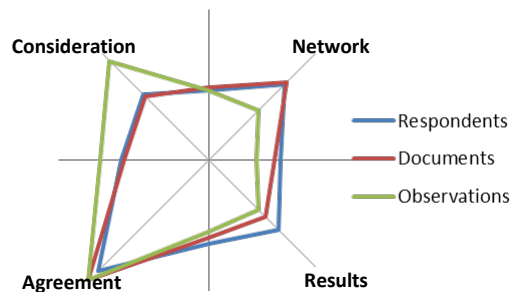


*Figure 11 Structure current situation in analytical framework*

*Management style*

The organizational element management style is changing from mainly characteristics of the internal quadrants to characteristics in the Results and Network quadrants and specifically. The largest contribution in this shift in characteristics is caused by a desire to change from coordinating business

processes to managing employees and other partners on their responsibilities and achievements. In this organizational element (and in systems) more change between the past and current situation can be seen then in any other organizational element.

Documents on management style are hardly available and an assessment of the management style by observations would require additional (observation) methods to be added to the



*Figure 12 Managementstyle in analytical framework*

analytical framework, so the comparison between document, observations and the results from the questionnaire cannot be made for this aspect.

*Systems[2]*

For the organizational element 'systems' we see a partly opposite direction of (desired) change in comparison to the other organizational elements (see Figure 13). There is change to more Network characteristics, as seen in other elements as well, but also a shift from characteristics in the Result quadrant to the Agreement quadrant.
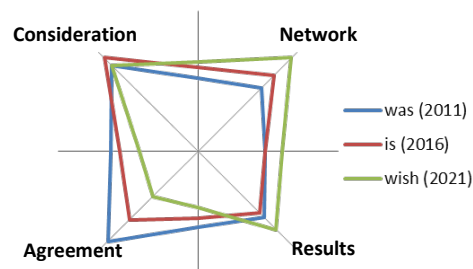
This was recognized by the management team


*Figure 13 Systems in analytical framework*

and illustrated by their changing method of portfolio management. This was first aimed at the possible end-result (Result characteristic) and started from organizational ideology (Consideration characteristic), but is now increasingly based on market analysis, forecasts (Agreement characteristics) and balancing interests of different parties involved (Network characteristic). However, daily operations within the organization (see Figure 14, observations) show more characteristics of a Consideration approach, for example indicated by long discussions and consensus finding meetings within the management-team, as well as Results, because, for example there still is strong hierarchical decision making approach.
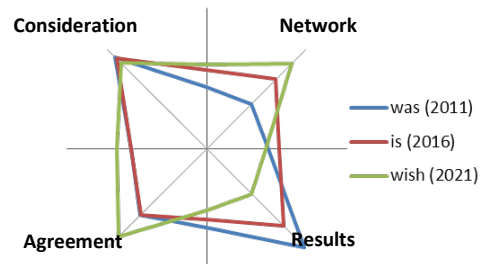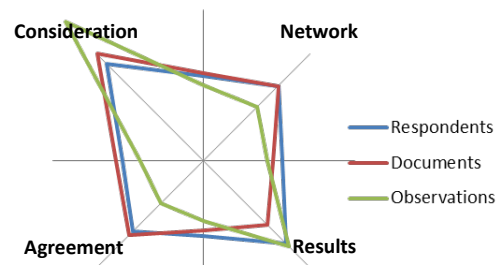

*Figure 14 Systems current situation in analytical framework*

*Staff*

The results of the questionnaire show, as with most elements, little difference between the past and current situation. However, the difference with the desired situation is big, as can be seen in Figure 15. As seen in other elements, change is desired to more external characteristics and a more equal division of characteristics among the four quadrants. The current situation shows dominance of Consideration characteristics and on Agreement characteristics, meaning the respondents see the staff as employees with a preference for a personal atmosphere and looking for security in procedures and policy.

Change in staff means X is looking for increased


*Figure 15 Staff in analytical framework*

competences in innovation, delegating and flexibility as well as more competitiveness and focus on achievements, meaning employees who are thought to be more dynamic and striving for better and higher positions within or outside the organization.

Although up-to-date documents on staff are not available (or not suitable to translate to the subjects in the questionnaire), observations and interviews confirm the answers of the respondents. Older generation employees have been working with X for a long time, while at the same time employees are recognizing the limitations in personal development opportunities within the small organization

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[2] One subject in the questionnaire was not clearly enough defined for the respondents to answer the question for this aspect of systems. This subject has therefore been left out of the analysis. With only two subjects remaining to assess this element, conclusions show a stronger dominance on some characteristics than might have been if a third subject could have been used to assess the orientations.

as well. Current function descriptions are mostly based on competences and characteristics of the employees currently working with X, while the organization is changing this to more task-related function descriptions, expected to be filled in mostly by future employees, who will be selected on the basis of the new function descriptions.

### 5. *Exploring congruency*

If we look at all characteristics of all organizational elements together as summarised in Figure 16, we see little difference between the 'was'-situation five years ago and the 'is'-situation anno 2016, except for the element systems and to a lesser extent in management style. This overall finding was recognized by the respondents in the feedback session: they agreed that the organizational set-up has not changed fundamentally in recent years. This may be found remarkable considering the changes the social housing sector and its institutional context have been going through and the pressures this supposedly has put on the housing associations. The respondents explain this absence of change by having been too busy interpreting and implementing methods and systems, and associated administration, to comply with the changes in the institutional context. They did not consider to have time nor thrive for major organizational changes. At the same time they consider this period as a phase in further professionalizing and developing the organization in the existing situation, before they will, organically, adopt new organizational principles and according changes in their organizational set-up. As can be seen in the 'desired'-situation, the respondents desired some major changes for their future organizational set-up with major differences in some organizational elements.

The respondents recognize the desired change as indicated by the analysis as a movement the organization is making. If we compare the organizational elements, we see roughly the same desired direction of change in the elements vision, strategy, structure, management style and staff. It is the change from focus on internal characteristics to more external characteristics, leading to a more evenly spread of characteristics among the four quadrants. The desired change in structure and staff is
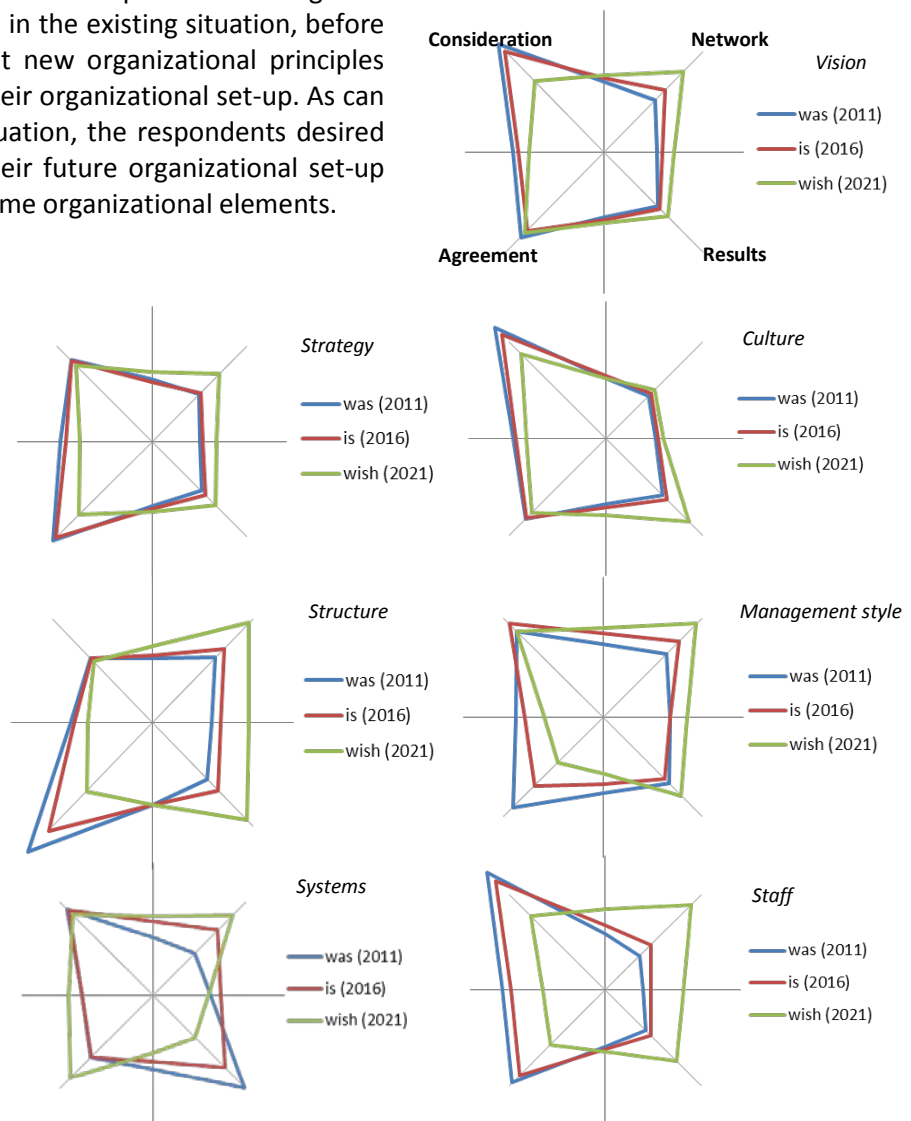


Figure 16  Overview of al organizational elements in the analytical framework

bigger than in other elements, which can be explained by a larger dominance on internal characteristics in the current situation. Thus, the proposed change for the distinguished organisational elements, seems to be congruent with each other, considering the same general direction and consistency in this direction. Vision and strategy are less dominant on internal characteristics than the elements structure, management style and employees. That could be interpreted as 'hierarchal' process with the vision and intended strategy leading to the actual implementation in the other organisational elements. Evidence of this interpretation can also be found in the documents: they confirm the characteristics that the respondents answer for the 'desired' situation in the questionnaire.

Divergence, however, can also be seen in the results of the analysis. The organizational elements culture and systems differ from the other elements. The (proposed) change in systems can possibly be explained, as stated earlier in this paper, as reaction to the changing institutional conditions for housing associations. Interesting in this is that the direction of the other elements does not seem to be influenced the same way by this change in legislation. Most striking difference in the element culture is that it is not moving to more network characteristics, while all other elements do so. The organization seems to be aware of changing market conditions and more pressure on results, but does not seem to want to change their innovating or cooperating characteristics in culture. This is remarkable considering the vision of the organization is stressing the importance of network-characteristics. If congruency between organisational perspectives is indeed positive for organisational performance and if culture is, as many organisational studies indicate, a crucial element, this could hamper the desired change in the future.


### 6. Reflection on test with analytical framework

The use of a classification model is to give insight in what is happening, not to objectively determine 'the best way'. In line with the contingency theory, diagnosing the individual organization uses logic and reasoning to determine the quality of the organization and the congruency within organizational elements. In theory, each quadrant can be equally capable in terms of achieving the desired performance, but some quadrants might be more fitting to organizations in a certain context than another quadrant. One of the main strengths of the model is, theoretically, that it allows for a relatively complete analysis of different elements of organisations, thus avoiding typifying organisations as being just structures or just cultures. Furthermore, for the purpose of our study, it is beneficial that the elements are relatively easy to recognize by professionals and managers also often refer to similar elements when defining their own organizational strategies, thus enabling communication between the researcher and the professionals about the developments in the organization.

The results of the test case with the analytical framework show congruence among the characteristics of most organizational elements and their (desired) development direction in time. They share characteristics of internal focus and their development direction is towards an external focus. This can been seen in line with organizational theory Waterman (1980), Weggeman (2000) and Harrison (1990) have developed on balancing the organizational elements, with the analytical framework making an application of this theory for the case of the organization of housing associations. The organizational element systems however, and the element culture in development direction, show divergence as well as their dominant characteristics are in a different quadrant and their (projected) development direction differs from the other elements. Further research has to be done whether this divergence undermines the theory on congruence between organizational elements or that the organization in this test case should adjust their ideas about the desired future systems and culture. The hierarchical order of organizational elements as Burke and Litwin (1992) propose can been seen in the results of this case as well, when the analysis of the documents is

involved. These show more or less the desired situation in vision and strategy, as given by the respondents, in the current situation, being the same general direction the other organizational elements are supposed to develop to in their desired situation. This might suggest the intended and planned vision and strategy for the organization is followed by the development of the rest of the organizational elements. Competing values, as described in organizational theory (Quinn 1981, 2007) for characteristics in opposite quadrants of the analytical framework, are clearly shown as well in the results of the test case. All organizational elements have all characteristics of the different quadrant, but show changing dominance over time on one or two quadrants. Structure and staff are most dramatic in this change, shifting to strong internal focus to external focus. However, none of the organizational elements can be solely identified in one or two quadrants. Each has, and keeps having, characteristics of all quadrants.

There were some remarks from the respondents involved in the test case on the general level of the analytical framework as well. Activities undertaken by the housing association are very different from one another, which leads to difficult estimation of the main characteristics of the organization. Most explicit example which can been seen in the test case is the difference in working in supply chain cooperation for real estate activities (characteristics of the network and results quadrant) while other activities are said to be executed with dominant consideration or agreement characteristics. It is then difficult for respondents, and the researcher as well, to judge characteristics in one quadrant or another, which leads to a more balanced outcome while the underlying activities can be very outspoken characterized. At the same time this might be considered as competing values within the organization as well, seeing different parts or the organization having different characteristics. Besides the general level of the analysis there was some discussion about interpreting the definitions and subjects used in the questionnaire as well. Comments were made as well by the respondents about the abstract theoretical level of some descriptions in the questionnaire, which could hardly be translated to practice by the respondents, and the multiple aspects in some descriptions were tangling, leaving the respondents unable to choose between different options.

### 7. Conclusion

This paper has presented an analytical framework for diagnosing organizational change and congruency in the organizational set-up of housing associations and its results when testing the framework. The method used gives more insight in the actual organizational set-up identifying separate organizational elements and making them comparable along similar axes in the analytical framework. The test case shows the value of this model, showing clearly on the level of separate organizational elements which organizational change the organization has (not) been gone through and still desires to go through. It showed both congruence and divergence as well between the – (desired) development of – different organizational elements within the organization. The information on the characteristics of each organizational element, and its (desired) development orientation, is valuable for the organization itself, as it gives insight in the complete organizational set-up and its development direction. The visible congruence and divergence shown is valuable to help the organization answer the question on how to further develop the organization.  However, it raises questions as well, both for further research and for practice, on how to interpret these supposed congruence and divergence. To what extend theory on congruence and competing values is applicable or has to be altered or amplified is not possible based on the outcome of one test case. Further research with the analytical framework on more organizations and following of organizations over time to see how the organization is developing is needed.  While the general results of the analysis with the analytical framework are recognizable for the involved respondents of the organization from the test case, the descriptions in the questionnaire have to be (re)defined more narrowly and practically in order to improve the association with practice. Questions can also be raised whether the described subjects really capture the (unique) strengths, and thereby the weaknesses, of the organization and its organizational set-up. As the respondents of the test case

indicate that difference within the organization are big, with different activities undertaken and between different parts of the organization, while the framework is trying to give general insight in the organization.

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**Appendix 1**

| | | | was | is | wish |
|---|---|---|---|---|---|
| **VISION** | **1** | **The motto of the organization to perform well is:** | **was** | **is** | **wish** |
| | | Involvement of employees is essential | 5,8 | 5,5 | 4,7 |
| | | Innovation and flexibility is essential | 2,8 | 2,7 | 2,8 |
| | | Willingness to excel and ambitious goalsetting is essential | 3,4 | 3,3 | 3,3 |
| | | Focus on control of business processes is essential | 3,0 | 3,3 | 3,8 |
| | **2** | **Vision on organizing.** | **was** | **is** | **wish** |
| | | Involvement of partners and striving for a clear future perspective allows the organization to perform well, customer is king. | 5,0 | 4,5 | 3,0 |
| | | Cooperation with (changing) partners in the network ensures good executing of tasks, customer is partners. | 2,8 | 3,7 | 4,7 |
| | | Using advantages of market parties and aiming for the highest final result leads the optimal performance, customer satisfaction indicates the next action. | 2,0 | 2,5 | 3,0 |
| | | Working from a clear policy and predictable workflow creates reliable and efficient services, customer needs to be served. | 5,2 | 4,3 | 4,2 |
| | **3** | **Employees** | **was** | **is** | **wish** |
| | | Employees are long involved within the organization to develop to team players, core values are personal, cooperation and involvement. | 5,4 | 5,2 | 3,0 |
| | | Employees are innovative and dynamic and employed based on responsibility for certain activities, core values are innovative, future-minded and inspiring. | 2,2 | 3,0 | 4,5 |
| | | Employees strive for the best and act accordingly, core values are result oriented, decisiveness and ambition. | 2,8 | 2,7 | 3,3 |
| | | Employees are reliable and work based on information, analyses and arguments, core values are reliability, competent and transparent. | 4,6 | 4,2 | 4,2 |
| **STRATEGY** | **4** | **Development of the organization** | **was** | **is** | **wish** |
| | | The organization aims to improve by development and training of employees. | 4,2 | 4,5 | 4,5 |
| | | The organization innovates and is involved with product and service development with other parties. | 2,6 | 2,0 | 2,5 |
| | | The organization wants to improve results by cooperating and negotiating with market parties. | 2,8 | 3,7 | 4,0 |
| | | The organization improves existing procedures, policy and business processes. | 5,4 | 4,8 | 4,0 |
| | **5** | **Strategies choice making** | **was** | **is** | **wish** |
| | | Stakeholders are to be consulted to discuss and imbed strategic choices. | 4,8 | 4,5 | 4,0 |
| | | The strategy is made in a network with stakeholders. | 2,4 | 2,2 | 4,0 |
| | | The strategy is made in cooperation with stakeholders. | 2,8 | 2,0 | 2,5 |
| | | Stakeholders are involved in strategy making to increase reliability and success of the strategic choices of the organization. | 5,0 | 6,3 | 4,5 |
| | **6** | **Management of employees** | **was** | **is** | **wish** |
| | | The strategy is to employ staff with competences in organizing participation, stimulation of colleagues and facilitating skills. | 3,8 | 3,7 | 3,5 |
| | | The strategy is to employ staff who are flexible and willing to take risks to change for the better. | 2,4 | 3,5 | 4,2 |
| | | The strategy is to employ staff which is solution-minded and willing to do everything to get the results needed. | 3,2 | 3,8 | 4,3 |
| | | The strategy is to employ staff who are trustworthy, competent and process-oriented. | 5,2 | 4,0 | 3,0 |

| | | was | is | wish |
|---|---|---|---|---|
| **CULTURE** | | | | |
| **7 Dominant features of an organization** | | **was** | **is** | **wish** |
| | De organization has a personal character. | 5,6 | 5,0 | 3,3 |
| | The organization has an entrepreneurial spirit. | 2,2 | 2,8 | 3,5 |
| | The organization is result oriented. | 3,2 | 3,3 | 5,2 |
| | The organization is structured. | 4,0 | 3,8 | 3,0 |
| **8 Glue of the organization** | | **was** | **is** | **wish** |
| | Glue of the organization is loyalty and mutual trust, commitment with the organization runs high. | 6,2 | 5,5 | 4,7 |
| | Glue of the organization is involvement on innovations and experiments, there is a strong desire to be unique. | 2,6 | 2,7 | 2,3 |
| | Glue of the organization is performances and goals achieved. | 2,8 | 3,5 | 4,8 |
| | Glue of the organization is rules and policy, running a smooth operation is important. | 3,4 | 3,3 | 3,2 |
| **9 Success criteria** | | **was** | **is** | **wish** |
| | Success is measured with development of employees, teamwork and involvement and care of staff. | 5,4 | 5,7 | 5,2 |
| | Success is measured in successful new products and services. | 1,8 | 1,5 | 1,7 |
| | Success is measured by comparison of achievements with others (for example in a benchmark) | 2,8 | 2,7 | 2,8 |
| | Success is measured by rate of efficiency and reliability.. | 5,0 | 5,2 | 5,3 |
| **STRUCTURE** | | | | |
| **10 Structure** | | **was** | **is** | **wish** |
| | Bottom-up and task-specialization are dominant, there is a large servicing staff. | 3,0 | 3,6 | 3,4 |
| | Multidisciplinary, horizontal relationships and changing accountability within the organization. | 3,3 | 3,4 | 4,8 |
| | Independent units are visible within the organization, hierarchal management is important. | 2,0 | 3,0 | 5,2 |
| | Organized by function, divisions of tasks, large operational core, technical and servicing staff. | 6,8 | 5,0 | 2,0 |
| **11 Executing versus outsourcing** | | **was** | **is** | **wish** |
| | The association is set-up to execute all possible activities the customer (or society) asks for. | 2,6 | 2,7 | 1,7 |
| | The association is part of a network in which every involved stakeholder is active in its own accountable specialty. | 3,0 | 3,2 | 4,7 |
| | Tactical-operational activities are to be executed by market parties as much as possible. | 3,0 | 2,8 | 3,5 |
| | The organization is set-up to executes most activities themselves as formulated by regulation. | 6,4 | 6,3 | 5,2 |
| **12 Business processes** | | **was** | **is** | **wish** |
| | Most processes are imbedded in a matrix-style structure between specialized departments within the organization. | 3,8 | 3,0 | 3,8 |
| | Processes are set-up in general based on responsibilities of employees or parties involved. | 3,2 | 4,2 | 5,0 |
| | Processes are set-up in by hierarchy of employees and parties involved, based on (sub-part)results. | 3,2 | 4,0 | 5,4 |
| | Processes are subscribed in detail for each function and each step of the process. | 5,6 | 4,3 | 2,8 |
| **MANAGEMENT STYLE** | | | | |
| **13 Management behavior** | | **was** | **is** | **wish** |
| | Managers act as coach and mentor: stimulating and facilitating their employees. | 4,2 | 5,3 | 6,2 |
| | Managers show entrepreneurial spirit, willingness to take risks and innovate. | 3,4 | 4,3 | 4,0 |
| | Managers use a no-nonsense attitude to ensure goals are achieved. | 3,2 | 2,5 | 3,5 |
| | Managers are coordinating the organization. | 4,6 | 2,8 | 1,6 |
| **14 Management style** | | **was** | **is** | **wish** |
| | Management is aimed at achieving consensus and participation. | 5,6 | 4,8 | 3,0 |
| | Management is aimed at taking (and giving) responsibility. | 3,6 | 4,3 | 6,8 |
| | Management is aimed at getting the job done. | 2,4 | 3,0 | 4,0 |
| | Management is aimed at information, predictability and certainty. | 4,3 | 3,2 | 1,8 |
| **15 Focus of management** | | **was** | **is** | **wish** |
| | Focus of managers is at teambuilding, conflict management and development of employees. | 3,2 | 4,0 | 3,8 |
| | Focus of managers is at managing change, growth, commitment and generating ideas for innovation. | 2,6 | 2,8 | 3,3 |
| | Focus of managers is on time management, productive work-environment and realizing goals. | 4,4 | 3,8 | 4,3 |
| | Focus of managers is at monitoring, analyzing information and managing projects and processes. | 4,8 | 4,3 | 3,5 |

| | | was | is | wish |
|---|---|---|---|---|
| **16** | **Coordinating mechanisms** | | | |
| | Coordinating mechanisms are aimed at standardizing skills of employees, but vulnerable for ideological conflict and misuse of professional autonomy. | | | |
| | Coordinating mechanisms are aimed at deliberation from different roles, but vulnerable for problems in continuity and efficiency. | | | |
| | Coordinating mechanisms are aimed at standardizing output, but vulnerable for 'state-in-state' behavior. | | | |
| | Coordinating mechanisms are aimed at standardizing processes, but vulnerable for bureaucracy, control issues and problems with overhead. | | | |
| **17** | **Decision making** | **was** | **is** | **wish** |
| | Decision making is based on internal consensus and negotiation, risks are being accepted. | 4,0 | 4,5 | 6,7 |
| | Decision making is based on future possibilities in cooperation with other parties, risks are to be shared. | 1,8 | 2,8 | 4,0 |
| | Decision making is based on hierarchy, risks are being covered by contracts and insurances. | 7,4 | 5,3 | 2,3 |
| | Decision making is based on preset conditions and policy, risks are avoided. | 2,2 | 2,8 | 2,7 |
| **18** | **(In)formal policy making orientation** | **was** | **is** | **wish** |
| | Policy making is based on ideologies of people involved in order to realize an attractive perspective. | 5,3 | 4,6 | 2,0 |
| | Policy making is based on long-term scenarios and balancing of internal and external interests. | 2,8 | 4,2 | 4,6 |
| | Policy making is based on the position of housing association in (local) market conditions. | 2,5 | 2,4 | 2,2 |
| | Policy making is based on analysis and prognosis from an internal view on financial and societal rate of return. | 4,5 | 3,8 | 6,2 |
| **19** | **Characteristics** | **was** | **is** | **wish** |
| | Employees share a lot of personal informative and characteristics, they are sensitive for atmosphere and team players. | 5,8 | 5,3 | 4,5 |
| | Employees are prepared to take risks and stick their necks out, drive by progress and looking for dynamics. | 1,4 | 2,2 | 4,0 |
| | Employees are competitive and focusses on achievements, result-oriented and want to be on the winning team. | 2,0 | 2,5 | 4,2 |
| | Employees are generally following procedures and rules of the organization, process-driven and looking for security. | 5,8 | 5,0 | 2,3 |
| **20** | **Competences** | **was** | **is** | **wish** |
| | Employees are good at organizing participation with stakeholders, act from an ideological point of view. | 6,8 | 6,0 | 3,8 |
| | Employees are good at regenerative and innovate thinking, delegating and are flexible. | 2,2 | 3,2 | 4,7 |
| | Employees are good at negotiating, managing time and costs and have entrepreneurial skills. | 2,4 | 2,3 | 2,8 |
| | Employees are good at convincing others based on arguments and have strong analytical skills. | 3,6 | 3,5 | 3,7 |
| **21** | **Ambition and dynamics** | **was** | **is** | **wish** |
| | Most employees are working at the same organization for a long time in different positions. | 6,0 | 5,8 | 3,3 |
| | Employees have a relatively high mobility inside and outside the organization, looking for the spot with most added value for both the organization as themselves. | 1,8 | 1,8 | 4,8 |
| | Employees are highly ambitious to grow to higher-rated positions inside or outside the organization. | 2,0 | 2,3 | 4,2 |
| | Mobility of employees is low, focus is on job-related development of skills. | 5,2 | 5,0 | 2,7 |

SYSTEMS (rows 16–18), STAFF (rows 19–21)