**A Causal Model of Organizational Performance and Change**

**W. Warner Burke**

Teachers College, Columbia University

**George H. Litwin**

The Graduate Center

To provide a model of organizational performance and change,at least two lines of theorizing need to be explored-organizational functioningand organizational change. The authors go beyond descriptionand suggest causal linkages that hypothesize how performanceis affected and how effective change occurs. Change is depictedin terms of both process and content, with particular emphasison transformational as compared with transactional factors.Transformational change occurs as a response to the externalenvironment and directly affects organizational mission andstrategy, the organization’s leadership, and culture. In turn,the transactional factors are affected-structure, systems, managementpractices, and climate. These transformational and transactionalfactors together affect motivation, which, in turn, affectsperformance.

In support of the model's potential validity, theory and researchas well as practice are cited.

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