Chapter 28

USING THE SPELIT ANALYSIS TECHNIQUE FOR ORGANIZATIONAL TRANSITIONS

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ABSTRACT

The purpose of this paper is to describe a new analysis methodology, and provide formats for use, in doctoral level curricula. The acronym SPELIT is an analysis methodology and framework to help understand an organization's environment from the social, political, economic, legal, intercultural and technical perspectives. Developed in the early 2000s, this methodology is sufficiently robust and can be used by undergraduate students, graduate students, and seasoned practitioners doing a market analysis, diagnosis prior to implementing transitions, or benchmarking in anticipation of an intervention. This paper shows how this methodology aligns with many change theorists, such as Christensen, Kaufman, Holcomb, and Cummings and Worley, theorists who stipulate benchmarking or diagnosing the current condition as a first step in the change process. One of the remarkable advantages of the SPELIT analysis methodology is that it can be readily adapted to unique organizations by adding or deleting environments, such as educational, ethical, historical, physical, religious, temporal, and security environments. This paper describes several different formats where the SPELIT analysis methodology has been incorporated at several universities, as incorporated into a doctoral level *comprehensive examination* curriculum where the students examine organizational transitions.

Keywords: organizations, analysis, benchmarking, environments, SPELIT.

1. INTRODUCTION

There is a need to analyze one's environment in many aspects of life. To meet this need, the SPELIT analysis methodology was developed in the early 2000s and is presented in this paper. In the chapter sections below, the authors show how this methodology aligns with many change theorists, such as Christensen, Kaufman, Holcomb, and Cummings & Worley. These theorists stipulate benchmarking or diagnosing the current condition as a first step in the change process. The authors continue by providing several different examples where the SPELIT analysis methodology has been incorporated at several universities, as incorporated into a doctoral level *comprehensive examination* curriculum where the students examine organizational transitions.

1.1. Theorists' Need for Environmental Analysis

Change theorists, described in this section, include an evaluation of the environment as part of their philosophies. Christensen (1997) discusses a three-stage method for defining a detailed strategy to guide a company. The first of his three stages is *identifying the driving forces*. He states: "The first stage ... is to identify at a fundamental level the root causes of the issues the company needs to address. These are the *driving forces* – the economic, demographic, technological, or competitive factors in the company's environment that either constitute threats or create opportunities" (p. 5).

Kaufman (2000) has a four-step model of assessment, and the second step is *measuring current results (What is)*. The first of Holcomb's (2001) five guiding questions is the environmental analysis question *"where are we now?"* (p. xi). Holcomb's five questions are targeted to collaboration and school change, but these questions can be applied to almost any transition process. The SPELIT analysis methodology is a tool to answer these questions.

To do any reframing of the views of an organization, the reframer will need a starting point. Bolman and Deal (2003) identify four frames of reference: 1) structural, 2) human resource, 3) political, and 4) symbolic. Each of these frames is a point of view and can be useful for evaluating the environment of an organization. These four frames are incorporated into several categories of the SPELIT analysis methodology. Kotter's (2012) first step, of his 8-step change model, is to create urgency. This involves understanding your market and competitive environment with regard to opportunities and threats. Bridges (2003) has a three-step process to describe the process of transitions. His first step is "ending" (p. 4) which addresses the pre-existing environment and that it must end. A key step in the "general model of planned change" (Cummings & Worley, 2005, p. 28) is diagnosis. The authors discuss diagnosing organizations, groups within organizations, and individuals prior to designing interventions. To this list we would add diagnosing the environment outside of the organization as suggested in the 5C model by and Bygrave and Zacharakis (2004).

All the above theories include a step for analysis or diagnosis of the current environment that *define the way things are now*. The SPELIT analysis methodology is a tool that is used to systematically analyze the environment of a large organization such as the European Aeronautic Defence and Space Company (EADS), individuals such as yourself or your boss, a situation such as graduate school or an impending marriage (or divorce), a physical community such as your homeowner association or your church, or a more-symbolic (or spread-out) community such as a professional society (e.g., which may be represented by the attendees of a conference).

2. BACKGROUND

There are different ways to describe perspectives about the environment. Bolman and Deal (2003) listed terms such as "schemata or schema, representations, cognitive maps, paradigms, social categorization, implicit theories, mental models, root metaphors" (p. 19), and frames. Christensen (1997) uses the terms *mapping* and *factors*. We use the term *environments* to describe the elements of the SPELIT analysis methodology. Many theorists systematically evaluate the environment of an organization if for no other reason than to have a baseline to determine if a change occurred after an intervention. The next section describes the SPELIT analysis methodology environments.

2.1. Theory: The SPELIT Environments
SPELIT is an acronym for social, political, economic, legal, intercultural, and technology. The first step of many change or transition theories is to evaluate the existing environment. This can be analyzed using the six-environment SPELIT analysis methodology. Each of the six major environments that created the SPELIT acronym are described below, and additional environments can be added as described in subsection 2.1.7.

2.1.1. Social Environment. Sociology is the study of how people behave in various group interactions, such as work, home, family, church, sports team, driving, and so on (Macionis, 2005). The SPELIT social environment addresses the social character of an organization. It would include Bolman & Deal's (2003) *structural* and *human resources* frames of reference.

2.1.2. Political Environment. Politics is the process of making decisions within groups and is closely tied to the concepts of power and influence. A political environment is associated with any group of people. The SPELIT political environment can address organizational structure and sources of power (position, expert, charismatic, etc.). This environment would include Bolman & Deal's (2003) *political* frame-of-reference and *competitors* and *collaborators* from Bygrave & Zacharaki's (2004) model.

2.1.3. Economics Environment. Economics is concerned with production and consumption of resources. The SPELIT economics environment addresses resources of an organization such as facilities, trucks, people, goodwill, or money. This environment would include *customers* from Bygrave & Zacharaki's (2004) model.

2.1.4. Legal Environment. The legal environment includes official laws or accepted rules. The legal system can be based on civil law, common law, customary law, and religious law. The SPELIT legal environment addresses the laws, customs, and ethics of the organization. This environment would include *customers* and *company* from Bygrave and Zacharakis' (2004) model.

2.1.5. Intercultural Environment. Being interculturally sensitive "is to be aware of the points of view of others and to recognize differences in cultures" (Schmieder-Ramirez, Fortson, & Madjidi, 2004, p. 7). The SPELIT intercultural environment addresses culture and differences between cultures that would be a driver for an organization. This environment would include Bolman & Deal's (2003) human *resources,* and it would include *symbolic* frames-of-reference and *context* from Bygrave and Zacharakis' (2004) model.

2.1.6. Technological Environment. Technology is the use of tools that society has developed to become more efficient, and technology is driving how the majority of businesses operate. The SPELIT technological environment includes the obvious computer and cell phone. This environment could also include the physical infrastructure such as the internet, highways, facilities, and food distribution channels.

2.1.7. Other Environments. The ability to delete existing or to add new environments is one of the remarkable advantages of the SPELIT analysis methodology. SPELIT can be adapted to unique organizations by adding or deleting environments. These unique environments could include the educational, ethical, historical, physical, religious, temporal (schedule), and security environments (Schmieder-Ramirez & Mallette, 2007), any of which could be very important in specific organizational analyses.

The authors have seen variations of the SPELIT analysis methodology that use parts of the original earlier SPEL and SPELT models, or expand to other environments. These variants include acronyms such as PEST, SLEPT, STEEPLE, PESTLE, PESTELEM, and POST (12Manage, 2015). Furthermore, some environments can be deleted if they are not applicable. For her doctoral dissertation on traditional and current states of marriage, a

student stated that she deleted the legal and technological SPELIT environments and renamed her research model *PIES* (Andrea Little Mason, personal communication, December 21, 2012).

3. PRACTICAL APPLICATIONS

The need for an environmental evaluation was formulated in the Section 1, the SPELIT analysis method was outlined in Section 2, and practical applications will be presented in this section. The SPELIT analysis methodology has been voluntarily incorporated into the comprehensive examination class for a doctoral program for several years. The purpose of the comprehensive examination:

> ...is to assess the doctoral student's ability to integrate the doctoral coursework by preparing a paper which will address a real-world problem, dilemma, or issue synthesizing the coursework. The paper will be evaluated and defended orally before a committee of faculty members (Pepperdine University, 2012-2013, p. 120).

The doctoral students are mid-career professionals interested in becoming scholar-practitioners, pursuing the doctor of education (Ed.D.) degree in Organizational Leadership. Several different formats of SPELIT matrices, used during comprehensive examination papers, are discussed below.

3.1. Comprehensive Examination Formats

The following subsections provide descriptions and examples of 1) the driving forces format, 2) the positive and negative forces format, 3) the SWOT format, 4) the fishbone format, and 5) the non-tabular, word format.

3.1.1. Driving Forces Format. The driving forces can be itemized in a two-column, or multiple-column, tabular format. Each SPELIT environment would be listed in the first column. The driving forces would be identified in the second column, starting from most important and ending with the least important. This is the simplest presentation format. Multiple driving forces could be added in the first column or added as additional columns as shown in Table 1.

Table 1. SPELIT matrix shown in the driving forces format.

SPELIT Driver	Driving Force 1	Driving Force 2	Driving Force 3
Social Drivers	Integrated interest by three healthcare entities.	Similar interest in outcomes.	Willingness to work together.
Political Drivers	Strategic planning synergy.	Heightened visibility.	Community outreach initiatives.
Economic Drivers	Funding for extended hours of operation.	Reduced education costs for two hospitals.	Leverage non-profit status for funding.
Legal Drivers	TX treatment Act.	Need to stabilize acute cases.	
Intercultural Drivers	Community participation in healthcare training. (medical vs lay.)	Culture, education, language, and literacy.	Increased opportunity for physician: patient relationship building.
Technological Drivers	Treatment and referral tracking.	Shared resource tracking.	Patient tracking system. (pre & post)

3.1.2. Positive and Negative Forces Format. Opposing driving forces can be juxtaposed for each SPELIT environment in a three-column format. Each SPELIT environment would be listed in the first column. The second column would be positive forces, and the third column would be negative forces. Alternatively, these columns could be labelled strengths and weaknesses, pluses and minuses, pro and con, right and wrong, good and bad, credits and debits, or driving forces and restraining forces. Table 2 provides an example of the SPELIT matrix with driving and restraining forces. Table 3 provides an example of the SPELIT matrix with positive and negative effects.

Table 2. SPELIT matrix shown with driving and restraining forces format.

SPELIT Driver	Driving Forces	Restraining Forces
Social	• Widespread unhappiness with the status quo • Capable, educated faculty • Community desire for a guiding direction • Urgent need for a strong sustainable community	• Mistrust of administration by teachers and parents • Feelings of powerlessness by teachers • Little no sharing of ideas or thinking • Fast paced, superficial shifts
Political	• Influential staff members with leverage in the community • Desire of faculty to be heard • Authentic desire in faculty for children's learning and success	• Power games and coercion • Top-down decision making • Constraints and mandates by district impeding innovation
Economic	• Parents fundraise and businesses willing to donate • Skilled faculty and parents as resources • More resources available (being withheld)	• Declining funds and fiscal uncertainty • Untapped human capital, low involvement • Non-distribution (or inequity) of resources
Legal	• Strong advocacy leadership for change; some flexibility on how to implement policies • Members of the community eager to participate in governance	• Bound to district and state policies and laws • No clear or current site management by-laws
Intercultural	• Some rich cultural and ethnic diversity • Opportunity to share and celebrate community	• Certain groups tend to show segregation • Lack of recognition or celebration of differences
Technological	• Some skilled parents and staff in technology uses • Technological resources available	• No mass email, no website, poor knowledge sharing • Underutilized computer lab at the school

Table 3. SPELIT matrix shown with positve and negative effects format.

| SPELIT Driver	Positive Effects	Negative Effects
Social	• (Leadership Style) collaborative across guiding coalition • SME boomers leave a legacy • New hire competence and self-esteem • Self-analysis effective for change design	• (Communications Style) little inter-disciplinary communication, silos • New techniques resisted • Change is painful
Political	• IDs partner with SMEs • Top executive support • Operating company support	• (Resource Allocation) SMEs lose control of process • (Authority and power structure) SMEs lose control of budget • (Law and Regulation) courses out of date for copyright and export laws
Economic	• Faster time to competence • Build long term capabilities • Training more effective	• Training competes with operations support • Training helps corporate, not operating company • Instructional design costs excessive
Legal/Ethical	• Fewer accidents and injuries • Training that ensures the workplace is ethical • Local content easier	• Intellectual property laws • Standard formatting rules • Export restrictions
Intercultural	• Global sharing • Shared experiences • Broader community	• Language barriers • International work ethic • National vs. corporate loyalty
Technological	• Moore's technology adoption life cycle • Potential remote delivery • Reduced travel needs	• Difficult oil locations demand sophisticated technology • Stricter environmental standards • Exercises unfamiliar

3.1.3. SWOT Format. This last format leads to the idea of marrying SPELIT with SWOT analysis (Wikipedia, 2014). A SWOT (strengths, weaknesses, opportunities, and threats) analysis can be performed for each SPELIT environment in a five-column format (Table 1). Each SPELIT environment would be listed in the first column. The remaining five columns would be labelled 1) internal strengths, 2) internal weaknesses, 3) external opportunities, and 4) external threats. Within each cell, the driving forces can be ranked in order of importance. A SWOT/SPELIT matrix could be created as in Table 4.

Table 4. A blank SWOT analysis incorporated with SPELIT analysis methodology.

SPELIT Driver	Internal Strengths	Internal Weaknesses	External Opportunities	External Threats
Social				
Political				
Economic				
Legal				
Intercultural				
Technological				

3.1.4. Fishbone Format. The fishbone, cause-and-effect, or Ishikawa diagram, (Wikipedia, 2015) "is an analysis tool that provides a systematic way to observe cause and effect" (Geisen, Evans, Mallette, & Suwandee, 2005, p. 10). It is often used as a brainstorming tool by failure analysis teams. The problem is listed on the right in a box and a series of lines, resembling the bones in a fish, are on the left. The major bones of the diagram are labelled as each of the SPELIT environments and driving forces are listed along that bone. An example of a SPELIT matrix in a fishbone format is shown in Figure 1. The diagram is read by saying: If [one of the items on the bone], then [the effect in the box at the far right] could happen. For example, the first couple lines under *social* could be read: *If* I have friends (or enemies) at the school, *then* it might lead me to (or away from) going to graduate school.

Figure 1. SPELIT matrix shown in a fishbone or Ishikawa diagram format with some possible entries.
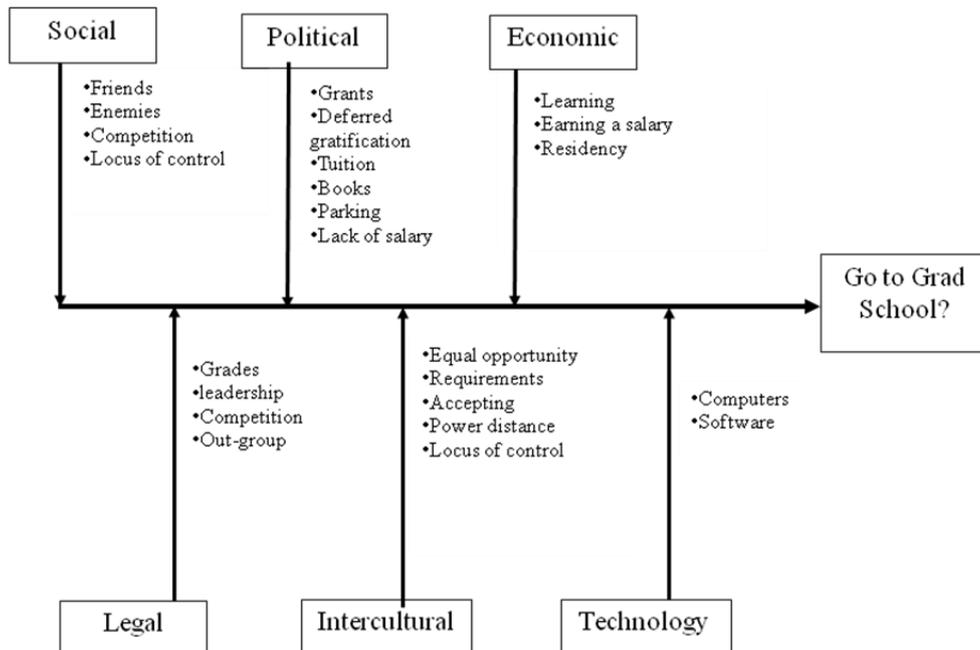
3.1.5. Non-tabular, Word Format. Another simple format is to write out a description of the driving forces for each SPELIT environment. The SPELIT environment is listed as a heading and the driving forces are discussed in the following sentences and paragraphs. The advantage of this format is that the driving forces can be described in great detail. The disadvantage is that the reader can lose track of the organization in several pages of text. An example of the non-tabular format is shown in Table 5.

Table 5. SPELIT matrix shown in the non-tabular format.

Social

Examining the social environment within the FCYE program provided me with a sense of teamwork and communication. In the FCYE program I assessed the social area for improvement. I noticed that the FCYE program lacked management infrastructure within the organization to support the program mission. The lacking management infrastructure for the program created a non-structured environment where there were missed conceptions about the services that are provided to emancipated foster youth. The data collection showed that staff felt discouraged and unappreciated by the CEO and the previous director of the program. Throughout its history, the FCYE staff never expressed their feelings about how the program was being managed until the new director came along. The staff feels that there are never any staff workshops or training to better their work skills nor any that relate to the program mission. The staff showed positive gratitude and were willing to move forward with the new program plan to …

4. ANOTHER APPLICATION TO GRADUATE LEVEL CLASSES

The SPELIT analysis methodology has been incorporated into graduate level classes. In addition to the many formats described in this paper, a brief overview of its use by Professor Ronald Reidy at Clark University is summarized here.

> …for the past two semesters I have taught the SPELIT Power Matrix as part of my graduate global marketing and global consumer behavior classes with extremely positive results. My approach is to teach the basics of SPELIT and then to divide the class into three or four groups. They are all asked to read the same case study or current events article. This semester the article concerned the new generation of Chinese workers and how they are more selective in choosing jobs, purchasing habits, etc. One group created a SPELIT matrix from the context of Chinese students about to join the workforce; the second as managers at a Chinese manufacturing company who would be hiring; the third were American managers looking to outsource to the Chinese manufacturing company. Each group met for 1 hour then presented and discussed the findings to the class. The context differences, and in some cases similarities, were amazing…. It is a great tool and I will continue to promote it (R. Reidy, personal communication, May 11, 2012).

As shown above, the SPELIT analysis methodology can be used by faculty to explore similarities and differences. It can be used by undergraduate and graduate students to analyze the environment of any organization. It can be used by managers in business to prepare themselves for business transitions that occur. It can also be used by individuals to assess events in their lives.

5. CONCLUSION

This paper delineated a new environmental analysis technique that is used to systematically analyze the social, political, economic, legal, intercultural, and technological environments. The SPELIT analysis methodology was introduced, its significance was presented, and several different formats were described in this paper. This technique is intended for practitioners doing a market analysis or diagnosis prior to implementing changes, transitions, or interventions and can be used by undergraduate students and seasoned practitioners.

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