

We present here a decision-theoretic framework for the analysis of organizational change under risk. An algorithm is demonstrated which identifies optimal change paths given uncertainty involving execution time, intervention cost, and payoffs resulting from particular structural configurations. An elaboration of the basic framework to accommodate external structural perturbations is shown, and is applied to the problem of organizational homeostasis. Finally, an extension of the decision makers with divergent preferences and capacities for inducing organizational change.

*Keywords:* organizational design, structural change, network evolution, decision theory, homeostasis