

THE RISE, FALL AND RENEWAL OF ORGANIZATIONS

This worksheet will help you think about your organization in a new and exciting way. Most organizations, like individuals, follow predictable patterns from birth through to prime and on into maturity and death. Some organizations, again like individuals, die or decline long before their time. And some seem to stay in prime for extended periods. And some seem to be able to come back from decline to reach new heights. Look at the diagram on the next page. Trace your organization's history as far back as you can. Where are you now? What lies ahead? Share your assessment with others.

FOUR ORGANIZATION ESSENTIALS

Organizations need to balance at least four major areas of focus as they grow and develop. Each seems to be essential but some require more attention than others at different stages of the cycle. On the diagram, upper and lower case letters are used to show the most successful balance at each stage of growth as performance increases. In the decline cycle, the letters show what forces are missing or under-emphasized. Think about your organization and its prevailing emphasis. Think about the possibility of only one force dominating for an extended period to the point where it becomes part of the culture of the organization, locking behaviours into a pattern that is difficult to change if and when it becomes counter-productive.

1. A PRODUCTION/ACTION FOCUS

The focus on production or action allows organizations to turn out products or services in quantity. It is usually measurable in terms of volume and quality. It is what the client experiences. Without this focus organizations would soon lose their legitimacy. Some organizations get fixated on production or action to the detriment of the other factors. Its values often reinforce hard work, long hours and dedication. People can ask "What?" and "How?" but not "Why?" type questions.

2. AN ADMINISTRATIVE/RATIONAL FOCUS

The focus on administration or doing things right and logically allows organizations to turn what it has learned into a routine that can be repeated reliably and predictably. It is this focus that permits organizations to grow and expand and build on a "distinctive competence" that has been tested, tried and proven. It is also the focus that frees up energy previously devoted to "fighting fires" to new challenges. Organizations without an administrative focus look chaotic and wasteful.

Some organizations get fixated on administration to the detriment of the other factors. Its values often reinforce perfection, procedures, forms, structure, rules and regulations. Organizations locked in an administrative culture mature early and decline rapidly. Organizations created by other mature organizations often get smothered by the administrative culture of the parent.

3. An ENTREPRENEURIAL/INNOVATION FOCUS

The focus on entrepreneurship or doing new or different things is often what gives birth to organizations in the first place. People with the entrepreneurial spirit find a need or a wish and develop new or different ways to meet it. It is this focus that keeps organizations alive and in touch with its clients or customers.

Some organizations get fixated on innovation to the detriment of the other factors. Its values often reinforce creativity, risk-taking, and the experiment. Organizations locked into an entrepreneurial culture want to be everything for everybody and cannot focus. They can be fun and exciting places to work for a while. They have few rules and little structure but sooner or later they get out of control and self-destruct or change.

4. An INTEGRATION/PEOPLE FOCUS

The focus on ensuring that people who are part of the organization get to meet some of their own needs and goals while meeting organizational goals is essential to building a strong, competent, committed workforce. This focus allows organizations to give life to the other forces. It is the people who produce, innovate and learn. It is also people who lead and manage. Without this focus, the organization becomes a revolving door through which people come and go leaving little or nothing behind or worse staying but giving nothing of themselves to make the organization a more valuable contributor to society.

Some organizations get fixated on the people side to the detriment of the other factors. Its values often reinforce harmony, personal satisfaction, avoidance of conflict, comfort, climate and consensus. Organizations locked in an integration culture often fail to make the tough decisions needed to survive external threats.

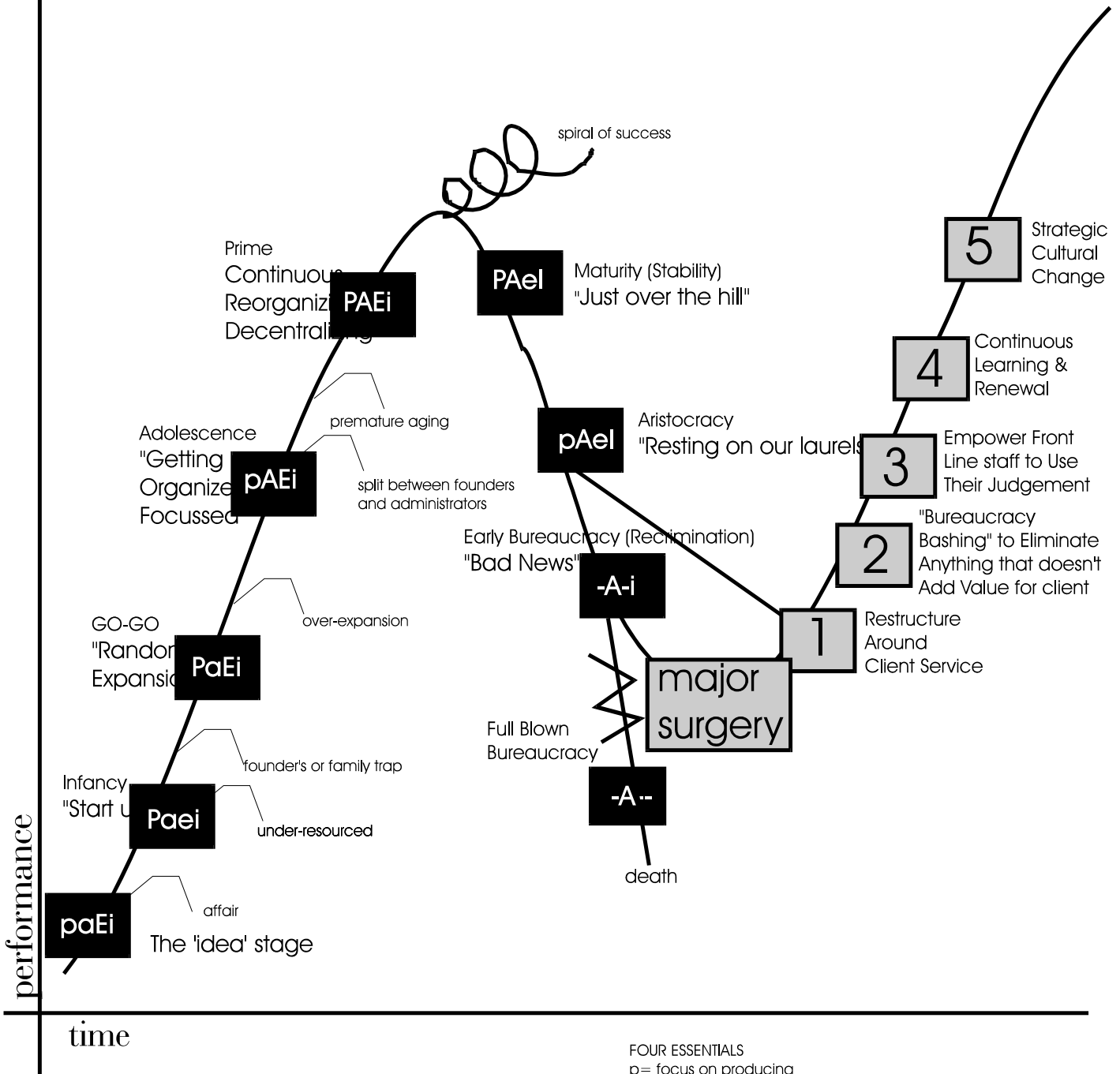
What is the dominant culture in your organization? Is it PRODUCTION, ADMINISTRATIVE, ENTREPRENEURIAL or INTEGRATION dominated? What makes you think so?

What stage of the life cycle model best fits your organization overall? Are there parts at different stages? If so, identify them and the stage that best fits?

What specific life cycle challenges face your organization? How will you respond to them?

The Rise, Fall and Renewal of Organizations

from a model developed by Adizes and research by Beatty and Ulrich on renewal of declining organizations.



TURNING AROUND DECLINE

Organizations that decline do so for a number of reasons. The first is a decline in the ENTREPRENEURIAL drive that allowed the organization to develop new and improved products and services to meet every changing clients needs and wants. This is often accompanied by an increase in INTEGRATIVE focus as individuals become more concerned with their own needs than those of the organization. This inward focus is not necessarily bad, especially if individual needs have been neglected as the organization focussed on surviving and growing. However if this stage lasts too long, it may be difficult to refocus on the outside.

If decline continues into 'aristocracy', the inward focus now dominates and the organization rests on its previous successes. Early Bureaucracy is the outcome of no longer being able to hide the impact of continued decline. It usually demands major surgery before renewal starts.

Beatty and Ulrich report that there are four principles involved in turnarounds; 1. REFOCUS ON THE CLIENT AND RAISE THE ENTREPRENEURIAL EMPHASIS; 2. INCREASE THE ACTION FOCUS BY SPEEDING UP THE INTERNAL CLOCK THAT IS LIKELY TO HAVE SLOWED DOWN OVER THE YEARS and TEAR DOWN ANY INTERNAL BOUNDARIES THAT BECOME LIKE "TOLL BOOTHS" EXTRACTING COSTS IN TIME, ENERGY AND BUREAUCRACY; 3. CHANGE IS REQUIRED IN BOTH STRUCTURE AND CULTURE, BUT STRUCTURE COMES FIRST, SOMEONE HAS TO TAKE CHARGE AND SHAKE UP THE INTERNAL FOCUS; and 4. EXPAND THE NUMBER OF PERSONS WHO LEAD BY ENLISTING EARLY ADAPTERS TO THE CAUSE. They also recommend a five step action plan as outlined in the diagram. Below, these steps are expanded along with room to include your renewal plans..

1. RESTRUCTURE AROUND CLIENT SERVICE: Find ways to think like a client or customer and examine your organization from that perspective. How do you compare to others? What needs fixing? What needs to be re-invented?

2. ELIMINATE BUREAUCRACY BY FINDING STEPS IN PROCESSES THAT DO NOT ADD VALUE: Examine every process. Walk it through the system. Find the time blocks. Find steps that add no value. Re-design the process.

3. EMPOWER STAFF TO USE THEIR JUDGEMENT RATHER THAN CHECKING THE RULE BOOK OR CALLING A MANAGER: Make sure staff have the information, training, and authority to handle the exceptions and special cases that are bound to arise.

4. BUILD A CONTINUOUS LEARNING AND RENEWAL PROCESS: How does the organization learn? How does it keep itself from decline again? Build an approach that keeps in touch with the outside, that signals change, triggers response and which prevents decline.

5. REMAKE THE CULTURE: Once the organization has shaken itself loose from the past, and re-built a new organization with a different focus balance it is time to reflect on the change and build it into the ongoing mindset of everyone. How will you do this?

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