# Proposition 84
On Organizational Configurations

In a Word To manage organizations in ways that will make us society manageable, we need to spark innovations in management. Consider the organization in which you work. What configuration does it have and what does that tell you? What might you do to enhance the strengths and minimize the weaknesses of its structure?
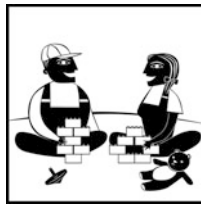
Of Human Hives …

In the quickening process of globalization, ours has become a society of large, often machine-like, organizations. In many parts of the world, human beings now live in an organizational world from birth and depend on centralized hierarchies as infants, children, youth, students, citizens, consumers, clients, employers, and employees. A convergence of technological and economic factors is reinventing the organizations

of the twenty-first century[1]; but until they take more recognizable shapes, since most people spend much of their waking hours in formal organizations, it makes sense to circumscribe the main typologies of those of the nineteenth and twentieth centuries. With newfound understanding, we may then, among countless opportunities for improvement, moderate the organizational conflict they fan, bridge the organizational silos they make happen, appreciate the informal authority they write off, revive the moral courage they dampen, and by so doing—perhaps—help rationalize and fructify our lives.

… And Their Configurations

> *We do as much harm holding onto programs and people past their natural life span as we do when we employ massive organizational air strikes. However, destroying comes at the end of life's cycle, not as a first response.*
>
> —Margaret Wheatley

Historically, models for organizational rationality and efficiency echoed religious or military forms. At the turn of the twentieth century, Taylorism[2] (aka scientific management) guided industrial and commercial organizations. Today, most organizations are designed as bureaucracies in which authority and responsibility are arranged in hierarchy.[3] Yet the joint purpose for which a group exists should be the foundation for everything its members do. The idea is to organize in a way that best suits that, and, increasingly, the attention has turned to classifying different forms of organizational structure and exploring their implications. However, instead of form (structure) following function (work tasks), bureaucracies normally fill positions.[4]

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[1]To wit, Thomas Malone foresees that loose hierarchies, democracies, and markets will—along a continuum of increasing decentralization—move management styles for organizational structures from command-and-control to coordinate-and-cultivate (Malone 2004).

[2]A precedent to industrial engineering, scientific management sought to optimize workflow processes thereby improving labor productivity. Contemporary management thinking critiques Taylorism as deskilling and dehumanizing personnel.

[3]Rules, policies, and procedures are applied across the hierarchy to dictate behavior. Activity is organized in subunits (working groups, offices, or departments) where people perform specialized functions. Those who carry out similar tasks are often clustered together.

[4]Bureaucratic ways of organizing limit or work against learning. Groups can possibly "learn their way out" toward more effective work relationships—those in which responsibility and arrangements for work rest primarily with those who actually deliver it. However, although the principle is simple, unlearning bureaucratic behavior can be extremely difficult.

> *A corporation doesn't have a culture. A corporation is a culture. That's why they're so horribly difficult to change.*
>
> —Karl Weick

At the heart of any organization are the persons who produce its products and deliver its services. They are its operating core. Next, all but the simplest organization require at least one full-time manager,[5] who occupies what might be called the strategic apex—from where the organization is overseen. Then, typically, as organizations grow, they add more managers who manage operators and their managers, forming a middle line between the operating core and the apex position. As it grows ever more complex, the organization includes a technostructure of analysts; like managers, they perform administrative duties—specifically, they will plan and coordinate the work of others. Most organizations will also have support staff who provide diverse internal services, for instance regarding travel, information systems and technology, or external relations. Finally, every organization has an ideology—a culture that infuses the structure and sets it apart from others, sometimes a little, sometimes very much. The following figure depicts how these six basic parts may be thought as influencers; it suggests also that entities outside the organization exert influence to affect the decisions and actions it takes. The role of this task environment is crucial but often poorly understood.

> *It would be difficult to exaggerate the degree to which we are influenced by those we influence.*
>
> —Eric Hoffer

The members of the operating core will pull to professionalize to minimize the influence others may have over their work. Naturally, the strategic apex will exert its pull to lead, if only to retain control over decision-making by direct supervision. In their search for autonomy, the middle line will balkanize the structure and concentrate power through vertical decentralization to themselves. The technostructure will

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[5]Whether this manager functions primarily as a supervisor ordering the work of subordinates or as a leader undertaking strategic high-level support roles for the group depends on the organizational culture. Without mindfulness, most organizations create complex, inefficient hierarchies of command.

endeavor to rationalize by standardizing business processes. Support staff will collaborate to involve themselves in the central activity of the organization. Ideology, where it exists as a force in organizations, encourages members to pull together. Politics may also exist in certain types of organizations—especially when no part dominates—and cause people to pull apart. Together, these configurations and the pulls and needs represented by each seem to encompass and integrate a good deal of what is known about organizations. The next figure shows all basic pulls on an organization. When conditions favor one of these pulls, the organization will be drawn to design itself in a particular configuration.

The only things that evolve by themselves in an organization are disorder, friction, and malperformance.

—Peter Drucker

I won't belong to any organization that would have me as a member.

—Groucho Marx

Henry Mintzberg saw seven basic configurations. The "entrepreneurial organization" is a centralized—perhaps autocratic—arrangement typified by a small hierarchy, with power in the hands of a chief executive, often the founder. Simplicity, flexibility, informality, and a sense of mission promote loyalty. The "machine organization" gains strength from its technostructure; it is best at mass production and is characterized by layers of management, formal procedures, sharp divisions of labor, and a large number of routine operations. The "diversified organization" is borne of mergers made to combine businesses into larger entities under the label of vertical integration, aiming to exploit synergies. The "professional organization" is built less on hierarchy than on shared experience, be it a practice, a school, or a hospital; it is more democratic and highly motivated than the "machine organization," with lines of authority less clearly set out. The "innovative organization" that burgeoned after the Second World War is often found in new technology industries, which need to innovate constantly and respond quickly to changing markets. In the "missionary organization" that spread from the mid-1970s on, ideology can be so strong that the entire structure is sometimes built around it, that is, coordinated through the standardization of norms and reinforced by selection, socialization, and indoctrination. To finish, the "political organization" expresses itself in political games, with conventional notions of concentrated coordination and influence replaced by the play of informal power. However, the

truth is that one can find all these forms in all organizations. Only truly creative organizations dedicated to continuous improvement and evolution model unique configurations. Drawing from the respective strengths of the seven types of organizations, these configurations would integrate forces of direction, efficiency, concentration, proficiency, learning, cooperation, effectiveness, and competition.[6] Differences would often be detected across working groups, offices, or departments as these units create their own configurations.

Ushering Organizations of the Future

Leaders must encourage their organizations to dance to forms of music yet to be heard.

—Warren Bennis

Yogi Berra would and did say: "It's déjà vu all over again." If people establish and maintain organizations to do things that are not already being done, it follows that organizations will die and materialize in new forms when the joint purpose that engendered their birth is no longer being satisfactorily served.[7] Form follows function to a certain point; it follows failure when function hiccups, gags, or ceases. However, we still think of organizations in mechanistic terms as collections of replaceable parts, including staff, capable of being reengineered. And so, the reason the great majority of our organizations misses the future is that we overinvest in what is at the expense of what could be. To manage organizations in ways that will make our society manageable, we need to spark innovations in management.

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[6]Organizations can decide to move toward a particular type or types. The decision requires an articulated vision with action to adjust the structure, business processes, and norms resulting in a modified culture. If one wishes to reinforce professional, innovative, or entrepreneurial types, the actions should come from personnel with management support rather than control. While workers obviously understand their work best, they rarely control the design of structures and business processes to guide it. Contemporary organizational development research and practice proves that employee-driven approaches are the only way toward sustainable improvements in quality, productivity, and staff engagement.

[7]Organizing in myriad purposeful ways is the fundamental characteristic of mankind: from the simple to the complex; people constantly strive to perform in groups what they cannot accomplish individually.

References

Malone T (2004) The future of work: how the new order of business will shape your organization, your management style, and your life. Harvard Business School Press
Mintzberg H (1989) Mintzberg on management: inside our strange world of organizations. Simon and Schuster

Further Reading

ADB (2009) Learning for change in ADB. Manila