

## Thinking about Organizations

### Beginnings

In this paper I want to explore the concept of *organization* in the context of intentional organizational change. Specifically, I want to look the impact of the change agent's understanding of 'the organization' on the likelihood of success.

It makes sense to me to start with the root word, *organize*. From a popular dictionary I get this definition:

**or•gan•ize** *v.t.* 1.to form as or into a whole consisting of interdependent or coordinated parts, esp. for harmonious or united action. 2. to systematize.<sup>1</sup>

This definition identifies four elements: (1) forming (2) a whole of (3) interdependent parts for (4) harmonious action. This definition declares that **or•gan•ize**, as a transitive verb, takes an object – one doesn't simply organize, one organizes *something*. Someone might *organize* pieces of correspondence, or a collection of compact discs, or a team of people. The dictionary goes on to define an *organization* as *that which results from organizing*.

Now I have a starting place – an organization exists as something resulting from the process of organizing. Using the 'organization' colloquially, I could point to a cluster which just sort of happens in reaction to events in the environment – a new letter arrives and I just toss into the in-basket; I purchase a new CD and add it to the pile on the desk; someone walks up and joins the group. Perhaps like me you have encountered an 'organization' which seems an organization in name only. At some point the degree of dis-organization overtakes the degree of organization; I would no longer properly classify those as *organizations* in the more narrow sense of the word on which I want to focus. Let's abandon examples concerning correspondence and CDs and talk now just about organizations of people.

### Designed versus Self-Organized

Look again at the dictionary definition. Note that it also implies the existence of someone doing the organizing: the verb requires a subject, an actor. That is, *someone* or some *group* forms a whole, *someone* or some *group* systematizes. Things do not seem to spontaneously form themselves into a harmonious whole. "Wait," you might challenge. "Imagine a group of children at a playground sorting themselves into teams for a pick-up game of basketball. Who formed those kids into 'coordinated parts for united action'? Or what about people coming together to fill sandbags to protect a neighbor's home from flooding?" What happens when a group somehow becomes an organization and no obvious single intelligent agent *seems* to do the forming? Can't things just organize themselves?

I can only imagine that some sort of communications process emerged in those spontaneous situations. The basketball players or sandbag-fillers self-organized around

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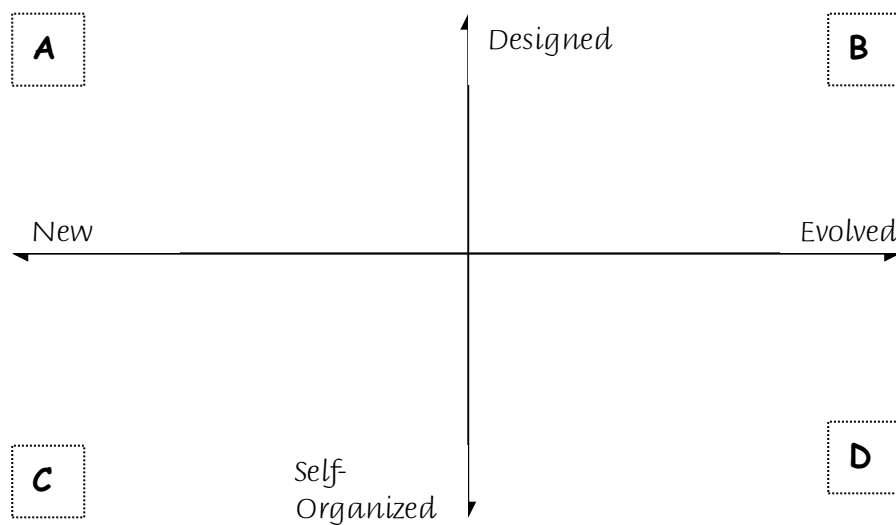
<sup>1</sup> From *The Random House Dictionary of the English Language*, 1973

some sort of collective identity. Although not explicitly or obviously at the time, goals were chosen, responsibilities were identified, and people adopted roles. Those things *emerged*.

Organized externally or organized from within: I can use that as one dimension for organizations. Let me offer a second dimension to create a two-dimensional grid to frame further discussion about organizations. On the vertical dimension, I'll establish the endpoints as 'intentionally designed by someone' and contrast it with 'self-organized.' On the horizontal dimension, I'll establish the endpoints as 'newly created' and 'having evolved.' I can now plot four individual organizations to demonstrate four different types based on this construct.

- A - an organization newly designed by someone
- B - an organization originally designed but having evolved over time
- C - an organization newly self-organized
- D - an organization originally self-organized but having evolved over time

For right now, however, I want to focus on the type of organization that most of us work in: organizations of Type B - originally designed and having evolved. Limiting the discussion to those organizations, I have this much so far: *someone engaged in organizing something, an activity that resulted in an organization which has evolved over time.*



### Organized on Purpose

“Are organizations actually designed?” you might ask. “That sounds kind of manipulative. You can design cars or buildings, but organizations?” If I set out to form a whole consisting of interdependent parts, I suggest that I engage in a *design* activity. I set out to solve a problem or capitalize on an opportunity: I integrate resources into a whole consisting of interdependent parts by designing an organization. With the passage of time, driven by changes in the environment, changes in staff, changes in mission, changes in the market, the organization itself will see one form of change - it will evolve. It will experience unintentional, perhaps even unacknowledged re-organization. Someone new might join

the group and pick up work that seems to need doing. Things will operate differently, but people won't think of that as a re-organization. The change happens at too small a scale.

Over the course of months or years or decades, the organization will encounter many of these too-small-to-matter changes. Through these myriad small changes the memory of some one at some point having designed the organization to address some situation evaporates. I might still call the collection of persons an organization but through the effects of entropy, I may no longer find it a very good or effective or thoughtful organization.

Let's turn to an example. Erica Clapton has just set out to design an Information Systems organization. On the gird, she will create a Type A organization, brand new and well-planned, not subject to any happenstance alterations so far. When Clapton lays that organization out on paper, she might well start with what I will call Roles. As a working definition of Role, I offer the following:

Role: the combination of (1) a set of relationships with other Roles, (2) outlining a set of duties or obligations, (3) oriented toward a set of products / services / experiences to be delivered, (4) whose effective performance depends on a particular set of competencies, (5) all wrapped up in a worldview.

For example, the Role of Information System (IS) Analyst has certain relationships to the Roles of IS Architect and IS Developer. It must satisfy certain obligations and cooperate in the creation of a certain product. Each Role requires different degrees of proficiency at a different suite of Competencies. Each Role carries a worldview (Analyst: "I want to gain a good enough understanding of the circumstances so that I can lay out the requirements clearly for the IS Designer. I want the final product to function as value-adding component within the business environment. To do that, I need to focus on clearly framing the problem and avoid thinking about any sort of solution.").

When Clapton, as the organization designer, lays out the organization chart (ah, that word again!) she does it by creating relationships between those Roles. She creates intended interdependencies among Roles to serve some larger purpose - the purpose that drove her to create the organization. That is, she designs the organization to solve a problem as she perceived it at a point in time. She gives those Roles names: Chief Information Officer (CIO), Customer Service Representative, IS Analyst. She organizes them into groups (e.g., the Customer Service Representatives into the Customer Service Department) and hierarchies (e.g., the Customer Service Representatives report through the Customer Service Department Supervisor who in turn reports through the Manager of Quality Assurance ultimately up to the CIO).

Clapton's designing, of course, results in an optimal organization from her view, for her purposes. She will create the best organization she could, given her abilities and insights and resources, and given the constraints applied to her by, say, regulatory bodies or shareholders or trade unions. She will also create, importantly, a *skeletal* organization entirely unpopulated by persons. She has established Roles and relationships among them but she does not have any real persons doing real work making real contributions. Clapton might also view this particular organization either as a *whole* or as a *part*. She might see the

IS division as complete unto itself, while a CEO might see that same division as a part of a larger whole. In an ideal world, both persons will strive to balance both perspectives. Failure to achieve that balance would likely lead to a common problem: optimizing a *part* while simultaneously sub-optimizing the *whole*.

### Adding People to the Organization

Now that Clapton has her ideal organization, she will populate it with people. Clapton hires someone to take on specific responsibilities. She draws on the basic Role called Department Manager from the organization chart, but engages in some customization because of the special current needs for the Manager of Order Fulfillment. She chooses Juan Hernandez. Hernandez settles in over a few weeks, getting comfortable and making adjustments. The Role served as a generic model but when Clapton positions Hernandez in that Role – well, I’ll call that a *Position*. As a working definition of Position, I offer the following:

A Position (1) exists within an organization (2) as a specific assignment or opportunity, (3) to be filled by a single individual, (4) drawing for its makeup on one or more Roles.

In terms of a Role, a Position may add or subtract Competencies; it may also change the relative importance of included Competencies. More colloquially, I might think of a Position as the unique intersection of a Role and person, the intersection of the formal organization and the real people who ultimately comprise the organization. As Clapton adds people, the organization comes alive; but it remains largely a Type A organization – new and unchanged.

### The Evolving Organization

After some period of time, Clapton may react to a change in the environment or in the sophistication of her understanding by determining that she must address a temporary new need. She launches a project and creates a new Position called Project Manager for the Centurion Project. With the passage of time she may discover that she needs more such Project Manager Positions or that the need became permanent rather than temporary. She may generalize from the discrete Position – “O’Hara as Project Manger for the Centurion Project” – to create a new Role – Project Manager. The organization has moved slightly from a pure Type A organization toward the Type B section of the grid. Each Position whether part of the original design or added later involves a human being, a person. Each person brings along a certain set of Competencies, as well. The person may find those Competencies critical or superfluous with regard to the Position.

Meanwhile, as O’Hara sets about accomplishing his project’s objectives, he must somehow coordinate his activities with those of Juan Hernandez, Manager of Order Fulfillment. But O’Hara makes the connection not with the unpopulated Role called “Manager of Order Fulfillment,” but with the unique intersection of the Role and the person. As a natural result of ongoing interaction O’Hara forms a personal relationship Hernandez, above and beyond their Position-to-Position relationship. As Clapton moves ahead creating Positions from Roles and populating them with real persons, Clapton comes back to the idea of the members of the organization seeking an identity within the organization. Each person asks, “Why am I here? What does the organization as a whole seek to

accomplish? What is the nature of my contribution?” In addressing these questions, people begin moving the organization further from Type A toward Type B.

Clapton started her organization with Roles having relationships intended to create a harmonious whole. When she added persons into those Roles, she transformed them into Positions. While the Roles had *ideal* relationships, the actual Positions will have whatever degree of harmonious relationship the *incumbents* bring as they customize their Positions. And now she has added the *interpersonal* relationships on top of all that.

### An Organization or Not?

Returning to the vertical dimension outlined above, at one extreme I find the most planfully created organization; at the other extreme, I find the least planfully created. At one end, the most intentional and at the other, the most accidental. Note that neither of these evaluates the organization’s “degree of organization.” A critic might after all find an accidental organization highly organized.

This brings up another potential dimension for organizations. Suppose I construct a continuum for evaluation ranging from “organized” to “not organized.” Whether a group constitutes an *organization* now depends on what someone thinks. When I declare that what I previously identified simply a “group” I now describe as an “organization”, I make a determination about degree of harmony or coordination present. I can envision a situation where someone *outside* the group does not find the group organized at all. “It looks like chaos to me” this person would claim. “How do you know who holds the sandbags and who shovels the sand?” Meanwhile someone *inside* the group might find things humming along quite smoothly. “Bob does the holding,” this person might explain, “until he gets tired and gives the high sign to Tom who takes over for a bit.” It all makes perfect sense and effective patterns recur fairly predictably. That is, the degree of organization one sees (or conversely, the degree of chaos one sees) depends on one’s perspective. Organization, then, exists in the eye of the beholder.

This criterion concentrates not on whether the organization falls into the new or evolved categories, nor whether someone designed it or it simply self-organized. An observer’s willingness to recognize a group of people as a genuine *organization* depends on two things. The first involves this sense of identity or purpose: What end does the group exist in order to accomplish? The second looks through the lens of evaluation: Who makes the determination whether the group demonstrates actual progress toward that end? With these two elements in mind, I can identify three varieties of *non*-organizations. I can picture a group working together but *not* accomplishing the intended end – I would call that “not an organization.” Similarly, I can picture a group *not* working together, but still accomplishing the intended end – I would still call that “not an organization” and credit their success to luck. Of course, a group simultaneously *not* working together and also *not* achieving the intended end ... well ... finding themselves classified as “not an organization” may comprise the least of their worries.

At some point I may recognize that evolution has not kept up with the organization’s needs – the organization that someone designed will require alteration. Note that I actually do call this kind of alteration activity by the name *re-organization*, after all! First came

organization and now comes *re-organization*. An organization might have seen many smaller decisions pointed toward continuous improvement activities. In contrast, the more substantial and obvious “re-organization” activity results from the big decision. If the first form of change involved evolution, then this becomes a second form of change – intentional re-organization. Finally someone notices and things get re-organized. In essence, re-organization pushes a Type B organization back toward the Type A region of the grid.

### The Organization and the People

The Type B organization began as the result of Clapton’s intentional and conscious actions but the organization *itself* has not become a conscious thing. Clapton has not acted like Dr. Frankenstein, creating a new sentient being from bits of this and pieces of that. Furthermore that carefully crafted organization, or rather the persons within it, will require some adaptability in order to endure as time passes ... unless its total environment remains impossibly stable. De Geus makes the case that flexibility serves as a key attribute of organizations which endure in times of uncertainty and change.<sup>2</sup> That flexibility results in the near-constant change or adaptation I might call evolution: learning to exist under changing conditions. The organization evolves, moreover, as the result of many *micro*-decisions as well as a few *macro*-decisions. If the micro-decisions result in change by evolution, then the macro-decisions might result in change by revolution. In that case the focus falls less on the organization *learning* than it does on having change imposed by someone already *learned*.

If the persons within the organization do not share some sense of identity, do not share an understanding of the organization’s purpose, then the danger of disconnection among those micro-decisions grows significantly. That is, if two people have different understandings or values or priorities, they will almost certainly make different interpretations leading to different decisions. If not fully aligned within the same culture, we can expect the micro-decisions to lead to fragmentation. The organization will appear to lack coherence or integrity. It will over time literally disintegrate (dis-integrate).

### Changing the Organization

Surely the organization does change as time passes. Those changes might result from internal causes or external causes. The changes could have come deliberately or accidentally. The changes could occur at the macro level or at the micro level. I could alter the organization deliberately at the macro level by re-organizing and changing the nature of the Roles. Then later I could hire someone into one of those new Roles thereby creating a Position occupied by a new person. I could alter the organization accidentally at the micro level by moving someone into a different Position. The newly placed person will possess slightly different capabilities and a different network of friends. I would expect that new person to modify the Position to better fit her/himself in order to get comfortable. In either the macro or micro case, the organization will have become somehow different. I

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<sup>2</sup> De Geus found that long-lived companies were (1) sensitive to their environment, (2) were cohesive, with a strong sense of identity; (3) tolerant ... particularly of activities on the margin: outliers, experiments, and eccentricities; and (4) were conservative in financing. See *The Living Company*, page 5. Sensitivity to the environment could lead to either evolution or to re-organization.

have altered the organization by altering the relationships: Role to Role, or Position to Position, or Person to Person.

Let's return now to thinking about the organization but in the context of a significant deliberate macro-change rather than many micro-changes. How do I best understand the organization – the result of organizing – to prepare to change the organization most effectively? As that set of relationships between the *Roles* (e.g., Supervisor to Manager, VP of this to VP of that)? Or as the set of relationships between the *Positions* (e.g., “Hernandez as Manager of Order Fulfillment” to “O’Hara as Project Manager for Centurion Project”)? Or as relationships between *persons* (e.g., just plain Juan and just plain Kelly, not ‘as’ anything)? Can I even talk usefully about ‘the organization’ as though there were only *one* organization?

### An Organization of People

A question: if I remove all the people from the organization do I still really have an organization? Try this thought experiment. Suppose that 1200 persons work in one division of a large corporation. They work in different buildings and according to different schedules. But they remain somehow united in their mission and values and priorities – they serve as interdependent parts which form a harmonious whole. Now suppose that everyone has gone home for the holiday leaving the buildings virtually empty – do I still have an organization? Take a few moments to think carefully about your response ...

Your time has expired. I'll offer my response to my own question. I suggest that the answer is, Yes. *And* I suggest that the answer is, No. Let me explain ...

Try another thought experiment. Imagine a table and on that table a collection of several dozen wooden blocks such a child might use to build a tower. Each of those blocks has on it a label carrying the name of some person in your organization. Now imagine all of those blocks connected by pieces of colored rubber bands. The yellow bands look long and thin, while the green seem shorter and thicker; the blue lie somewhere in between. I find the block labeled “Kelly” and pick it up. As I raise it higher and higher, I will likely encounter some tangles. The blocks connect not only to “Kelly” (however indirectly) but also to other blocks. If I were to lift the block high enough off the table, eventually every other block would come along with it and I could see the entire organization. *If*, that is, the organization – the set of all blocks on the table – has complete interconnection. But perhaps when I pick up the “Kelly” block and lift it, I notice that no matter how high I lift, some blocks remain on the table. Oops! How did that happen? And what if I had instead lifted the blocks starting with “Juan”? I would certainly see a different organization!

### An Organization Without People

Let's try another thought experiment. Change the labels on the blocks to instead identify the various Positions. Instead “Juan,” the label reads “Hernandez as Manager of Order Fulfillment.” Instead of “Kelly,” another label reads “O’Hara as Project Manager of the Centurion Project.” “Juan” had a connection to “Kelly” (i.e., the person-to-person relationship) with a stout green rubber band. Now “Hernandez as Manager of Order Fulfillment” has a more tenuous yellow connection to “O’Hara as Project Manager of the Centurion Project.” In fact, a piece of string has replaced the relatively elastic band which

permitted considerable flexing- it has a less elasticity but a little more strength. So instead of a green rubber band I see a string, and by a yellow string at that. And if I now pick up “the organization” using the re-labeled blocks, I will literally see a different organization. The organization that I see depends (literally, *hangs from*) the block I pick up first. In thinking about a significant deliberate change for an organization I confront a dilemma: how should I think about “the organization”? Should I try to understand the organization by picking up the blocks using the name of people? Of their Positions?

I can identify still another choice, of course. Try a third thought experiment. Change the labels on the wooden blocks to show the names of the generic Roles. Now I will see neither “Juan” nor “Hernandez as Manager of Order Fulfillment.” I will simply see “Manager of Order Fulfillment.” In this experiment, I need again to change the nature of the connections between the blocks. Take away the rubber bands and the strings. Now use chains. (All the chains have a steely gray color, of course!) A strong connection might become a chain with few and thick links. A weaker connection might become a very thin chain, almost like a fine necklace. Find the block which carries the label “Manager of Centurion Project” and pick up “the organization.” Again, I’ll see a different organization, because of the different relationships, the different *dependencies*.

(I can stretch the metaphor (pun intended) further. I see some of the rubber bands growing brittle with age and losing elasticity. I can see strings just recently glued to blocks where the glue has not had time to fully cure.)

### Multi-Faceted Organizations

In this paper with this thought: “In this paper I want to explore the concept of *organization* in the context of intentional organizational change. Specifically, I want to look the impact of the change agent’s understanding of ‘the organization’ on the likelihood of success.”

In thinking about a significant deliberate change for an organization, how should I think about “the organization”? In terms of people? Of Positions? Of Roles? Perhaps more problematically in terms of change, what if I think in terms of Roles, but the critical factors really focus on persons? What if I just concentrate on altering the relationships between Positions without considering the formal relationships and responsibilities? What if I focus on the formal org-chart but fail to consider the informal Old Boy Network? What if I bring in different people but leave the Role definitions unchanged? Can someone hope to effect significant organizational change without attending to all three views: Roles *and* Positions *and* Persons?<sup>3</sup>

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<sup>3</sup> This line of thinking covers Type B organization: designed and evolved. What happens when I consider a self-organized organization and remove the persons from Type C or D organization? Perhaps in that case, without a formal organization, the “organization” really *does* disappear. We *have* no formal skeleton, no framework to re-populate. We have Positions, but they function only as well as the persons occupying them. Everything seems to depend on the persons in that case. Perhaps self-organized groups appear more vulnerable to the departure of critical persons, persons central to the interpersonal network, for just this reason ...



## Conclusions

I come now to one conclusion from this line of thinking about organizations. To recap briefly: I can view the organization as that which results from organizing. I can view changes to that organization as intentional or opportunistic. I can view the changes as resulting from micro-decisions (i.e., evolutionary) or macro-decisions (i.e., revolutionary). While I talk about “the organization” as though there were just one organization, I must remind myself that I do not deal with just *one* organization after all. It depends (so to speak) on whether I look at persons or Positions or Roles. I might better talk about “the organization” as the complex network of relationships which exist at *any* of these three views. Or perhaps even better as the network of networks of relationships at *all* of the three views. When I talk about Juan Hernandez, I ought to think in terms of “Juan” to “Kelly” *and* “Hernandez as Manager of Order Fulfillment” to “O’Hara as Project Manager of the Centurion Project” *and* “Manager of Order Fulfillment” to “VP of Operations.”

*Corollary One* to this line of thinking: If I take away one view, the others remain. If I take away the persons, I still have an organization inasmuch as it exists in the formal relationships with the policies and procedures and such. If I take away the formal relationships with the policies and procedures, I still have an organization because I still have the persons. But neither of these alone can describe the whole of organization, only a view of the organization. The organization exists as the complex and dynamic product of all three views.

Before describing a second corollary, I need to draw a distinction between two words sometimes used as synonyms: *confidence* and *trust*. Let me do this by way of example. When I visit my doctor for advice on a skin rash, I accept her advice because I have *confidence* in her. I have confidence in her ability or capacity to offer sound advice in this particular domain of knowledge. When I tell my clergyman about a sensitive event in my life, I do this because I *trust* him. I believe in his character and values and right intentions. (By this I do not mean to say that I cannot also trust my doctor and have confidence in my clergyman!) The point, however, remains: confidence refers to matters of *ability* whereas trust refers to matters of *character*.

*Corollary Two*: The overall effectiveness of the organization depends on three things. At the level of the *Roles*, effectiveness depends on the *clarity* of boundaries and accountabilities associated with the Roles: CEO to several VPs, each of those VPs to several Managers and to other VPs, and right down the hierarchy. At the level of the *Positions*, effectiveness depends on the *confidence* that the incumbents have in one another’s ability to fulfill expectations and to coordinate their collective contributions – “O’Hara as Project Manager of Centurion Project” to “Hernandez as Manager of Order Fulfillment.” At the level of the *person*, effectiveness depends on the *trust* between the persons as persons – Juan to Kelly.

*Corollary Three*: When I instigate significant change within an organization, I really must take into account all three varieties of relationships. Only by treating all three views of the organization under girding what appears as a single organization can I work effectively. With changes of a minor character I might work only at a single level. But with a significant change, I will almost certainly need to do something at all three levels.

No wonder I find it so difficult to change organizations ...

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