

Session # 3

The Enterprise is a
Totally Integrated Living System

What is your mental map of your organization as a system?

- ▣ Small Group - Brainstorm a list of all the organizational parts, terms, elements, phrases and functions you can think of.
- ▣ Large Group - Are we able to theme these parts?

Organismic Theories

- ▣ In a single-celled organisms, the single cell performs all life functions. It functions independently. However, multicellular organisms have various levels of organization within them. Individual cells may perform specific functions and also work together for the good of the entire organism. The cells become dependent on one another.

Organismic Theories

- These theories visualize organizations as living, growing, breathing organisms that have a purpose in life and a desire to survive.
- Organizations have a vital and open relationship with the environment that affects how the organization functions and is designed.

Organismic Theories

- Organismic theory concerns itself with the issue of structural design and the strategic factors impacting structural design, such as the environment, technology, age, size, and so forth.

Food for Thought

- How is the image of organizations as organisms different from that of organizations as mechanisms? How is it the same?
- How does organismic theory look at issues of unity, conflict and relationships between the whole and the part?

Questions

- ▶ Are organizations actually a new form of living system that is in the process of evolving? If this is the case, what are these organisms like?
- ▶ What stage of evolution are they at, and how can we measure or rank them in terms of their level of evolution?
- ▶ Are there different species of organizations? Do organizations reproduce? Do they have thoughts -- and can we measure these?
- ▶ What is the long-term future of this evolutionary process? How does viewing organizations in this way change the process of management? Should managers change the way they manage in light of this.

What is OD?

- ▣ To increase an organizations effectiveness through planned interventions related to the organizations processes resulting in improvements in productivity, return on investment and employee satisfaction.



Roots

- ▣ OD has its roots in social sciences and applied behaviour with values based in humanistic psychology



- ▣ OD helps improve organizational effectiveness with its major focus on both the total system and the interdependent parts of the company.
- ▣ Must work closely with different stakeholders from employees and management to customers, stockholders and the community at large

Issues

- ▣ Demographics
- ▣ Generation X and Y
- ▣ Millennium babies
- ▣ Leadership
- ▣ Emerging markets
- ▣ Profit centres
- ▣ Future of work
- ▣ New technology
- ▣ People living longer
- ▣ Diverse work skills
- ▣ Diverse needs
- ▣ Disasters

Key Values of OD

- ▣ Respect and Inclusion
- ▣ Collaboration
- ▣ Authenticity
- ▣ Self Awareness
- ▣ Empowerment
- ▣ Democracy and Social Justice

Types of Interventions

- ▣ Organizational transformation
- ▣ Cultural change
- ▣ Mergers and acquisitions
- ▣ Integrated strategic change
- ▣ Knowledge management
- ▣ Organizational learning
- ▣ Global strategic orientation
- ▣ Ethics change management
- ▣ Process improvement
- ▣ Organizational design
- ▣ Whole systems analysis

Food for Thought

- ▣ Organisms, like businesses, compete for survival and evolve to gain an edge.
- ▣ An organism is responsive to its environment, it can learn and adapt.
- ▣ Like organisms, businesses are born, grow and die.
- ▣ Organisms are more receptive to environmental feedback than machines.

Food for Thought

- ▣ **Businesses also operate within a delicate ecology with a lot of interdependencies.**
- ▣ **Do businesses have no more control over their fate than animals facing evolutionary pressure?**
- ▣ **Entrepreneurial organizations grow more by evolution than rational planning.**

Food for Thought

- ▣ Perhaps businesses have both machine-like and organism-like characteristics.
- ▣ Thinking of your business as an organism may encourage a stronger external focus.
- ▣ Organisms look to their environments while being a machine encourages internal tinkering.