Creating Organizations with a Climate for Excellence, High Standards and Continuous Improvement
To appreciate the importance of values in creating excellence in organisations.
To understand the characteristics of a functional organisation and its configurations.
To understand the methodologies for developing excellence.
To understand the implications of learning systems.
Appreciate the link between best practice and signature processes in raising organisational standards and seeking improvement.
Excellence starts with The Core of WHO YOU ARE

- Your Values & Morals...
- List 5 of them
- Define them
- Sharing Them with someone
An Organisation Has Five Main Parts

1. Strategic apex
2. Middle line
3. Support staff
4. Technostructure
5. Operating core

Based on the taxonomy of organisations by Henry Mintzberg
The Operating Core

- The operating core of the organization encompasses those members- the operators- who perform the basic work related directly to the “production” of products and services.
  - Securing inputs
  - Transforming inputs to products (results)
  - Distributing
  - Providing direct support services.
The Strategic Apex

- These are the people charged with the overall responsibility for the organization- CEO, PRESIDENT, BISHOP ?? plus any other top level manager whose concerns are global.
The Middle line

- The strategic apex is joined to the operating core by a chain of MIDDLE LINE MANAGERS.
- There is close personal contact between operator and supervisor.
- More than simply engage in direct supervision.
  - Have boundaries to manage
  - Must liaise with other line managers, analysts and support staff
  - Perform strategic role
  - Work is more elaborate & less abstract.
The **technostructure** groups all activities whose objective is to standardize work processes, results or competencies.

- Job titles and the appellations of departments and other organizational units are not always enough to know if activities belong to the technostructure.
The Support Group

- “Functional support“ groups activities whose objective is to help other members of the organization, i.e. to perform tasks which are secondary with respect to their main missions. This part of the organization may include the legal department, cafeteria, medical, general maintenance, etc.
Summary of the Five Parts

The strategic apex is joined to the operating core by the chain of middle line managers with formal authority. Examples are supervisors and managers in production, marketing and distribution.

People, such as board of directors (and staff), who are charged with ensuring that the organisation serve its mission in an effective way, and also that it serve the needs of those people who control or otherwise have power over the organisation.

Members who establish and maintain the administrative and technological controls, which standardize and specify activities, outputs and skills relevant to the operating core and middle lines. Includes industrial engineers, budget analysts and personnel specialists.

Those concerned with making the organisation more self-contained and less dependent on outside services (e.g. legal counsel, industrial relations, mailroom and cafeteria).

People who perform basic work related directly to the production of products and services, such as purchasers, machine operators, and people in sales and distribution.
A Sixth Part?

- A sixth part actually exists
- **Ideology/ Culture**: A set of values that guide the behavior of organization members
- Defines the content of what a new employee needs to learn to become an accepted member of an organization
The Sixth Part: Ideology

- Consists broadly of long-standing rules of thumb, a somewhat special language, an ideology that helps edit a member's everyday experience, shared standards of relevance as to the critical aspects of the work that is being accomplished.
The Functioning of the Organization

I. A system of formal authority
How labour is divided, what positions exist and how authority flows among them.
The Functioning of the Organization

2. A network of tasks and information upwards, downwards and across the hierarchy in a regulated manner.
The Functioning of the Organization

3. A system of informal communication:

- Organizations are known to contain unofficial centers of power and rich networks of informal relationships.
The Functioning of the Organization

4. A system of work constellations

people cluster into peer groups to get their work done. A kind of semi-orderly arrangement.
The Functioning of the Organization

- A combined overlay of how organizations function.
The Parts People and the Functioning of an Organization
BASIC PULLS IN AN ORGANIZATION
Basic Types of Organizations

- We have introduced in our discussion, six basic parts of an organization, and six basic coordination mechanisms.
- There is a fundamental correspondence between all of the six which can be explained by a set of pulls exerted on the organizations by each of the six parts.
- *When condition favors one of these pulls, the organization is drawn to design itself as a particular configuration.*
I) The Entrepreneurial Organization
The Entrepreneurial Organization contd

1. The strategic apex exerts a pull to lead, by which it retains control over decision making with coordination achieved by direct supervision.

When the organization cedes to this pull often due to an overriding need for strategic vision, the centralized configuration called entrepreneurial organisation results.
II) The Machine Organization
The techno-structure exerts its pull to rationalize, ideally through the standardization of work processes.

Organizations that cede to this pull usually due to an overriding need for routine efficiency take on the machine configuration.
III) The Diversified Organization
IV) The Professional Organization
The professional organization

- The members of the operating core exert a pull to professionalize in order to minimize the influence of others on their work.

- When the organization cedes to this pull, generally due to an overriding need for perfection the professional configuration results, with decentralization of power to the operating core.
V) The innovative organization
The innovative organization

The support staff, exerts a pull to COLLABORATE in order to involve itself in the central activity of the organization.

- The organization that has need for INNOVATION must usually cede to this pull,
- **Staff, Line and Sometimes operating personnel as well into multidisciplinary teams of experts that achieve coordination within and between them through mutual agreement.**
(VII) The Political Organization
The Political Organization contd.

Politics exists in organizations and dominates when no one part of the organization and no one mechanism or coordination is dominant.

- organization takes on the political configuration with no stable form of centralization or decentralization
Knowledge Creation Spiral

Knowledge Transfer

Explicit Knowledge

Organizational Learning System

Tacit Knowledge

Application of Knowledge
Management Applications

Management Systems

Knowledge Transfer

Explicit Knowledge

National Learning System

Tacit Knowledge

Outcomes:
- Wasted Funds
- Cognitive Dissent

Application of Knowledge
Best Practices

- S. Goshal and Grayton L,

The adaptation of best practices is crucial to developing a culture of excellence and a sense of continuous improvement in organisations. Articulation and consolidation of best practices makes organisations aware of the need to play catch-up.

Failure to adopt these practices leads organisations to become laggards.
Are Best Practices Sufficient?
According to the ground breaking research, emulating the best in industry is a key step to achieving high performance but it might not be sufficient.

There are “signature processes” in organisations if well understood can create leverage points for achieving high performance.
- Signature processes describe how values embodied in an organisation’s character can also be crucial.
- “Signature” defines how the processes evolve out of an organisation’s idiosyncratic nature it emerges out of passions, emotions and interests of the organisation.
On the other hand, best practices are at best imported. “outside-in”.

Leaders need to understand that it is very critical task of management in seeking high performance to learn, identify and preserve the organisation’s signature processes. This added duty might be thought of as the need to bring the inside-out.
Signature processes and industry best practices can sometimes change roles. When signature processes become advantageous, the soon become best practices to be copied by other organisations.
Signature and Best Practices

Knowledge Transfer

EVOLUTION OF SIGNATURE PROCESSES

Explicit Knowledge

Tacit Knowledge

Application of Knowledge

Sources of best Practice
THANK YOU