**Theme 3 - The effective organisation: Forces and Forms – Henry Mintzberg**

**Intro:**

* Effective orgs design themselves to match their conditions.
* To porter effectiveness resides in strategy, while to peters it is the operations that count executing any strategy with excellence.

**A system of forces:**

* Seven basic forces: 5 around outside 2 inside.
* **Direction** gives a sense of where the org must go as an integrated entity. Without it various activities of an org cannot easily mesh to achieve a common purpose.
* **Efficiency** which attempts to ensure a viable ratio of benefits gained to costs incurred. Efficiency generally means standardisation and formalisation often it reduces to economy. In current practice it focuses on rationalisation and restructuring.
* **Proficiency** for carrying out certain tasks with high levels of knowledge and skill. Without it difficult work of org could not get done.
* **Concentration**  for particular units to concentrate their efforts on serving particular markets. Without such concentration it become difficult to manage an organisation that is diversified.
* **Innovation** –orgs need central direction and focused concentration and they need efficiency and proficiency. But they also need to discover new thing for their customers to adapt and learn.
* **Cooperation** and **competition** ,one describes the pulling together of ideology the other the pulling apart of politics. Ideology- culture of org, rich culture of norms, beliefs and values. Politics- behaviour that is technically not sanctioned or legitimate.
* When one force dominates an org it is drawn towards a coherent established form described as configuration. That facilitates its management but raises the problem of contamination.
* When no single force dominates the org much function as a balanced combination of different forces including periods of conversion from one to another. But combination raises the problem of cleavage. Both contamination and cleavage require the management of contradiction.

**Configuration**

* In the field of management we don’t not have established categories by which to distinguish different organisations.
* Configuration refers to any form of org that is consistent. And highly integrated.

**A Portfolio of forms**

* Configuration occurs when one of the 7 forces dominate an org driving it to a corresponding form. Gives us 7 basic forms:
* **Entrepreneurial** tends to occur when *direction* dominates so chief exe takes personal control of what goes on.
  + Happens in startup and turnaround situations which require imposition of strong vision from the top also in small owner managed companies.
  + Result-few middle line managers and staff positions.
* **Machine** appears when force of *efficiency* dominates.
  + Typically occurs in mass production and mass service orgs.
  + In the larger more mature org, middle management and staff functions are fully developed; they focus on regulating the work of operating employees by imposing rules , regulation etc.
* **Professional** arises when *proficiency* is dominant- hospitals, accounting practices.
  + What matters here is the drive to perfect existing skills and knowledge, rather than invent new ones.
  + Hospital – diagnoses entering patients asap so it can get on with administering most appropriate standardised treatment
  + Allows for autonomy.
* **Adhocracy** develops in response to overriding need for *innovation.*
  + Org of skilled experts, but org exists to create novelty so experts must combine their efforts in multidisciplinary project teams.
  + Requires good deal of informal communication, result-structure becomes fluid.
* **Diversified** arises from force of *concentration*.
  + Such orgs diversify and then divisionalise. Each division given relative autonomy subject to performance controls.
* Forces for cooperation and competition give rise to forms of *ideological* and *political.*
  + Spirited Israeli kibbutz is ideological and conflictive regulatory agency in which infighting takes over is political.
  + No very common to above ones.
* No org fits exactly into a category.
* **Are the forms useful? Yes and no**
* While no configuration ever matches a real organisation perfectly some come close.
* When the form fits it is advised to wear it, atleast for a time. An org without config tends to suffer the identity crisis.
* Config makes org more manageable for managers.
* Better to have the definition and discipline of config than to dissipate ones energies trying to be all things to all people.
* Config seems to be effective for classification, comprehension, diagnosis and design. But only as everything holds still, with introduction of dynamics of evolutionary change and sooner or later config becomes ineffective.

**Contamination by Configuration**

* In harmony, consistency and fit lies configs great strength and its debilitating weakness. Sometimes dominant force dominates to point of undermining all the others.-*contamination*
* Machine org recognise this problem when locating their research and development far from HQ so their capacity for innovation will not be contaminated by the technocratic staff.
* Contamination is another way of saying that a config isn’t a structure or power system; each is a culture in its own right. Contamination may seem like a small price to pay for being coherently organised until thing go out of control.

**Configuration out of control**

* Config is geared not only to a general context but also to specific conditions.
* Thus when the need arises for change, the dominating force may act to hold the org in place. Then other forces must come into play but because of contamination other forces may be too weak.-org goes out of control.
* Each config is capable of driving itself out of control, ie each contains the seeds of its own destruction. These reside in its dominating forces and come into play through the effects of contamination.
* With too much proficiency in a professional org unconstrained by efficiency and direction, the pros may become overindulged with too much technocratic regulation in a machine org, free from force for innovation an obsession with control arises.
* Orgs that become dramatic paranoid schizoid compulsive and depressive- in each case a system that may once have been healthy has run out of control. These fit the 5 forms.
  + Entrepreneurial org goes out of control by becoming dramatic, as its leader free from other forces takes the system off on a personal ego trip.
  + Machine org seems predisposed to compulsion once its analysts and their technocratic controls take over.
  + Those who have worked in universities, hospitals etc, understand the collective paranoid tendencies of pros especially when free of the constraining forces of administration and innovation.
  + The depressive effects of obsession with the bottom line in the diversified org; the impact on morale and innovation are now widely appreciated.
  + Adhocracy org problem- while it much continually innovate, it must also exploit benefits of that innovation.
  + In effect each form goes over the edge in its own particular way os that behaviours that were once functional become dysfunctional when pursued to excess.

**Containment of Configuration**

* Truly effective org do not exist in pure form.
* What keeps a config effective is not only the dominance of a single force but also the constraining efforts of other forces – *containment*
* Eg people inclined to breake the rule may feel hard pressed in machine org. But without some of them the org may be unable to deal with unexpected problems.
* To manage configuration effectively is to exploit one form but also to reconcile different forces.

**Combination**

* Some orgs may not have configuration, they must instead balance competing forces.
* Balance –*combination*
* Does not make it near any one node of the pentagon of forces but finds its place inside. Depends how you view an org .

**Kinds of Combinations**

* Combinations take many forms.
* 2 out of 5 meet in balance –org is hybrid. Symphony orchestra – entrepreneurial and professional.
* Apple computers, started largely as adhocracy org, then innovation then efficiency, always changing.
* Then question of how different forces interact with each other, some cases confront each other, some can be separated over time or place. Symphony orchestra- must be close and pervasive – leadership and professional skill meet regularly face to face. Newspapers, professional editorial function hand over camera ready copy to machine like plant with little interaction.
* Those that achieve balance in a dynamic equilibrium over time- power oscilates between competing forces.
* Sequential attention to goals- in org where conflicting needs are attended to each in their own turn. Eg, period of innovation to emphasise new product development might be followed by one of consolidation to rationalise product lines.

**Cleavage in Combinations**

* Config encourages combination, which can drive org out of control, then combination encourages cleavage, instead of one force dominating, 2 or more forces confront each other and eventually paralyze the org.
* A natural fault line exists between any two forces, pushed to limit cracks appear, only then are people prepared to cooperate with their leader
* Cleavage can be avoided when the different forces are naturally buffered as in newspare example. But few combination orgs are so fortunate.
* Combination is not unavoidable but in reality combination of some sort is necessary in every org.
* The nodes of the pentagon where pure configuration lie are only imaginery ideals. Any org that reaches one is probably on its way out of control. It is inside the pentagon where the space is where the effective org must find its place.
* Ultimately configuration and combination are not so different, one represents a tilt in favour of one force over others the other more of a balance between forces.
* Question is, how does the effective org deal with the contradictions??

**Conversion**

* So far suggestion is that org finds a place inside pentagon and stays there. In fact few orgs get the chance to spend their entire lives in one place; need change and they must undergo *conversion*  from one configuration or combination to another.
* Any number of external changes can cause such a conversion.
* An adhocracy org may chance upon a great invention and settle down in machine form to exploit it.
* Some conversions may be temporary, machine org in trouble may become entrepreneurial for a time to allow a forceful leader to impose new direction.

**Cycles of Conversion**

* Sometimes the seeds destroy the org but sometime destroy only the configuration and drive the org toward a more viable form. EG entrepreneurial formis dependent on its leader, with aging and growth the need for direction may be displaced by need for efficiency.
* Implication is that orgs often go through stages as they develop- possibly sequenced into life cycles.
* Left side of pentagon- org begin in entrepreneurial form (startup) as org grows, many settle into machine from to exploit established markets. With greater growth, driven towards diversification.
* Org dependent on expertise, use professional form if their services are more standardised and the adhocracy form it they are more innovative.
* Ideology on top of inside because its associated with younger orgs, then politics with later growth. Politics found in older orgs.

**Cleavage in Conversion**

* Most conversion require periods of prolonged and agonising transition. Two sides battle the old status quo and the new time for change.
* Org in transition becomes a form of combination and it has the same problem of cleavage. How does the org deal with the contradiction??

**Contradiction**

* Answer lies between the 2 forces in middle of pentagon.
* Orgs that have to reconcile contradictory forces, often turn to the cooperative force of ideology or competitive force of politics.
* While the other forces outside pentagon tend to infiltrate parts of the org and so isolate them, the 2 forces tend instead to *infuse*  the org.
* Both can promote change and prevent it.

**Cooperation through Ideology**

* Ideology represents force for cooperation in an org. Use ideology to describe a rich culture in org, the unique and attractiveness of which binds together members.
* Such an ideology can infuse any form of organisation.- usually in entrepreneurial form.
* Ideology encourage the members of an org to look inward, to take lead from own org’s vision not the comparable view of competitors.
* Looking inward represented on pentagon by direction of the arrows of cooperation. Ideology draws people to work together to take the org where it must go.
* Thus the existence of an ideology would seem to render any particular config more effective.
* Effectiveness is achieved not by opportunism not even by clever stragegic positioning, byt by management that knows exactly what it must do(sticks to its knitting)
* Ideology helps an org manage contradictin and so deal with change. Infused with the common ideology units used to opposing each other can instead pull together, reducing contamination and cleavage and so facilitating adaptation.
* An orgs strong cultures enable them to reconcile forces that work against each other in ordinary orgs, people develop a grudging respect for one another and when it matters they cooperate for the common good.
* If an org favours one particular force then other must suffer.
* Ford- each had a job to do on production line without thinking about anything else, even at highest levels separation of functions had positive effect.
* Toyota- workers feel they are part of Toyota and their decisions and thoughs are important.
* Even more powerful can be the effect of reconciling these forces within individuals themselves. In metaphorical terms, it is easy to change hats if they are all emblazoned with some insignia.

**Limits to Cooperation**

* Ideologies are difficult to build, especially in established orgs. Established ideologies can sometimes get in the way of org effectiveness.
* Effective ideologies are built slowly and patiently by committed leaders who establish compelling missions for their org.
* After it is created there can come a time where its effect is to render the org ineffective some times to the point of destruction.
* Ideology discourages change by forcing everyone to work within the same set of beliefs. In other words strong cultures are immutable they may promote change within their own boundaries.
* Explained by introducing two views of strategy, one as position and other as perspective. In first case the org looks down to specific product market positions, in the other it looks up to a general philosophy of functioning.
* Mcdonalds entering breakfast market- the IMPORTANT point is that change of position within perspective is easy to accomplish where as change of perspective is extremely difficult.
* The very ideology that makes an org so adaptive within its own niche undermines efforts to move it to a different niche.
* When change of a fundamental nature must be made-strategy structure,, the ideology that may for so long have been the key to the orgs effectiveness suddenly becomes its central problem
* Ideology becomes a force for the status quo because those who perceive the need for change are forced to challenge it , the ideology begins to breed politics!!
* Ideology can cause the other forces to atrophy; as other arrow of the figure disappear those of ideology close in on the org causing it to implode. This is how org dominated by ideology goes out of control
* It isolates itself and eventually dies.

**Competition through politics**

* Politics represents the force for competition within an org- for conflict and confrontation. People pull apart for their own needs. Ostensibly(seemingly)
* Politics can infuse any of the configs or combinations, exacerbating (make worse) contamination and cleavage.
* Politics is generally a parochial force in org encouraging people to pursue their own ends. Infusing the parts of an org with the competitive force of politics thus reinforces their tendency to fly off in different directions.
* At the limit org dominated by politics goes out of control by exploding. – nothing remains at the core – no central direction, no proficiency....
* Politics may be a more natural force than ideology. Orgs left alone tend to pull apart rather than pull together.

**Benefits of Competition**

* If pulling together discourages people from addressing fundamental change then pulling apart may be the only way to ensure that they do.
* To achieve fundamental chang in an established org infused with ideology the established forces must be challenged and that means politics.
* Org must pull apart before it can pull together again.
* Both politics and ideology can promote org effectiveness as well as undermine it.
* Politics often impedes necessary change and wastes valuable resources but may also be only means to promote fundamental change.

**Combining Cooperation and Competition**

* The 2 catalytic forces of ideology and politics are themselves contradictory forces that have to be reconciled if org is to remain truely effective in long run.
* The centripetal force of ideology must contain and in turn be contained by the centrifugal force of politics.- how org keeps itself from imploding or exploding
* Maintain balance between these two forces can discourage the other forces form going out of control.

**Conclusion**

* To be effective means to do the right thing and to do it right. But it also lies in managing the consistency of form as well as the contradiction of forces.
* Org need focus but also need balance.
* Attain configuration if you can, otherwise combination