

The living organisation

Companies are groups of people, not machines, so if you're having organisational problems, Dr Leandro Herrero suggests it might be time to call in a biologist

Cells form organs, organs form human beings, human beings form groups and organisations. Wouldn't this be a natural progression in order to consider how a company – a form of people association – works? If so, then biology should be a more appropriate discipline for bringing about this understanding than scientific management (or management science). But biology is not a core subject on any MBA curriculum.

Our understanding of organisations is largely mechanistic, and while it's true that machines are a good model for the command and control of physical contraptions, they may not be quite as suitable for associations of human beings.

Fritjof Capra is a physicist whose books are mainly found on New Age shelves. He is an advocate of systems thinking and ecology, or both, and has multiple books and other writings on the connections between physics and the environment. He is a speaker on a broad circuit that encompasses ecology, the Green movement, management and self-help. His latest book, 'The hidden connections; a science for sustainable living', talks about a 'biological model' of organisations.

A machine can be controlled – a living system can only be disturbed

The idea that the organisation is better understood as a living system is not new, but Capra uses it to stress the difference between a mechanistic and a living system approach. A machine, he says, can be controlled; a living system can only be disturbed. Organisations can be influenced by receiving impulses rather than instructions. Living systems 'choose' what to notice and what to react to. The biological model, the basis and logic of which can hardly be challenged, has tremendous implications. For example, he says, "working with the process inherent in living systems means that we don't need to spend a lot of energy to move an organisation; there is no need to push, pull or bully it to make a change; force and energy are not the issue, the issue is meaning. Meaningful disturbances will get the organisation's attention and will trigger structural changes."

"Giving meaningful impulses rather than precise instructions may sound far too vague to managers used to striving for efficiency and predictable results," Capra says. "But it is well known

that intelligent people rarely carry out instructions exactly to the letter: they modify and reinterpret them, ignore some parts and add others of their own making; sometimes it may be merely a change of emphasis, but people always respond with new versions of the original instructions."

In the living organism model, the self-adaptation or self-emergence of functions and structures is relevant. Although organisations have elements 'by design' (we create structures, management teams, reporting lines, etc) what may matter more is how 'non-designed' self-organised groups are born and maintained. Networks of people may emerge from different parts of an organisation, connected by a common goal and perhaps a desire to achieve something that does not belong to any part of the company or is in anybody's job description. These are known as 'communities of practices'.

People in organisations have always communicated on a variety of topics, not necessarily related to the operational parts of the job. These communications are generally undervalued, with management assuming that anything not purely job-description or business-goal related is noise.

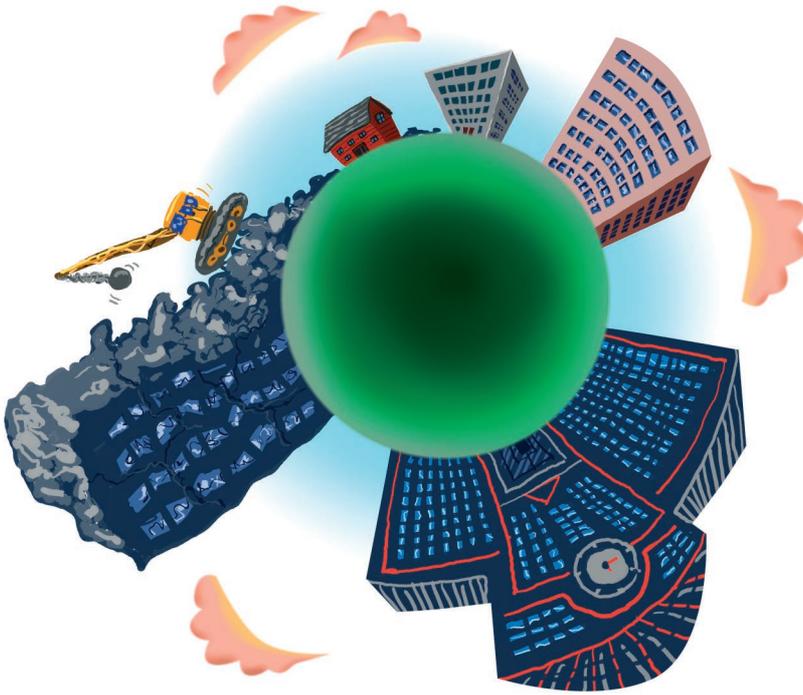
Traditional management is mechanistic management. It concerns itself with the designed part of the organisation: structures, systems, reporting lines, organigrams and boxes. It does not address the non-designed, emergent, self-managed part of the organisation. So mechanistic management cannot tap one very rich organisational vein: the hidden connections between people, the networks of common interest – the networks of commitments.

Capra is not alone in his thinking. Ex-Shell organisational guru Arie de Geus wrote a book a while ago, 'The living company', on a similar theme. So can their approach be advantageous to organisations? Absolutely, as long as things aren't taken to extremes. Organisational design has a clear place in management thinking. The point is that the non-designed dynamics are also important.

Anybody who has ever worked in a company, or been a manager in an organisation, will recognise the organisation chart as a way of representing bosses and subordinates. But there is a hidden organisation not represented in such charts: the network of connections, influences and relationships between people, based not on any official hierarchy but on information and knowledge. In these networks, there are individuals who act as super-nodes, with many people going to them – or through them – to acquire, share or transfer knowledge. These people aren't usually the senior managers. The networks are informal. They constitute a sort of parallel organisation representing the 'true' connections of daily life in a company.

Internal networks, with less formality, are pow-

Illustration by Rob Wilcockson



An organisation can be represented as a living organism with its own natural life-cycle.

erful not so much in terms of their position in the organisation-chart hierarchy but in their social capital, a true form of capital based upon the quality and quantity of those relationships. Organisations with high social capital are more able to solve problems and engage people in daily company life. Clearly, more research is needed to understand and measure this phenomenon.

In order to understand an organisation's hidden structure, and to establish a sort of 'actual organisation chart', many things need to be established. To start with, an organisation must accept that these networks of social interaction actually exist. Next, it would be enlightening if there was a way to represent and capture them.

Well, there is. It is called social network analysis (SNA) and is progressively applied to business organisational life. SNA is not new but has largely been confined to academia, under the label of social psychology. It's only recently that the technology has been developed to identify, map and measure those networks and apply what has historically been a sociological methodology to business life.

SNA is a good way to understand social capital. It can indicate real life groupings of individuals talking to each other, having conversations in both the literal sense and the knowledge management sense. Tacit knowledge flows from individual to individual in the form of such conversations. Thomas A Stewart, in his latest book, 'The wealth of knowledge; intellectual capital and twenty-first century organisation', says that one reason companies exist is precisely to act as a 'host' for these conversations – in other words, to act as an enabler of the flow of tacit knowledge that constitutes a major part of the total organisational wealth.

For those managers used to mechanistic, command-and-control methods of understanding busi-

ness organisations, all the above can be seen as a fuzzy, almost whimsical way of thinking, and certainly not to be taken seriously. However, leaders today should take note of these concepts, and try to understand and apply them. The extra effort may well pay off handsomely.

Capra goes on to say that "offering impulses and guiding principles rather than strict instructions evidently amounts to significant changes in power relationships, from domination and control to co-operation and partnerships... This too is a fundamental implication of the new understanding of life; in recent years biologists and ecologists have begun to shift their metaphors from hierarchies to networks, and have come to realise that partnership – the tendency to associate, establish links, co-operate and maintain symbiotic relationships – is one of the hallmarks of life."

The main point about the living organism theory is a fundamental truth: we are, after all, talking about people; people are living organisms, and their groupings must be living organisms as well. If that's the case, then 'life' in organisations may have more to do with 'lifecycle' (birth, adolescence, maturity, in some cases senility and certainly death) than an engineering model of bits and pieces that slot together with standard operating procedures and unchangeable quality systems written in a manual.

Perhaps the main problem of applying the living metaphor to organisational leadership is that too much detailed planning might be intrinsically alien to the living organism that is the organisation. To follow the model, leadership must be more about setting up a framework and directions, and literally leaving people to figure out how to act, accepting that there will be a fair amount of reinterpretation and re-framing. It must also be about creating an environment for important conversations to take place, and for protecting this process. Perhaps the firm's CEO should become its chief neurobiologist, pointing his hypothetical MRI scanner at its central nervous system, to study the flow of information and knowledge throughout the company.

Many managers may dismiss these metaphors as New Age thinking, but the beauty of metaphors is they bring us closer to understanding reality through analogy. Metaphors and parables are an intrinsic part of the way we learn, from kindergarten to university. There is something about our brains that appreciates them, and facilitates memory and understanding. So next time you embark on a management programme change, bring a biologist on board – you may find more answers than the man with the mechanistic business school model under his arm. SM

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