

Adhocracy or innovative organization business essay



Professor of strategy and organization, Henry Mintzberg holds a joint position at the Desautels business school at McGill University, Montreal and at Insead, in Fontainebleau and Singapore. An engineer by training, he earned a PhD from MIT prior to joining McGill's faculty of management in 1968. He was the first to get elected at the Royal Society of Canada from the field of Management. He designed and developed the IMPM, the International Masters Program in Practicing Management, a degree-level program which is delivered in six countries – Canada, England, France, India, Japan and Korea. It is a degree program that focuses directly on the development of managers in their jobs and organizations.

He has been a prolific writer of many books and journal articles. His well-appreciated books are: *The Nature of Managerial Work* (1973); *The Structuring of Organizations* (1979); *Power In and Around Organizations* (1983); *The Strategy Process* (1988); and *Mintzberg on Management: Inside Our Strange World of Organizations* (1989). His *The Rise and Fall of Strategic Planning* won the best book award of the Academy of Management in 1995.

Henry Mintzberg compared the process of strategy designing to the process of making pottery. He defines the strategist as a craftsman, or potter. Mintzberg says, "The crafting image better captures the process by which effective strategies come to be." He mentions that the potter has two options of designing the pot, either following the traditional designs or to break up the pattern and come up with a completely different new design. In a similar pattern, a strategy maker can follow the same pattern over a time or strategies can come up with new emerge in a completely different direction

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than the early pattern. Secondly, strategy making can be a deliberate thought process must precede the action. But as per Mintzberg, “ Strategies can form as well as be formulated.” Third, strategy makers do not necessarily mean that top management running an organization but in fact, removed from the inner-workings of the organization. Strategists may be most intimately connected with the company and with those products/services it sells. Strategists can be those standing on the front lines, to speak. Fourth, the potter might fail to make one piece, but the lump which remains might be formed into something totally different. In the similar manner, strategies can emerge at any place and at any time; errors themselves can become chances for opportunity. A craftsman is seen as someone who is dedicated, passionate, intimately involved with the materials, has a personal touch, has mastered the detail of their art, and is experienced. The strategist needs to be someone who is involved and connected with their industry and who is personally involved with the industrial processes. Finally, just as a craftsman may see things that other people miss, the strategist must be able to see emerging patterns and guide them into place as strategies.

Mintzberg’s major impact on the management world began with his book *The nature of managerial work*, published in 1973, and a seminal article in *Harvard Business Review*, *The manager’s job: folklore and fact* written two years later. Based on detailed research and thoughtful observation, these two works established Mintzberg’s reputation by showing that what managers did, when successfully carrying out their responsibilities, was substantially different from much business theory. Mintzberg’s contribution

to management thinking is not based on one or two clever theories within some narrow discipline. His approach is broad, involving the study of virtually everything managers do and how they do it. His general appeal is further enhanced by a fundamental belief that management is about applying human skills to systems, not applying systems to people – a belief that is demonstrated throughout his writing.

In his article *The manager's job: folklore and fact*, Mintzberg sets out the stark reality of what managers do: ' If there is a single theme that runs through this article, it is that the pressures of the job drive the manager to take on too much work, encourage interruption, respond quickly to every stimulus, seek the tangible and avoid the abstract, make decisions in small increments, and do everything abruptly'.

Mintzberg uses the article to stress the importance of the manager's role and the need to understand it thoroughly before attempting to train and develop those engaged in carrying it out.

“ No job is more vital to our society than that of the manager. It is the manager who determines whether our social institutions serve us well or whether they squander our talents and resources. It is time to strip away the folklore about managerial work, and time to study it realistically so that we can begin the difficult task of making significant improvements in its performance.”

In *The nature of managerial work*, Mintzberg proposes six characteristics of management work and ten basic management roles. These characteristics

and roles, he suggests, apply to all management jobs, from supervisor to chief executive.

The six characteristics are:

1. The manager's job is a mixture of regular, programmed jobs and unprogrammed tasks.
2. A manager is both a generalist and a specialist.
3. Managers rely on information from all sources but show a preference for that which is orally transmitted.
4. Managerial work is made up of activities that are characterised by brevity, variety and fragmentation.
5. Management work is more an art than a science and is reliant on intuitive processes and a feel for what is right.
6. Management work is becoming more complex.

Mintzberg places the ten roles that he believes make up the content of the manager's job into three categories:

1. Interpersonal

a) Figurehead – performing symbolic duties as a representative of the organisation.

b) Leader – establishing the atmosphere and motivating the subordinates.

c) Liaiser – developing and maintaining webs of contacts outside the organisation.

2. Information

a) Monitor – collecting all types of information that are relevant and useful to the organisation.

b) Disseminator – transmitting information from outside the organisation to those inside.

c) Spokesman – transmitting information from inside the organisation to outsiders.

3. Decision-making

a) Entrepreneur – initiating change and adapting to the environment.

b) Disturbance Handler – dealing with unexpected events.

c) Resource Allocator – deciding on the use of organisational resources.

d) Negotiator – negotiating with individuals and dealing with other organisations.

The structure of organisations

In his 1979 book, *The structuring of organizations*, Mintzberg identified five types of 'ideal' organisation structures. The classification was expanded 10 years later in the book *Mintzberg on management* and the following more detailed view of organisation types drawn up:

The entrepreneurial organisation - small staff, loose division of labour, little management hierarchy, informal, with power focused on the chief executive.

The machine organisation - highly specialised, routine operating tasks, formal communication, large operating units, tasks grouped under functions, elaborate administrative systems, central decision making and a sharp distinction between line and staff.

The diversified organisation - a set of semi-autonomous units under a central administrative structure. The units are usually called divisions and the central administration referred to as the headquarters.

The professional organisation - commonly found in hospitals, universities, public agencies and firms doing routine work, this structure relies on the skills and knowledge of professional staff in order to function. All such organisations produce standardised products or services.

The innovative organisation - this is what Mintzberg sees as the modern organisation: one that is flexible, rejecting any form of bureaucracy and avoiding emphasis on planning and control systems. Innovation is achieved by hiring experts, giving them power, training and developing them and employing them in multi-discipline teams that work in an atmosphere unbounded by conventional specialisms and differentiation.

The missionary organisation - it is the mission that counts above all else in such organisations; and the mission is clear, focussed, distinctive and inspiring. Staff readily identify with the mission, share common values and are motivated by their own zeal and enthusiasm.

Strategy and planning

The relationship between strategy and planning is a constant theme in Mintzberg's writing and his views on the subject are perhaps his most important contribution to current management thinking. In his 1994 book *The rise and fall of strategic planning*, Mintzberg produces a masterly criticism of conventional theory.

His main concern is with what he sees as basic failings in our approach to planning. These failings are:

Processes – the elaborate processes used create bureaucracy and suppress innovation and originality.

Data – 'hard' data (the raw material of all strategists) provides information, but 'soft' data, Mintzberg argues, provides wisdom: 'Hard information can be no better and is often at times far worse than soft information'.

Detachment – Mintzberg dismisses the process of producing strategies in ivory towers. Effective strategists are not people who distance themselves from the detail of a business: '.. but quite the opposite: they are the ones who immerse themselves in it, while being able to abstract the strategic messages from it.'

He sees strategy: '...not as the consequence of planning but the opposite: its starting point'. He has coined the phrase *crafting strategies* to illustrate his concept of the delicate, painstaking process of developing strategy – a process of emergence that is far removed from the classical picture of strategists grouped around a table predicting the future. He argues that

while an organisation needs a strategy, strategic plans are generally useless as one cannot predict two to three years ahead.

' The organizational configurations framework of Mintzberg is a model that describes six valid organizational configurations (originally only five; the sixth one was added later):

Simple structure characteristic of entrepreneurial organization

Machine bureaucracy

Professional bureaucracy

Diversified form

Adhocracy or Innovative organization

Missionary organization

Regarding the coordination between different tasks, Mintzberg defines the following mechanisms:

Mutual adjustment, which achieves coordination by the simple process of informal communication (as between two operating employees)

Direct supervision, is achieved by having one person issue orders or instructions to several others whose work interrelates (as when a boss tells others what is to be done, one step at a time)

Standardization of work processes, which achieves coordination by specifying the work processes of people carrying out interrelated tasks

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(those standards usually being developed in the technostructure to be carried out in the operating core, as in the case of the work instructions that come out of time-and-motion studies)

Standardization of outputs, which achieves coordination by specifying the results of different work (again usually developed in the technostructure, as in a financial plan that specifies subunit performance targets or specifications that outline the dimensions of a product to be produced)

Standardization of skills (as well as knowledge), in which different work is coordinated by virtue of the related training the workers have received (as in medical specialists - say a surgeon and an anesthetist in an operating room - responding almost automatically to each other's standardized procedures)

Standardization of norms, in which it is the norms infusing the work that are controlled, usually for the entire organization, so that everyone functions according to the same set of beliefs (as in a religious order)

According to the organizational configurations model of Mintzberg each organization can consist of a maximum of six basic parts:

Strategic Apex (top management)

Middle Line (middle management)

Operating Core (operations, operational processes)

Technostructure (analysts that design systems, processes, etc.)

Support Staff (support outside of operating workflow)

Ideology (halo of beliefs and traditions; norms, values, culture)

Perhaps the most distinctive feature of Mintzberg's research findings and writing on business strategy, is that they have often emphasized the importance of emergent strategy, which arises informally at any level in an organisation, as an alternative or a complement to deliberate strategy, which is determined consciously either by top management or with the acquiescence of top management. He has been strongly critical of the stream of strategy literature which focuses predominantly on deliberate strategy.

Mintzberg is cited in Chamberlain's Theory of Strategy as providing one of the four main foundations on which the theory is based.

In order to help to develop understanding of strategy Mintzberg developed what is known as the 5 Ps of Strategy. These are:

Strategy as Plan

Strategy as Intended Pattern

Strategy as Emergent/Unintended Pattern

Strategy as Position

Strategy as Perspective

Strategy as Plan

Mintzberg defined this as some sort of consciously intended course of action, a guideline (or set of guidelines) to deal with a situation. The example of Game Theory where Strategy is a complete plan: a plan which specifies what choices [the player] will make in every possible situation.

Strategy as Pattern

Mintzberg defines strategy as consistency in behavior, whether or not intended. Strategy may also emerge as patterns, which can be seen as the resulting actions. For example when Henry Ford originally developed the Model T, the strategy was to only offer the car in the color black, by strategy as a pattern, this was an intended strategy.

An example of an unintended strategy as pattern can be seen with how Ikea began to flat pack their furniture, the original idea for this was borne of one of the companies designers trying to load a table into their car, when they realised that it wouldn't fit and they would have to remove the legs of the table, they realised that customers would face the same issue when purchasing the product, and as such a vital aspect of Ikea's strategy emerged unintentionally.

[http://louisdietvorst.files.wordpress.com/2011/10/emergent-strategy.jpg?
w= 481&h= 372](http://louisdietvorst.files.wordpress.com/2011/10/emergent-strategy.jpg?w=481&h=372)

Strategy as Position

Strategy as a position refers to the environment in which the organisation operates in and the mediating force between the internal and external context. Examples of this may be an organisations strategy towards dealing <https://assignbuster.com/adhocracy-or-innovative-organization-business-essay/>

with environmental factors such as extreme heat, disposal of waste, use of green IT.

Strategy as Perspective

This aspect of strategy is concerned with how the organisation itself sees the business environment. For example an organisation may decide to be the pacesetters, always at the bleeding edge of technology and may sell their products based on technological advances. Another organisation may decide to be followers where they learn from the mistakes of the pace setter and only adopt proven technologies and may be more concerned with quality and reliability rather than bleeding edge technology.

Examples of this in the automotive industry can be seen in how Ford have recently began the market the new Ford Focus as the technological leader in the product category. By using Ford's economies of scale Ford have been able to cheaply introduce technologies such as Self-Parking, a technology associated with premium brands rather than Ford an auto manufacturer that traditionally targets blue-collar workers.

Using the 5 Ps

Instead of trying to use the 5 Ps as a process to follow while developing strategy, think of them as a variety of viewpoints that you should consider while developing a robust and successful strategy.

As such, there are three points in the strategic planning process where it's particularly helpful to use the 5 Ps:

When you're gathering information and conducting the analysis needed for strategy development, as a way of ensuring that you've considered everything relevant.

When you've come up with initial ideas, as a way of testing that that they're realistic, practical and robust.

As a final check on the strategy that you've developed, to flush out inconsistencies and things that may not have been fully considered.

Using Mintzberg's 5 Ps at these points will highlight problems that would otherwise undermine the implementation of your strategy.

After all, it's much better to identify these problems at the planning stage than it is to find out about them after you've spent several years – and millions of dollars – implementing a plan that was flawed from the start.

As a result of his observations of CEO's at work, Mintzberg was able to develop a range of characteristics that described the work of management. At the time, these were original and eye-opening and flew in the face of prevailing wisdom. They include the following characteristics

1. The manager's job is a mixture of regular, programmed jobs and unprogrammed tasks.
2. A manager is both a generalist and a specialist.
3. Managers rely on information from all sources but show a preference for that which is orally transmitted.

4. Managerial work is made up of activities that are characterised by brevity, variety and fragmentation.
5. Management work is more an art than a science and is reliant on intuitive processes and a feel for what is right.
6. Management work is becoming more complex.
7. Managers process large, open-ended workloads under tight time pressure - a manager's job is never done.
8. Managerial activities are relatively short in duration, varied and fragmented and often self-initiated.
9. CEOs prefer action and action driven activities and dislike mail and paperwork.
10. They prefer verbal communication through meetings and phone conversations.
11. They maintain relationships primarily with their subordinates and external parties and least with their superiors.
12. Their involvement in the execution of the work is limited although they initiate many of the decisions.

In one set of findings, Mintzberg discovered that a group of foremen did 583 different activities in one 8-hour shift, an average of one every 48 seconds, with no time at all for thinking. Out of his observations, Mintzberg challenged and re-defined our thinking about what it means to be a manager.

Key works by Henry Mintzberg

Books

Managing. FT Prentice-Hall, 2009

Management: it's not what you think. (With Bruce Ahlstrand and Josephe Lampel). FT Prentice-Hall, 2010

Strategy bites back. (With Bruce Ahlstrand and Josephe Lampel). Pearson, 2005

Managers not MBAs. Berrett-Koehler, 2004

Strategy safari. (With Bruce Ahlstrand and Joseph Lample) London: Prentice-Hall, 1998

The strategy process: concepts, contexts, cases (3rd ed). London: Prentice-Hall International, 1996

The rise and fall of strategic planning. Hemel Hempstead: Prentice-Hall International, 1994

Mintzberg on management: inside our strange world of organizations. New York: Free Press, 1989

Power in and around organizations. Englewood Cliffs, NJ: Prentice-Hall, 1983

Structures in fives: designing effective organizations. Englewood Cliffs, NJ: Prentice-Hall, 1983

The structuring of organizations: a synthesis of the research. Englewood Cliffs, NJ: Prentice-Hall, 1979

The nature of managerial work. New York: Harper and Row, 1973

Journal articles

Key articles are given below, for a complete list from 1967 to date, with some links through to full text, please see <http://www.mintzberg.org/articles>

The manager's job: folklore and fact. Harvard Business Review, 68 (2) Mar-Apr 1990, pp. 163-176. Originally published in 1975, the article includes a retrospective commentary by the author.

Crafting strategy. Harvard Business Review, 65 (4) Jul-Aug 1987, pp. 66-75

The fall and rise of strategic planning. Harvard Business Review, 72 (1) Jan-Feb 1994, pp. 107-114

Rounding out the manager's job. Sloan Management Review, 36 (1) Autumn 1994, pp. 11-26

Musings on management. Harvard Business Review, 74 (4) Jul-Aug 1996, pp. 61-67

Managing on the edge. International Journal of Public Sector Management, 10 (3) 1997, pp. 131-153

The yin and yang of managing. Organizational Dynamics, 29 (4) 2001, pp. 306-312