Critical thinking on culture, leaders and strategy

Business, Management

Path dependency is where earlier historical events and decisions determine the future of an organization. In firm definition, path dependency dependentevents in history that bring about patterns in the organization which deterministic properties. These could be events and decisions, established policy, procedures, expectations and / or norms that have longterm on succeeding events and decisions (Berghout & Julia Hertin; 2002). The decisions and plans made by an organization will affect its future either positively or negatively depending on the profitability path the organization takes after such decision.

A strong culture is deeply embedded within the members of the organization and they respond strongly to the ethics and therefore passes them on efficaciously to the rest of the people/new members. When the members are not embedded into the organizations culture, their motivation to work and pass it on to other generation is weak or minimal, this ill result to low productivity and thus affect the organizations general performance (Berghout & Julia Hertin; 2002).

When an organization lacks a strong culture, its staff lack motivation and the overall turnover falls(Berghout & Julia Hertin; 2002). Uneffective plan will negatively affect the organization and therefore calls for better and appropriate decision and other historical events as such decisions projects the future of the organization. A strategic drift is when the organization starts experiencing negative or too slow response to the external environment yet using a strategy that once served it too well. These could mostly be caused by external environment changes and most notably changes in technology (Djelic& Sigrid; 2007).

Changes in the organizations leadership, production methods, management, technology , organization's culture and external environment will cause a strategic drift if they worked so well at first then due to advancement and development or changes in management and business strategy, they are said to be unproductive (Djelic& Sigrid; 2007). Such changes need to be cautiously scrutinized before they are implemented because they will eventually determine the organization's future.

Bibliography

Berghout, Frans, & Julia Hertin. (2002). Foresight futures scenarios: Developing and applying a participative strategic planning tool. Greenleaf Publishing: Seffield.

Djelic, Marie-Laure, & Sigrid Quack. (2007). " Overcoming path dependency: Path generation in open systems." Theory and Society