

# The five stages of organizational growth commerce essay

[Business](#)



**Creativity/ Leadership** The first stage of organizational growth is called creativity. In the beginning stage there are very few numbers of people in the company. Due to least number of people each and every members knows each other and shares their knowledge, experience and information's on what they know. Appropriate topics are discussed thoroughly within the organization to develop each other. This is the usual creative start up culture. Brainstorming is very much useful in small group of people. As the organization grows, it gets very hard to do things in mutual understanding. They have difficulty to differentiate between important and unimportant issue because there are very few or number organizational structure that allows distributing work to certain person. The company itself needs a strong person in charge who can hold the team together and find an appropriate system and structure. This stage is conquered by the founders of the company, and the main thing is to create both the product and the market. These initiators are usually technically or entrepreneurial oriented and they dislike management activities. They are entirely involved in making and selling new products. But as the organization grows, management problems occur that cannot be handled through informal communication and dedication. Thus the founders find themselves burden with the unwanted management responsibilities and conflicts between the leaders grow more intense. In the beginning stage there are very few numbers of people in the company. **Direction/ Autonomy** This is the stage of first revolutionary period in which direction the company will go and what will be the result in future. In this stage the crisis of leadership occurs, who is going to direct the organization, redesign and strengthen the company. There will be a

confusion that who is going to solve the managerial problems and tackle the organization. It may be the stakeholders or founders, it maybe someone who is within the company and has the talent to be the manager or the best way is to hire a strong manager who is suitable to all the stakeholders and who can take the organization to reach its goal. During this stage the manager will take the overall responsibility for directing, instituting, while lower administrator are treated more as functional specialists than autonomous decision makers. Lower level managers insist more independence, this leads to the next revolutionary period i. e the crisis of independence. As the company grows in future, departments, employees will be added in orAs the company grows further, extra departments and layers of management get added in order to handle the increasing complexity of the firm. However, this leads to a second management question, this time about who makes the decisions. As creating a leader and leadership team pulled decision-making in to the core of the company, the local managers and individual professionals now start to feel stifled as they are not allowed to make their own choices. Growth can thus slow as people queue up for decisions whilst an increasing tension is felt as parts of the company try to pull away.

Delegation/ ControlManagement hands over tasks authorities and function the people within the company. Department forms and develop their own vibrant. If management is not being able to hand or fails to look at these departments they will start handling the tasks by their own way. At this kind of situation departments may split and have competition within them. The organization at the moment needs to lose the restriction, assigning authority where the responsibilities lie in the department and group of the company.

Many organizations struggle in this revolutionary period, sticking to centralized methods, whereas lower level workers build up dissatisfaction and leave the organization. When an organization is in the growth stage of delegation decentralized structure is developed. Possibly, the losing of control directs a certain amount of confusion, mainly as junior managers grasps new authority and make unreliable decisions that maybe strange with one another. This will lead in making senior managers apologize for their decisions to pass on. Thus, the growing size of the company, a return to them making all the decisions is impractical. Co-ordination / Red Tape This is the stage of co-ordination i. e coordinating tasks and works with each and every member of the company. Project works, tasks are coordinated within all the departments of the company so that they are well in tune with each and every member. It is distinguished by the use of formal system for attaining greater coordination with the top level management as the watch dogs. This coordination might lead to very high level of bureaucracy. Correct modification needs high level of effort which makes it difficult for company to accept changes. Most of the coordination structure get carried away has the consequences in the next revolutionary period known as red tape. This type of crisis takes place when the organization becomes too large to handle and complex to get managed. Collaboration To overcome the crisis of red tape the company must shift in the next evolutionary period which is known as collaboration. The coordination stage was managed through formal systems and procedures. It highlights greater impulsiveness in the managerial deeds through teams and the skillful disagreement of interpersonal differences. A researcher named as Greniner is not sure about what the next revolutionary

period will take place but he is looking forward that the "centre around the psychological saturation of employees who grow emotionally and physically exhausted by the intensity of teamwork and the heavy pressure for innovative solutions" To conquer or avoid different kinds of crisis managers must be able to move during the evolutionary period more constantly. FIVE areas of rapidly accelerating change that heavily influence the organization today. The Knowledge Explosion – It has been said that more than 90 percent of all the scientists who have ever lived are still living. In these past 20 years the technology has rapidly changed, it has changed so faster that while calculating its growth it has exceeded 200, 000 years of time. In such a short period of time everything is changing so faster. It's very hard for people to grab everything in such a small period of time. So, for people like us knowledge becomes obsolete, same as that the organizations become obsolete as well because the one who handle the organization are people like us and the more we grow in knowledge more the organization will grow. It's hard for the organization to catch the time and technological changes that are changing in every seconds of life. In this 21st century knowledge has exploit rapidly. By this the organizations are growing very quickly as well. Due to the technological advancement many things are done in a short period of time. Those who have skill manpower and does have a good research team they will have a rapid organizational growth compared to others.

### **Rapid Product Obsolescence –**

Every day we grab lots of new information's and knowledge in our daily life, so today past knowledge and information quickly become obsolete. Due to

lots of research and information we grab knowledge everyday in our life. Today resources and efforts are thrown into research and development to get newer products that is very essential for us to grow quickly, by this there will be a rapid change more quickly. Most of the fields which are involved in studies, sports, medicine, electronics etc they find it true that this is practical and it is true. There are always new products which are cheaper, more complex and are competitive to those old ones obsolete to some extent at least. As product obsolescence is quickly growing, organization should be able to shorten their turn-around time. The organizations which can survive and grow for a long time period are those which are flexible and can be able to provide jobs for the employees and create different strategies.

### **The changing composition of the Labor Force –**

The scenario of workforce has changed more than over the past 2 decades. Now most of the people are migrating from rural places to cities for a better job. People would search for a nice job having every facility they want, they don't compromise on such issues because of the changing scenario of the labor force. Numbers of percentage of educated people are more these days as compared to previous years, this makes competition within individual and they will have the knowledge of what standard of work they want and will stick into it. Demand for better life style and education is getting higher to everyone. Competition is very high with each individual. Due to the change in the perception of people they are being flexible and there is no any age restriction to do any kind of work. Now, people work from their early age and get established very fast and they also want a good lifestyle which every other individual lives. White collar jobs are growing quickly whereas

individuals in the blue collar job knobs more complicated tools cities equipment.

## **Growing Concern Over Personal and Social Issues –**

Awareness in the environment and social life concern is getting higher for the workers. Due to lots of information and knowledge they have a very high expectation in seeking opportunities to put in action what they really know. Now a day's every type of training are available for every kind of person so that by getting that training they can be able to work at any workplace they want. They need flexibility in the work and needs internal satisfaction in what they have gone through their work. Due to high expectation they might not be satisfied with one job, they keep on seeking different type of new and interesting jobs. It is a big challenge to the organization to satisfy their workers by giving them what they want. The managers need to motivate the employees by creating different type of events, challenges, trainings etc. They also need to give a good security to the employees in terms of salary and wages in the workplace. Increasing Internationalization of Business- As organizations become larger, they also become more and more internationalized. This means that organizations will have to increasingly deal with adaptive and open approaches to other cultures. Business with different cultures around the global will make you more flexible in knowing the international business and the people around there and can be able to grab lots of ideas to do the job more professionally and can also help in their own nation for the development. Internationalization is having an increasing impact on societies and organizations. By international business people from different country they are being able to make a good relation in terms of

business and personal. By this there will be a growth in an individual and business they are doing as well. Some of these are the communications explosion the increase in professionalism, the changes in the relations between line and staff, including the establishment of the specialists; and the unionization of workers.

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