Organizational life cycle model

Life

The organizational life cycle (OLC) concept can be dated back as early as 1959 with Haire's (1959) work in organizational analysis. Creating the life cycle stages is linked to different organizational processes such as identification of technological change patterns seen in the life cycle of many manufacturing processes, especially, of complex products, analysis of organizational cultures as entrepreneurs create new organizations and start the OLC, analysis of newly developed venture organizations and maintenance of organizational effectiveness.

Different authors have outlined different numbers of organizational life cycles stages. In general, one can say that the organizational life cycles can take from three to ten stages or more according to the complexity of the organization. In a general perspective, the organizational life cycle models tend to portray that any established organization will go start with inception, go through growth onto maturity and death or so called growth decline and eventually redevelopment.

Despite authoring that different organizations have different numbers of stage they go through, one can say that most who have researched into the organizational life cycle concept agree with Quinn & Cameron (1983) and Lavole & Culbert (1978) who outline that the stages are: (i) Sequential in nature; (ii) Occur as a hierarchical progression that is not easily reversed; and (iii) Involve a broad range of organizational activities and structures Just like organisms/human beings, organizations go through the life cycle from inception to death however, for most organizations, death does not have to be the end – there can be redevelopment.

Organizations go through different life-cycles just like people do McNamara (2007). In Adizes (2007) model, the organizational life cycle ps upto ten stages. The organizational life cycle model can be viewed as the basis for strategic planning and management of the organization from its time of inception to the phase of death or decline and its consequent refinement/redevelopment. Organization’s managers, in their attempt to ensure survival, break the organizational stipulated objectives to define thegoalsto be achieved and the tasks that will define the stages to be taken to achieve the defined goals.

The following organizational life cycle (OLC) model adopted from Adizes’ ten stage corporate lifecycle model outlines stages of the OLC that are similar to the stages thathuman beingwith a likeness to organisms lifecycle. Organizational life cycle models can be a great source of critical information that managers employ to ensure that organizations stay on the prime or stable stages so as not to necessarily die. Just like human relationships, during courtship, the organization is not yet born but in thedreamsand possibilities eye of the founder.

The primary goal of this stage is to build the founder’s enthusiasm and commitment to his dream Adizes (2007). To move on to infancy or inception, the organization’s founder has to go through the challenges of realities harsh testing that all new organizations go through. Without these tests, the founder may fall into what Adizes (2007) refers to as an “ affair” full of enthusiasm but no commitment to steer the dream into inception of the organization.

At this stage the organizational model may well help the founder analyze and be prepared for the challenging tests he may go through but my not define if the founder would be ready or adequately prepared to face the tests when they come. In life, human beings and even organisms “ develop a certain kind of wisdom that sees them through many of the challenges in life and work. They learn to plan and to use a certain amount of discipline to carry through on those plans … To survive well into the future; organizations and programs must be able to do this, as well.

” (McNamara, 2007). The organizational life cycle creates the kind of information database required by organizations’ leaders to be able to have “ a sense of perspective and helps them to decide how to respond to decisions and problems in the workplace. ” (McNamara, 2007). Organizations moving into the infancy stage require financial planning by the founder and “ an executive team is formed to achieve specific strategic business objectives within a few years” Lee (1996). Lack of proper funding, prolonged infancy/inception may lead to what Adizes (2007) terms as infant mortality.

Being aware of this phase in the organizational lifecycle model, the founder or organizationalleadershipteam will be able to outline the financial status and needs that will sustain the organization and steer it to grow into the next stage which according to Adizes, is the Go-Go stage characterized by an organization having “ a successful product or service, rapidly growing sales and a strong cash flow” as Adizes (2007) indicates. Crucial as it is, the organizational lifecycle model helps the leadership and organization’s team to be aware of the consequences they may encounter if they forget the challenges phased in the infancy stage.

The model may, however, only outline the need to be prepared but it would not outline what the team would need to do to make the organization grow to the next phase or what the organization may have in terms of resources. As the organization moves on to the adolescence phase, it would have to be independent of the founder’s skills and lack of efficient delegation and centralized control. The organization and the team go through the adolescence and the “ team members learn from one another and take successful actions together, the team's effectiveness and cohesiveness increase” Lee (1996).

In the organizational lifecycle model, the management team is likely to have a clear image of the human resource skill and stability it has. This would then help the management team plan on what skills may be lacking and how to get the right team on board or develop the team they have so they acquire the right skills. At this stage it may be crucial to keep the management and founder because if they are pushed out, the company will fall back to the Go-Go or become an unfulfilled entrepreneur Adizes (2007) or worse still it may go to “ premature aging” ordivorcecharacterized by infighting and disintegration of the team and the company.

At the prime stage the organization attains balance, better control and flexibility (Adizes, 2007). The management analyzes this stage on the life cycle model and realizes the right resources that would sustain it. At this phase, the organization is at its peak, and need to stay there or else it may go on to the stable phase, which though it may sound appealing, reveals that the company may be “ loosing it vitality” Adizes (2007). At the stable phase, the team may enjoy too much comfort as the signs of “ aging” may not show in the financial reports.

If the team, as Lee (1996) puts it, … loses the veryanxietyand sensitivity to the externalenvironmentwhich contributed to its success … when the outside world changes, for example in customer requirements, competitors' innovations, or new technologies, the members of a highly cohesive and highly effective team usually don't respond. Once the team becomes highly effective and highly cohesive, thecommunicationof new information between the outside world and the team and among team members deteriorates.

If the leadership team would no be quick to integrate new ways of growth and pursue long-term opportunities, the team would loose its creative and innovative skills hence leave the organization to a steady decline that may result in death. Through the organization’s life cycle, Lee (1996) states that: Loss of effectiveness (typified by one or more failed decisions or projects) eventually overcomes the exaggerated management energy committed to cohesiveness, and the team disintegrates.

Disintegration (death), frees team members to participate in new teams where they can renew their enthusiasms, develop new personal relationships, and revitalize their atrophied learning processes. Disintegration of the old team also makes room for a new leadership team; one that is able to start out anchored in the " real world," ready to deal with things as they are, not as they used to be. The organizational life cycle model may, hence, well be deemed as the tool that all organizations may have to employ to achieve their goals and realize the founders’ dreams.

As the outline factor, the organizational lifecycle model, lays out clear phase an organization has to go through. The management team then has to plan ahead well on how to steer the organization from what I deem and name as the five most useful number of stages in a life cycle model – birth, midlife, maturity, degradation (loss of vitality and flexibility) and eventual death if the organizational team does not seek long-term opportunities to keep the organization alive.

The organizational life cycle model, besides outlining phases of organizational growth and how to sustain growth and prevent death of the organization, they reveal that if the team employs strategic ways to sustain the organization at the prime stage, the organization does not have to ‘ die’ like organisms die. The model also helps reveal that just like a machine, every organization will need proper operation and care to grow and sustain.

Just like a machine that would need parts replaced, oiled and some machines replaced as a whole, the organization will also go through phases of change that would necessitate that some team members be left to leave, developed or changed to ensure sustained growth and life. The importance and how crucial an organizational life cycle model is can, hence, not be understated or underestimated. References Adizes, I. (2007). The Organizational Life Cycle.

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