

Four types of organisation

Lots of deep concerns

I have been watching organisations of all sorts, sectors and sizes carefully for more than past thirty three years.

I have been listening intently to a lot of concerned and very capable people, and have learned a lot from their thoughts and personal experiences.

I am very seriously concerned about the steep slide in effectiveness of far too many organisations, upon whom we are dependent for economic recovery.

I fear we are in a situation which will continue to worsen, and that the absence of competence, particularly at the top of organisations will prevent any sustainable recovery from the current decline for many years.

Very poor patterns of thoroughly unhelpful behaviour, punitive employment practices, knee jerk reactions to bad news, and the loss of legions of talented people on whom organisations were unknowingly dependent for future success means it will be a very hard and difficult road ahead.

Sometimes I get stuck for saying what I see instead of pretending things are better than they are. I feel we do ourselves and our clients no favours by too often playing to their false fantasies that things are as they want it to be instead of how we all really, truthfully, know and can see very clearly.

These days I encounter people in organisations with ever more exotic job roles, business transformers, business partners, talent managers and so on, yet even the most impressive title seems to have little effect on the long term practices of organisations led too often by inept, self seeking, uninformed people who make decisions based foremost on self preservation and personal financial protection.

I offer you four types of organisation:

Thriving
Surviving
Tetering
Dying

Some are doing well, are well led, keep talented people, have loyal customers for a quality product, and are in good shape – just far too few. These organisations are not accidentally successful, they have been doing positive things for a long time, and now benefit from those around them falling away. These organisations are proactively doing the right thing – by customers, suppliers, staff, investors, and deserve their success.

Some are getting by – many will develop into successes, sometimes with a lot of hard work, others will continue to merely survive and hope for a change of fortune. The realistic survivors know what they need to do, and will do this, those who are surviving and are poorly led will fail. Many survivors need to show they are managerially competent in harder, more exposed times – many looked good when not really tested.

A few tetering organisations will survive, maybe seriously slimmed down, or the victim of a takeover. Few will thrive again in their current form, or under the leadership that brought them down. A lot more will die. It will take a lot of really hard work to bring tetering organisations around, often involving a change of the most senior people, and a thorough examination of poor practices left alone for far too long. Those teterers that get through the bad times look further ahead than the immediate short term, and make decisions based on value not purely cost.

Dying organisations take many forms, their failure can be sudden and dramatic, or painfully prolonged.

Sometimes a dying organisation suffers a long term financial squeeze and terminal under-investment. Other indicators may be illegality, unethical behaviour, or a culture of complacent, 'acceptable underperformance'.

Many dying organisations project survival characteristics, such as inflated senior managerial salaries and bonuses, yet like a sinking air balloon, cast people, customers, premises, and whatever else over the side to attempt to stay alive, ultimately unsuccessfully.

What this means for we who help organisations be more effective

If you can relate to my hard analysis then here are some thoughts that may help – most I suspect will have gone by now, preferring not to be given another harsh dose of reality.

I suppose it makes sense to gravitate to the successful organisations...along with hordes of others. Many of these successful places already have a well established set of helpers in many roles, so 'getting in' can be tough. That said, there will be opportunities for those who offer genuine value and can stand up to a rigorous appraisal of potential contribution by organisations that know well the quality of contribution they are looking for.

Survivors can provide exciting, energetic, challenging opportunities for competent people with the skills to stabilise and progress organisational effectiveness. No easy rides here, don't expect the inflated day rates or easy days that suit so many, these survivors know what they want, and expect to be helped by people who are prepared to work flexibly, and to deliver measureable results in difficult times – I love this work!

Tetering organisations may have tetered too far to spend. They may have started on the hard and inevitable cycle of decline that ends with a bad bump. If you show true commitment to such an organisation, and it turns into a survivor, then even in this hard world, you may be with good reason seen as a rare positive force in hard times that deserves future opportunities – or they may sell out and you get dumped!

Dying organisations may provide short term assignments, but be realistic, and don't become dependent when you should see the signs of terminal decline.

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