

UNDERSTANDING THE ORGANISATION

Organisation Change

As organisations grow and age they are continually evolving and changing. These changes can bring new frustrations and challenges for the management team and the staff.

As organisations change the management style may also need to alter. Changes in the culture can create different organisational demands and often the style of management required to achieve the best results needs to change. This becomes particularly relevant to owner managers as their organisation grows and they have to get things done through other managers. This can be a difficult transition to make.

Another challenge for organisations is to keep the initial energy and enthusiasm alive, often the business started as a vibrant lively place and then one day you look around and wonder where has all the enthusiasm and motivation gone? And what has happened to the high levels of performance that used to be delivered?

Looking at the organisation change and culture can help to assess what needs to be done to maintain the motivation and increase the performance.

Dr Ichak Adizes' ten stages of corporate life cycle

Dr Ichak Adizes is a business guru and theorist, Adizes' simple ten-stage corporate life cycle model is an elegant way to learn and understand the typical life-cycle stages that many businesses pass through, from conception to cessation.

There is no pre-set timescale for this corporate life-cycle, and many organisations do not fit this model. However the life-cycle stages that Ichak Adizes describes in his model provide a useful basis for understanding a fundamental perspective of organisational change, and the principle that organisational ageing, with all that this implies, is inevitable.

One of the main challenges for mature corporations is therefore to seek reinvention through new business development, before it's too late.

The model provides a basis for understanding about organisational development stages, which is helpful for selling, management and understanding organisational cultures and systems.

Dr Ichak Adizes' model for ten stages of corporate life cycle

The single-word Adizes descriptions are actually quite self-explanatory. Below this first list there are some brief interpretation and descriptive examples of each stage.

1. courtship
2. infancy
3. go-go
4. adolescence
5. prime
6. stability
7. aristocracy
8. recrimination
9. bureaucracy
10. death

Terms explanations and examples:

1. *courtship* (the initial development or creation of the proposition/model/business/formation/etc)
2. *infancy* (after launch - start of active trading)
3. *go-go* (frantic energetic early growth and sometimes chaos)
4. *adolescence* (still developing but more established and defined)
5. *prime* (the business or organisation at its fittest, healthiest and most competitive, popular and profitable)
6. *stability* (still effective, popular, can still be very profitable, but beginning to lose leading edge - vulnerability creeping in maybe)
7. *aristocracy* (strong by virtue of market presence and consolidated accumulated successes, but slow and unexciting, definitely losing market share to competitors and new technologies, trends, etc)
8. *recrimination* (doubts, problems, threats and internal issues overshadow the original purposes)
9. *bureaucracy* (inward-focused administration, cumbersome, seeking exit or divestment, many operating and marketing challenges)
10. *death* (closure, sell-off, bankruptcy, bought for asset value or customer- base only)

Possible questions to consider:

- What are likely to be the different management styles and behavioural issues and challenges within corporations of different life-cycle stage?
- Interpreting your own organisation and divisions in terms of the life-cycle stages, and consider the implications for working styles, attitudes, need for change, etc.
- What type of organisation is content with achieving a static market share in a growing marketplace?
- How can an organisation maintain level 5 for the maximum time?
- How can an organisation move back to level 5 from level 6 or higher?
- What implications does this have for organisations with regard to their aspirations and challenges that they set for themselves?
- What is the relationship between this model and individual performance and motivation?