

Brief Encounters with the Taos Institute

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Organizational Ecology: Simplicity in Complexity



By Gerda van Dijk

Society and organizations are faced with growing complexity. Organizational Ecology, an ecological perspective on organizations, starts from ecology and considers complexity as a point of departure. What has an “ecological perspective” to offer in understanding the functioning of organizations?

I will limit myself to just one example from my practice: a research department that had found itself ‘lost in complexity’.

Following a reorganisation, a research department in a national research institute had been performing exceptionally well. The department had had great success using a systematically powerful strategy. It had acquired a number of major high-value projects and had initiated a variety of strategic alliances. In only three years, the department had grown from 15 employees to 35, and the prospects for further growth were very positive. And yet the department director was concerned that success might exceed the department's capacities. He knew that the backup was insufficient and that his assistant director was overburdened. Also, the constant need to train new temporary specialists was taking a toll on the permanent employees. The increasing pressure on the organisation made the director aware of how vulnerable the department actually was. The department only had a single expert for every field of expertise, and it seemed as if the department relied increasingly on the director for all of its organisational issues. Was it now time to add account management to the department organisation? Or was the solution to add an extra layer of management, reinforce project- and programme management, bill more hours, knowledge management, quality systems, etc.? As he formulated it: he found his department ‘lost in complexity’ and he felt a strong need for doing better as director.

During a two-day work conference with the entire department, they realised that the present entrepreneurial climate would be the best situation for the department. The department operated in a niche market and a variety of current European developments created uncertainty as to the future of the market. One thing was clear, however: it would always remain a niche market in which only the most entrepreneurial department with the best proposition would survive. This meant that the entire department would have to focus on future business and approach the market with an intelligent strategy. Simply acquiring new assignments would not be sufficient: the department

would have to focus on those assignments that would help secure the department in the future. With this new external focus, the department realised that the internal organisation's existing instruments were sufficient, with the idea that 'good is good enough'. The only internal intervention that was necessary was the reinforcement of the department's account management in the form of a person respected by all of the staff as an expert and experienced account manager. This person also supported the department head directly in the development and reinforcement of the strategic mission. This action provided just the extra bit of assistance necessary by stimulating, monitoring and fostering entrepreneurship without burdening the administrative organisation. They found simplicity in complexity.

How did an ecological perspective help this department? An ecological perspective approaches organizations as 'ecosystems'; as living configurations with emergent characteristics such as underlying dynamics through time. From an ecological perspective, it is inevitable that organizations change. The past has been integrated into the present and like living systems, organizations can be thought of as having a 'life cycle'. This life cycle is a natural process. We can recognise four successive phases in an organization's life cycle:

1. Pioneer phase: lots of energy and wild growth, a strong external orientation and a dynamic, chaotic organisational form,
2. Growth phase: externally focused, continued development, it reacts to changes flexibly with a conscious strategy,
3. Consolidation phase: focused increasingly on the internal organisation and improving and controlling the current situation, a standardised, planned form,
4. Relapse phase: 'keeping up appearances', the often overly structured formal organisation begins to take a more ritualised form. From there the organisation either *dies* or finds a way to begin anew.

The research department recognized that the feeling of 'lost in complexity' was related to the dynamics of the organizational life-cycle. They figured out, they found themselves in a shift from phase 2 to phase 3: namely becoming more internally focused and getting organized and administrative dominated. That seems so logic but felt also so uncomfortable. They became aware of the 'working of' these underlying dynamics of the life-cycle during the two-day work conference. Then they found language and words to formulate why they experienced complexity and how they could find simplicity in it. They were able to cope with the underlying dynamics instead of just being part or even being victim of it.

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