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The age of emergence:
toward a new organizational mindset

Miguel Pina e Cunha
Departamento de Gestão
Faculdade de Economia
Universidade Nova de Lisboa
Rua Marquês de Fronteira, 20
1099-038 Lisboa
Portugal
mpc@fe.unl.pt

João Vieira da Cunha
Faculdade de Economia
Universidade Nova de Lisboa
Travessa Estêvão Pinto
1099-032 Lisboa
Portugal
jvc@fe.unl.pt

Ken Kamoche
City University of Hong Kong
Tat Chee Avenue
Kowloon
Hong Kong
mgnkk@cityu.edu.hk

Abstract

This paper discusses how new competitive landscapes invite organizational scholars and practitioners to adopt a new organizational mindset. The proposed new mindset does not negate the importance of the traditional functions of management, but invites a reexamination of how they are expected to function.

The paper is organized as follows: (1) the traditional mindset is briefly presented; (2) the precipitating conditions for the new mindset are highlighted (e.g. hypercompetition, global standards, world class competitors) and the age of emergence concept introduced (3), standard approaches for dealing with the new economic order will be advanced (e.g. trust-based organizations, designs for innovation, network forms); (4) the new emergence mindset is presented as a dialectical alternative, linking the past and the future.

The new emergence mindset is derived from a larger research project on how organizations can adapt to the age of emergence. The research involves theoretical research, case studies and field research (observation, interviewing). It is shown that some "old" concepts have been prematurely condemned in recent research. We argue in this paper that "emergence age" organizations need to synthesize 'old' and 'new' concepts in a dialectical manner, instead of getting rid of old concepts (control, planning, etc.). We believe that this view will provide a refreshing and realistic approach for the understanding of contemporary organizations in the millenium.

1. Introduction

The management literature is replete with accounts of how organizational environments are changing. For example, Bettis and Hitt (1995) describes the "new

competitive landscapes", while D'Aveni (1994) has characterized the new state of "hypercompetition". Additionally, the theme of this SAM conference is learning at warp speed, another distinguishing feature of *fin de siècle* management. In response to the reported environmental changes, other authors have reclaimed the necessity of new concepts and practices for managing and organizing (Handy, 1997, Ghoshal, Bartlett & Moran, 1999), while others propose new design principles for the 21st century organization (Ackoff, 1999).

As the year 2000 approached, a new mindset, from now on labeled new standard mindset, appeared as the antithesis of the traditional mindset: the more divergent from the old mindset, the more modern it would look and, thus, the more adjusted to the new competitive conditions it was supposed to be. Our proposition here is that the new standard mindset may constitute an enriching way to help organizations adapt, but is not the only way: an "emergence age" mindset, blending the old and the new, may provide valuable insights for the management of organizations. In this paper, we start by elaborating what we understood by the age of emergence. In the following sections, the traditional (thesis), new standard (antithesis) and new emergence (synthesis) mindsets, are discussed. Table 1 summarizes the discussion by contrasting the traditional, new standard and new emergence mindsets.

Table 1. The traditional, new standard and new emergence mindsets

The traditional mindset	The new standard mindset	The emergence age mindset
Planning	Action	Planning and action
Integration via hierarchies	Integration via networks	Integration via minimal networks
Efficiency	Effectiveness	Efficient effectiveness
Authoritative leadership	Democratic leadership	Authoritatively democratic leadership
Optimizing	Satisficing	Bricolating

2. An age of emergence?

Traditional management theory treated the environment of organizations as a given and as something independent of organizations themselves. The definition of environment as those elements located outside the organization itself, reinforced the distinction between the organization and its environment. The role of management in such a scenario, consisted mostly in making the strategic choices that would improve external fit and internal integration. Strategic planning was a major tool for achieving both tasks simultaneously, and situations of organization/environment misfit were attributed to poor conception and/or implementation of planning.

The last few years have witnessed a shift from the traditional view of organizations and enviroments as relatively independent entities, to a new perspective that views organizations as co-creators of their emergent environments. Emergence refers to "the process by which patterns or global-level structures arise from interactive local-level processes (Mihata, 1997, p.31). The recognition of organizations as agents and subjects of emergent processes is not new: Trist, in his 1967 prospective paper (reprinted in 1997), argued that organizations should strive to be adaptive, i.e. to prepare responses for dealing with emerging environmental circumstances.

The understanding of organizations as co-creators of their environments, means among other things that the environmental characteristics *emerge* and take shape through the interrelationships of many actors over extended periods of time. The more textured the environment, the more the environment itself and no longer the component systems, produce change (Emery & Trist, 1965). Dynamic environments, therefore, are inherently unpredictable, and misfit may not be as much a consequence of poor planning, but of a lack of adaptiveness. In these (hyper)turbulent fields, planning can no longer ensure stability.

Evidence of the emergent nature of organizational environments has been noted in recent writings (e.g. Van de Ven et al., 1999), though its origins can be traced back to some classical works. In an analysis of the works of Mary Parker Follett, Mendenhall et al. (1997) noted the "emergent" properties of behavior. The recent appearance of complexity theory in the field of organizations, thus, only increased the visibility of an idea that had already achieved some prominence in strategic management thinking (e.g. Mintzberg & Waters, 1985; Hutt et al., 1988).

By the "age of emergence", we refer here to the growing acceptance that organizations can not predict what is going to happen because the future is being molded continuously when organizations take action and find themselves doing things that were not necessarily planned in advance. This means that the idea of strategic anticipation (corresponding to the traditional mindset) must be complemented by mechanisms able to facilitate strategic adaptativess.

3. The traditional mindset

"If you fail to plan, you are planning to fail"

(Kotler, 1999, p.165).

Five elements can be used to characterize the traditional mindset: planning, hierarchical integration, authoritative leadership, and optimization. Other elements could certainly have been used, but our intention at this point is merely to provide a contrast between different ways of looking at management and organization.

The traditional mindset arose in an era where the pursuit of predictability and order constituted major organizational goals. Studies on the history of management show that the lack of systematization and discipline of pre-Taylorist factories was a serious threat to the regular functioning of organizations. To counter chaos and disorder, administrative theories of organization were developed, adopting the view of

organizations as machines (Shenhav, 1999). To prevent the putative undesirable intrusion of the human element, factories were designed as hierarchies, emphasised efficiency and pursued the optimal use of resources. In an organization built at the image of the machine, planning was indeed a critical activity.

Managers contributed to the smooth functioning of organizations through an authoritative leadership: "It is only through *enforced* standardization of methods, *enforced* adoption of the best implements, and *enforced* cooperation that this faster work can be assured" (Taylor, 1911, p.83; emphasis in the original). The managerial rationality put forward by the then emerging administrative science, constituted a "powerful mode of thought and code of conduct in the modern world" (Shenhav, 1999, p.1) and shaped a long-lasting organizational mindset.

4. The new standard mindset

> "All I want is a clear picture of what the new organization looks like!"
>
> (Nohria & Berkley, 1994, p.70)

The new standard mindset can be best described as a negation of the traditional one. As Clegg and Clarke (1999, p.192) put it, "The virtual organization [that can be considered the epitome of the new organizational mindset] is almost the exact opposite of the modern organizations that Weber first identified in the ways that it organizes its basis for authoritative action". It departed from the assumption that "in fast changing markets, Taylor's 'scientific principles' are a recipe for disaster" (Freedman, 1992, p.28). Under the new standard mindset, planning is substituted by action, hierarchical control by network control, efficiency by effectiveness, authoritative by democratic leadership, optimizing by satisficing.

To thrive in a business world described as uncertain, fast, and chaotic, organizations developed and implemented new configurations, aimed to facilitate the

new management imperatives (e.g. empowerment, speed, innovation, world class): trust-based organizations, self-managing teams, virtual structures, are some of the "tools" for competing in the "new time".

The new logic is now based on invisible and socially-activated controls (Barker, 1993), on leading by listening and persuading (no longer by enforcement [Conger, 1998]), and on the recognition of action as a source of discovery, learning and coordination (Weick, 1979; Nohria & Berkley, 1994). These elements were made necessary by several important changes occurring both at the organizational and societal levels. On the one hand, the growing professionalism of organizational members, made obtrusive controls less and less acceptable as normal practice. This created the need to substitute overt for covert leadership (Mintzberg, 1998), and to create new organizational structures able to accommodate these new control mechanisms. The increasing perception of organizations as knowledge-creation (exploration) systems also made apparent the necessity of a new mindset. At the societal level, the "end of history" (Fukuyama, 1992) also pressured organizational leaders in western societies to adopt more liberating and democratic managerial practices.

A new mindset thus emerged, introducing "chaos" on the discipline of management and alerting organizational members to the necessity of changing the practice of management, both internally and externally, in face of hypercompetitive conditions. The case of the Brasilian firm Semco, is usually offered as the best example of the "disorganized organization" for the future.

5. The emergence age mindset

"Granted that there are genuine emergent processes (...), then we must accept real limitations upon what we can predict and also accept that we have to live for some time with the future before we know it"

(Trist, 1997, p.899)

The persistent ubiquitousness of environmental change (Bettis & Prahalad, 1995) has not made all managers more attuned to the charms of the new organizational mindset. For example, as Keegan and Turner (1999) have noticed, managers may have a tendency to believe that organic practices do not represent "real management". Therefore, suggestions to let organicism flow freely, may sound deeply countertuitive to some. However, a new organizational mindset may be emerging, one that aims to provide another way of conceptualizing organizations. We call it the emergence age mindset, in the sense that it tries to allow some "planned emergence".

The new emergence mindset is built upon the assumption that a synthesis between the old (traditional) and the new (standard) mindsets may provide creative insights to deal with the tensions in which management is fertile ground: efficiency vs effectiveness, routine vs innovation, planning vs action, etc. Instead of moving along the old-new continuum (e.g. manage some parts of the organization organically and other parts mechanistically), the emergence mindset assumes the need to find genuinely creative solutions for handling paradox. A dialectical synthesis between the old and new mindsets expresses the possibility of some new thoughts about managing and organizing. Some of these are discussed below.

Planning and action

As demonstrated by Brews and Hunt [1999], planning and action are not only compatible but, in fact, are part of what may be described as good pratice in strategic planning. As such, a conjunctive instead of a disjunctive approach to the planning/action debate, may be necessary.

Integration via minimal networks

The need for flexibility that led to the creation of the network form, stressed the importance of trust, instead of more obtrusive control mechanisms. Trust, however, may

not be enough to counter the impact of centrifugal forces (e.g. individual interest, divergent perspectives, functional thinking) . If this is so, a configuration of minimal controls may be necessary to provide some restrictions (in terms of structure, and commitment, for example), while letting free space for autonomy and flexibility to occur. The minimal network (Cunha, Cunha & Kamoche, 1999) may thus provide an adequate synthesis between trust and control.

Efficient effectiveness

In the face of hypercompetitive environments, a logic of efficiency/exploitation/ routinization, should not mean the abandonment of effectiveness/exploration/ innovation. Organizations need not only to explore but also to exploit (March, 1991), or to maximize routinized creativity, i.e. to maximize the number of exploited explorations. It is not relevant to find opportunities, unless one is able to make good use of them (Barrett, 1998). Establishing linkages between exploration and exploitation, may thus be more than organizational choice.

Authoritative democratic leadership

Under the emergence organizational mindset, organizational leaders may be compared to jazz leaders: while exerting leadership, they should authoritatively ensure that the minimal controls discussed above are respected; when, due to task specificities, they take a position of followership, their role is similar to anybody else's role: to democratically accept the direction of the (transient) leader.

Bricolating

If contemporaneous organizations, as discussed above, must not only pursue efficiency but also effectiveness, then their managers are not asked to optimize resource utilization (i.e. doing the best with the best resources, which is deemed difficult by the need for exploration) nor to achieve a satisficing use of the resources available (i.e. of doing the

possible with the available). They must now show their skills as bricoleurs: to use "whatever resources and repertoires one has to perform whatever task one faces" (Weick, 1993, p.352). This means that maximization/satisficing of proper resources, gives place to bricolage, or the capacity to do the best with the available (e.g. Thayer, 1988).

6. Final comments

Organizational adaptation to the age of emergence may be facilitated by the adoption of a new midset derived from a dialectical synthesis between the old and the new (standard) mindsets (see also Brown & Eisenhardt [1997] for an empirical demonstration of the need for a dialectical approach to organizational tensions). We believe our proposal to be in concert with Bettis and Hitt's (1995, p.14) claim that "the mindset in the new competitive landscape must entail continuous and simultaneous unlearning and learning", being dialectical by nature and inviting organizations to combine the capacities of anticipation and reaction. Such a combination may be of fundamental importance for competing in environments where emergence precludes the possibility of exclusively relying on planning.

In this paper, a new emergence organizational mindset was provided, derived from a research project[1] involving both theoretical and field research (observation, interviewing). Such research showed that some "old" concepts have been prematurely "condemned" in recent research (see Nohria & Berkley [1994] or McCann [1991] for examples of switch from the old to the new mindset). The emergence organizational mindset provides, we believe, a more realistic approach to the management of contemporary organizations. However, it may be difficult to implement due to the persistent antinomies of managerial thought in Western societies (e.g. organic vs mechanicist; see Barley & Kunda, 1992). Nevertheless, it is possible that it is closer to

the everyday life of some companies than other alternatives. Further empirical testing is now needed to show when, how, and why, the new mindset might be useful and what the notion of "designs for emergence" might entail for this debate (Pascale, 1999). We hope this contribution ignites interest in a dialectical analysis of the paradoxes of 21st century organizations.

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[1] The empirical research materials are available from the first author

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