

THE 4 MAJOR DIMENSIONS OF ORGANIZATIONAL ADAPTIVITY

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The 2017 STS Roundtable

Designing Collaborative Ecosystems

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The Rapidly Changing Nature of Organizational Adaptivity

In 2011 only 2 dimensions of organizational adaptivity considered:

- Changing values and expectations
- Level of employee motivation and cooperation

In 2017 must now take into account 4:

- The interdependence of an organization with their immediate business ecosystem
- The shift to digital technologies in all their forms



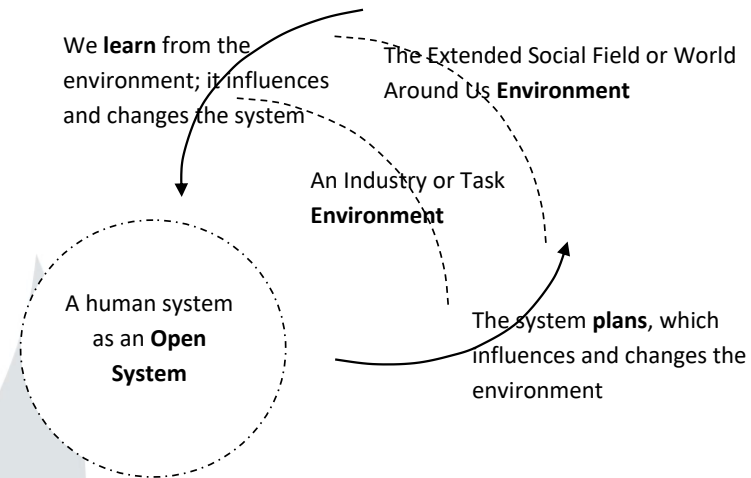
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Adaptivity dimension # 1 Changing values and expectations

A human open system in context with its environments



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An Unpredictable Extended Social Field

Characterized by:

- People constantly changing their minds about what they believe in
- Produces discontinuous shifts in values and expectations
- Affects decisions about products and services people will buy; and how and where they'll buy them
- Digital technology is amplifying uncertainty

Solution:

- A planning methodology designed for highly unpredictable social environment
- The Search Conference or Unique Design for active adaptive strategic plans



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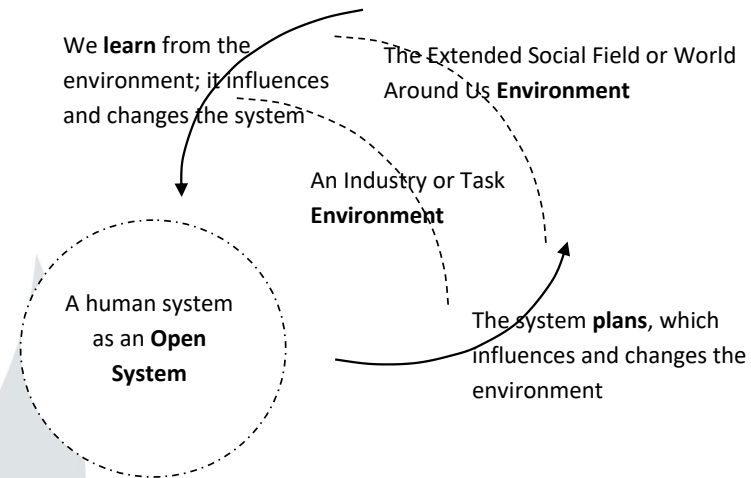
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Adaptivity dimension # 2

Level of employee
motivation and
cooperation

A human open system in context with its environments

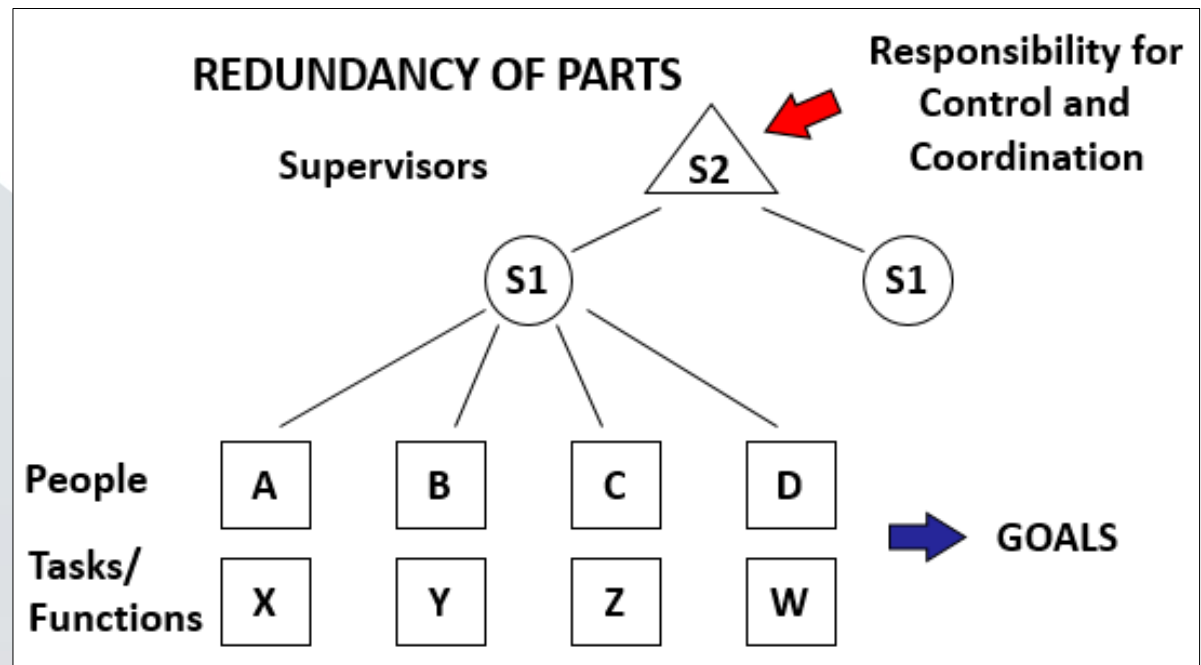


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Design Principle 1 The Bureaucratic Structure

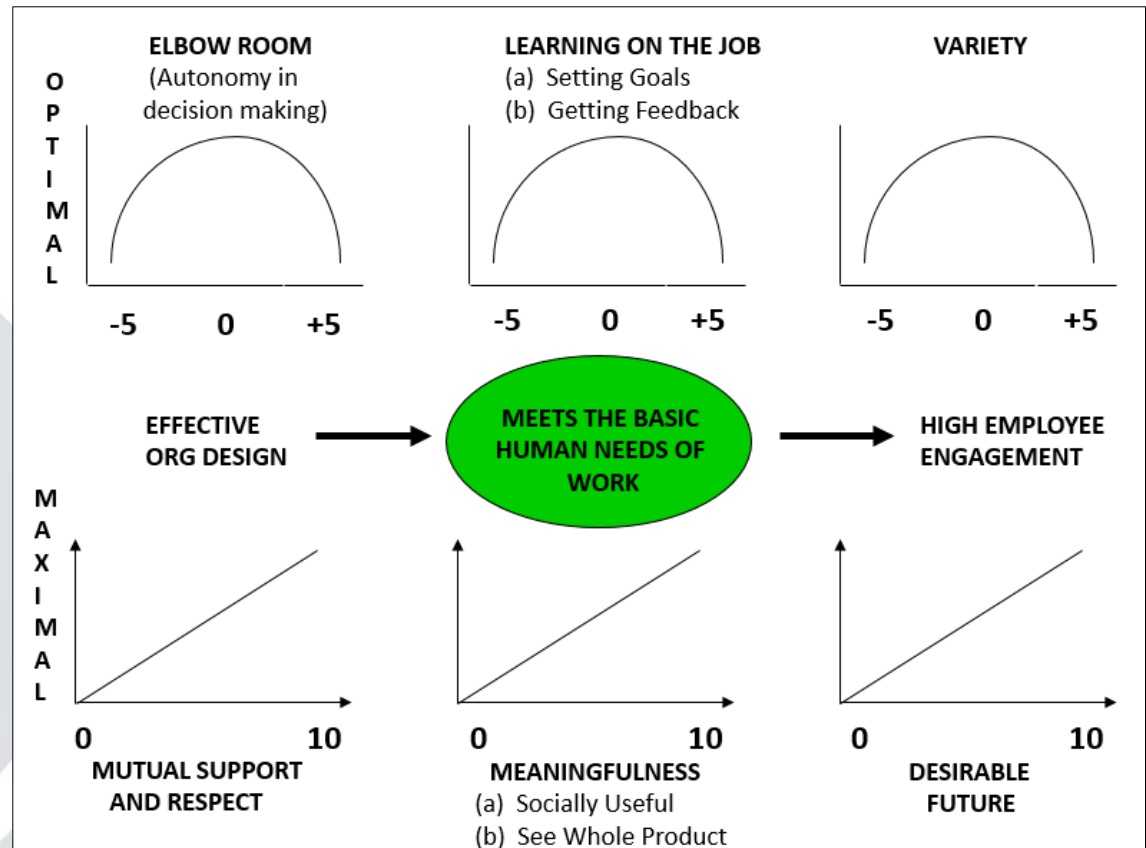


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Intrinsic Motivators

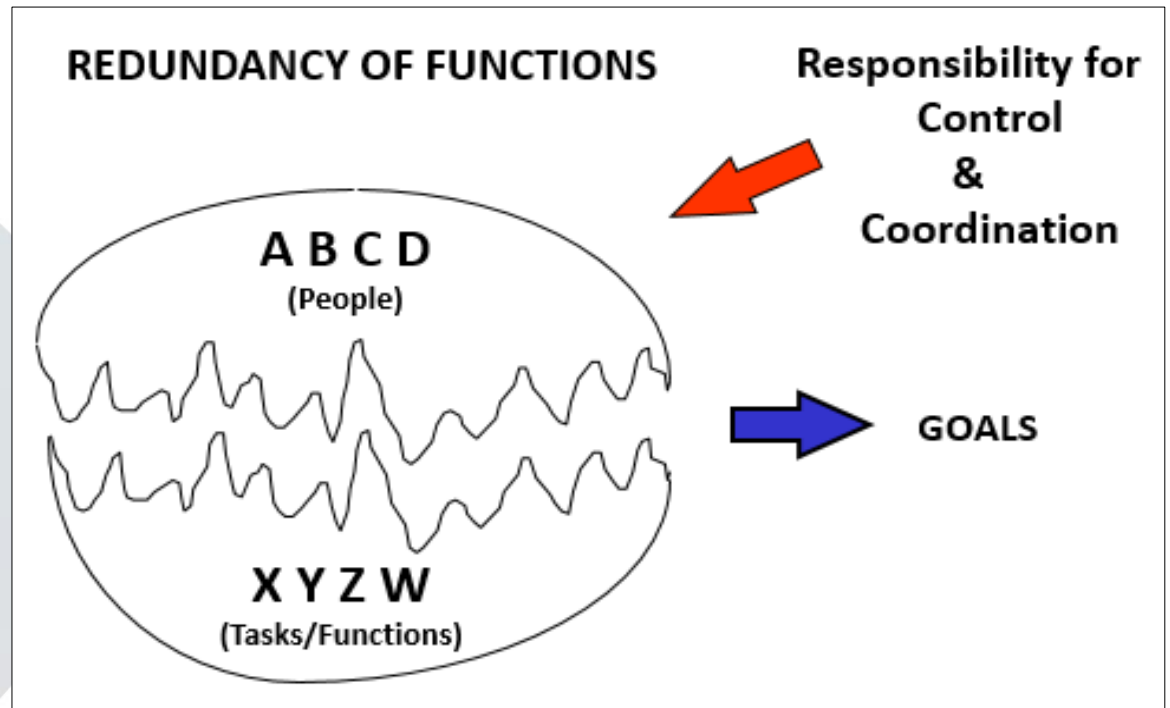


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Design Principle 2 The Democratic Structure



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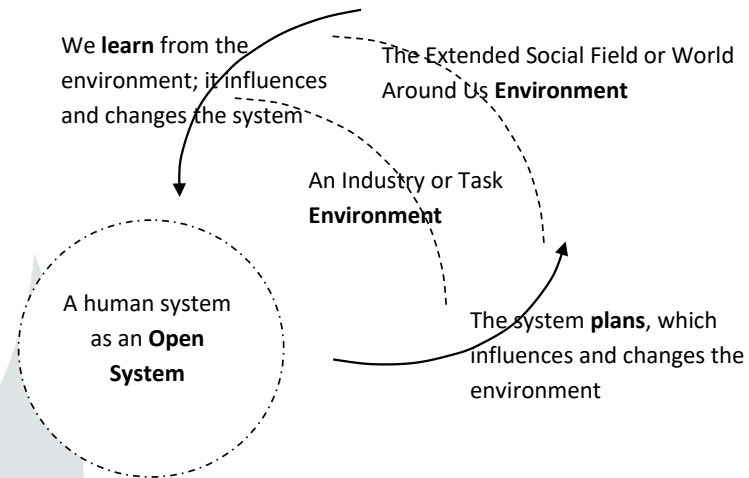
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Adaptivity dimension # 3

The interdependence
of an organization
with their ecosystem

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Ecosystems & Econiches

An **ecosystem** in social science is a community of systems, usually organizations and individuals, which:

- Occupies a particular section of the task environment known as an **econiche**
- Is more closely related to the econiche than other ecosystems, and
- To survive, the **ecosystem** needs to work toward adaptation with the **econiche**



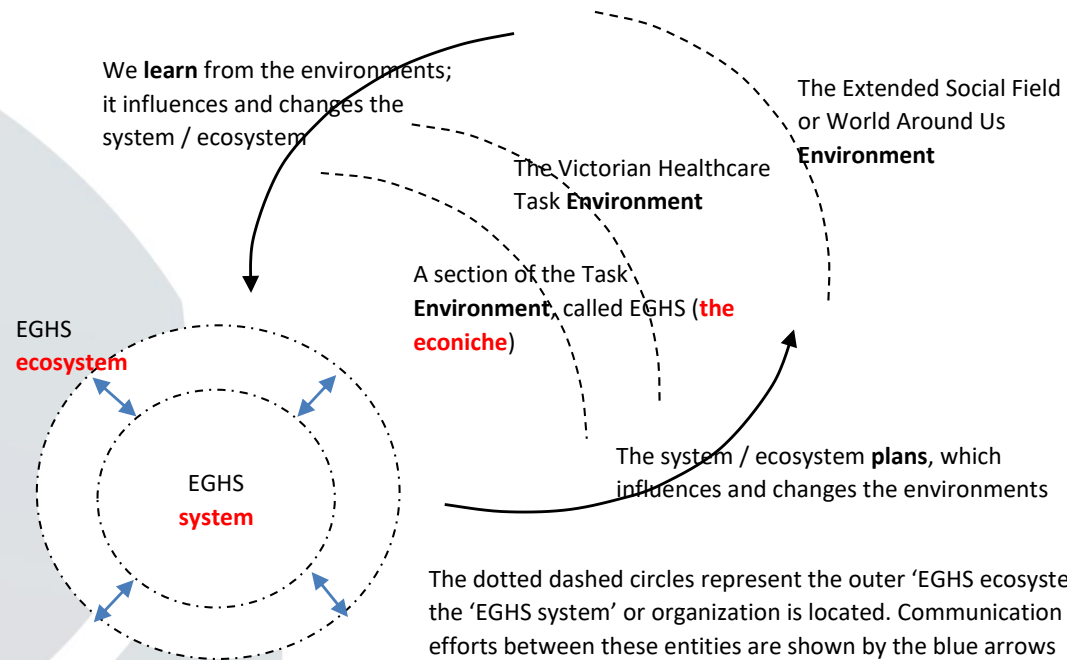
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The EGHS and its Ecosystem in Context with its Task Environment Econiche

EGHS system and ecosystem in context with its environments



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Ecosystems features

- Every organization like EGHS is a member of an ecosystem
- The ecosystem members are those that an organization interacts with on a regular basis
- Every organization and its ecosystem members must be able to adapt to our rapidly changing environment, which is being amplified by the digital technology revolution
- Also, all ecosystem members must have an adaptive relationship with each other. (E.g. when one ecosystem member significantly improves its operational performance, other members must adapt to this change.)
- The CEO and the senior management team must be conscious that their organization belongs to an ecosystem.
- Not recognizing this fact could lead to organizational instability or even failure, because if one member is not able to adapt to the environment it could cause the collapse of the entire ecosystem
- To reduce the risk of instability or failure in today's highly unpredictable environment, ecosystem members must develop their ecosystem active adaptive strategic plan and be designed as a DP2 entity



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Business ecosystems are a major dimension of adaptivity in today's rapidly changing environment

To remain viable an ecosystem needs to:

1. Work towards adaptation with its econiche
2. Manage complexity using advanced digital technology



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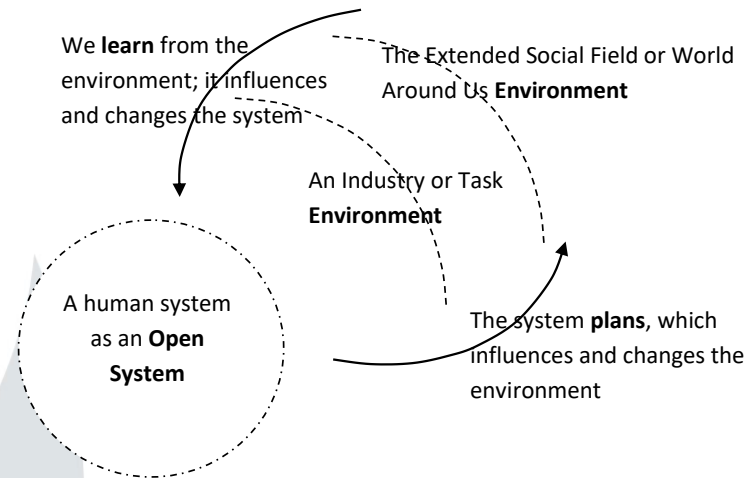
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Adaptivity dimension # 4

The shift to digital technologies

A human open system in context with its environments



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The Digital Technology Revolution

- For many organization's it's not a matter if digital technology will turn it upside down, but when:
 - Automation is affecting many white-collar workers [[Video: A law student versus a robot: Who would win? \(ABC News\)](#)]
 - Staffing reductions of up to 75% because auditing, processing and document review jobs can be automated now.
- Digital technology revolution is amplifying uncertainty for organizations and ecosystems
- No single CEO or organization can solve the digital technology revolution individually.
- The only way to manage it is to **design collaborative ecosystems**:
 - across businesses
 - across industries
 - across the whole economy.



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Opportunities for the STS Community

There are many opportunities for the STS community to help organizations adapt to today's rapidly changing environment. Here are a few suggestions:

- Every organization is an embedded member of an ecosystem: Few business leaders are aware of this fact.
- Organizations and their ecosystems must establish active adaptive strategic plans (SC) to ensure their future in a rapidly changing environment.
- Companies need to know how to design organizations and ecosystems (DP2) to meet future challenges
- Every organization will need to create a culture of automation to take advantage of advances in AI, robotics
- Digital technology required to improve organization and ecosystem performance (e.g. team collaboration, process automation, AI for medical diagnosis etc.)
- STS technical analysis and a practical knowledge of digital technology can provide DP2 teams with insights about how to automate existing processes within an organization or across an ecosystem.
- This capability can even help DP2 teams conceive of entirely new ways of producing a product or service. You could call this STS 2.0.



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The Organizational Adaptivity Index

To help deal with the challenges of today's highly unpredictable business environment Cadel has developed an Organizational Adaptivity Index (OAI) instrument.

The OAI examines the above 4 major dimensions of the environment surrounding an organization. These dimensions are rapidly changing and failure to adapt to them has been found to lead to serious deterioration in organizational performance and indeed, failure.

An OAI report will include:

- A comprehensive picture of adaptivity on all dimensions plus a total adaptivity score
- A profile of scores by industry
- An organization's strengths and weaknesses in each dimension of adaptivity so that remediation can be undertaken.
- A progress adaptivity score using a modified instrument over a nominated tracking period.



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Finally

For a copy of my presentation notes and any queries you may have please email me with your:

Name:

Email:

Question:

THANKYOU



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