Guiding Processes of Organisational Dynamics

Organisational dynamics

Organisational dynamics means the organising process where a social system exceeds group size. An organisation is not a thing, nothing tangible, but rather a process which consists of communication (not of business premises or people). This initially strange and challenging concept regarding organisations, however, is decidedly effective for consultants and management.

It enables an understanding about how organisations shape and maintain communication and which recognisable patterns they develop. With regard to change, this results in the possibility of analysing, when such communication patterns are functional and when they become dysfunctional, how they gain in stability and what stimuli makes them change.

Decisions are the focus of organisational communications. Therefore, organisational consultancy works with an organisation's decision-making patterns. Here we have meta-theoretically distilled guiding processes from a multitude of approaches. This clarifies how communication within an organisation is structured and gives effective change interventions their theoretical foundation.

Guiding Process Handling the Past (retaining versus adapting)

In the guiding process handling the past, the action of organising (=organisation) requires a decision regarding the question: "Should a decision made in the past be preserved, or should it be intelligently adapted?"

In this guiding process, an organisation grapples with the past (patterns, habits, decision criteria, structures) in the face of a new alternative. It decides whether to discard the old or the new, and, at the same time, to redefine the old or the new as currently valid. Viewed in this way, learning is not something additional, otherwise it would only be a broadening of competences or a new development. In the light of this, in addition to learning, there is also always the unlearning of (good) old things. This is one of the reasons why learning of new things is so difficult. No system will easily discard past success. When introducing change, the seed of failure lies within the often one-sided focus on learning something new. The necessity of retaining something and the effort of unlearning are underexposed and underestimated. At the same time it is stated, during this guiding process, that non learning is hidden in retaining! Not wanting to learn is thus an unavoidable decision variant of organisations in this guiding process.

During organisational change processes ('change') one must always bear in mind that the organisation cannot change itself. It must constantly decide if it should change itself in shape by utilising new options and

possibilities or whether it changes itself by throwing out or ignoring the new and remaining with the old. If it retains the old, although there might have been a new possibility, then the old is no longer the same!

Retaining

When something is retained, the decision goes in favour of not learning! This decision pole of the guiding process dealing with the past is a necessary condition for every form of dynamic stability. If everything changes at once, this is called dissolution. No system is allowed to change everything (=learning), because otherwise it would not be able to connect to its own past.

Like all systems, organisations usually leave most things as they are. This is not at all an explicit decision. Siemens does not decide on a daily basis to continue producing manufactured goods. However, whether a certain product or business segment should be retained is decided, either on a regular basis, or for a particular reason (such as unprofitability in an area). The more specific a decision-making focus is ("What price are we asking this month for our product?"), the more explicitly and frequently the guiding distinction retain or learn (=change) is put on the agenda.

As the status quo has proved itself, otherwise it would not exist(!), and it is integrated and tuned to other existing positions, it usually has arguments against change on its side ("If we introduce the new software, the IT hardware will no longer fit and the employees will have to be retrained!"). As decisions are inter-related and mutually stabilise each other, retaining is simpler than change. The asymmetry must be kept in mind.

Adapting

Adapting in the sense of the guiding process 'Handling the Past', means an organisation makes decisions whenever new things should happen.

This can relate to all other guiding processes. In every decision, it is also decided simultaneously whether the new is introduced (or whether the old is retained). Organisations can occupy themselves more radically with this guiding process as well, when very fundamental subjects or very risky questions are to be examined regarding the necessity for change (culture-change projects, change of strategy, product placement, mass redundancies etc.). Especially such learning processes need other forms of management rather than a simple directive: "Do this differently!". Instructions are just about the weakest method of making learning in an organisation likely.

In dynamic environments, in which constant learning is required to survive, specific, organisational, group dynamic and psychological abilities are needed in this guiding process in order to be able to cope with the ongoing irritation which has overtaken the status quo. In addition, on an organisational level, considerable communication- and coordination processes are required to be able to allow the different opinions on a group dynamic level to be expressed and utilised, and to identify, on a psychological level, the surrender of past competences and obsolete opinions. As nothing about this is self-evident, a learning approach to the past is never easy for organisations.

Guiding Process Handling the Present (rule-compliant versus situation-compliant)

The process of organising (=Organisation) also determines its form by having to, on the one hand, set clear, binding and general rules, and on the other hand, having due regard, situationally and specifically, to the current circumstances. The guiding process which seeks an answer is this: "Is a general rule applied or is an exception made to fit the current situation?"

If an organisation only complied with the rules, it would immediately collapse, as there are always situations imaginable in which it would be wrong, or even fatal, to adhere to the rules. Nor can it always decide according to the situation, as this would completely overburden an organisation or plunge it into chaos (everyone generates their own forms, recruitment processes or ordering procedures). Thus, breaking the rules is required for rules to be helpful! And rules must define exceptions to maintain their validity. For this reason, a co-existence develops between formal organisation (=defined by rules) and informal organisation (=locally experienced), which run alongside each other and within each other. The latter is characterised by the fact that breaking the rules, avoidance techniques, 'relationships' which make the forbidden possible, 'intelligent interpretation of rules, 'under the radar' projects, indirect power etc. enable a flexible way of dealing with the present.

Ultimately there can be no rules (!) for the disregard of rules or the necessity for exceptions. The guiding process 'Dealing with the Present' therefore consists exactly of this: The organisation decides in an instance, with rules in the background and awareness of the moment.

Rule-compliant

Following a rule means applying a general instruction to a situation. Without such instructions organisations would not exist, in fact, they would not even form in the first place. Rules create expectation certainty and with it, the possibility to coordinate actions and communication. The cohesion of organisations rests substantially on a system of rules which requires validity. With this, it is irrelevant whether such rules have been written down and are thus explicit, or whether everyone knows them and they are implicitly effective. The problem with rules is that they cannot regulate when they are to be applied. Whether the current situation is one which is within the jurisdiction of a rule and should be worked on in accordance with the rule, remains a decision – i.e. a decision as to whether the rule must be applied or not! Organisations, thus, cannot avoid developing a 'rule observation competence'.

It must be assumed that the acting people in the organisation have an interest in adhering to the rules. This is less trivial than it seems, and there is a plethora of philosophical efforts around this subject. In psychodynamics, we assume that a fundamental reason lies within the need for security. People don't stick to the rules primarily for fear of sanctions, but rather, to avoid insecurity. They also carry the potential for breaking the rules because, at the same time, they have a need for freedom. For organisations to maintain rules that are sufficiently stable and, simultaneously, flexible, both are necessary, as thus they can operate in accordance with the situation.

Situation-compliant

Situation-compliant handling specifies that one can deviate from general rules. Organisations need the possibility to tolerate the contravening of rules. Each case is different, otherwise one could, to a certain extent, calculate what is to be done. Organisations constantly utilise the possibility of accepting exceptions. Here it is conspicuous that this acceptance can be explicit ("Then we will make an exception for this customer!"). But often these exceptions are simply made, without any communication about them taking place. Action takes place tacitly and appropriately without comment and in this way the validity of the rule is silently acknowledged. Nevertheless, in the need for intelligent usage of rules there also lies a theoretical reason for secrecy in organisations. It is just as important that organisational rules or instructions give the hierarchy sufficient scope for interpretation, as otherwise the disregarding of rules will immediately be interpreted as contempt for the hierarchy. Smart managers know this. Organisations vary a lot in the way and the extent to which rules can be ignored in favour of situation-compliant actions.

Even the circumstances under which an injury is punished or almost emphasized ("You're a hero!"), shows how organisations strongly differ from each other. Thus, the guiding process situation direction is equally significant for management as well as for consultants

Guiding Process Handling the Future (risk-taking versus danger-bearing)

The process of organising (=Organisation) determines how the future should be handled: Does the organisation utilise the possible scope for action and try to shape the future by taking risks, or does it tolerate a possible future result by bearing the danger and trusting itself to find an answer, should the need arise? The guiding process handling the future can be summarised in the question: "Should we take a gamble by backing a particular horse – maybe the wrong one – or do we try to deal with the horse, when it arrives in our stable?". The system-theoretical distinction between risk and danger is unavoidable for the understanding and managing of organisations. All decisions in organisations become necessary, because no one knows the future. Life is dangerous and can only be managed by taking risks. Equally, no organisation can prepare for or influence all eventualities. This would over-extend all material, social and time resources and pre-suppose complete control over its environment. Therefore, an organisation must weigh up what risks to take with its activities and where to bear a danger and then make the best of it. The competences, the consequences and communication requirements in an organisation are, at any one time, very different, so that the guiding distinction must be handled with great care.

Each organisational decision necessarily creates risk takers and danger bearers within the organisation. What might be a sensible, risky decision for one area, is a dangerous undertaking in another area. Risk-danger-conflicts are thus inherent phenomena in organisations.

Risk-taking

To shape the future one needs decisions about what future one is expecting or desiring and how one wishes to react to this expected or desired future. Organisations must therefore make plans and arrangements so that, with the help of the (always) scarce resources, those products or services can be produced which will make them successful in the future. Each of these decisions is risky, as, on the one hand one does not know the future, and on the other hand one cannot think about and consider every single possible scenario and what consequences these decisions will have regarding risk to other parts of the organisation. Can the development department know (or does it want to know) how its technical decisions will affect sales, production, or the legal department?

The necessary complexity alone forces them to limit perspectives, to throw out future scenarios, to back only one horse, to allow possibilities to pass by and to tolerate danger-bearing ventures. If one really knew what effects one's decisions might have and what chances one rejects or overlooks, one would possibly decide nothing anymore. This is why an organisation needs internal boundaries for communication channels and obligations, as well as attentiveness towards an unknown future. It is unable to handle risk at the same time as making dangerous cuts to resources and trusting in the future. For this, every decision within an organisation will be a shared one.

It follows that every organisation can be examined for which routines, patterns and processes they have developed for the selection of probable futures, how and where it rationally plans, maintains or discards robust plans, which alternative plans it holds onto or not, and where to relinquish, explicitly or implicitly, plans, perceptions and introductions of attractive or dangerous developments.

Danger-bearing

The sub-systems of organisations predominantly experience themselves as danger-bearing. The reason for this is that many people, teams, departments, areas, locations, regions, network partners etc., are dangerously affected by most decisions, but usually only very few make any danger-bearing decisions. Examples? When choosing the pope all cardinals decide, but all Catholics must live with the decision. In a large, international concern the management team decides that a central product must be relinquished and all employees must live with this. Sales decides about a different sales strategy, and marketing, purchasing and factoring must live with it.

Nearly every decision-making process affects people who have no say.

If you wish to understand, lead or advise organisations in this regard, you can examine how this aspect of decision-making is designed. How well do organisations or individual areas cope with surprises, the undesired and adversities? How robust is the organisation? How competent are the danger-bearers in relation to undesired aspects, of decisions made, within or outside the organisation? Where and how do resistance, boycotts and ignorance reliably arise? Will this be shaped formally or informally? Where and how are dialogue, discourse and influence sought? Where do escalation

or veto rights exist? At what point are danger-bearers informed about possible side effects that their decisions will cause at the fault lines of the organisation?

These are only a small number of the questions which occupy themselves with the danger poles of the guiding process 'Dealing with the future'. Nevertheless, they give a first impression of the fact that every organisation develops patterns, which can be functional or dysfunctional.

Guiding Process Networking (linking versus decoupling)

The process of organising (=organisation) must regulate its networking density. Therefore, constant decisions must be made which regulate whether the network should be increased or reduced. The guiding question is: "Do we want to link this decision to other decisions or do we want to uncouple them?" It is thus all about what builds upon what, who must talk to whom, what can be worked upon independently and which feedback processes should relate back to other service providers in the organisation. Whenever change is required, complex organisations need to change their networking, rather than only improving single aspects of it!

The frequent manoeuvring between centralised and de-centralised organisational concepts attests to the significance of the guiding process. As with all guiding processes the organisation, with a view to decision poles, can be too strongly, as well as too weakly networked, or it might oscillate unfavourably between the two poles. The latter indicates how difficult it is to find the fitting answer to circumstances. Once autonomy and influence are granted to parts of the organisation, there is a reluctance to give them up. This is why networking patterns are frequently so stable and can often only be broken by massive reorganisations.

Who can interrupt whom during work, change boundary conditions, define success factors? Where does the necessary overview originate? How much networking can an organisation afford, seasonally, socially and factually, without being overextended with the resulting complexity? What is decided centrally; what is decided locally? Who should be conferred with, about what and when? As all these questions are also dependent upon the situation, many organisational conflicts and dysfunctionalities arise within this guiding process.

Linking

The best-known forms of linking in organisations are organisational charts. They regulate who talks to whom in which way (directing or reporting), or who does what. There are countless more processes of linking. These have an innate tendency to grow (commonly called bureaucratic structures). Organisations are prone to further, new and extensive branching of connections for controlling, planning and yearly goals, statutes, contracts, resource allocations etc..

But here, too, the paradox rules. The more bureaucracy, the more informal pathways start to develop, and the harder it becomes to harmonise the interim goals with the main goal. The more they are decoupled, where possible 'under the radar', the more employees spend their time, when in decision-making meetings, not in dialogue, but by working on

their calculator, and the more important it becomes, at some time, to create autonomous areas for innovation and development.

Link the decoupled, or decouple what is linked? From the point of view of the guiding process 'Networking' this is a fundamental management task, for which one can find no recipe and no time-consistent correctness.

Decoupling

Everywhere and whenever an organisational process is decoupled ("You can do this and will only concern yourself with this!"), complexity is reduced, but at the same time complexity is created for the whole organisation. It is important to understand from the beginning that the guiding process networking is also paradoxical.

Example: An organisation reacts to the complexity of the environment (including new countries where sales are to be made), by dividing the hitherto single sales team into country-specific teams. In doing so they might decouple the members from the respective teams, decouple sales- and marketing strategies and decouple the timely positioning of sales drives! By doing this the respective teams can more specifically take care of the countries concerned, don't have to grapple with questions which are irrelevant, or don't need to speak so many languages. However, at the same time it creates a new internal complexity for the entire organisation! Now though the different country teams have to be coordinated, networked, controlled and supported with resources. Therefore, organisations can be examined about whether and how the uncoupling strategies (specialisation) are a suitable response to the environment and how the necessary networking (standards, centralisation, formalisation) is introduced. Whether one of the chosen forms from the past still fits the actual necessities must, when the environment changes significantly, be examined on a regular basis.

Guiding Process Decision Orientation (externally orientated versus internally orientated)

The process of organising (=organisation) can and must, like all systems, orientate itself to ensuring its survival when making decisions. The organisation gains the information either from the internal environment (such as product and optimisation ideas from employees) or from the external environment (such as customers' wishes, market opportunities, benchmarks). The guiding question is: "Does the decision focus on phenomena in the external environment or the internal environment of the organisation?"

The advantage of gaining information from the external environment lies in referring to the market and to customer orientation. In many organisational theories this is regarded as a quality mark and the indicator of a 'good' organisation. This is one-sided and therefore wrong. Here too, it is applicable that the orientation towards the internal environment, such as technical knowledge, development competence, patentable products etc., are an option of equal value and it is all about the organisation being able to decide which competences fit with which focus, at which point in time, and with which markets. If you only ask what the customers want, you will miss out on innovation which they cannot imagine. If you only ask what is

technically fashionable, you will make products which the customer finds too expensive or too complicated. Everybody knows such examples.

Often organisations (or entire market sectors) cultivate one-sidedness (e.g. an instruction manual of 250 pages). In such cases it is particularly important and difficult (for consultants as well as management), to keep the other pole in play during decision-making processes.

Externally Orientated

Customer centricity – one is almost ashamed to use one of these buzz words utilised within organisations during the last couple of decades. And yet – administrative authorities mutate to customer centres, the time has passed where German Telecom, after many weeks of delay, installs a single grey telephone after the applicant has handed in long forms, and at a car dealership one is served like in an espresso bar – we have gotten used to it, though it has not been around for long.

Customer orientation, though, is just one form of external orientation of decisions. In the guiding process decision orientation, market segments, infrastructure conditions, legal dictates, tax advantages, production advantages, amongst others, are all phenomena which organisations (can) direct themselves by. As trivial as this seems, the conflict potential which lies buried in this guiding process can easily be underestimated. The assessments about the influence and meaning of external environments upon the success of the organisation often diverge considerably. The consequences for the processes, structure and competence requirements are enormous (suddenly the master mechanic must be able to deal with complaint management at the counter and he no longer replaces cylinder head seals, employees must suddenly make telephone calls in English and the book-keeping is carried out in Eastern Europe). Decisions about the relevance of the external environment usually have a serious impact and accordingly, they are controversial. However, because they are so powerful, they are also a favoured area for interventions by managers and consultants.

Internally orientated

When looking for an example of an internally orientated organisation, at best one imagines a hospital in olden days: Definite iron-clad visiting hours, little information for the patients, clear shift schedules with washing and feeding of patients from five am, single meal choices, all power rests with the doctor and his decision as to what is best for the patient.

Decisions are internally orientated, when their reference point does not lie with the service recipient, but with the service provider. In organisations which operate on this pole, research and development tend to dominate rather than sales, controlling rather than marketing, regulations rather than the customer.

An organisation, in its 'entirety', can develop by orientating itself internally or externally, but, in the same way, different areas, departments or teams can shape themselves this way or that or can target individual decisions according to the

internal or external environment. Internally orientated decisions, in a literal sense, are often more obvious, because the immediately perceivable opposite is usually the colleague in front of you and not the customer or colleague in another place. Thus, employees tend to direct themselves to decisions which bring harmony to their own workplace, but conflict elsewhere. Therefore, in the long term, an asymmetry in favour of internal orientation can be observed in organisations during periods of success and growth.

Guiding Process Quality Focus (quick versus thorough)

The process of organising (= organisation) cannot avoid making decisions regarding the quality of results. Even if it is tried again and again, it is impossible to pursue a goal quickly and at the same time, thoroughly. The guiding question is simple: "Should you set the quality focus to speed or to the quality of the product/service?"

It is not difficult to identify organisations which stand out by the clear positioning of their brand to one of these two poles. There are those who appear on the market with innovations (still underdeveloped), whereas for others only the best (or nothing) counts. Both can be successful. Both have dark sides. Trying to do both at the same time incurs costs to both poles. In some organisational environments quality deficiencies are punished without mercy (automobile industry, infrastructure goods, administration, groceries), in others those that arrive onto the market too late are punished (mobile telephones, fashion, media).

Just as important for understanding organisations is that sub-systems (areas, departments, teams) must often decide differently about their quality focus. They then immediately incur difficulties with each other. Whilst the organisation would like to present their offer to the client quickly, the legal department values a thorough study of the contract. To decide, or to implicitly and collaboratively decide, which quality focus should be chosen during individual decisions, is of the highest significance for consistent decision-making behaviour and for the avoidance of unfruitful ongoing conflicts.

Quick

Currently speed rules. There are many new management and organisational concepts which focus on speed: scrum, agile project management, design thinking, lean management etc. However, speed threatens to become the new norm and thus the guiding distinction of quality focus is unilaterally threatened in favour of an alternative.

Each working step and every item of work within an organisation must occupy itself with the question: "Is this quickly and timely enough?". In their work, some wait and are dependent on others adhering to time lines and appointments. No decision in organisations can liberate itself from this aspect. In some sectors, the speed is so fast, that the product is out of date before it has even been made to function properly (such as some software). In such contexts one can clearly see that speed has a unilateral effect on other guiding processes: decisions become riskier, they must rely more on trust, run parallel to each other and therefore decouple, must rely on learning and situation specific actions, focus more on the external environment and change personnel more quickly. Organisations that wish to be, or must be, exclusively and

in all respects quick are, in their fixation, on the one hand highly successful in dynamic environments, and, on the other hand, endangered at the same time, when the internal complexity can no longer be coordinated fast enough. This almost always occurs during success and the growth generated by it.

Thorough

Each working step and every item of work within an organisation must deal with the question (or adopt it implicitly as already decided): "is this thorough, lasting, suitable, reliable enough?". The answer to this question can be focused factually and socially: thorough in respect of the product/process/service ("Has it been tidily varnished?") and thorough in respect of the external or internal customers who are supposed to be satisfied with it ("can the buyer/the boss even see this little inclusion?").

One cannot escape the question and therefore not the risk of making a judgment when it is sufficient or when the time 'runs out.' Many employees often struggle with many such considerations: ("Without checking a hundred times, nothing leaves this place when it's up to me!"), because the reference point of inner compulsions, fear of mistakes and punishment as well as dysfunctional self-esteem regulations are 'drivers'. Often, these internal dynamics are underestimated and assume a margin of discretion in decision-making which the employee does not have.

The less that errors are permitted and the more disastrous the consequences of a lack of performance, the more the organisation focuses on how to ensure thoroughness: by rules and norms (ISO), by quality controls and processes (TQM, Six Sigma, Kaizen, KVP), about management, communication and attentiveness. And how can this be organised without slowing down the processes too much? The abundance of concepts and procedures shows the importance of the guiding process' quality focus'.

Guiding Process Social Complexity (trusting versus controlling)

The process of organising (= organisation) decides how social complexity is reduced. This can happen in two opposing ways: "Does the organisation decide whether to trust or control?" These decision-making procedures form the guiding process social complexity.

Control enables a packaging of information. This is indispensable for (self) regulation of larger social systems. By regulating, the organisation also burdens itself with having to evaluate this information. This costs time and personnel. The capacity for this is limited by necessity – and demotivating the regulated positions must also be kept in check. Therefore, a decision must be made as to where and how much regulation the organisation can afford.

Complexity can be significantly reduced by trust. Individual parts of the organisation are not overloaded with communications, can process more information and, particularly, more quickly. Therefore, trust is not an act of humanity, but simply an important variant in handling social complexity! A disadvantage is that the ability to

coordinate the activities in the organisation reduces. At the same time, the overview is reduced with regard to how activities may have a knock-on effect on other areas of the organisation.

Clearly, both decision poles, trusting as well as regulation, incur costs, which must be kept in mind. Any assessment or favouritism of one of the two poles must, for this reason, be viewed sceptically (trust is good, control is better). The art of organising consists of deciding where, when and how trust or, respectively, regulation is necessary.

Trusting

Trusting are all those decisions which strengthen an organisation in their competence to handle complexity. In this context complexity means three things:

1. *The readiness to tolerate ambiguity and multiple meanings. Therefore, there is always more than one correct solutions, which can't then be worked upon with unambiguousness (=regulation). One needs trust, as one cannot resolve whose opinion counts and which information is decisive.*

2. *Complexity makes it probable that the future will be different from the present. Trusting is the assumption that everyone (independently) will find an answer to unknown new events, to which all will want to contribute.*

3. *Complexity always goes hand in hand with a lack of information and thus, nevertheless, needs the ability to be able to decide. Whoever must act with insufficient information, will produce unexpected results (=mistakes, deviations), because he will not know what is useful or good. He is therefore dependent upon others to trust, rather than seeing this as intentional.*

Thus, trusting decisions are the most powerful actions of high complexity. In particular, they are also meaningful when,

- *unfavourable future developments are possible, but cannot be ruled out,*

- *speed is necessary,*

- *feeling free, and the actions of others, are necessary, so that they can accomplish the task set and*

- *control would be too laborious.*

Controlling

Organisations must decide where and how they exercise control.

On the one hand they need, on a personal level, a limitation to the disappointment rate, which a trusting approach always carries with it. Systems entirely without control generally create excessive disappointments and then fall into the opposite (which does not make things better).

On the other hand, control is required to stimulate necessary communication about whether and how the performance in a sub-system fits in with that of other sub-systems. This involves the coordination of partial performance, the management of scarcity (keeping to budgets, controlling costs), the inspection of plan progress etc.. The famous 'traffic lights' about the state of projects is one example. The more dangerous the deviations from the control norms are, the more they undermine controlling decision patters, as obscuring and deceiving will then spread. Control is responded to by counterchecks and then usually falls short of its function.

It is particularly important that control is practiced in such a way that it is not taken personally, or, unintentionally, seen as a form of mistrust ("Obviously he does not trust me, as I am supposed to constantly confer with him!"). As a rule, this is the case when control, as an element of organising, is perceived as normal and customary (everyone is controlled) and at the same time, somewhere else, at another time, decisions are taken in trust (everyone has autonomous scope). Deciding only controllingly or only trustingly would be like wanting to only breathe in or only breathe out, therefore extremely harmful.

Guiding process Decision Maker (including versus excluding)

The process of organising (= Organisation) cannot avoid deciding who, on a social level, should be included in deciding and who should be excluded. The question is: 'Which functional areas and people take a (particular) decision and who must accept this decision?'

This generates itself on the level of formal organisation: hierarchy, organisational charts, rights to decide within roles and functions (such as procurations), meeting structures, budgeting rights, management objectives and many more. At the same time, there is an informal level upon which certain persons have high levels of influence: the elder, who must always be asked, the advisory board which ought not be ignored, external family members in a family concern, powerful area managers who have their finger in every pie, unions who no one can bypass etc..

The guiding process 'decision maker' is recognisable in the configuration of decision rights and procedures within the organisation. The inclusion in decision-making is on the one hand a constant, important bone of contention in organisations, because, in the struggle about problems and interests, gaining influence in the form of factual authority, social leadership and power over future consequences is highly attractive. On the other hand, it must be clear that decision makers have a hard task and those who are excluded from it have it easy. The former must protect themselves from questions of blame, the latter can present complaints without risk.

The multi-faceted discussions about problems of hierarchy, attempts inside democratic organisational structures, the tendency to constantly re-structure or to create double- and triple matrix organisations, show the significance and the struggle surrounding this guiding process.

Including

The guiding process decision-maker clarifies which positions, roles and functions must be included in the decisions. If everyone decided about everything, there would be too little reduction in complexity! Therefore, there is an inner structure in each organisation which dictates where and what is decided. This structure 'exists', in a manner of speaking, parallel to the structure of where something is done (guiding process networking). It is conspicuous with many consultancy projects for reorganisation that the operational procedures and structure are designed with great meticulousness, whilst decision-making processes and structures are more often treated as secondary.

Often the head of the hierarchy dictates the structures of the communication and decision-making bodies and it is underestimated how influential these can be and what consequences they can have. It is not only a question about who can contribute factually, when deciding who should be included in decision-making (frequently the criteria is this: "What is he doing here, he doesn't understand anything about this issue!"), but it is also just as important to know whose interests are affected or must be considered in the respective decisions. Often this is not desired, because representatives of other areas are seen as spies or disruptors who only complicate the issues. It is thus important to keep in mind that, in organisations, one can only decide where disputes are carried out, but not if. For this reason, enormous significance lies in the decision structures, - procedures, -rights and -duties for the process of organising and the performance of the organisation.

Excluding

Those who include some, automatically exclude others. In organisations, it is always a relief for members if they don't have to concern themselves with something, as this allows more time for their own interests. It is also a relief when others are not allowed to interfere with their affairs and they can justifiably disregard them. On the other hand, every exclusion is also a burden, when they are not allowed to concern themselves with something which might be important for accomplishing their own goal. Likewise, it is a burden when others do not include them in things which would be important for their own interests.

In the face of this double layer of pros and cons, it is not surprising that a lot of communications about official and unofficial control and rights of influence can be observed. Of course, there are also those who are happy to be left undisturbed by 'politics' and 'meetings' in their quiet room, to simply be able to (and want to) do their work. But tasks, which are completed in this manner, are becoming fewer and fewer. Everything is more and more factually interlinked.

Those who allow themselves to be, or are excluded from the decision-making process, must compensate with trusting those who might represent questionable interests. And the organisation must trust that those, whom they exclude from the decision-making process, 'digest' their interests and factual information via official and unofficial channels! The self-initiated information and communication flow of the excluded, from below upwards and from here to there, must enhance the communication amongst the participants, otherwise almost all organisations get problems.

Guiding Process Personnel (suitable versus unsuitable)

The process of organising (= organisation) needs personnel. Persons are placed into 'positions' which are connected with specific tasks and, alongside them, expectations. It follows that an organisation constantly observes the suitability of the person to the position. It must make the decision as to whether there is good suitability or whether the person has become unsuitable for this position. The guiding question is: Does the person fulfil the expectations connected with this position sufficiently, or must he be dismissed, transferred or promoted?

Most organisations have developed official processes which deal with this issue: assessments, audits, recruitment procedures, performance management conversations, development discussions, talent management and many more. Others cede this observation to instinct, or the sympathy of hierarchies or owners. There again others only decide in exceptional circumstances, e.g. where there are legal proceedings, and otherwise they leave the subject to procedures (e.g. promoting the rules, affiliation).

All decision-making patterns connected with this have enormous influence on other guiding processes. They influence the motivation of employees (career chances), the quality of the work results as well as the future survival of the organisation. At the same time, the membership of an organisation contains, for people, the imposition of continuously being monitored to see if they are considered suitable or unsuitable. To process this imposition well, psychologically, is much more demanding than is generally assumed. This is the reason why the communication about this guiding process is often hidden in backrooms, in canteens, in cliques of the like-minded, and it dictates many actions (competition, loyalty, bullying, exclusion, outsmarting, keeping secrets, obscuring, justifying, seeking blame etc.)

Suitable

The distinction pole 'suitable', which is used in the guiding process personnel, means that the organisations always observe the relationship between 'position' and 'person'. They can do no more than decide whether there is suitability (or not). The word 'suitable' is therefore no description for the person (in the sense of suitability)! Instead it is a statement that the organisation would like to use a certain person for the decision-making processes which are connected with a particular position. The reasons which lead to such an assessment can vary infinitely: expertise or incompetence, (maybe so as not to question the superior), temperament, communication behaviour, education, social background, trust from or loyalty to the powerful, acceptance in the environment and many more. Usually there are official and unofficial factors.

Whatever the reasons, a decision for placing a person into a position is an important process. This has an effect on all other guiding processes. It has enormous influence on the decision-making patterns of the organisation, no matter how risk bearing or -averse, how rule- or control orientated, how customer- or cost focused, how autocratically or democratically someone decides, how conservative or progressive, complexity- or direction loving someone is. Therefore, this is also checked more or less explicitly and included in the calculations. In doing so, no one can know how a particular

person will behave in a particular position (see Gorbachev!). During the meeting of both there is always an unpredictable remainder.

Unsuitable

To observe the interplay of a person and a position/function as 'unsuitable' an organisation needs reference points which make such a distinction possible. Unsuitable in which respect? For whom? When? Why? As this is much more puzzling than one would like, organisations utilise two main methods for decision-making: one is a set of procedures involving job description and requirements, competence profiles and environments, assessments and feedback procedures. The other involves compatibility with the supervisor or other decision-makers who are formally or informally connected, (governing bodies, owners, board of advisors, accountants etc.). If you can't get on with the boss, you will not get the job either...!

Permanent observation systems are created from the interconnectedness and oppositions of such reference points in organisations, i.e. "Well, he is in the talent pool now, but the management attention is focused on others!"; "Funny, she easily passed the assessment, but she didn't get the job!?"; "He has now scuppered a project three times, but again and again he falls on his feet!"; "From one day to the next he disappeared!". The criteria for 'unsuitable' are often unwritten and hidden within the organisational culture. This is one of the reasons why managers from outside the organisation fail or are surprisingly quickly discarded. This is why one can learn so much about the ruling organisational culture from this guiding process!