The New Manager - Management

Organisational memory and change

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Memory plays an important role in a human being's tendency to change. As a person experiences more, he creates more memories and as a result becomes a product of his memories.

In a similar manner, organisations too have memories which are essentially the sum total of experiences of the current members. While these collections of memories or knowledge are certainly useful in building and scaling expertise contained within the organisation, they often become impediments to change.

Such organisations find themselves with a 'culture' that is unsupportive to change and prefers old habits that are unproductive and safe. The only exceptions are tipping point situations where the cost of holding on to memories becomes far greater than the benefits of change.

In the face of such situations, some organisations finally reinvent themselves, while others just become extinct or fade away.

Another point to be considered is that even in such extreme situations the change process is designed in a top-down way, and thus there is an inevitable resistance through the levels within the organisation, making it all the more difficult to create change when it is most needed.

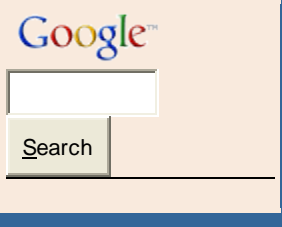Designing organisations for change

The question then is whether change can actually be designed to occur well before such extreme situations. The best way to go about achieving this would be the creation of decentralised change protocols at the micro level 'sub-systems' within the organisational system. This is because the idea of change is closely linked to the idea of 'spontaneity', or the ability to respond to a situation without stopping to consider the past (memories) or future.

It can easily be observed that within sub-systems, the ability to be spontaneous is far higher than

within a complex system as a whole. This is because sub-systems have far fewer moving parts, and as a result are able to quickly change to meet new demands. How then can an organisation be designed in such a way that its smaller sub-systems embrace change?

Decentralisation & capacity building

Decentralisation: As organisations get larger, there is a strong tendency to centralise all protocols for change. This leads to tedious bureaucratic processes of 'approvals' and over-analysis which inevitably quell not just the proposed change initiative but reduce the tendency for future such attempts.

Thus, the first key is to decentralise the origination and execution of change initiatives almost entirely to the sub-systems. There would still be 'rules' to be followed, but these would be known in advance.

Building capacity for change: The immediate criticism of the first suggestion is that too much decentralisation may lead to excessive risk-taking or poorly thought out initiatives that fail to take into account the larger impact of the changes in the sub-system on the system as a whole.

Thus, the second key is to actually build capacity within the sub-systems so that there is a deep understanding of how changes within the sub-system impact different parts of the larger system, as well as the 'whole' of the system. This capacity could be built into individual change agents within each sub-system.

Emergent change

From the foregoing discussion it may appear that the entire process of change can only be autonomous at the micro level, and not at the macro level as a whole. However, one may argue that the best change for any organisation is the sum total of the spontaneous changes in all its sub-systems.

In other words, if the mechanisms for rapid, spontaneous change are embedded into sub-systems, there is no need to worry about the system as a whole. It will automatically reach the place where it needs to be.

Thus, change at the level of a system is essentially an emergent property of change at the levels of the sub-systems. As such, there may be no need to be too concerned about where the system as a whole is headed as long as the sub-systems have the required capacity to design and execute change.

In such a situation, the only 'central' role in the organisation as far as change initiatives are concerned would be the design of efficient and simple change protocols for the sub-systems, as well as capacity building to understand the impact of sub-system change on the system as a whole.

In summary, any process of change is dependant on the capacity of an organisation to temporarily discard its memories in favour of spontaneous responses to the environment. However, in most organisations, particularly the large ones, this process can happen easily only at the sub-system level. The key then is to ensure that there is adequate intelligence built into all these smaller units that make up the organisation, while believing that the sub-systems' process of change will automatically result in the evolution of the system as a whole for the better.

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