Information and The Intelligent Organisation

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The Advert

John explores how organisations must use information to synthesise organisational performance through integration of people and process to deliver desired outcomes. He shows that organisational sustainability through learning, adaptation and knowledge management depend not upon technology but on a new model of organisation and management.

This morning as I walked towards the conference I had a conversation with xxx about where the conference is being held and realised that the conversation, an exchange of information, had constituted, just for those few moments, an organisation.

The organisation existed in the information exchange!

Now, when we think about organisations, we usually think in terms of bureaucratic hierarchies, of power, of structures, of legal entities, of defined boundaries and, quite often, of 'Head Office' and 'branches' or, in a University, The Admin Block and the Departments. Our conception of organisation is conventional and deeply rooted in the idea of organisation as 'thing'. However, increasingly our organisations are much less formal and bounded than that would suggest. They often exist in temporary or transient arrangements, marriages of knowledge and expertise that transcend (and must do so) legal boundaries and traditional constraints and such arrangements depend absolutely upon the exchange of information.

However when organisations commence sharing arrangements they often create a separate, jointly owned, legal entity, in effect substituting one organisation for two others. Perhaps, inadvertently, they thereby simply bound processes, operations, knowledge and information in ways which are antithetical to the original intent in that the processes of the shared organisation will almost inevitably evolve unaligned with those of their progenitors. The new organisation will, necessarily, generate its own sense of purpose, inculcate that in its people and increase the separation from its parents. The child organisation will become purposeful in its own right and pursue its own future. The information it generates may well be different to that which was originally envisaged – and may not (if it is either commercially or personally sensitive) be legally sharable with the parents. The solution defeats itself.

Where a shared 'legal' organisation is not created then a partnership may emerge in which, of course, although the organisation is formally recognised often the processes, data systems and information systems are not intended to be aligned and the behaviours (and loyalties) of individuals remain focused on the organisations that pay their salaries. This has opposite but equal challenges, the ability to fulfil purpose is a function of sharing information which belongs to the initiating organisations, meanwhile the interests of the individuals concerned for careers, promotion, professional identity and protection, are still aligned with them, not with the partnership.

Examples of these can be found in Road Safety Partnerships and Police Custody Suites and the constraints are important. A significant proportion of those taken into

custody, for whatever reason, have mental health and other challenges – drug use, alcohol use, chronic illness, poverty. The Custody Officer has a legal responsibility for their health and welfare – he or she will be in court if adverse things happen. So, custody suites often also have nurses (generalist and mental health) working in them. For those people to be effective they must have access to the health records of those in custody and, to have that access, they must be employed in the NHS, but if they are employed in the NHS can they share information with the Police Force? Pragmatism usually prevails – thankfully! As one officer of my acquaintance expressed it:

> "I would rather explain to the Chief Constable why I did
>
> than the Coroner why I didn't"

Universities frequently engage in research partnerships, joint projects in which researchers from multiple organisations work collaboratively, often over extended time periods and internationally; how do they work?

Do they work?

> Yes – pragmatically again – many of the rules of the host organisations are just ignored – just don't tell the VC, the Finance Director or the CIO!

Really?

Are they efficient?

Are they effective?

How do we know?

This University [Loughborough], in amongst no doubt many other such arrangements, is participating in the emerging UKCRIC research partnership – the United Kingdom Collaboratorium for Research into Infrastructure and Cities. At my most recent count I noted that UKCRIC included at least 14 UK Universities, at least 60 academics of all grades, 4 or 5 overseas universities, representatives from Industry, Finance, Regulation and Government. It is hard to estimate the total number of people who will be involved!

UKCRIC will be a purposeful, complex, adaptive system, it will be responsible for channelling funding in the order of £300m over five years, it will have no legal

existence. It will have to evolve a set of operating guidelines that both meet the needs of its various customers – who 'belong' to UKCRIC - and its participants – who belong to their paymasters - whilst simultaneously both observing and not observing institutional rules.

How will such a beast be dealt with as an organisation when all of its parts belong to some other entity? How can we conceive, dangerous ground here, of measuring, evaluating, rating the performance of members of the University when some, significant, part of their work is being undertaken in a partnership which is probably largely invisible to their host employer? How can we understand let alone manage the performance of an organisation in such a form, a form that appears to be growing in frequency enabled and powered by the capabilities of contemporary technology.

OK, we are not going to talk about the REF (or the TEF!) – we are simply going to acknowledge that in a world of purposeful complex adaptive systems, enabled by the two internets – that of data and that of things - the conventional conception of organisation and hence the conventional conceptions of control, sustainability, knowledge management and so on are perhaps redundant!

We are clinging to the wreckage of a 2000 or more year old form of organisational hierarchy, a power structure and control system which is being undermined by the capabilities of people and technology that its existence has enabled. Meanwhile the systems approach sees organisations as complex entities not only in that they have many and various parts but, even more, in that they come to life as a result of the interactions between those parts. A key characteristic is that some properties emerge only from the interactions of the whole system, properties that cannot be found in the parts or in a decomposition of the system into components.

It feels like there should be a profound latin phrase inserted about here – any suggestions?

'Caveat emptor'?

That may be appropriate – what, exactly, is it that we are 'buying' when we go down this route?

Deep breath!

If not the traditional legal entity with all the boundaries, strictures, formalities and arrangements we normally consider, then what IS an organisation?

I'm honestly not sure.

If my morning conversation can be characterised as an organisation then perhaps we should start with that. What did it contain?

A context or environment;

Two parties (elements of the system);

A purpose or intent (an objective for its existence);

A process (the conversation);

An exchange of data (a transformation in our respective knowledge):

(we also know that communication happened because the state of knowledge of the two parties changed:

I found out where the conference is,

xxx realised I was a dimwit for not knowing!)

We know communication has happened when something changes (Beer, 1985).

An output (change in directions):

And, importantly:

An outcome – I am here (a fact which you may or may not now be grateful for!).

Now, we cannot know whether the process was efficient – I am not going to confess to a rambling introduction and hesitation before I asked the question and I am not going to embarrass xxx by telling you that he/she had to look it up on google! I can tell you it was effective.

This may be the digital age, but we constituted an analogue organisation. We talked, we pointed, we smiled, we understood.

Despite what the techies, geeks and web-wizards might want us to think about 25% of our organisations costs being generated by email exchanges (see www.profjackson.com for the evidence) and that all our problems could be solved if

only we could structure and interrogate the 90%+ of organisational data that is 'not available for analysis' (Jackson 2015) the truth of our organisation seems to be that they are still largely analogue. The hard side may be digital, the people side is analogue. The analogue organisation exists in the human exchanges underpinned by values, skills and behaviours, the muddy fudges that close the gap between the steps in the digital spectrum.

So, a contemporary organisation can be observed through the epiphenomena of its activity (outputs, events, even a website) rather than its legal or contractual constitution. It is made evident by its interactions with its environment rather than by its physical instantiation.

I argue (this of course is the plug for the book!) that an Intelligent Organisation is made up of several parts each of which is composed of both people and processes:

> An Identity System (for nurturing identity and shared purpose);

> A Value Generating System (for delivering today);

> A Value Enabling System (for creating tomorrow);

> An Information System which integrates the other three and enables their continuing adaptation to each other AND the co-evolution of the whole in harmony with the environment.

The Intelligent Organisation exists in a symbiotic relationship with its environment, its sustainability rests in that symbiosis. Such organisations will be more sustainable – organisationally, financially, politically – they will be easier and cheaper to run and people will like working in them!

To ensure that sustainability, value generating end to end processes designed backwards from the customer are conceived as learning systems in their own right. Decisions are taken as close to the customer as possible, control is distributed. The processes and the people operating them are both self-aware and self-regulating. Their freedom to decide is constrained only by the need to act in a manner consistent with the shared identity of the system and the information available to them.

Value enabling processes (whose customer is the value generating system) provide resources to support and enable that activity. Value enabling activity is informed both

by what is happening in value generation and what is happening in the wider environment.

Note that this learning, this knowledge management, means adaptation. The management of knowledge deals of course with the knowing how, it also deals with the knowing when, the knowing who, the knowing what, the knowing where and, critically, the knowing why. Knowledge management is not, for me, about the storage of yet more data (or even information), it is about using information about the organisation, its people, its processes, its purpose and its environment to enable the co-adaptation of the organisation with its environment.

The capability for that adaptation is most evidently visible in the people that populate it – the true managers of knowledge.

Knowledge management happens within the processes and the information system brings together the conversations between the parts, enabling the adaptation.

The information system itself, conceived of AS a system rather than as some grey boxes and bits of software, has both hard and soft sides.

It, most obviously, reflects the digital organisation – the emails, databases, excel spreadsheets, reports and so on and that, supposed, 90%+ of data not available for analysis!

Of at least equal but probably greater importance, is the information contained in the analogue organisation – the cultural artefacts of stories and myths, of ways of doing (or not doing!) certain things, of ways of dressing, behaving, interacting and being. These do not lend themselves to analysis, to digitisation, to archiving. Far more than the digital organisation, the analogue organisation is rich, complex, dynamic and, ultimately, opaque. If you think the workings of your laptop and the internet are obscure, the workings of human interaction are infinitely more so.

The digital organisation will be a useful tool for shovelling some of the data around and the traditional legal entity a useful tool for paying salaries, pensions and somewhere to have a desk. However all organisations, all learning, all organisational sustainability will ultimately persist in the analogue world. A world in which individuals choose to interact, to share knowledge, to learn with and from each other, to co-evolve their lives. The future of organisation is virtual – but the virtuality rests

on human interaction, technology is just a tool, a transient device (or set of devices) which we can utilise to carry Dawkins memes between us.

We are the organisation and we will prevail.

www.intelligentorganisation.com

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References

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