

The coming of the New Organization.

Twenty years from now, the typical large business will have half the levels of management and one third the managers of its counterpart today. Work will be done by specialists brought together in task forces that cut across traditional departments. Coordination and control will depend largely on employees' willingness to discipline themselves.

Behind these changes lies information technology. Computers communicate faster and better than layers of middle management, they also demand knowledgeable users who can transform their data into information.

Businesses, especially large ones, have little choice but to become information based. Demographics, for one.

The large business 20 years hence is more likely to resemble a hospital or a symphony than a typical manufacturing company.

Advanced data processing technology is not necessary to create an information based organization, of course as we shall see, the British built just such an organization in India. When "information Technology" meant the quill pen, and barefoot runners were the "telecommunications" systems.

We can readily see the first step in this transformation process when we consider the impact of computer technology on capital investment decisions. We have known for a long time that there is no one right way to analyze a proposed capital investment, to understand it we need at least six analyses: the expected rate of return, the payback period and the investment's expected rate of return, the payback period and the investment's expected productive life, the discounted present value of all returns through the productive lifetime of the investment, the risk in not making the investment or deferring it, the cost and risk in case of failure, and finally, the opportunity cost.

The second area that is affected when a company focuses its data processing capacity on producing information is its organization structure. Almost immediately, it becomes clear that both the number of management levels and the number of managers can be sharply cut.

Information is data endowed with relevance and purpose, converting data into information thus requires knowledge, by definition, is specialized. The information based organization requires far more specialists overall than the command and control companies we are accustomed to.

Because of its flatter structure, the large, information based organization will more closely resemble the businesses of a century ago than today's big companies. Back then, however, all the knowledge, such as it was, lay with the very top people.

Traditional departments won't be where the work gets done. Finally a good deal of work will be done differently in the information based organization. Traditional departments will serve as guardians of standards, as centers for training and the assignment of specialists, they won't be where the work gets done, that will happen largely in task focused teams.

To say that information technology is transforming business enterprises is simple. What this transformation will require of companies and top managements is much harder to decipher. That is why I find it helpful to look for clues in other kinds of information based organizations, such as the hospital, the

symphony orchestra, and the British administration in India.

The best example of a large and successful information based organization had no middle management at all. A large symphony orchestra is even more instructive, since for some works there may be a few hundred musicians on stage playing together. According to organization theory then, there should be several group vicepresident conductors and perhaps a half dozen decision VP conductors. But that's not how it works. There is only the conductor, and every one of the musicians plays directly to that person without an intermediary, and each is a high grade specialist, indeed an artist.

Information based organizations, in other words, require clear, simple, common objectives that translate into particular actions. At the same time, however, as these examples indicate, information based organizations also need concentration on one objective or, at most on a few. Because the "players" in an information based organization are specialists, they cannot be told how to do their work.

There are probably few orchestra conductors who could coax even one note out of a french horn, let alone show the horn player how to do it. But the conductor can focus the horn players skill and knowledge on the musicians joint performance. And this focus is what the leaders of an information based business must be able to achieve.

Who depend on me for information, and on whom do i depend. The other requirement of an information based organization is that everyone take information responsibility. The bassoonist in the orchestra does so every time she plays a note. Doctors and paramedics work with an elaborate system of reports and an information center, the nurse station on the patients floor.

Information responsibility to others is increasingly understood, especially in middle sized companies. But information responsibility to oneself is still largely neglected. That is everyone in an organization should constantly be thinking through what information he or she needs to do the job and to make a contribution.

To remain competitive maybe even to survive businesses will have to convert themselves into organizations of knowledgeable specialists. This maybe the most radical break with the way even the most highly computerized businesses are still being run today. There people either assume the more data, the more information, which was a perfectly valid assumption, yesterday when data were scarce, but leads to data overload and information black out now that they are plentiful.

Most large businesses have little in common with the examples we have been looking at. Yet to remain competitive maybe even to survive they will have to convert themselves into information based organizations, and fairly quickly. They will have to change old habits and acquire new ones. And the more successful a company has been, the more difficult and painful this process is apt to be.

The information based organization will also pose its own special management problems. I see as particularly critical;

- 1.– developing rewards, recognition, and career opportunities for specialists.
- 2.– Creating unified vision in an organization of specialists.
- 3.– Devising the management structure for an organization of task forces.
- 4.– Ensuring the supply, preparation, and testing of top management people.

Opportunities for specialists in an information based business organization should be more plentiful than they are in an orchestra or hospital, let alone in the Indian civil service. Many companies have followed this

example, but professional specialists themselves have largely rejected it as a solution.

There are no easy answers to this problem. Some help may come from looking at large law and consulting firms, where even the most senior partners tend to be specialists, and associates who will not make partner are outplaced fairly early on.

This meant that the district officer became increasingly isolated from the activities that often had the greatest impact on, and the greatest importance for his district.

Finally, the toughest problem will probably be to ensure the supply, preparation, and testing of top management people, this is, of course, an old and central dilemma as well as a major reason for the general acceptance of decentralization in large businesses in the last 40 years. But the existing business organization has a great many middle management positions that are supposed to prepare and test a person. As a result, there are usually a good many people to choose from when filling a senior management slot.

Decentralization into autonomous units will surely be even more critical than it is now, perhaps we will even copy the German *Gruppe* in which the decentralized units are set up as separate companies with their own top managements. The Germans use this model precisely because of their tradition of promoting people in their specialities, especially in research and engineering, if they did not have available commands in near independent subsidiaries to put people in, they would have little opportunity to train and test their most promising professionals. These subsidiaries are thus somewhat like the farm teams of a major league baseball club.

We may also find that more and more top management jobs in big companies are filled by hiring people away from smaller companies. This is the way that major orchestras get their conductors, a young conductor earns his or her spurs in a small orchestra or opera house, only to be hired away by a larger one, and the heads of a good many large hospitals have had similar careers.

We see something of this sort in France, where large companies are often run by men who have spent their entire previous careers in government service.

Since modern business enterprise firms, arose after the civil war in Europe, there have been two major evolutions in the concept and structure of organizations, the first took place in ten years between 1895 and 1905.

The second evolutionary change took place 20 years later, the development of what we still see as the modern corporation began with Pierre S. Du Pont's restructuring of his family company in the early twenties and continued with Alfred P. Sloan's redesign of General Motors a few years later.

Now we are entering a third period of change, the shift from the command and control organization, the organization of departments and divisions, to the information based organization, the organization of knowledge specialists, we can perceive, though perhaps only dimly, what this organization will look like, we can identify some of its main characteristics and requirements.

We can point out central problems of values structure, and behavior, but the job of actually building the information based organization is still ahead of us it is the managerial challenge of the future.

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HONDA CITY

En 1978, iniciaron el desarrollo de un automóvil basado en un nuevo concepto con el lema "Juguemos al azar". Los modelos Civic y Accord se estaban volviendo muy comunes. Una nueva generación de jóvenes diseñadores de productos ingresaba en el mercado

laboral con ideas poco convencionales acerca de lo que un auto necesita tener para ser bueno.

La decisión de negocio que resultó del lema 'Juguemos al azar' fue formar un equipo de desarrollo de productos nuevos con

ingenieros y diseñadores jóvenes (la edad promedio era 27 años). El equipo recibió dos y solo dos, instrucciones:

1.- generar un concepto de producto que fuese en esencia distinto de cualquier cosa que la compañía hubiese hecho en el pasado.

2.-segundo, que diseñaran un automovil que fuera económico pero no barato.

Primero se diseño una versión más pequeña y barata del Civic, una opción segura y tecnológicamente posible. Sin embargo, el equipo

pronto decidió que tal idea contradecía la razón fundamental de la misión.

El lider del equipo, Hiroo Watanabe, acuño otro, "Evolución automotriz". Cuando los miembros del equipo discutieron lo que podría

significar el lema de Watanabe, obtuvieron una respuesta en la forma de otro lema: "hombre al máximo-máquina al mínimo".

La tendencia "evolucionaria enunciada por el equipo encarnó en la imagen de una esfera: un auto que era "corto" (en longitud)

y

"alto". Un auto con tales características, según su razonamiento, sería más ligero y barato, pero también más cómodo y sólido que los

autos tradicionales. Esto generó un concepto de producto que el equipo llamó chico-alto, que condujo a la creación del HondaCity, el

auto urbano por excelencia de la compañía.

El auto estrenó un concepto de diseño totalmente nuevo en la industria automotriz japonesa, basado en el lema "hombre al

máximo–máquina al mínimo", lo que llevó a la nueva generación de autos "altos y cortos", ahora muy comunes en Japón.

1.– Explique como se utilizaron las tres características clave de la creación del conocimiento.

Las tres características de la creación del conocimiento son:

a.– Expresar lo inexpresable para lo cual ocupan metáforas y analogías .

En el caso de Honda estas metáforas son:

"Juguemos al azar"

"Evolución automotriz."

"hombre al máximo–máquina al mínimo"

" chico–alto"

b.– Diseminar el conocimiento.

El conocimiento tuvo su origen en un individuo y luego este conocimiento se transmite a los diferentes miembros del grupo de

trabajo, después a los diferentes grupos que intervienen en el proyecto y así sucesivamente hasta llegar a toda la organización.

c.– El nuevo conocimiento nace en la bruma de la ambigüedad y la redundancia.

Al principio en los grupos de trabajo hubo un poco de ambigüedad por que los directivos solo dieron dos instrucciones:

primero,

generar un concepto de producto que fuese en esencia distinto decualquier cosa que la compañía hubiese hecho en el pasado;

y

segundo, que diseñaran un automovil que fuera económico pero no barato. Por lo que al principio les costo trabajo, pero al final dio

resultado.

Y esto se llevo a cabo después de realizar varios esquemas y bocetos hasta obtener el modelo final que fue el honda city.

2.– Describa los roles de los participantes en el equipo en cuanto a la creación del conocimiento.

El equipo de nuevos diseñadores e ingenieros jóvenes desempeñaron roles de consumidores y de diseñadores e ingenieros al mismo

tiempo, ya que como consumidores querian crear un concepto de auto economico, seguro, comfortable y a un precio accesible como

consumidores, y en cuanto al rol de diseñadores e ingenieros, estos buscaban plasmar estas ideas en un diseño innovador y que fuera

posible de realizar.

3. Como se logró convertir el conocimiento tácito en explícito.

Al traducir el conocimiento tacito a explicito se crea el conocimiento y viceversa, es este caso los miembros de el equipo tenian la idea

y el modelo en su mente y al momento en que los plasman en planos y en la computadora ya crean el conocimiento.

La idea de el equipo era el tener un auto corto en longitud y alto, lo que los llevo al razonamiento de que sería mas ligero y

economico tambien, lo que los llevo a un nuevo concepto de automovil.