

## **Thinking About Intelligent Organisation**

When we talk about an organisation as 'intelligent' we are describing its ability to synthesise people, processes and information into a capability to co-adapt with the rapidly changing organisational environment.

### **Pioneers:**

Early management thinking built on the traditional military and religious hierarchies and, with the industrial revolution, saw the growth of large scale organisations managed in that fashion. The early 20th Century saw the formalisation of this traditional, machine like, thinking through the work of writers such as Taylor (1911), Fayol (1916) and Weber (1923). Developments of that thinking from the 1930s onwards saw the growth of the human relations writers such as Mayo, Herzberg and Maslow. These emphasised the importance of people in the organisation. The work of Von Bertalanffy (General Systems Theory) which encouraged thinking about the world from a holistic perspective emerged in the 1920s. These schools of thought still dominate many organisations.

In the 1930s and 1940s the tools and techniques of Management Science began to be applied to the challenges of performance and business management. This period also saw the emergence of operational research and contemporary cybernetics (Wiener, 1947). In parallel with this development was the appearance of the first digital computer.

### **Viable Systems:**

Stafford Beer (1959, 1979, 1981, 1985) developed his 'Viable System Model' from the 1950s onwards which, drawing on the cybernetics of Wiener and others, offered a new approach to the design of organisation, that of 'neuro-cybernetics'. The power of this model was perhaps inhibited by the difficult and arcane language used to describe it and its roots in 'hard' science which clashed with the strongly 'people' oriented thinking of the period.

The recent past has seen extraordinary developments in our ability to process data using computers, but we have failed to properly integrate the power of contemporary information technology with the organisation. It is left bolted on the outside but at the same time has been used to displace the people in the organisation. It combines with a strongly centralising tendency, drawing power to the centre and reducing the ability of the organisation to respond to changing customer needs and desires.

## Intelligent Organisation:

The Intelligent Organisation synthesises these multiple strands of management thinking, considering the organisation from the perspectives of people, process and information. It balances the competing demands for centralisation and autonomy through an information system which provides the right information to the right people at the right time and in the right format.

The Intelligent Organisation is an adaptive model which gathers all of the major strands of 20th Century management thinking into a coherent whole. That whole in turn embraces and creates a coherent context for the application of the many and varied tools and techniques of strategic, operational, financial and performance management.

## The Intelligent Organisation

- relies on the skills, knowledge and behaviours of human actors
- is underpinned by lean processes;
- uses decision needs to drive information system design, holding one version of the truth;
- synthesises information systems and technologies with processes and people;
- knows that information is more important than technology;

in order to

- transform performance;
- balance short term efficiency with long term effectiveness.

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