

# Introduction

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- From the “classics” to the 1990s
- The MIT 90 framework
- Findings
- The winds of change



# Organization models and their development

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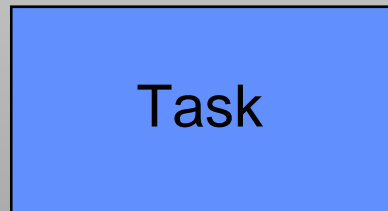
- **Classical theorists**
  - Sloan, Taylor, Mayo
- **Hawthorne**
  - Likert, Coch and French
- **Information and decision processes**
  - Barnard, Cyert, March, Simon
- **Task analysis & Contingency theory**
  - Hall, Chandler

# Classical theorists

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## Strategy

- Domain
- Objectives



Task

Structure

## Organizing

- Labour div.
- Configuration
- Power distr.
- Departments

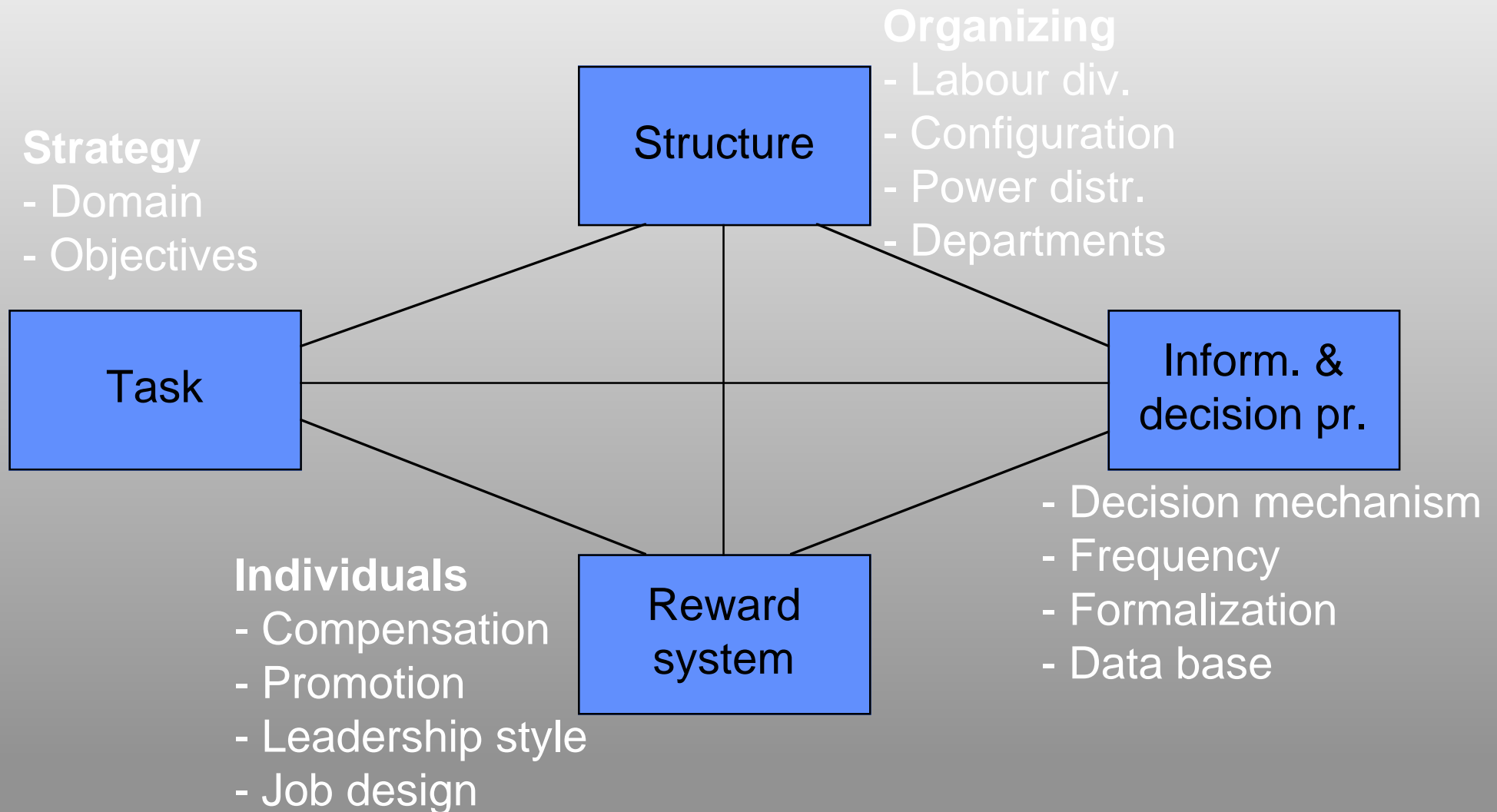
Reward  
system

## Individuals

- Compensation
- Promotion
- Leadership style

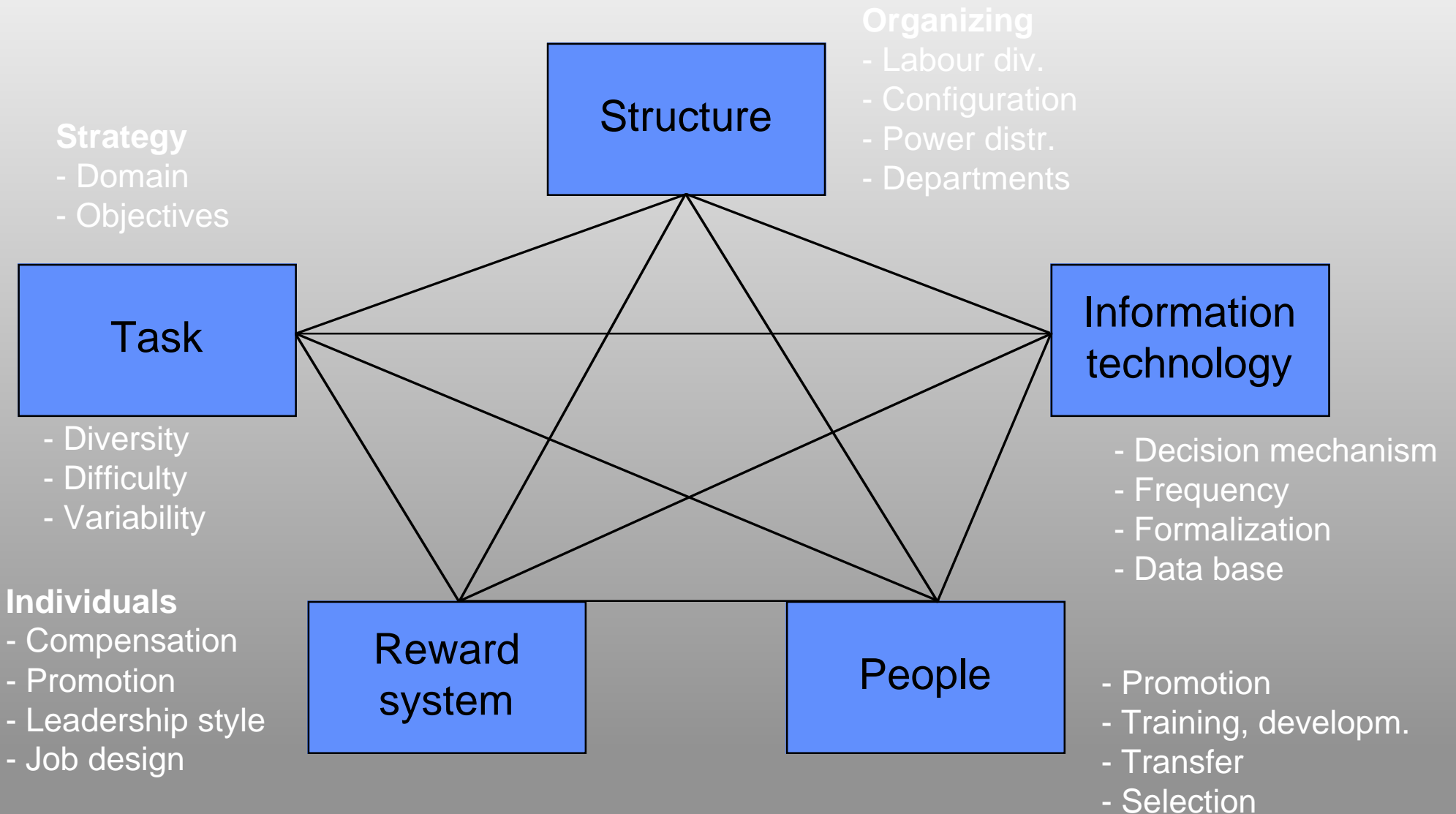
# Information & decision processes

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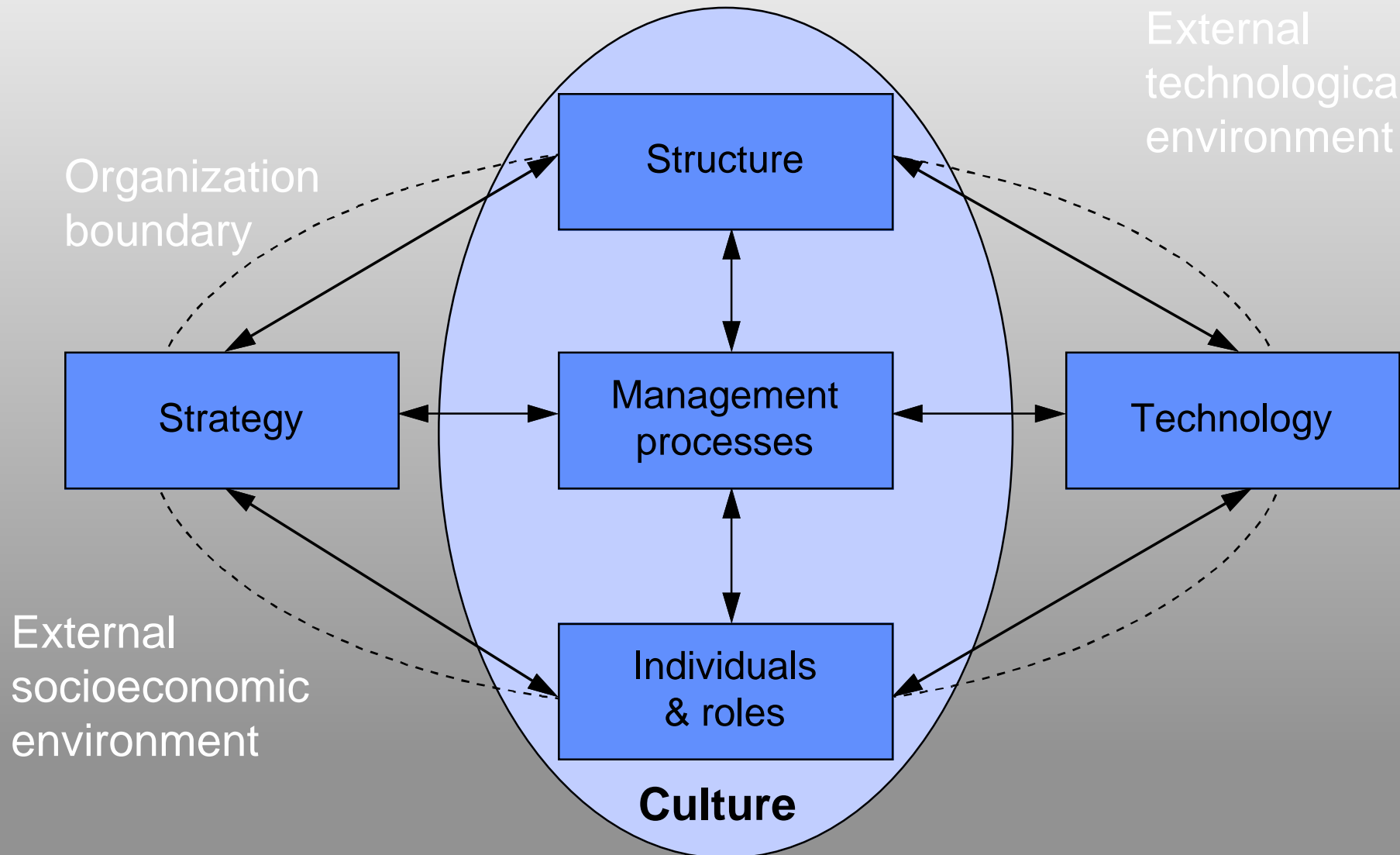
# Task analysis & Contingency

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# The MIT 90 framework

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# Determinants of change

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## Business

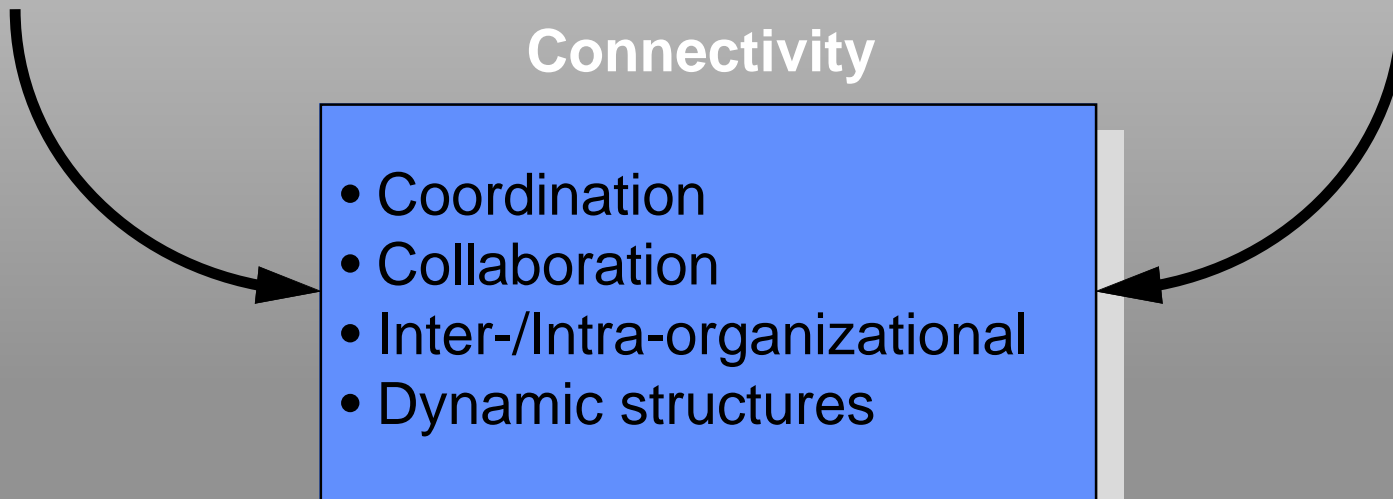
- Global markets
- Changing demnads
- Environmental dynamics

## IT

- Cost/performance
- IT architectures
- Extended use of IT

## Connectivity

- Coordination
- Collaboration
- Inter-/Intra-organizational
- Dynamic structures



# Finding I – Forms of work

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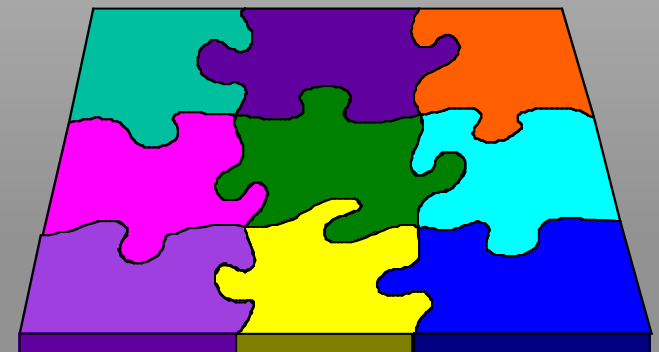
- **Production**
  - Robotics, “intelligent” production systems
  - Information: Groupware, Workflow
  - Knowledge: Groupware, concurrent engineering, intelligent systems
- **Coordination**
  - Time and space coordination
  - “Organizational memory”, knowledge repositories
- **Management**
  - Direction and control



# Finding II – Integration

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- **Within value chains**
  - LANs, WANs
- **Between value chains**
  - Supplier Retailer Collaboration, EDI
  - Virtual corporations
- **Strategic alliancing**
  - “Outsourcing” of value chain activities
- **Electronic markets**
  - “Agents”
  - Bidding systems



# Finding III – Competition

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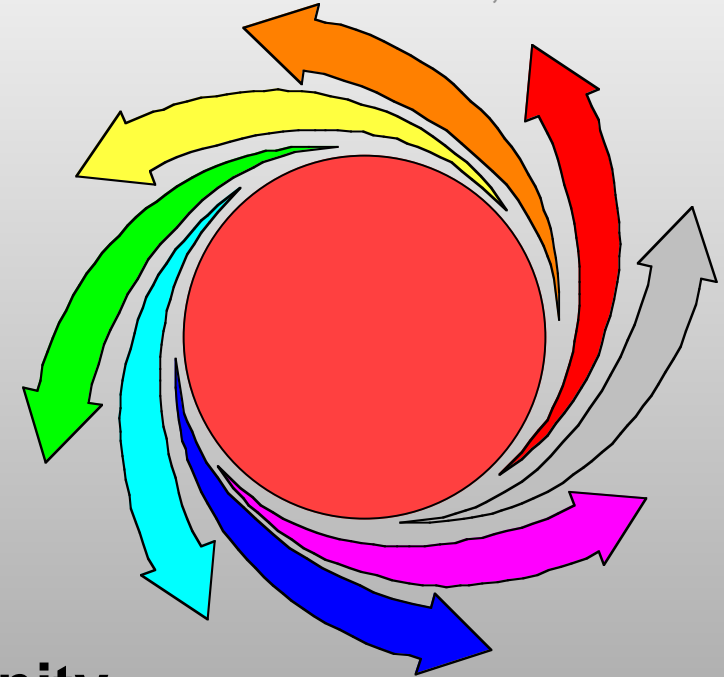
- **Interrelatedness**
  - IT use in itself is no competitive force
- **“If I use it, anybody else can”**
- **Benefits beyond business**
  - Humans, organization, systems
  - Innovations as result of IT use



# Finding IU – Strategy

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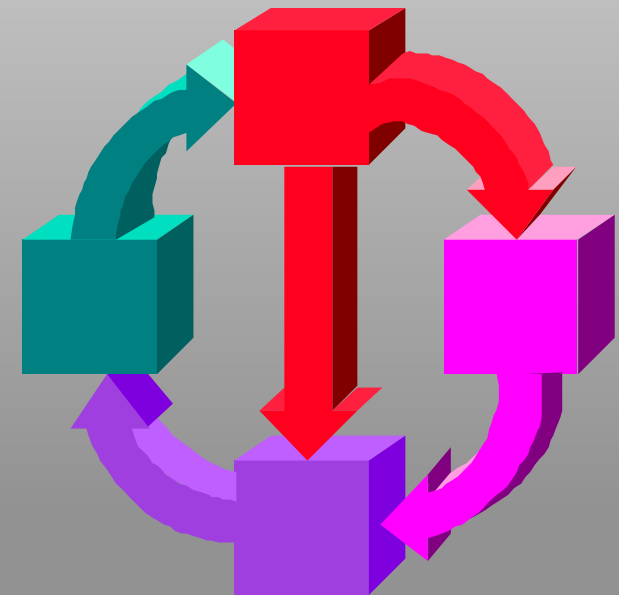
- **Automate**
  - Downsizing
  - Cost reduction
- **Informate**
  - New tools
  - Information as by-product
  - By-Information as market opportunity
- **Transform**
  - Beyond TQM
  - Strategic alignment



# Finding U – Structure

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- **Networked organizations**
- **Process perspective**
- **Scale is no economic advantage**
- **Ad-hoc teams**
- **Metabolism is accelerating**
  - Information flow
  - Decision taking
- **Responsiveness**



# Finding UI – Management

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- **No visible improvements**
  - No visible effects
  - Effects passed on to customers
  - “We want more”
  - No real trade-off
- **Vision and mission**
- **Provide meaning for change**
- **Empowerment and impact on performance**



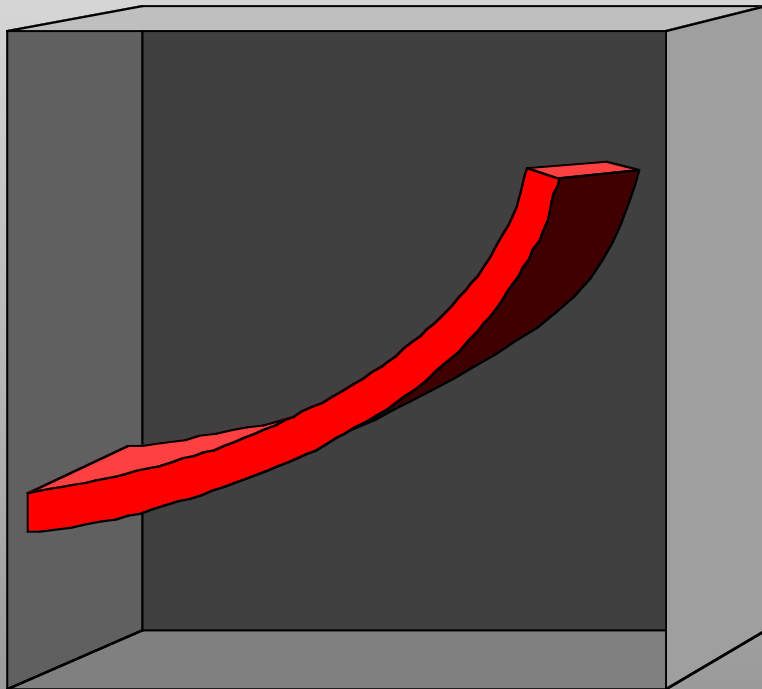
# The winds of change ...



- **Global markets and competition**
- **Environmental trends**
- **Health consciousness**
- **Demographic development**
- **Changing workplaces and skills**

# This describes it all ...

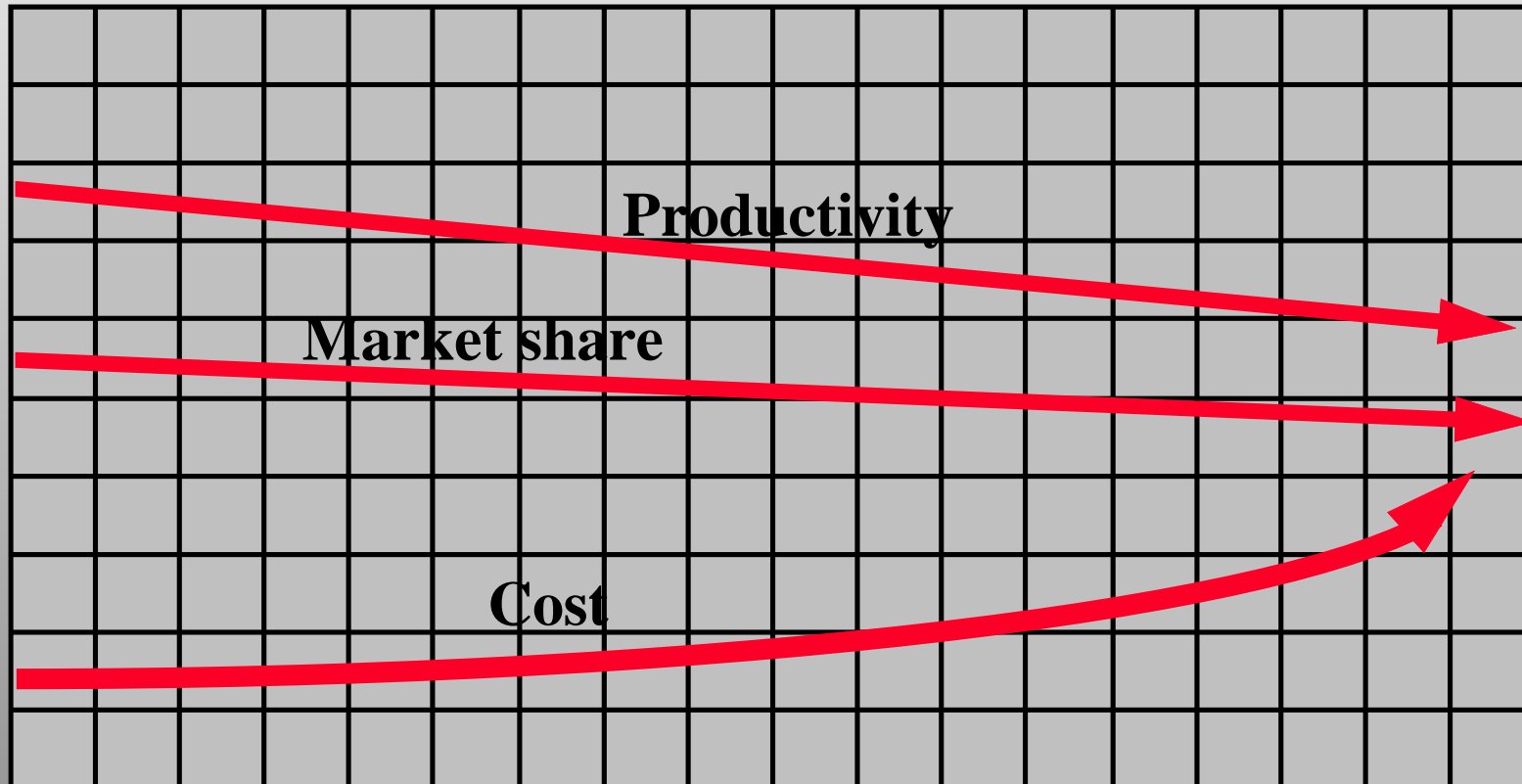
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- **Income**
- **IT development**
- **Cost**
- **Number of competitors**

# For many companies, it looks like this

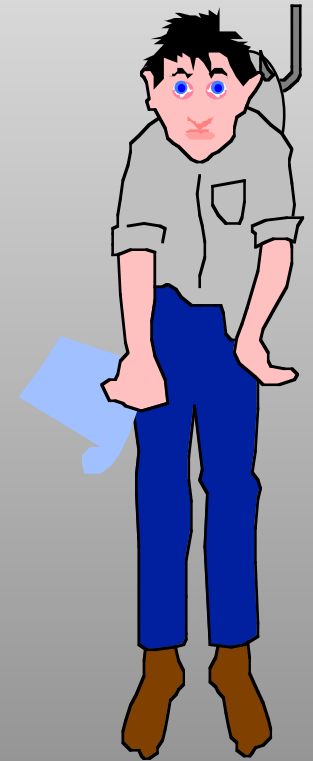
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# Getting off the hook

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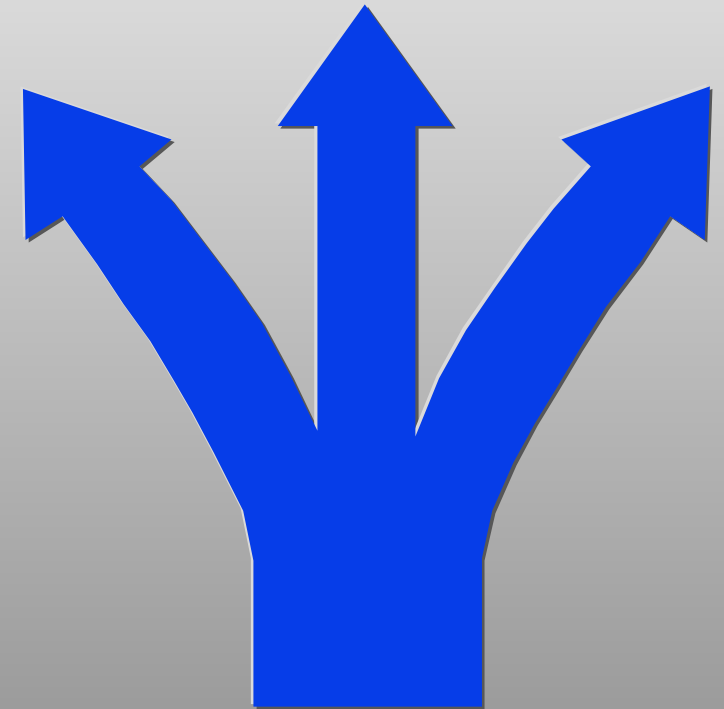
- Questioning the “raison d’être”
- Striving for renewed competitiveness
- Focus on customer demands
- Organizational transformation
  - Process focus
  - BPR
- IT as enabler, instead of improver
- New technological solutions
  - CSCW
  - Workflow technology



# Strategic options

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- **Try to achieve competitive dominance**
  - Within value systems
  - Cost reduction
  - Value added products/services
- **Reconfigure business**
  - Incremental improvements
  - Disruptive change
  - Redefinition of scope
- **Interorganizational collaboration**
  - Horizontally
  - Vertically
  - Outsourcing



# The IT impact I

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- **Hard-/software advances**
- **Networks**
  - Internal networks
  - External networks, EDI
  - Network management
- **Distributed databases**
  - Easy access, call-in, replication
  - DBMS effectiveness, policies
- **Workstations**
  - Expert systems
  - Cognitive systems

# The IT impact II

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- **IT architecture**
  - OS integration
  - Cross-platform applications
  - Flexible application architectures
- **IT infrastructure**
  - Group performance
  - Teamware
  - Standards
  - Management processes
  - IT work force