

# SELF-SUSTAINING ORGANIZATIONS AND LEADERSHIP

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**Companies that have a significant history in business must renew or re-invent themselves over the years. With its share of ups and downs, one such company is IBM, now in its 93rd year. According to one of IBM's vice presidents, the company's recent re-invention into business solutions is "nothing short of the bloody transition from an industrial society to an information-based one." (Fortune, 2004, p. 88). Many organizations are facing similar pressures as they consider ways to create their own self-sustainable futures.**

## THE INDUSTRIAL ORGANIZATIONAL MODEL

Over the past century, executives have managed organizations based on an industrial model of the world – one in which everything is seen as a machine with independent parts that need tuning for optimum performance. In such organizations, we analyze individual components of performance, determine problems, choose between possible alternatives, and then implement chosen solutions. As leaders, we spend our days controlling the 'levers' of performance such as strategy, technology, and rewards. Does this approach to business work in this new information-based world?

This article presents an alternative model for organizations as living systems, shows how they are self-sustaining in nature, and describes the role of leaders in such organizations.

AN ALTERNATIVE MODEL FOR ORGANIZATIONAL SELF-SUSTAINABILITY

Margaret Wheatley, author of *Leadership and the New Science*, would suggest that we are fooling ourselves in thinking that we can control the outcomes in an organization. As entities made up of human beings who are intelligent, creative, adaptive, and self-organizing, organizations are more like living systems that function independent of control, not as machines. As a leader, I am sure you have experienced times when in working with others you have achieved the unimaginable and other times when all the best laid plans failed to deliver. How can we explain these differing outcomes?

The inter-disciplinary study of chaos and evolution theory, quantum physics, and natural sciences (together called the “new sciences”) are providing insights into the functioning of living systems. Scholars and consultants are applying these models to understand the dynamics of organizational life and to shed light on how organizations attain self-sustainability. (For additional reading, see references). The following table outlines lessons from the new sciences that describe the principles that underpin a new self-sustaining organizational model.

Lessons	Explanation	Self-Sustaining Organizations
Living Systems are about wholeness and relationships within networks.	More than the sum of its parts. Example: as a living system, the human body functions as an integrated system rather than as a collection of discrete parts. (Wheatley, 1999, p. 12)	Relationships are the bloodline of organizations. Informal relationships are often more effective than formal structure in getting things done. How an organization weaves together its different parts (assets, functions, etc.) is what makes it unique and impacts its effectiveness and sustainability.
Living Systems are open systems capable of change.	Constantly interacting with their environments, they change themselves and the environment at the same time. Living systems seek to preserve their identity; when faced with change, they instinctively adapt.	With guidance from organizational mission and values, when faced with chaos and change, people in organizations rise to the challenge. Organizations that actively engage with their environment encourage renewal and self-sustainability.
Chaos and order are inextricably linked.	Chaotic systems show that over time a deeper order appears which is ingrained in the system. In chaotic situations, rather than using complex controls, living systems autonomously apply simple processes to create order.	Organizations understand that “disorder can be a source of new order, and... growth appears from disequilibrium, not balance.” (Wheatley, 1999, p. 21). People in organizations function effectively with a few guiding principles and by exercising individual freedom. When faced with change, organizations ‘trust the process’ encouraging people to tap into their innate adaptability
Living systems need information to keep growing.	In evolution theory, information is about the “process” by which systems create form rather than a quantifiable object. Without meaningful information, systems cannot create new order. (Wheatley, 1999, p. 95).	Organizations that are open to all kinds of information and that share it broadly create rich and diverse perspectives. Information is powerful in motivating change when meaningful to people and the company’s circumstances.

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## THE ROLE OF LEADERSHIP

In self-sustaining organizations, leaders that live by the principles described above take on a different role than leaders in industrial-based organizations. Rather than controlling behaviour and finding short-term fixes to meet performance targets, leaders in self-sustainable organizations create and nurture processes and relationships among people to create long-term sustainability. Specifically, these leaders focus their attention on:

**Reinforcing relationships** – They demonstrate the importance of inter-connectedness to achieve results – at both a systems and personal level. They create formal and informal teams and networks to address issues and deal with new information leading to change.

**Clarifying organizational values and mission** – They engage people in clarifying the organization's fundamental identity so that when faced with change and chaos, people can exercise individual freedom to adapt to change. They empower people to use their creativity while remaining grounded in the organization's mission and values.

**Seeking and sharing information** – They create information-rich environments in which people are encouraged to explore and discuss how new findings can impact them, their work, and the organization as a whole.

**Encouraging adaptability** – They welcome and create a manageable level of disequilibrium to encourage evolution and change. To increase nimbleness, they move people into different roles, encourage new learning, raise performance expectations, or simply introduce new thoughts, elements or people.

**Thinking long-term** – When faced with challenge, they step back to look at the whole rather than just the present 'small' slice of history. They know that as long as they are true to the organization's core identity and trust people, over time things will work out.

**Leaders in self-sustainable organizations create and nurture processes and relationships among people to create long-term sustainability**

## COMPLEX YET SIMPLE FUTURE

The concepts from the new sciences can be mind-numbing for non-scientists; however, I encourage you to stretch your thinking to find connections between nature and organizations. Embrace chaos! Over time you will find order and the answers you seek. ■

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## For further reading on the subject:

Bosch, Lia and Gervais Goodman, "From Mechanic to Biologists: Lessons from Natural Systems to Understand the Future of Organizations and Rewards," *WorldatWork Journal*, Vol. 9, No. 4, 2000.

Kirkpatrick, David, "Inside Sam's \$100 Billion Growth Machine," *Fortune*, Vol. 149, No. 12, June 14, 2004, pp. 80-98.

Wheatley, Margaret J., *Leadership and the New Science: Discovering Order in a Chaotic World*, Second Edition, San Francisco: Berrett-Koehler, 1999.

Wheatley, Margaret J. and Myron Kellner-Rogers, *A Simpler Way*, San Francisco: Berrett-Koehler, 1998.

