

Organization's Developmental Stages and Governance Considerations For COVID-19 New-normal Era

Every organization has a life stage like a living organism. During this Covid 19 pandemic it is imperative for the leadership and management of each organization to recognize the stage the organization is currently in, in order to make the necessary changes or adjustments to live beyond Covid 19..

We are in turbulent times. Covid19 has brought us into a new era. We are already talking of 'new normal'. What are implications of all this for our organizations?

Turbulence in the external environment is a major factor that affects normal development of an organization. Covid19 is a historic turbulence. In determining appropriate responses to crises, it is helpful to know at which developmental stage the organization currently is.

Under stable conditions, an organization has a life cycle that is likened to the developmental stages of a living organism. There is no unanimity in the number of stages, but the following five are common: birth/infancy, growth, maturity, old age, and death. However, organizational life cycle (OLC) is not considered strictly sequential and deterministic. Like for the living organisms, infant mortality is common, but unlike in their case, old age and death can be averted by renewal interventions. Many young organizations have characteristics of the advanced stages, while others that are chronologically old may still be in early stages of their development. An organization could move forward and backward in these stages. And it may go through several revival stages. Critics of the OLC model cite all these to discredit it. Nevertheless, it is a helpful reference tool.

What are appropriate new-era governance priorities for an organization at infancy, and what are those for whom Covid19 met at the growth phase? How should an organization that was at the maturity stage in March-May 2020 respond to the Covid19 upheaval? The peculiarities of each stage dictate certain particular governance features and priorities. Notwithstanding the all-pervading monumental damages, it has caused, Covid19 has created some opportunities. And it has unveiled or spotlighted some pitfalls to avoid. What are the opportunities before each category of organizations? What are key lessons we have all learnt? The purpose of this article is only to provoke reflection rather than to here proffer solutions.

Necessity is the mother of invention. The Covid19 global lockdown has spawned rapid adoption of online conferencing. This is not at all a trivial development for meso-level organizations and others with wider reach. This would benefit all, not only in cost reduction and cost avoidance on travels, but in bringing an upsurge in intensity and frequency of leadership consultations with stakeholders.

The whole world paused, and we all came to recognition of what are the basic essentials for life and living. As work is resuming, it is imperative to cast a fresh look at the organization's mission and portfolio. It seems this should be the first port of call. It is said that management asks, "How can we do things better?" and the board ponders on "How can we do better things?" We should scan the new environment for freshly emerging opportunities. Does our mission need trimming or a slight shift of focus or should we have a radical change? Are there programs or product lines that Covid19 has rendered trivial? Are there better things now beaconing; how should we respond? The Leadership Development Institute (LDi) has Organizational Development (OD) Facilitators available to accompany you in this organizational reflection.

For start-ups, has Covid19 made the horizon dimmer or brighter? Whether the glass is half full or half empty depends on how it is seen. Accompaniment of external expert eyes is often a great advantage. LDi wants to serve you on that.

Organizations that Covid19 met at the growth stage had pools of ideas bubbling in the heads and considerable energy for implementation. After the Covid19 Lockdown, there is a tendency to simply pick up where things stopped, but that would not be advisable. The new era is a new setting; hence a thorough review is essential. The founding leaders are still around. The entrepreneur-founders have coexisted with professional executives hired to support them in the running of the concern. These are people who spent and were spent on this organization to get it to where it is. They had months of dreaming, charting and drafting. Though they are worried about challenges brought by Covid19, yet for anyone to now speak of tinkering with things would scarcely go down well with them. How does one manage them?

In the case of organizations at the maturity stage, leadership and management structures are already in place. Policies, systems, and procedures have been established. However, on the downside, the areas of control and finance become more powerful than other areas of business. The financial people begin to impose controls for short-term results in ways that curtail long-term innovation. The emphasis is on marketing; R&D wanes. Management welcomes new ideas but with less excitement than they did during the growth stage; the response usually is, "That's quite nice, we'll look into it", and that ends the story. The urgent becomes the master of the important. We have now resumed from Covid19 Lockdown and are now in the new-normal era. How does one get these people to know that things are no longer the same as before? What are governance features and priorities for an organization in this type of scenario?

Decline in an organization commonly sets in gradually, quite analogous to human aging. Organizational decline is not inevitable. External experts have focused on the importance of organizational development and leadership as a way of preventing decline or reducing its affects. Most of the factors for decline are within the control of the organization's senior executives. Leadership training enhances capacity for effectiveness in this area.

A particular organization, Baraka Tele, a regional NGO in Africa has the following features as of December 2019, in the thirtieth year of its existence. Baraka Tele was quite popular in the region in its early days in the wave pro-democracy advocacy that swept through Africa in the 1990s. One of the board members has ever been on the board since its

inception. Debt loads have continued to grow year after year. Of course, there has been generation of insignificant internal innovations, occasionally a little tinkering here or there; however, there is basically an aversion to change. Focus has shifted to internal rules, norms, and processes, often neglecting customer needs and market trends. There is manifest tension between management and the board. Stories of the past are recanted over and over. Investment has concentrated on control systems and facilities. There is obsession with documentation. Interpersonal conflicts have set in at each department. Settling of internal territorial disputes is taking up valuable time needed for customers. Talented people have been exiting one after the other.

Suppose you were appointed in January 2020 to serve as a board member of Baraka Tele. Covid19 lockdown came to your country in March. Your type of services was allowed to reopen six months afterwards, and it is at resumption you got to know the full scope of affairs in Baraka Tele. Don't resign. It is because they knew you have something to offer that they brought you in. To assist your efforts, give LDi a call. Contact details are provided on this website.

Unlike for living beings, organization's death can be avoided. But it does occur; bankruptcy being the commonest type of cases in the for-profit world. Demise of a not-for-profit is also not uncommon, and that too is generally due to finance – when donor funding ceases. It is a queer situation when organizations have to pay for costs of staffs and other overheads for months while no income is coming in. The collapse of organizations is predicted to be widespread as a result of Covid19. Charities get their funds as grants from government or from philanthropy. Covid19 has severely disrupted the budgets of governments. And philanthropy too has been badly affected. It will take considerable extra efforts to access funding for non-profit organizations. Heightened capacity building is required for meeting the demands of this new era. However, there is hope, as shown in the following story.

A friend told me that during one of the post-election upheavals in Kenya, he was in a hotel and as neighbour with someone from the USA. For some months earlier, the US Foreign Office has been issuing series of advisories to its citizens to avoid going to Kenya. My friend asked this his fellow guest, "Why really have you chosen to come this time, in spite of the series of warnings from your government?" The man replied, "You know of firms which sell refurbished automobiles. I buy rejected but promising companies. I refurbish and sell them. It is in the times and places of upheavals that frightened company owners sell off. It is those travel advisories that have brought me here."

Don't sell off. Don't close down. Call in LDi to serve you in walking through this challenging situation.



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