

A Clinical Guide to Organisational Health

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*Diagnosing and Managing the
Condition of an Enterprise*

By

C. M. Dean

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INTRODUCTION

If organisations have been compared to living organisms for centuries, why do business schools and organisational theorists mainly focus on competitiveness and how to succeed in the market? Even the popular health checks for organisations predominantly address their financial status, market position, goals and the determination of management to achieve success. In the human body, as an example of a complex living organism, acceptable healthy functioning of the organs comes before competitive fitness since the chances of winning can be seriously impaired by physical health concerns. This should also apply to organisations.

The focus on competitiveness dates back to the early twentieth century. Early functionalists accepted that there is a similarity in the functioning of organisations and living organisms, but this generalisation developed into two streams during the twentieth century¹. One school of thought focused on the outward view of organisational functioning required by competitive participation. The second stream followed the humanistic inward-looking view that organisations consist of individuals and focusing on them is enough to ensure organisational success. While these two schools of thought are valuable, they tend to offer an either-or view instead of supporting managers in their tasks to manage all the functions performed by the organisation.

Research into management theories, and similarities of the functioning and competitiveness of organisations versus living entities², highlighted the need to revert back to a holistic view of organisational functioning. In this book the holistic approach enabled the development of a general health check, as used by medical practitioners, before committing to fitness regimes. The approach is offered in three sections, covering the general check and initial impression, followed by detailed functional checks, and concluding with the combination of health and fitness.

In Part I it is necessary to explore the similarity between organisations and living entities. Not every organisation can be defined as an independent living entity and the prerequisites of functional self-determination and maintenance as well as independence from its environment are explored³. This allows strategic business units to be accepted as independent members of a conglomerate family, while entrepreneurs are acknowledged as young developing entities.

The concept of self-maintenance resulted in the introduction of a model in which the main functions necessary for survival and persistence of the organisation have been identified as the functional categories of survival, protection, operations, information, language and strategy (SPOILS). Furthermore, Chapter Two introduces a broad set of action steps used by medical practitioners that can also be used to diagnose the health of organisations.

Part II extends the SPOILS model checklist to include specific in-depth health diagnostic questions for each of the different functional categories:

Survival functions (Chapter Three) are the essential functions without which no organisation can survive, namely: finance and accounting, analogous to the respiratory system; logistics, analogous to the digestive and cardio-vascular distribution systems; and workplace maintenance, analogous to the maintenance of the fluid and chemical balance by the kidneys, liver and colon. Cells require oxygen, nutrients and an ambient cellular environment, similar to the needs of employees in organisations.

Protection functions (Chapter Four) are defensive and preventative functions without which an organisation can find itself unprepared for, and unable to recover from, damaging events. This category includes access control functions, analogous to the skin or exoskeleton; security systems, analogous to the immune system; and health, safety and wellbeing functions, analogous to cell healing processes. The functions operate independently and may not have a significant impact on daily operational performance, but the impact of their absence or the consequences of poor functioning can be devastating.

Operations functions (Chapter Five) allow an organisation to be agile and mobile and therefore able to participate, defend or compete in its environment, analogous to the skeletal muscle units in the limbs, back and face. They identify the sector of operation of the organisation and receive attention from management through the initiation of products and services, as well as the measurement of performance. Sales, marketing, customer services and customer distribution are also classified as operations functions.

Information functions (Chapter Six) are the sensory functions of an organisation, allowing it to observe and obtain external and internal information. External information gathering, analogous to the effective use of sight, hearing and taste, offers the organisation the ability to detect trends, threats or opportunities in its environment. Similarly, internal information, analogous to the somatosensory perception of pain, pressure or temperature, can inform management about morale, the work environment or performance changes and issues within the organisation.

In all cases the importance of receiving and using this information for management decisions cannot be underestimated.

Language and communications functions (Chapter Seven), analogous to the use of language, emotions and body language for external communication and the hormonal system for internal communication, enable an organisation to negotiate, adapt and change in its external environment, or develop and change its internal processes and culture. Without the ability to use language and to communicate, organisations may find it difficult to adapt to changing circumstances.

Strategy and guidance functions (Chapter Eight), analogous to the cognitive brain, are the functions performed by the executive team to plan for and guide the organisation in its attempt to survive, strive and compete in its external and market environments. Like the operations functions, the executive functions are receiving attention from various theorists in the form of advice and implementation models for effective competition.

A single case study demonstrates the usage of the diagnostic model throughout the book and forms the link for bringing the functions together in Chapter Nine. The case study applies the information dashboard display method which offers a holistic perspective of diagnostic findings and supporting evidence for an organisation.

Part III identifies the differences between health diagnostics and fitness programmes. Health diagnostics do not distinguish between types of organisation, but fitness programmes tend to be unique by sector of operation. It concludes with the observation that health AND competitive fitness are important, with the need to address health before fitness.

Notes

1. The different classical management theories are summarised and discussed in the first three chapters of: Morgan, G. (2006) *Images of Organization*. Sage Publications Inc., Thousand Oaks.
2. A comparison between the physiology of living entities and organisations was researched and presented in: Dean, C.M. (2012). *Physiology of Organisations: An Integrated Functional Perspective*. Cambridge Scholars Publishing, Newcastle upon Tyne.
3. Prerequisites to the identification of living entities are discussed and presented by: Maturana, H.R. and Varela, F.J. (1980) *Autopoiesis and Cognition: The Realization of the Living*. D. Reidel Publishing Company, Dordrecht.

PART I:

IS YOUR ORGANISATION HEALTHY?

The objective of PART I is to address the following questions:

- Is it possible to identify an organisation as a living entity?
- If possible, how can the health of the organisation be determined and health issues addressed?

Chapter One compares organisations to living organisms in order to address the first question. The conclusions resulted in the requirements for an organisation to be self-responsible for its own structure and functioning, and clearly distinguishable as a separate entity by external parties based on its name, image, and/or offer to the market.

Following this conclusion, Chapter Two introduces a health checklist broadly recommended to medical practitioners for diagnosing the health status of their patients. Furthermore, it addresses initial impressions based on patient opinion, general observations and the collection and analysis of historical health records.

Chapter Two also introduces a case study which will be developed throughout the book to demonstrate the practical application of the various diagnostic checks discussed in Parts I and II.

CHAPTER ONE

WHY ANOTHER HEALTH CHECK?

Managers in organisations – at all stages of organisational development – are given advice on how to run their businesses not only to achieve the best returns on investments for their shareholders, but also to compete in their market sector in order to excel. However, the question that needs to be asked is whether this advice is comprehensive enough to prepare organisations for the potential concerns related to performance, damage or failures? And is this advice more interested in competitiveness and winning, thereby ignoring the need to detect early warning signals of deteriorating functions within the organisation?

Advice offered to management can be divided into two types: advice to new and young organisations offered by various business and financial institutes; and advice offered to managers in established and competitive organisations:

- Entrepreneurs are advised to develop business plans to attract the necessary funding for the business, including: business goal; product or service offering; action plans; and commitments towards implementation, i.e. to focus on financial support and competitive viability¹.
- Advice to management of established organisations focuses on the market economy; customer and supplier relationships; innovation; and management of people and processes to increase profitability. Again, the advice tends to focus on competitiveness in the market².

The advice is aimed at enabling organisations to get established and compete in a growing global and competitive market, and is mainly concerned with the product/service, customer and competitor market of the organisation. However, if we consider the reasons for serious failures or the demise of organisations within the two categories, the emerging picture is different:

- For organisations that are young or just starting up, the most common reasons for failure have been identified as a mismanagement or lack of funds, and the inexperience of the entrepreneur and/or management team in the running of a business. Various reasons summarised under the heading of inexperience include: inattentiveness to essential regulatory requirements; absence of supporting functions such as an adequate supply chain or damage protection and limitation procedures; or the overambitious goals set by the entrepreneur³.
- In the case of established organisations the reasons for demise, serious downsizing or take-overs are more complex and usually have multiple causes. However, considering the reasons behind some of the headline failures of well-known organisations, certain patterns can also be detected. Examples include: an inability to plan for, or cope with serious disaster or damaging incidents to the survival of the organisation or the satisfaction of the market; a reluctance to heed and respond to early warning signals of serious internal fraudulent activities; or pressure from external parties about unethical practices⁴.

Advice on how to target the right market and obtain external funding may not comprehensively address the inexperience of entrepreneurs and managers in the effective running of a business. Similarly, advice on how to become a winner in a competitive market does not necessarily prepare established organisations on how to cope during and after damaging events.

The objective of this book is to enhance the advice to organisations by revisiting the functionalist view of organisations as living organisms. By using this approach it is possible to introduce a total business health check based on clinical health checks for other living beings – a proven approach used by veterinary surgeons and medical practitioners. However, before it is feasible to develop an analogy of integrated functioning between organisations and living organisms, it is necessary to clarify what is meant by organisations as living entities.

Organisations as Living Entities

The concept of an organisation as a living entity is not new and can be traced back to the proponents of functionalism, as well as scientific and classical management theories in organisations. These theorists compared organisational functions to those of living organisms and not only used

them to promote the concept of job separation and specialisation as part of scientific management, but also as the underlying framework for organisational structuring, which is still popular today⁵. However, functions are not directly comparable to structure, for the same reason that the physiology or functioning of a human body is not a direct reflection of its anatomical structure. Functions are often performed by more than one organ in the body, or the same organ performs multiple functions.

There have been various ways in which functionalists defined independent organisations for study. The main prerequisites are that it must be possible to⁶:

- Identify organisations which are responsible for their own decisions on how to maintain their functioning and structure.
- Distinguish the organisation from its environment and how it relates to this environment.
- Determine an acceptable boundary.

This is different from the commonly used method of viewing an organisation as a legally established business operating within its commercial environment, which applies to single businesses and conglomerates while entrepreneurs and small subsistence businesses may be ignored.

Self-Determination and Maintenance

A global organisation or conglomerate with a holding company is not always responsible for the detailed functional structuring and maintenance of its independent business units, only for the functional structuring of the holding company and broad guidance to members of the group. The conglomerate operates more like a family of businesses in which the overall group strategy and objectives are set by the holding company while the business units have freedom to self-activate and self-maintain their functions in the pursuit of their own and the group's objectives. Each member has its own identity within the group and therefore the potential to function independently. However, if the conglomerate or global company regards its business units as branches, directly controlled by the head office, the conglomerate as such must be regarded as the entity⁷.

On the other end of the spectrum it is also necessary to apply the same rules of validation to sole traders and entrepreneurs. During the initial stages of setting up a business, the entrepreneur mainly operates alone. Although not recognisable or legally accepted as a separate entity, he/she

is personally responsible for all the functions required by the business, analogous to a single cell amoeba. Essential functions could include the effective management of finances and supplies, analogous to the intake of oxygen and nutrients, and its operation in the market place, analogous to the mobility of the organism in its environment.

Since one of the main prerequisites is the ability of the entity to take sole responsibility for its functioning towards survival instead of concentrating on profit realisation, charitable organisations and independently operating government departments can also be recognised as living entities. Apart from a zero-profit objective, they rely on the same functions to that of a business organisation.

It is, however, unlikely that informal groups such as social gatherings, protestors or informal clubs operate as independent living entities. Similar to conglomerates, a group may have a central formal administrative unit which meets the requirements of self-structuring and self-maintenance, but the group or club members are not permanent parts of this self-maintenance and operate more like shareholders, customers or family members, able to join or leave at will. When the leader or head of the group leaves, the members are likely to disperse. Only after a conscious decision to structure for survival can the group operate as a living entity.

- An organisation as an independent living entity has sole responsibility for its internal functioning, processing and structuring, in order to survive and meet its own goals or goals set by sponsors.

Identifiable in Operating Environment

An organisation, as a living entity, must be recognisable as separate and unique by its external and market environments, and be able to distinguish itself from this environment. Living organisms are observable through their external appearance. This approach is problematic in identifying organisations since it is not always possible to visualise an organisation through the external appearance of its buildings, legal name or brand, all of which only offer a part image or a possible misrepresentation of the organisation.

Buildings can be used to distinguish smaller business enterprises from their peers and competitors, but this can be misleading for larger organisations spread over multiple locations or even countries. Buildings do, however, offer an image of the type of business and how the

organisation would like it to be perceived by the external environment, even though it could be misleading.

A better indication of the separate identification of an organisation as a living entity in its environment would be through a recognisable name and/or brand, and its unique offering of service and culture as perceived by the market. This identification by external observers is not only more objective, but offers a closer link to the distinction of strategic business units as the living entities within a conglomerate family of businesses. As a result of mergers, take-overs and the marketing of product brand names, the strategic business unit with the unique offer of the service or brand product to the market should be identified as the independent living entity within the family.

- An organisation as an independent living entity can be identified by its name, its product/service brand image and its perceived culture and supporting value set.

Determinable Boundary

We could query whether everyone within an organisation is included and which employees are covered, namely full-time, part-time, local, remote, voluntary and contract workers. A criterion for boundary delimitation which may enhance the understanding comes from the perspective of ‘self’ and ‘non-self’ used in the study of immunology of living organisms⁸. Based on this analogy, an organisational boundary should include organisational assets and those that are contributing to the realisation and self-maintenance of the organisation on a contractual or committed basis, i.e. all of the above mentioned contributors. On the other hand, shareholders and customers would be ‘non-self’. Although they contribute financially to the organisation, they are not involved in the day-to-day running or management and can easily withdraw. However, the acquisition of resources including staff, or a take-over of another organisation, could lead to the assimilation of the acquired resources, assets and employees from outside or from the acquired organisation to become ‘self’.

There is one type of ‘self’ component that requires further clarification, namely the role performed by capital investments in buildings and equipment such as manufacturing machinery, or electronic equipment and systems. Although equipment has to be operated and managed by individual employees, their role is observable in the consequences of their absence and the benefits arising from their use⁹. This concept of machines

and electronic equipment playing a role within the organisation can be regarded as analogous to the study of the physiology of living organisms in the roles of skeletal bones and joints, acting as structural support and levers in conjunction with muscle cells and tendons to perform tasks of mobility. It can be regarded as a stepwise change in the evolutionary development of organisations, initiated by the Industrial Revolution and more recently by the vast increase in the use of technology.

- An organisation as an independent living entity can easily identify its own assets, including staff, and be able to distinguish between ‘self’ and ‘non-self’ as being part of the organisation.

Mergers can be regarded as the establishment of positional relationships, analogous to marriages and families, in which each unit is still independent, although in a close relationship with its partner or holding organisation. Successful mergers are usually based on the independent existence of the merged business units within a successful union of a family with a common set of values under a single holding company as the parent. Not all mergers are successful and could fail due to cultural differences and incompatible values which could be unacceptable at various levels in the organisation or family of businesses.

On the other hand, acquisitions or hostile take-overs (e.g. for asset stripping) can potentially be compared to cannibalism or killing in the food chain by living organisms; or as a transplant of selected organs into the bidding organisation. The organisation taken over during acquisition loses its identity and is assimilated as an integral part of the bidder (i.e. ‘non-self’ becoming ‘self’). The acquiring organisation, however, benefits from the acquisition by absorbing the functional strengths of the acquired organisation as part of an assimilation process, such as the vertical integration of expertise or supplies in the manufacturing of products. Nowadays the distinction between mergers and acquisitions are more blurred – mergers may result in a completely new organisation while acquisitions could develop into a family relationship instead of the destruction of the acquired organisation.

A reversal of this process also applies to the acts of decentralisation, devolution and outsourcing. The concept of spin-off or radical decentralisation addresses the construction of a separate business unit within the conglomerate family of businesses. The new business will gain control over all its functions, including the essential survival and self-maintenance functions, similar to the birth of a child. In the case of outsourcing the comparison depends on the function being outsourced. If it

is one of the internal functions, important to the self-maintenance of the organisation, the equivalent in living organisms could be the removal of a life supporting organ, causing a reliance on machines such as kidney dialysis equipment to perform its essential function. It ties the organisation to the outsourced service ‘machine’ as an alternative to improve a non-functioning activity in the organisation, or to acquire a working function through acquisitions, analogous to a transplant. Organisations can, therefore, be defined and identified as independent living entities, responsible for their own self-maintenance within their environments.

An organisation can be defined as an independent living entity if it:

- Has sole responsibility for its internal functioning and structuring.
- Operates with clearly identifiable image, products or services.
- Can identify a boundary around its own assets, whether operating as a single business or as a member of a family of businesses.

The Functionality of Living Entities

By accepting the concept of organisations as independent living entities, responsible for the self-maintenance of their functioning towards survival, it becomes possible to learn from living organisms. Scientists link the functions of organisms to roles that need to be performed as the prerequisites for life. Whereas many functions and roles have been identified, the main accepted prerequisites are the essential need to “take in a source of energy to maintain the organism’s integrity, the ability to reproduce, (and) the ability to respond to stimuli”¹⁰. The definition supports the fact that an organisation may have a goal to pursue, but its initial purpose is to stay alive within itself and its environment by responding to stimuli, and only then to consider expansion and goal achievement.

This perspective on organisational functioning differs from traditional approaches, in that the main focus is on the integrated functioning of all parts of the organisation in the attempt to keep it alive for the benefit of all members. Integrated functioning does not imply operational harmony, but rather the need for each function to ensure that it does not disadvantage other functions or members by being ineffective in its own operations. In

living organisms, cells are accepted as the building blocks or base members of the organism. A cell also contains¹¹:

- An active strand of the DNA with the allocated task list for the cell.
- The necessary tools in the format of small components to assist in the operations.
- Adequate provision of the necessary oxygen and nutrients to generate energy in order to fulfil the tasks.
- A permeable membrane which allows the nutrients and chemical messages to be transferred while still allowing personal space.
- The space being kept at acceptable levels of temperature and chemical balance.

In other words, the focus is not only on the combined effective operation of a function, but starts with the wellbeing and support of each individual cell or member.

This need to cater for individual cells and to react to external stimuli in order to ensure overall survival and healthy functioning of an organism is observable in the functions performed by it. It is possible to map the functions of organisms to organisations, as attempted by functionalists and presented in Table 1.1. The functional categories identified have been summarised as survival, protection, operations, information, language and strategic functions.

An analysis of the functional categories presented in Table 1.1 identifies the survival functions, analogous to the respiratory, digestive and cardiovascular systems, and the protection functions, analogous to the immune system, as being focused on the wellbeing of the individual members of the organisation, and therefore the organisation as a whole. On the other hand, the operations functions, analogous to skeletal muscle units, allow movement and competitive participation of the entity within its environment as guided by the strategic management functions. These management functions, analogous to the cognitive brain, however, rely on information from both internal and external to the organisation – its perceptive senses – to guide decision-making. They also require a language and means of communicating both internally to all parts of the organisation as well as to parties in its external environment as can be linked to the hormonal, emotional and language systems.

Functional Categories	Organisational Functions	Analogous Functions of Organisms
Survival	Finance and accounting	Respiratory functions
	Logistics	Digestive and cardiovascular systems
	Workplace maintenance	Renal, liver and colonic functions
Protection	Access protection	Skin and exoskeleton
	Security and wellbeing	Immune systems
Operations	Operating units	Skeletal muscle units (limbs and facial muscle units)
Information	Internal and external information	Sensory functions
Language	Internal and external communications	Hormonal, emotional and language functions
Strategy	Decisions, planning and guidance	Cognitive functions

Table 1.1 Organisational versus organismic functioning ¹²

The book is based on this comparison, not as a philosophical or scientific means of defining organisational functioning, but to use the comparison as a model to diagnose the health of an organisation in an attempt to offer a wider means of detecting potential serious concerns which can be treated before it's too late for the organisation. The model, abbreviated as SPOILS, is based on the functional categories in Table 1.1 and is presented in Figure 1.1. In this figure, not only have the categories been identified, but also the main integrated links to the other functions within the organisation. This categorisation does not only offer an integrated picture of the functionality of an organisation, but also a model similar to the checklist used by medical practitioners in diagnosing the health of an individual, in order to check the health of an organisation.

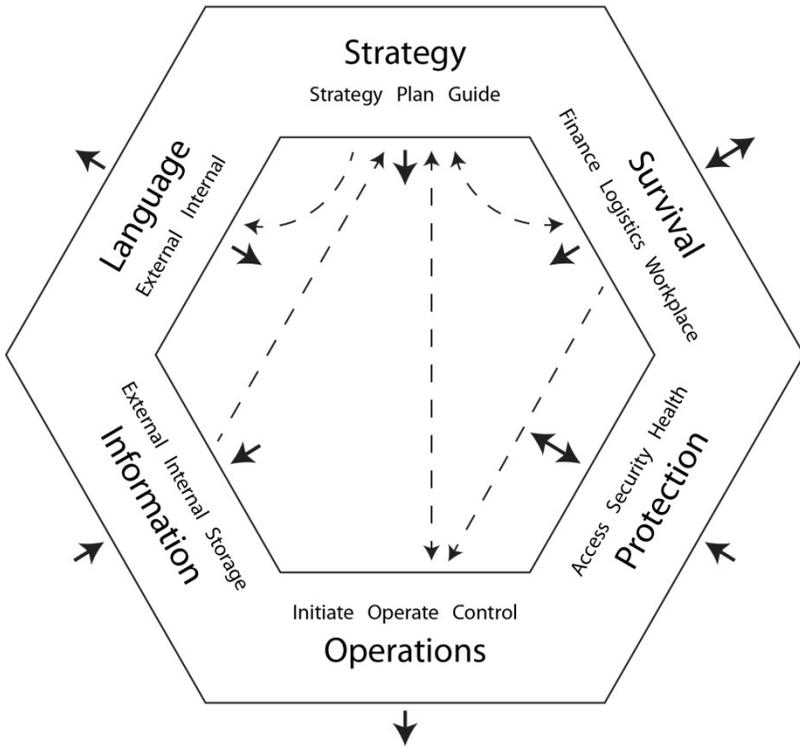


Figure 1.1 Functional interrelationships – the SPOILS model

The diagram presented in Figure 1.1 is a broad interpretation of the functional categories observable in organisations as living entities. It is therefore suitable to use as a model in order to diagnose the extent of healthy operation of all the functions within an organisation.

Survival functions, as implied in the name, are the essential functions without which the organisation cannot operate effectively, analogous to the respiration, digestion, cardiovascular and renal systems in a living organism. The functions offer essential support to all members in the organisation, and since they operate in a background mode, are often mistaken as non-core functions, not necessary for successful operational competition and therefore of lesser importance. For this reason, they are often the first functions to be outsourced, possibly to organisations with different values and standards. This could result in serious problems due to clashes in culture and standards. These are also the functions causing the most serious concerns, such as financial mismanagement, inadequate

logistical support or staff dissatisfaction, all of which may result in organisational damage or even failures.

Without oxygen a person can only live for a few minutes; without water for a few days and without food for a few weeks. Taking care of cell requirements is essential for survival.

The protection functions, including access controls, security compliance and staff wellbeing, are often not regarded as academic subjects to be covered in business schools. The specialist functions are entrusted to operate independently and their knowledge base therefore becomes restricted within the relevant disciplines. Again, this is a potential problem, sometimes of misdirected trust. If organisations are not: adequately prepared against potential external attacks on the organisation; concerned with adequate internal controls to ensure legal and regulatory compliance; do not have adequate means of early detection of fraudulent activities of their own staff, they expose themselves to damaging incidents without adequate means of recovery. This has been identified as a key potential reason for failure in established organisations.

Without adequate innate immunity or immunisation a person is vulnerable to attacks from viruses and bacteria. Without adequate skin or membrane protection an organism is vulnerable to accidental damage.

Operations functions, analogous to the skeletal muscle unit operations in the limbs, back and face of individuals, enable organisations to be mobile and agile and therefore compete or defend themselves within their environment. Since these functions are used to compete, they are also the functions receiving the most attention and advice from consulting bodies. Organisations are continually advised on how to compete through being effective, efficient and innovative. However, as will be noticed in Chapter Five, there is a difference in the functioning of the units, analogous to the difference in the use of the legs, fingers or facial expressions of individuals. Not all of these units require continuous innovation, but all rely on people, equipment and supplies to fulfil their tasks. There is also a closer link between the action of the units and the strategic goals and plans for the organisation in order to persist and compete.

With damage to limbs and skeletal muscle units a person is less able to move or participate against aggressive physical competitors.

Information functions, analogous to the senses of a living organism, are essential in observing, interpreting and providing relevant information to the executive management in order to offer a basis for decision-making and planning for immediate action or future direction. This does not only cover external information, analogous to the use of sight, smell and hearing; but also internal information of morale and staff health, analogous to the detection of pain, temperature and pressure from internal organs or the skin of organisms. It is possible to decide on action by ignoring relevant information from these functions. However, decisions based on realistic evidence-based information are likely to have a better chance of successful execution.

Without senses a person can become isolated and unable to position him/herself within his/her environment.

The functions of language and communication usually react to decisions taken from the information received. Internal communications to all members in the organisation can be compared to the hormonal system, for instance in the case of 'fight or flight' decisions when motivation is necessary throughout the organisation to avert danger or respond to competitive pressure. It is also necessary for the public relations function of an organisation to communicate to the external environment in order to market itself, build a positive image, or protect its image in cases of incidents of poor performance or fraudulent activities committed by the organisation, or after major damaging events.

Without healthy functioning hormonal and emotional systems, a person can become unable to respond appropriately to danger or display social skills.

The functions receiving most attention with respect to advice and management training are the functions of strategy, planning and guidance, analogous to the cognitive functions of an individual. Although important for competitive operations, it should be realised that not all organisations want to be winners in their field of operation, and may be quite satisfied

with their niche market and level of success. Strategies and plans are necessary to change and compete, but could be a hindrance or only paper statements if there is no need to change. It is, however, still important for the executive management to heed information received, and then to decide when it does become necessary to change for survival. Examples include the updating of equipment and systems when necessary, or adapting products and services to meet changing customer preferences.

Without good cognitive and decision-making functions a person may be able to survive, but he/she is unlikely to be able to strive towards full achievement.

By being aware of the functions and their interrelationships within an organisation, it will be possible to gain a more holistic overview of its health status, and be able to address shortcomings and concerns at an earlier stage.

Conclusion

This book expands on the concept of organisations functioning along a similar pattern as living organisms, and explores how they can learn from the medical sciences to check and ensure that the organisation is operating healthily before concentrating only on competition. It follows a diagnostic plan and checklist to identify major symptoms, and a detailed checking of each functional category towards a concluding prognosis of the status and seriousness of health issues for the organisation.

Chapter One explored the characteristics to be applied to accept organisations as living entities and introduced the similarity of the functioning of living organisms to the functioning of organisations. The similarity of functioning in preference to structure or anatomy was found to be important. Whereas anatomical structures may be different for different species of living organisms, the essential functions to ensure survival and persistence were found to be common. The importance of this distinction in organisations can, for example, be found in organisational departments of human resource management (HR) or information technology (IT) in which case each department may have to address more than one function. Functional categories of survival, protection, operations, information, language and strategy were identified as analogous organisational functions, resulting in the introduction of the SPOILS model to guide the clinical health diagnosis for organisations.

Chapter Two discusses information requirements to enable an initial diagnosis of symptoms and what to focus on in the detailed diagnostic checks. This information includes: history, initial impression, lifestyle and ambition. It also addresses some means of how this information can effectively be gathered and presented to ensure maximum impact on interpretation and decision-making. The chapter introduces a case study that will be followed throughout the book to demonstrate the practical application and potential value of a health diagnosis for an organisation.

Chapters Three to Eight, in Part II, cover the functional diagnostics that could be followed, based on the SPOILS model. Each chapter covers one of the functional categories of survival, protection, operations, information, language and strategy, including a section of the diagnostic application to the case study.

In the final chapters the similarities and differences between health and fitness for competitiveness are compared and eventually integrated, concluding that health needs to precede fitness.

Notes

1. Various institutes offer preparatory checklists to entrepreneurs, for example www.smallbusiness.co.uk, www.newbusiness.co.uk, www.businessadvisersdirect.co.uk, and various banks. Most of the time the advice is funding related.
2. Popular subjects offered for MBA studies at most UK business schools include: economics, finance, marketing, strategy and human resources management. Refer also to: Locke, R.R. and Spender, J-C. (2011). *Confronting Managerialism: How the Business Elite and Their Schools Threw Our Lives out of Balance*. Zed Books, London, p. 186.
3. Various studies are available around the reasons for start-up failures, such as studies conducted by Patricia Schaefer posted on www.businessknowhow.com/ in 2011; Jay Goltz posted on <http://boss.blogs.nytimes.com> on 5th January 2011; Michael Amis in his book *Small Business Management*, referred to in <http://usgovinfo.about.com/od/smallbusiness/>
4. Examples of reasons for failings in established companies can be linked to specific companies such as: Paté-Cornell, M.E. (1993). Learning from the Piper-Alpha Accident: A Postmortem Analysis of Technical and Organizational Factors. *Risk Analysis*. Vol. 13, No. 2; Pfarrer, M.D., Decelles, K.A., Smith. K.G. (2008). After the Fall: Reintegrating the Corrupt Organization. *Academy of Management Review*. Vol.33, No.3, pp. 730-749; Sigurjonsson, T.O. (2010). The Icelandic Bank Collapse: Challenges to Governance and Risk Management. *Corporate Governance*. Vol. 10, No. 1, pp. 33-45;
5. An interpretive description of different types of organisation is presented in Morgan, G. (2006). *Images of Organization*. Sage Publications Inc., London;

- Smith, M. (2006). *Fundamentals of Management*. McGraw-Hill Education, Maidenhead, pp. 15-18.
6. Refer to Maturana, H.R. and Varela, F.J. (1980). *Autopoiesis and Cognition: The Realization of the Living*. D. Reidel Publishing Company, Dordrecht; Radcliffe-Brown, A.R. (1948). *A Natural Science of Society*. The Free Press, Glencoe, Illinois; and to von Bertalanffy, L. (1968). *General Systems Theory*. George Braziller, New York.
 7. Multi-business companies and SBUs are presented in: Kaplan, R.S. and Norton, D.P. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Harvard Business School Press, Boston pp. 36-37; Goold, M., Campbell, A. and Alexander, M (1994). *Corporate-Level Strategy: Creating Value in the Multibusiness Company*. John Wiley & Sons, New York.
 8. The concept of 'self versus non-self' is addressed in Playfair, J.H.L. and Chain, B.M. (2005). *Immunology at a Glance*. Eighth Edition. Blackwell Publishing Ltd., Oxford.
 9. Latour emphasises the fact that 'actors' in an organisation need not only be individuals, but can also be objects. Refer to Latour, B. (2005). *Reassembling the Social: An Introduction to Actor-Network-Theory*; Oxford University Press; pp. 70 – 82.
 10. Scientific opinions on prerequisite factors for life are discussed in Silver, B.L. (1998). *The Ascent of Science*. Oxford University Press, p. 322. Also refer to more theoretical publications such as Capra, F. (1997). *The Web of Life: A New Synthesis of Mind and Matter*. HarperCollins London; pp. 154-164.
 11. Cell structure and functionality is discussed and offered both at biological and more general levels in: Barrett, K.E., Barman, S.M., Boitano, S. Brooks, H.L. (2010). *Ganong's Review of Medical Physiology*, twenty-third edition, McGraw Hill Medical, New York; Capra, F. (1996). *The Web of Life: A New Synthesis of Mind and Matter*. HarperCollins Publishers, p. 158.
 12. Based on research conducted and published by: Dean, C.M. (2012). *Physiology of Organisations: An Integrated Functional Perspective*. Cambridge Scholars Publishing, Newcastle upon Tyne.