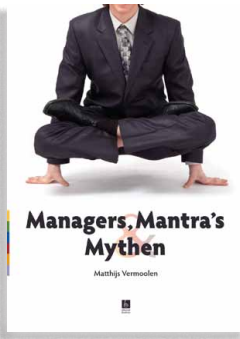


Introduction

Healthy organizations may be performing well now but, like it is with people, this is a temporary state. And just like people organizations can fall ill. Vital organizations stay fit because they not only perform their daily activities well, but they also integrate the ability to continually improve and innovate in their business processes. Vital organizations therefore outperform competition over time and recover faster if they do get into trouble. The development of a vital organization requires a comprehensive vision of entrepreneurship, staff, internal structures and external partnerships as well as a balanced management team.



To make the necessary business knowledge available for entrepreneurs and other business leaders, the Vitalent-growth model was developed. This model connects knowledge elements in the field of organization activities, leadership styles & roles, organization types, growth phases & crises and makes the cohesion between them become visible. The model, in combination with the philosophy that it must be possible to avoid growth crisis, led to several new insights. These have been recorded in two management books and also various articles in professional journals, some of which have been translated in English.

Matthijs Vermoolen has helped several organizations as a consultant and manager. During the projects, that were usually performed at companies that experienced growth crises, he found that many of the problems that were resolved, could – and should – have been prevented. Since 2004 Matthijs helps entrepreneurs and management teams in the development of their organization. He advises in strategy formation and implementation, process management, managing problems, ideas and projects leading to integral improvement of business processes.



Klokkengietershoeve 122 7326SE Apeldoorn The Netherlands
+31(0)55 534 7963 matthijs.vermoolen@vitalent.nl www.vitalent.nl

Organization vitality model

Vital organizations are healthy at present as well as have the built-in ability to stay healthy in the long run. Just like healthy people they perform better, are more resistant to problems and get well rapidly when a problem occurs. The vitality model helps organizations to assess their vitality rate and improve this, ensuring they remain healthy over time. The model integrates knowledge elements of activities, leadership, organizational forms, growth phases and growth problems. It distinguishes itself from other models, not because of the knowledge elements it consists of – these are all well known – but the relations between these elements. Or as stated by Goethe: “there is nothing new, only new combinations”.

It is these new connections that provide the grip organizations need to influence organizational development in a goal oriented manner. The model supports self evaluation and helps to reveal blind spots in the development of organizations, before growth related problems occur. Importantly it provides clues for the selection of appropriate interventions and the selection of the people to implement these. By anticipating growth problems, which can be very destructive, the impact of the problems is lessened or the problem is avoided altogether. The remaining energy can then be used to enhance development. The model can therefore help to prevent growth problems instead of curing them once the problems have occurred. In the ideal case, growth crises are avoided completely and the organization gets in a state of ‘flow’.

The model cannot be used to ‘build’ organizations, as we do not live in a world where events can be made to happen strictly according to a plan. But by using it for organizing the broad variety of knowledge elements, it can serve as a means for discussion, a tool for analysis, and for analyzing and discussing organizational development and choosing interventions.

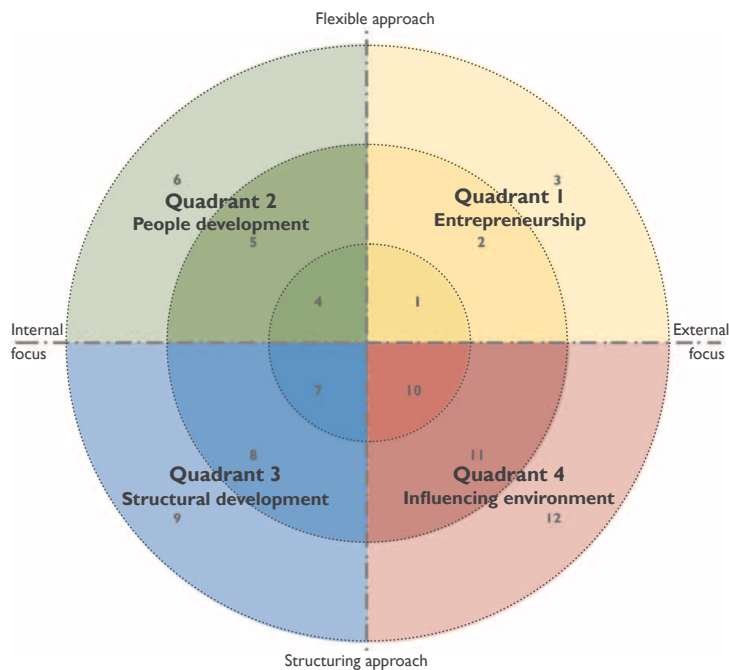


The chances of choosing fitting actions and people to implement these are then drastically improved. It is like managing water: one cannot stop the river from streaming, but by dredging and placing structural elements one can influence the direction of the flow to a large extent. The model makes it easier to discuss and draw the desired future flow and to select fitting engineers and workers. In short: it helps to decide where to intervene, which interventions have the best chance of success and which people should be put into place to do so.

Focused attention

The Vitality model has two axis. These axis have previously been used as the basis for several well-known models, such as the competing values model by Robert Quinn and the four-phase model by Teun Hardjono. In the literature several more models are described using the same system of axis.

The horizontal axis – internal versus external focus – indicates whether the management attention is focused on the organization itself or on the customer and other external stakeholders. In short: is the management focus on the organization itself, or on its surroundings.



The vertical axis – flexible versus structuring approach – indicates whether the organization intervenes as a result of problems and opportunities that arise (flexible approach) or founds her actions on her own planning (structuring approach). Is the focus on adaptation to situations that arise, or is the focus on creating security by making rules and other formal agreements?

Development potential

The two intersecting axis of focus (internal or external) and organizational flexibility (flexible or structured) result in four quadrants. These are the development areas of an organization. The Vitality model assigns organizational attributes to these quadrants in a unique manner. The four quadrants describe the organizational growth potential.

Quadrant 1: Entrepreneurship

Entrepreneurship is the creative potential of the organization. This consists of the perception of the surroundings and the creative interpretation of this image. Developing entrepreneurship can be achieved by focusing employees to be open to opportunities, provide options to experiment with new ideas and create an environment where innovative thinking is enhanced.

Quadrant 2: People development

This quadrant forms the adaptive potential of the organization. This is shaped by the knowledge, abilities and skills of employees and the potential to learn. People development is aimed at developing individual competences, teamwork and a culture in which managers and employees are encouraged to explore their potential.

Quadrant 3: Structure development

Structure development forms the organization potential to provide internal stability and security. This supports an efficient performance of tasks, processes and projects. This encompasses all formal consent about daily work, such as organization chart, job specifications, procedures, project plans and management information systems. It includes all formalized processes on how to perform activities, how to improve these and how to implement big changes, including the adjustment of organizational goals.

Quadrant 4: Influencing the environment

This quadrant forms the potential of the organization to manipulate its environment. This can be by influencing the surroundings by presenting itself, negotiate win-win situations and collaborations. Enhancing the power base is achieved by networking, lobbying and systematically initiating and exploring cooperation-opportunities with other organizations.

Vital organizations 'breathe' the four quadrants. The organization inhales by seeing chances and shaping these into opportunities, using the knowledge, abilities and skills of employees. And exhales by optimizing internal rules and making plans and 'market' these to external stakeholders. Vital organizations continuously perform, optimize and renew activities in the four quadrants.

Perform, improve and renew

Organizations learn by repeating activities. They evaluate and improve these and eventually renew these. Vital organizations pay their attention to all these options for improvement. They simultaneously learn by doing, evaluate what they are doing and come up with better ways to do things.

- The first level of improvement is aimed at repeating activities correctly time and again. By repeating activities the organization learns to perform these efficiently and flawlessly. Thus the organization perfects the performance of activities, but the activities themselves remain unchanged.
- The second level of improvement is aimed at continuously improving the activities themselves and the relations between them. These are not only repeated, but also systematically evaluated and adjusted when needed. This leads to incremental improvement of the activities.
- The third level of improvement is aimed at renewing activities. This means that options for improvement, that do not originate from the present context, are explored. This is achieved by letting go of the present state of being and instead imagining what alternatives are possible. Activities are replaced by better activities, and older activities become obsolete and cease to exist.

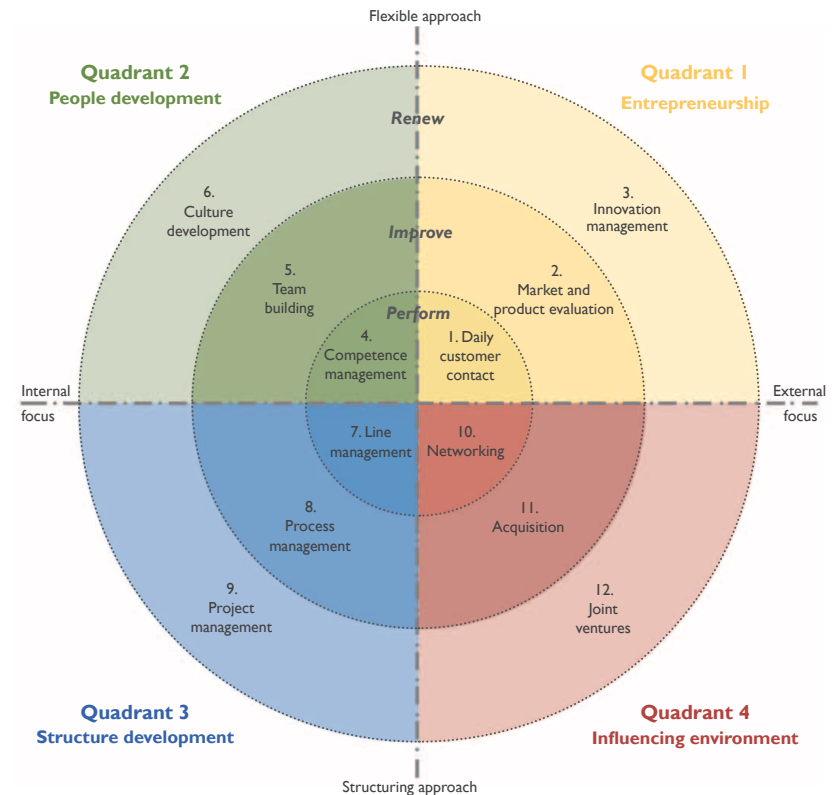
By implementing all three levels of improvement, an organization comes into being that is capable of optimizing existing activities and improve these by steps and leaps when needed. An organization that is not just healthy, but also vital: capable of adaptation and creative leaps.

The ability for entrepreneurship, people development, structure development and influencing the environment need to be developed on these three levels.

By combining the three levels of improvement (rings) with the four development areas (quadrants) twelve segments are formed. These segments consist of clusters of activities each company needs to develop, to be able to function fully.

Organizations are only human

The behaviour of leaders and employees, shape the organization. Behaviour is strongly influenced by personality traits and emotions that people have. Emotions have a big impact on the way people display their personality, and therefore the authenticity of the person.



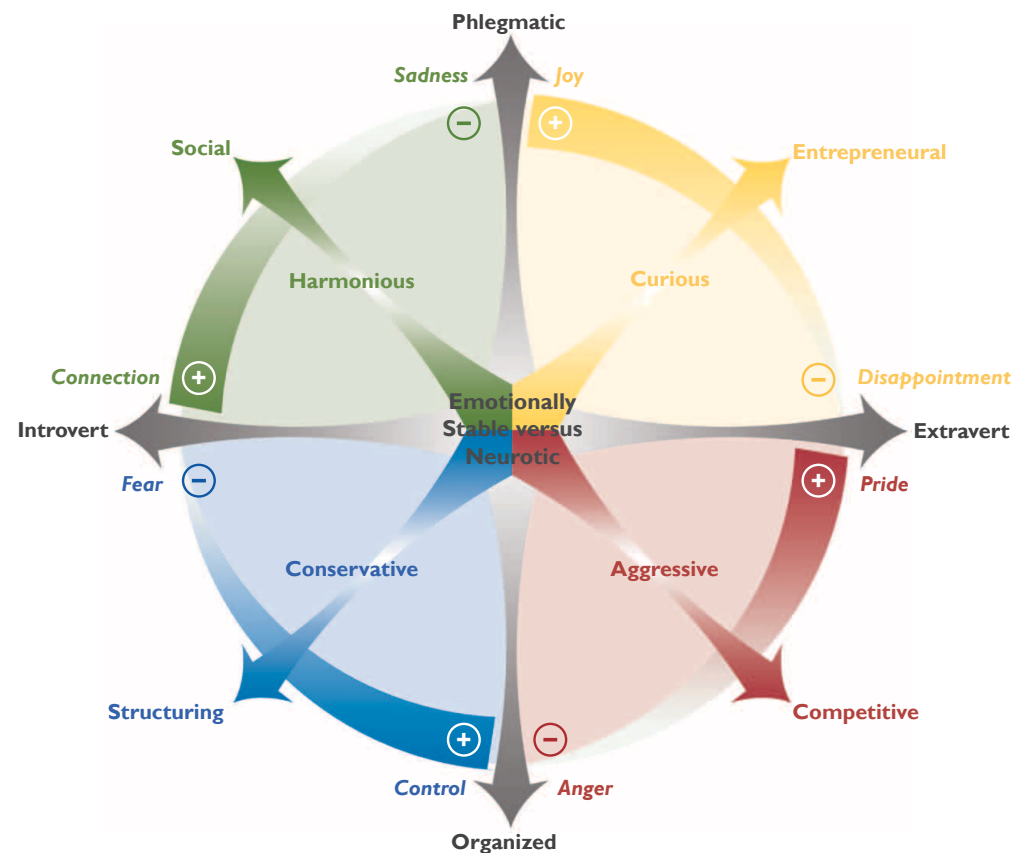
The Big Five model (McCrae, Costa 1996 int.al.) is a scientifically validated, personality trait model. It consists of five personality dimensions or domains. Several scientific studies, performed by different teams of scientists and based on different scientific approaches of the matter, show that these cover the full spectrum of personality traits people possess. All five dimensions can be shown as dichotomies, i.e. pole and antipole.

1. Openness to change: the level to which a person is open to and is looking for new ideas and experiences (curious) or tries to avoid change and looks for security in the present context (conservative);
2. Conscientiousness: the level to which a person is punctual and self-disciplined (organized) or has the tendency to be spontaneous and adapt flexibly to whatever happens (phlegmatic);
3. Extraversion: the level to which someone sources energy from within him or herself (introvert) or sources energy from interaction with others (extravert)
4. Accommodation: The level to which someone has a friendly nature, trusts people, tends to socialize and help others (harmonious) or is focused on own interest, tends to see others as competitors and approaches them accordingly (aggressive);
5. Emotional stability: the level to which someone feels capable of handling matters and has emotions that fit the situation (emotionally stable) or lacks the feeling of being in control, is a victim to mood swings, worries unnecessarily or dominantly experiences negative emotions (neurotic)

The personality dimensions openness to change and accommodation differ from the dimensions conscientiousness and extraversion to the extent they are subject to emotions. People do not have emotions related to being extraverted, introverted, phlegmatic or precise. These traits translate into behavior without being influenced by emotions.

This is different for excessiveness, harmoniousness, conservativeness and aggression. These traits relate to the four basic emotions: joy, sadness, fear and anger. These also form dichotomies:

1. A curious person opens to new impressions and ideas and experiences joy if these occur or disappointment if these fail to come or fall short;
2. An harmonious person experiences connection when accepted by other people and sadness when the connection is broken or does not happen;
3. A conservative person feels in control when security is found, but fear if there are not enough securities to hang on to;
4. An aggressive person experiences pride when winning, but anger when the person is losing the option of winning while competing.



The above model illustrates the relationship between personality traits, emotions and behaviour. Inside the circle the personality dimensions are pictured that are subject to emotions. These emotions are shown on the circle. The types of behaviour – including the personality traits that express themselves without being subject to emotions – are shown outside the circle. The positive and negative occurrences of the basic emotions are shown with a plus or a minus sign.

Someone's personality by nature tends to translate into behaviour, but whether this actually occurs is subject to emotions. Negative emotions put a break on the utterance of the personality trait into behaviour, while positive emotions enhance this. A curious person e.g. has a tendency to show entrepreneurial behaviour, that is enhanced if he expects to experience joy but reduced when expecting disappointment.

Emotional stability – being emotionally stable or neurotic – determines whether someone experiences emotions that fit the situation and is able to adjust the behaviour effectively. As a linking factor this dimension is shown in the center, at the crossing of the axis. The model is very useful when discussing the roles leaders and employees play in their organization.

Finding blind spots

Several models exist that classify activities, leadership roles and organizational forms, such as the models of Quinn and Mintzberg. The elements of these models almost seamlessly fit the twelve segments of the growth model.

The twelve segments can not only be 'filled in' with types of activities – as shown in the previous image – but with the corresponding leadership roles and organization forms that come into being when an organization develops in a single segment as well.

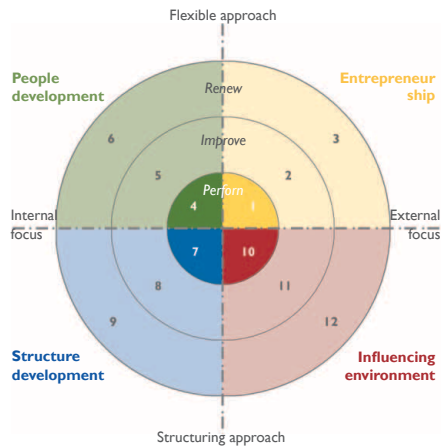
The relationships between activities, leadership roles and organization forms can be used as a checklist, when systematically and pro actively searching for opportunities for organization improvement and the design and implementation of interventions.

If a certain leadership role is lacking for example, it is likely that the corresponding activities are missing. And if an organization has all the characteristics of one of the archetypical organization forms, there is a good chance the organizations lacks balance and experiences problems due to lesser developed elements. The segments opposite the dominant segment are then the likely cause of problems.

By reflecting on the model, an organization can do a self check and systematically locate and plan improvements in the weak areas. These can be blind spots in the organizational activities or the leadership team. The model supports the process of translating activities into people and vice versa.

Segment	Activity	Leadership role	Organizational form
1	Daily customer contact	Entrepreneur	Simple structure
2	Market & product evaluation	Inspirer	Cell structure
3	Innovation management	Innovator	Innovative organization
4	Competence management	Mentor	Professional bureaucracy
5	Teambuilding	Stimulator	Learning organization
6	Culture development	Change agent	Missionary organization
7	Line management	Controller	Machine bureaucracy
8	Process management	Coordinator	Quality organization
9	Project management	Project manager	Project organization
10	Networking	Networker	Network organization
11	Acquisition	Lobbyist	Lobby organization
12	Joint ventures	Negotiator	Coalition organization

Perform (inner ring)



Activities

1. Daily customer contact

The organization is open to customer signals and knows how to interpret these. Opportunities and threats that occur are noticed and translated into concrete possibilities. Due to the frequent customer contact a reliable image is formed of what customers expect and frequent ideas arise to meet these expectations. The organization observes carefully and uses its creative potential to convert the perceived opportunities into competitive advantage.

4. Competence management

The organization adapts the personal knowledge, skills and abilities to the organizational needs. These needs have been chartered and there is an active policy for hiring, educating and training employees. The organization evaluates the employee performance on a regular basis and uses techniques like personal development plans and 360° feedback to improve the competences of individuals to the required level. Employees therefore develop as individuals as well as become more capable and valuable resources for the organization.

7. Line management

The organization has made clear rules about the hierarchical relationships and formalized important agreements on task performance in procedures, work instruction and other formal work agreements. Functions, task descriptions and responsibilities are clearly defined. Goals are translated in measurable objectives. Everybody knows which rules apply and what results should be obtained. And these are systematically measured and maintained.

10. Networking

The organization knows its relations and systematically maintains these. Employees contact their network partners regularly and know how to represent the organization in these moments of contact. Organizational communication is planned and its form is adjusted so that the message gets across to target groups. By doing so, the organization maintains its network and influences it continuously, thereby narrowing the distance between the organization and target groups. This way long lasting and strong network connections are formed.

Leadership roles

1. Entrepreneur

The entrepreneur has a constant flow of creative ideas. He creates from chaos, which is sometimes reflected in his actions. The entrepreneur prefers to do 'his thing', but as it is not possible to shape all creative conceptions by himself, he provides his employees with clear instructions. He prefers direct supervision as a leadership style. When employees perform well, he rewards them with money and other practical and fun things. He is allergic to 'stupidity'.

4. Mentor

The mentor has a good comprehension of himself and others, sees the unique in every person and knows how to place individuals. His sense for personalities, IQ, EQ and SQ means that he sees opportunities for every individual in the organization. His unconditional trust in individual capacities means that he easily delegates tasks and responsibilities. He likes to give challenging assignments, listens well and rarely judges too fast. This provides people with self-confidence, emotional awareness and enhances their self-judgment and learning skills.

7. Controller

The controller checks whether rules are observed and objectives are met. He intervenes if this is not the case. Facts and proof are leading. When something is outside his competence area he refers to the most relevant person or organization. He cannot deal with rules that do not apply to the situation. He fears to mess things and if rules and information fall short he prefers writing an email or letter to addressing the situation personally. He maintains a high level of perfection in the contained space the rules allow.

10. Networker

The networker is socially and verbally capable and sensitive to the latest trends, which he uses to present himself. He automatically makes a good first impression and is liked and/or respected without much effort. He manages to access valuable information, as he understands patterns in discussion and senses which information can be used to improve his position and influence.

Organization forms

1. Simple structure

In the simple structure the boss decides on everything. He works alone or steers a small team under his direct supervision. Decision making is intuitive and non-analytical. The organization rotates around the personal initiative of the leader, who is enthusiastic about the opportunities he perceives. Putting out fires is the daily routine. The creative approach might not always be consistent, but the direct communication makes for a short response time. This response time means, that this organizational form can cope with very dynamic surroundings and crisis situations.

4. Professional bureaucracy

The professional bureaucracy is characterized by the high level of knowledge, abilities and skills of the professionals that produce the product or service the organization manufactures. This is because of the dominant attention towards standardizing these by means of trainings and educations. Those who are involved in the primary processes become (informal) leaders, on whom the hierarchical leadership often has little influence. Professional bureaucracies are plentiful in consultancy, engineering companies and healthcare.

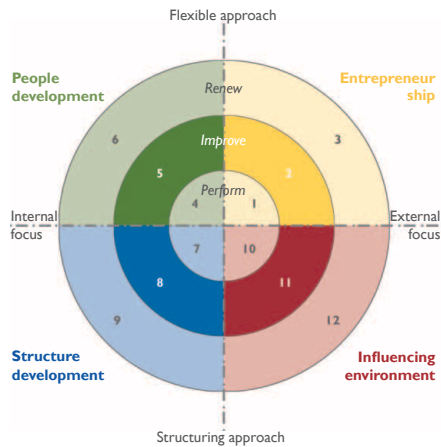
7. Machine bureaucracy

The machine bureaucracy organizes its processes by splitting these up in individual tasks and standardizing these. The routine work that comes from this is analyzed in detail and tasks, authorities and responsibilities are formalized. There is a clear distinction between line and staff: the staff designs the activities and the line performs these within the boundaries of the given rules and objectives. If rules and objectives are up to date, the machine bureaucracy is a very efficient organization form. Every abnormality however disrupts efficiency, as the machine bureaucracy cannot cope with changing environments or demands. As the machine bureaucracy cannot adapt itself, it is a rigid organization form.

10. Network organization

A network organization actively searches for opportunities that add value to both parties involved: win-win situation. The needs of network partners are explored and after a period of giving and taking, often a mutual dependency develops. This brings about the option of using the network of the network partners which can drastically improve the opportunities for influencing the organization environment. The organization strengthens the ties to the surroundings by developing long lasting partnerships.

Improve (middle ring)



Activities

2. Market and product evaluation

The organization evaluates the present market positioning and uses its creative power to improve it. Sales are evaluated and customers are asked how they perceive products and services. Based on this options for improvement are identified. Products are eliminated or given another emotional value to improve customer perception. By trial and error the product portfolio is gradually optimized.

5. Teambuilding

The organization motivates employees to evaluate group performance and cooperation. Instruments as task rotation, task broadening and task enrichment to make the employees experience their role and those of others for the performance of the team as a whole. The intensive exchange of experience and knowledge teaches the organization to use the potential of the team.

8. Process management

The organization formalized the way working methods are evaluated and adjusted: clear rules exist for the changing of rules. Process ownership, meeting management and audits play a central role. There is a registration of problems and ideas (issues) and these are systematically translated into actions and decisions. Evaluations are planned and prepared. The hierarchy for decision making and document management is clear.

11. Acquisition

The list of relations is regularly matched with the organization objectives, e.g. by evaluating prospects, suppliers and subcontractors. Performance is evaluated and action is taken to eliminate less interesting contacts and access more promising contacts. E.g. by organizing seminars, visiting network meetings and attending trade fairs and congresses. This way the organization systematically expands its network value.

Leadership roles

2. Inspirator

The inspirer inspires others to be creative. He provides room for entrepreneurship, without trying to steer or control the process. He enjoys unexpected initiatives. His casual advises are meant to inspire others to explore further; not to tell them what to do. By stimulating people to take initiative the creative capabilities of the organization flourish. As soon as employees have proven themselves, they are allowed to go their own way.

5. Stimulator

The stimulator makes people experience their role in the team and the value they add to it. Social and communicative skills, insight in each others capabilities, mutual respect and dependency and participating management are the foundation for his approach. Open communication, a well developed communication structure and information sharing are essential. He motivates others to evaluate and improve work methods and role division continuously.

8. Coordinator

The coordinator provides the conditions for continuous improvement with formal rules. He manages the quality manual, including the procedures that prescribe the identification of chances for improvement and the rules that should be followed while evaluating and implementing these. His main focus is on well defining problems and ideas and other formal information gathering that can help to define the room for for improvement and probable results. Meeting management is his preferred tool for involving the right people in an issue.

11. Lobbyist

The lobbyist recognizes opportunities in his network. He connects people and networks in a goal oriented manner, e.g. at network drinks and other business and private meetings. He takes away barriers between people by providing them with useful information, contacts and opportunities. By creating win-win situations he helps others to be successful, which indirectly benefits himself as well.

Organisazation forms

2. Cell structure

A cell structure develops when a simple structure develops further; based on entrepreneurship. As the span of control of the entrepreneur is reached, the company cannot expand further. This is solved by splitting up the organization: cell division. The organization is copied and both structures start separate lives. If this happens a couple of times a cluster of entrepreneurs develops, that all govern their own little kingdoms by direct supervision. Cooperation remains only where this is handy for all involved, such as centralized bookkeeping, common branding or franchise.

5. Learning organization

A learning organization builds further on standardized knowledge, abilities and skills. It continuously develops these further. The focus is not only on the primary processes, but on all processes. These are evaluated with all people involved. There is an exchange of information between all layers of the organization. Competences and work methods are improved, by assimilating and sharing all useable knowledge.

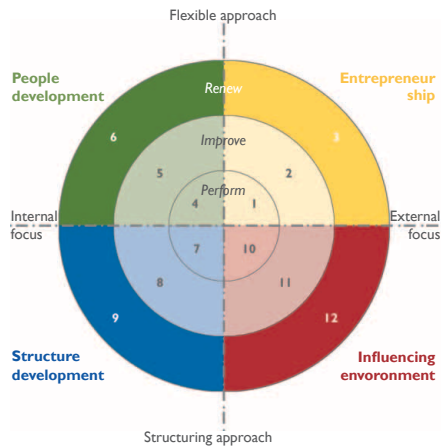
8. Quality organization

The quality organization starts where the machine bureaucracy ends. It does not suffice to standardize working methods and then assume that these will last forever. For that reason formal rules are put in place for evaluating and adjusting rules. The quality organization facilitates continuous improvement, which simultaneously optimizes efficiency and effectiveness. Better and more output, with less work and at a lower cost.

11. Lobby organization

The lobby organization incrementally improves its network and the network of its network. The lobbyist has clear objectives in mind and tries to convince (potential) network partners to comply to those. This can be achieved by approaching them directly, but also by using the existing networks. This way the network develops in line with the needs of the company. Step by step and goal oriented.

Renew (outer ring)



Activities

3. Innovation management

The organization innovates: it makes radical changes to the product portfolio, explores new markets and replaces existing techniques by new ones. It maintains a portfolio of opportunities for innovation and prioritizes these. Creative teams are formed to explore these with the use of creativity enhancing techniques. By creating new product-market combinations the continuation of the company is guaranteed when the end of the life cycle of existing product-market combination is reached.

6. Culture development

The organization has a proactive approach towards influencing the organization culture. People are supposed to submit to common values and norms and there is a strong social control on that. Selection, socialization and indoctrination are important instruments for assimilating people. Myths and sagas, role models (heroes), fixed customs (rituals) and symbols are used. Employees identify themselves with this and bind themselves on such a fundamental level to the organization that they feel the organization is part of them.

9. Project management

The organization has an overview of internal and external projects and has made formal agreements about how to manage those. It is decided how to initiate projects, who is responsible for accepting proposals, what priority rules apply, what a project organization looks like and financial and time budget is provided. And there are rules for planning, monitoring budget and progress as well as risk management.

12. Joint ventures

The organization is actively seeking for options for joint ventures with external parties, like joint product development, outsourcing, purchasing, storage and other facilities. Parties in the network are brought together that cooperate, as long as a win-win situation exists. The synergy that comes from these temporary alliances, creates more value than the parties could individually achieve. As soon as the win-win situation ends for one of the parties involved, the cooperation not rarely ends in conflict and splitting up regularly needs mediation or legal intervention.

Leadership roles

3. Innovator

The innovator connects people with different ideas and complementary knowledge and skills in multidisciplinary and cross-functional teams. With the group he explores the boundaries of human creative potential, using the whole arsenal of creative techniques available. The moment less creativity is needed - often when the actual implementation process is in progress - the pure innovator sometimes loses interest.

6. Change agent

The change agent, or transition manager, can bring about big changes by addressing the common culture, values and norms of a very diverse team of people. He manages to make people with different personalities and backgrounds cooperate by making them feel part of the group, this way providing room for cross functional and multidisciplinary teams to flourish. He motivates people to work together in a way that rules out individualism and attracts other people to join. Change agents are likely to achieve a cult status to a certain degree.

9. Project manager

The project manager works with a project team or intervention team that performs project activities. Project phases, milestones, use of resources and risks are planned and controlled. Project meetings are executed as planned with the use of an overview of project issues, tasks and decision. The project manager is responsible for monitoring the critical time path and budget, and timely reporting to the client or steering committee. He takes ad hoc action if the planning is in jeopardy.

12. Mediator

The mediator possesses the political skills to lead parties that have relatively little to offer to each other towards a common goal. He feels relatively comfortable in hostile environments. Most of the time he manages to avoid conflict, but if it occurs he usually manages to convince parties that the common goal transcends the differences. He is the ideal person for negotiating compromises that are acceptable to all involved.

Organization forms

3. Innovative organization

The innovative organization, or adhocracy, continuously adjusts its structure to changing internal and external circumstances. Whenever new ideas and approaches develop outdated activities are reorganized in new project activities or completely new project form. The differentiation between line and staff fades and people work together in - often highly developed - groups that take shape in a more or less organic and informal way. There is a strive for continuous development in all areas. An adhocracy, such as a space agency or product development laboratory, produces creative breakthroughs on a regular base.

6. Missionary organization

Missionary organizations convert and assimilate people, based on a culture or ideology that differentiates the organization from all others. Heroes, symbols, myths and sagas exemplify what the organization is about. A hero can be an existing, charismatic, CEO, but also someone that did 'heroic deeds' in the past. The organization is more than the sum of its parts, and possesses a personality of its own that stays when people leave or join. Examples can be found in religious sects and some national governments.

9. Project organization

The project organization manages complex changes in a planned manner. Authorities and responsibilities of the project agency, project teams, intervention teams and steering committees are well defined. The project portfolio - an overview of existing and upcoming projects - is managed and prioritized. A formal project management method is in use for managing individual projects and cost and effect are visible.

12. Coalition organization

The coalition organization consists of several coalition partners that cooperate as long as they have a common goal. A typical example of a coalition organization is the allies in the second world war. A tight cooperation is possible, but as soon as the common goal is reached, the coalition falls apart and new coalitions might emerge that take a confronting position. Without a common goal, a coalition has no right of existence and will immediately break up.

Organic organization development

Organizations by nature develop from quadrant to quadrant. Most organizations start in the entrepreneurship quadrant (upper right) and then develop counter clockwise. When entering a new quadrant the organization experiences problems that range from a mild growth pain to a severe crisis that might even threaten further existence.

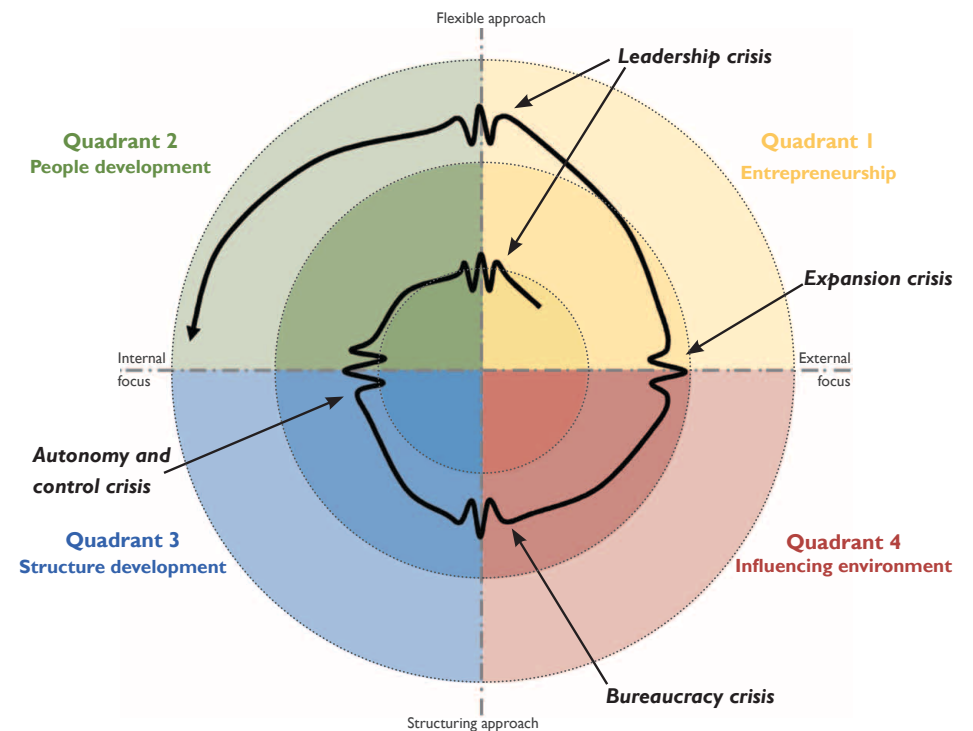
Most organizations start from entrepreneurship. Someone has a moment of inspiration and starts an organization that in the beginning is fully focused on customer demands and other external signals. The organization starts to hire people, but there is hardly any attention for people development. The focus is of the entrepreneur is fully on the outside. When the organization develops further this starts to work against him: employees get used to doing their own thing and do not consider the entrepreneur to be their leader. A leadership crisis develops.

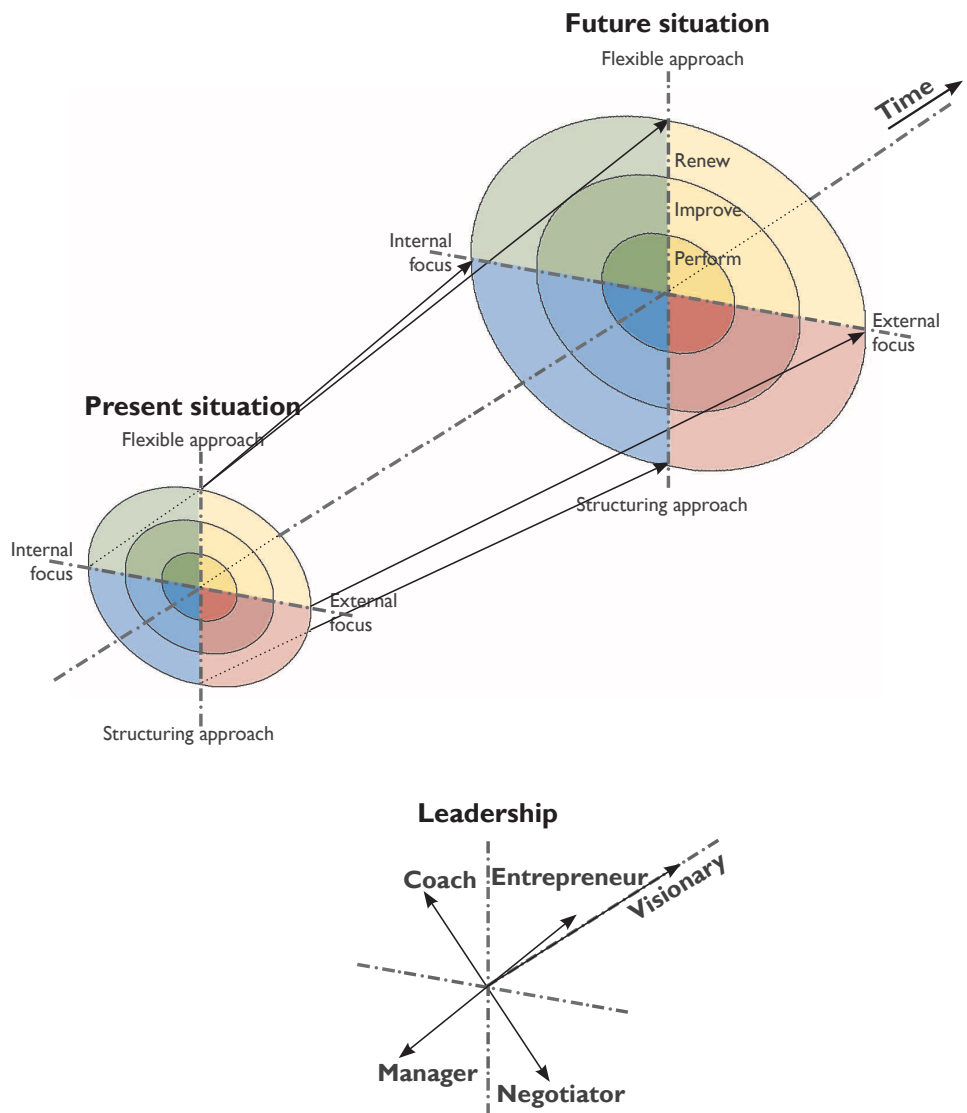
If the entrepreneur manages to regain confidence, the attention shifts to people development. Signals and ideas become less important and knowledge, abilities and skills gain importance. The leadership style shifts from inspirational to motivational. The organization develops further until the limits of mutual adjustment are reached. The entrepreneur needs to delegate, but as soon as he starts to distribute tasks, authorities and responsibilities, his fresh middle management starts to defend its newly gained positions against other managers (autonomy crisis), which makes the entrepreneur feel things are getting out of hand (control crisis).

The answer is found in structure development: formal work agreements are made and planning and control systems put in place. The leadership style becomes a managing style: targeted at making clear work rules and targets and controlling these. Often rules become abundant: too many and unnecessary rules become a hindrance for performing activities. A bureaucracy crisis develops that is characterized by the outside world becoming a disturbing factor to the performance of detailed internal work procedures.

The organization is forced to shift the focus to the outside again. It then discovers it has gained influence on its surroundings and becomes aware of the options that exist to exercise power. By influencing suppliers, customers and other stakeholders, the organization gets more grips on it. Political skills develop until the organization realizes that the outside world offers many more chances and options and has to choose between these (expansion crisis)

This leads to rearrangements of organizations and/or organization parts. Departments become independent or join; organizations split into parts or merge. New, more mature, organizations emerge that again, but faster, take the same development steps and crisis.





Guided organization development

Organizations by nature develop from quadrant to quadrant and experience crisis that can be fatal. But growing from crisis to crisis is not the only way organizations develop. Research indicates that truly successful organizations do not focus their attention on a single quadrant at the time, but on all quadrants simultaneously. Not or-or, but and-and.

The organization then does not develop from quadrant to quadrant, but from inside to outside. Lesser developed segments are detected before problems occur and the potholes are filled in before it is too late. This does not only prevent problems from happening, but also enhances development speed.

This and-and approach requires a shared vision of the leadership team on all twelve segments simultaneously. Strategy development this way is much more than just developing a strategic approach to the market. The vitality model is a great tool for developing such a shared vision on the future of the organization.

An organization that manages to develop such an integral vision will be able to avoid the traditional growth crises and increase development speed, as synergy occurs between quadrants. More chances can be made use of, in a more clever way, supported by a well developed business structure and in optimal cooperation with external parties. All segments enhance each other: synergy occurs. The organization is and stays in a dynamic balance. Healthy and vital!



Klokkengietershoeve 122 7326SE Apeldoorn The Netherlands
 +31(0)55 534 7963 matthijs.vermoolen@vitalent.nl www.vitalent.nl