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CREATING EXTRAORDINARY ORGANIZATIONS

Volume Two, Letter 10

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I am writing this letter for those innovators, explorers, and pioneers who want to move beyond the ordinary to the Extraordinary in creating business organizations.

Please read the Special Note about timing of future issues in the Announcements section at the end of this letter.

CORE ORGANIZATION PROCESSES — Part 2

Welcome to letter 2-10. At the end of the last letter, I said I was going to start looking in more depth at each of the four processes any organization must continuously perform successfully. I also said I would talk about how each of the five core beliefs interacts with each process.

However, I think, that you may better understand what these letters are all about if I give you the overall context of my intention in writing them. Furthermore, I think you will understand all these pieces better if I first show you how they interrelate. Therefore, I am going to devote this letter to explaining these items. I will pick up examining each of the processes in the next letter.

Context for E-letters

The overall intention of the Core Beliefs and Core Processes letters is to define a new paradigm for creating and operating organizations. Remember that when I use the word “organization” I am speaking only of the people part of an enterprise. I do not include the system of activities they carry out. Together the organization and the activities form an enterprise.

Paradigms

People use this term too much while understanding it too little. Thomas Kuhn brought it to life in his book *The Structure of Scientific Revolutions*. He said it is the way we look at the world—our worldview. It defines our reality. For me a paradigm consists of the set of beliefs that we hold about anything. Kuhn also showed that a paradigm shift has preceded every major shift in science. He also said a paradigm shift has three stages:

1. Someone says the old paradigm, or set of beliefs, is no longer valid. [Seeing the world as flat is not valid.]
2. That person defines a new set of beliefs. [The world is round.]
3. Those accepting the new paradigm learn how to live and work within it. [We can now sail west to get to the east.]

A New Organizational Paradigm

As stage one I claim that the old set of beliefs—generally known as command and control—is no longer valid. My intention in these letters is to start stage two, defining a new paradigm. Five Core beliefs comprise this new paradigm. They concern five essential organizational issues: Purpose, Authority, Equality, Freedom, and Ownership. I explained them in Letters 2-3 through 2-8.

New Organizational Theory

A paradigm does not exist in a vacuum. It relates to some aspect of our world. For instance, what is the center of the universe? In my case the core beliefs relate to the activities that members must accomplish to create and maintain an organization.

In order to understand fully the new beliefs and their impact I must relate them to these activities. Of course, they are too numerous to talk about individually. Therefore, I have proposed a theory that says all these activities make up four primary processes.

The members of every organization must successfully carry out all four at all times. The core beliefs affect how they will do this. The next part of this letter shows how the system of beliefs relates to the system of processes.

Relationship of Beliefs to Processes

To understand the relationships we must look at the beliefs and processes as systems. A simple definition of a system is “*a collection of parts which interact with each other to function as a whole*”. [Draper L. Kauffman, Jr.] The important part of this definition is “*which interact*”. When you think in systems terms, you think less about the parts than the interdependencies between them. It is important to understand each part, but even more important to see how they affect each other.

Five Core Beliefs

In our case, we have three systems of interest. The five core beliefs make up the first. They relate to the five issues: Ownership, Authority, Equality, Freedom, and Ownership. The earlier letters discussed each of these individually. However, they did not address how they interact, but it is easy to see that they do. For instance, you cannot very well have *no hierarchy* without also having *equality*. You cannot have *freedom* without both of these.

Four Core Processes

The four core processes constitute the second system. As explained in the last letter they are:

1. Individual Needs — Fulfill the needs and aspirations of organization members.
2. Social System — Create and maintain an effective social system.
3. Building Capability — Enroll capable members, and maintain and improve their capability.
4. Organizing — Organize members into an effective human system to carry out the system of activities required for a successful enterprise.

Letters 2-11 through 2-14 relate each process to all five beliefs. Although they will not examine interactions between the processes, there are obvious ones. For instance, the way the *social system* functions clearly affects how well individuals can meet their own needs. How one *organizes* affects the *capabilities* needed. One’s ability to work on *capabilities* affects how well how well s/he can fulfill his or her own needs.

Relationships Between Core Beliefs and Core Processes

The beliefs subsystem joins the processes subsystem to form a larger system. It is this larger system that fully defines how the new organization paradigm will work in creating and maintaining organizations. The easiest way to show this larger system is this matrix:

BELIEFS ABOUT	E-LETTER	PROCESSES			
		INDIVIDUAL NEEDS	SOCIAL SYSTEM	BUILDING CAPABILITY	ORGANIZING
PURPOSE	V2-2	V2-11	V2-12	V2-13	V2-14
AUTHORITY	V2-3				
EQUALITY	V2-4				
FREEDOM	V2-5				
OWNERSHIP	V2-6				

The titles in each box give the e-letter that discusses that particular segment. Past issues are in the archives on the EO website. The link in the Announcements section below will take you to them.

The next letter [Vol 2-11] will look at the first Core Process *fulfill the needs and aspirations of organization members*. It will also look at how each of the five Core Beliefs affects carrying out that process.

Until Next Time

In this letter, I took time out to show the context for these letters. I also showed the overall relationship between the five core beliefs and the core processes. In the next letter, I will return to examining each of the four core processes. This will start with *fulfilling the needs and aspirations of organization members*. This examination will include looking at how the five core beliefs affect the design and performance of this process.

[Be sure to read the Special Announcement below.]

Be Well, and
Be Extraordinary!

Don Yates
Extraordinary Organizations

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ANNOUNCEMENTS, INFORMATION, AND COMMENTS

Special Announcement

I have decided to make two changes in putting out this E-letter. First, it will now come out once a month instead of every 3 weeks. Second, it will come out only in HTML format. If you cannot receive HTML, please email me. I will then send them to you as PDF documents.

I am sorry to make these changes, but the current way is just more than I can handle given my other responsibilities. Besides, now you will not have to read it so often [yes, I know you anxiously await every edition].

Comments and questions please

Please let me have your questions and thoughts so I can include them in the letter. Just click on the email link in the Contact Information section below. Thanks

Forward this letter

If you know someone you think would enjoy receiving this e-letter, please forward it. Just click on the Forward Email link at the bottom of this letter. You will receive a form on which you can add a personal note and the name and address of the recipient.

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