When considering the structure of an organization, there are two basic organizational paradigms to examine. Organizations will basically be either mechanistic or organic. A mechanistic organization is one with a rigid structure that is somewhat inflexible and bureaucratic. An organic organization is one that is loosely designed with few levels of hierarchy and a lot of flexibility. These two basic paradigms will impact the effect the contextual variables have on the structure of an organization.

The contextual variables that should be considered when identifying an organization’s structure are environment, technology, size, goals and culture. This awareness of contextual variables is much more than just an identification process; it actually helps to set the creation of structure. In essence, organizations want to determine how to organize their structure, their control mechanisms, their communications, their innovations, their interdepartmental relationships, their decision-making and their overall guiding principles to allow for optimum performance. By considering these contextual variables and how they are different within the organizational paradigms, companies can better determine the effect the variables have on their structure.

Companies rarely operate at one end of the spectrum or the other. Rather, most organizations operate with a blended approach within the paradigms. Most companies have some mechanistic traits and some organic traits and most apply mechanistic and organic paradigms differently within the contextual variables. This blended approach between mechanistic and organic may need to change within some of the structural traits as organizations change and mature.
The ability for an organization to change approaches within the contextual variables is crucial for long-term success. While organizations usually recognize their overall paradigm, they often don’t realize the effect paradigms have on the contextual variables. For example, in the organization where I work, our paradigm has been very organic for many years. We have operated in a very loose environment with little structure and little hierarchy. While this paradigm and culture served the company well for many years, eventually the inability to recognize a need for change proved to be damaging. As our organization matured, we needed to change our approach and our paradigms. We could no longer rely on a culture that, in the early days, drove our company as a young and growing organization. We needed to change as our company shifted from young to maturing. Unfortunately, some of our leaders could not make the adjustment. Our CEO was eventually removed from the organization, our stock price tumbled, and our company was placed for sale. Fortunately, the sale never happened and we were left to rebuild our organization.

After recognizing the need to change our paradigm, my company quickly adopted a more mechanistic approach to our business. Our structure was adjusted with more formal channels of responsibility and accountability. We changed the way we viewed our customers and our approach to their needs. We focused on becoming more technologically advanced and made significant investments in new operating platforms and supply chain efficiencies. We grew the size of our officer base by bringing in experienced and proven executives to the team. We realigned resources more strategically as opposed to intuitively. We redefined our mission statement and significantly readjusted our goals. Lastly, by making these sometimes-difficult decisions,
we were able to realign our company to thrive in a new mature environment. Ultimately, our leaders recognized the basic differences between the mechanistic and organic paradigms and the effects these paradigms had on the contextual variables, and made the necessary changes helping to save our company. The changes have been both painful and sobering. We recognized that some employees couldn’t make the changes necessary to survive in the “new” environment yet, found that most were willing to adjust to new paradigms.

Organizations are living, growing entities. As a result, continuous change and adjustments around the contextual variables must occur. In my organization, we continue to change and continue to challenge the old paradigm and the old culture. As stated earlier, we are not one-dimensional with our “new” paradigm. We still have a blended approach when it comes to the manner in which we treat the contextual variables. It just feels one-dimensional due to the lack of any mechanistic influence on our organization for over eighteen years. Thankfully, the new direction that incorporates a more mechanistic approach has helped to reposition our company for success. If we had not both recognized the need for a paradigm shift with in the contextual variables and made the necessary changes, I doubt my company would still be in existence.