

# Inward and Outward Looking Organizations

Organizing is a task done by managers to answer this question: "how do I coordinate work and people to achieve the plans of the organization?"

## Assembly Line

Many organizations inherit and continue to apply today the assembly line or batch production process. The job is done serially – meaning that one step follows the other – creating an assembly line.

The engineering department would design the product; let's say a refrigerator. Once the design is done, purchasing obtains the raw materials or the parts.

Then manufacturing builds the refrigerator by assigning different departments or sections to produce and assemble the components – for example, casting and molding of parts, electrical, finishing, packaging and shipping.

Consequently, larger departments and divisions are created as the demand grows.

Typically these organizations have hierarchical structures with the decisions made by several layers of supervisors, managers and executives.

Moreover, as the organization becomes bigger decision-making slows down and everyone is boxed in compartments.



**Happy customers!**



At this point, the organization and its people have become inward looking. They have shifted their focus and energies away from its goals and customers towards its internal conflicts.

This is major problem, which many enterprises are never able to solve. Eventually, they fail and fold up.

## Outward Looking Structures

To stay competitive many leaders and managers are paying more attention to promoting outward looking structures.

They reorganize the structural and social aspects of the organization so that

everyone helps to facilitate communication, decision-making, increase flexibility and focus more on customer needs.

Some of the changes that are becoming popular are self-directed teams, flat structures, multiple and flexible jobs and roles of workers, information networking, and more leadership and coaching roles and titles for managers.

For example, frontline workers have to go through several levels of intermediaries to get a decision on a problem.

## Turfs and Politics

In this situation, people tend to set-up artificial barriers between departments or divisions in order to protect their turfs. Internal politics, bureaucracies, higher costs and wastes become common problems.