Chapter 77
An Imagination of Organizations in the Future:
Rethinking McKinsey's 7S Model

Oya Zincir
Istanbul University, Turkey

Ayşegül Özbebek Tunç
Istanbul University, Turkey

ABSTRACT

Organizations try to survive in a hypercompetitive, changing, and unpredictable environment. The form of this survival continuously changes and requires different tools, solutions, dynamics and drivers according to the actual time. Today organizations face with a big paradigm shift, the industrialization of information age. Organizations should find a new form on the basis of the new age requirements. Some authors have suggested some strategic prescriptions harmonized with the actual term such as McKinsey's 7S Model including strategy, structure, systems, skills, staff, style and shared goals. It is considered that there is a gap related to updating and upgrading these formulas by activating some new concepts such as morphing, organizational ambidexterity and so on. In this study, it is aimed to understand the organizations in the future with internal elements and outer changes which would affect them at the edge of the new era by using this model and offer many propositions.

INTRODUCTION

I don't read history. That's in the past. I'm thinking of the future. Henry Ford (Lander, 2014)

Managerial and organizational studies' aspects have changed through the years and so have organizations. According to the well-known study of Alvin Toffler (1980), three types of societies -based on the concept of waves; each wave pushes the older ones aside- have evolved through first, second and third waves as agricultural, industrial and information ages. First wave is the society after Agrarian Revolu-

tion which characterized by the enclosure of common land and the introduction of some technological innovations such as the seed drill. The concepts of this age led to the development of job specialization, complex political structures, non-portable possessions, architecture, and the rise of industry and commerce. Second wave is the society during the Industrial Revolution which characterized by mass production, distribution, consumption, education, recreation and destruction that combines those things with standardization, centralization, concentration, and synchronization. The structure of organization was bureaucracy. Third wave is the Post-Industrial Society characterized by actionable knowledge as a primary resource, demassification, diversity, knowledge based productions and non-linear change. The structure of organization is adhocracy. Based on these developments, organizations have evolved into various types through the ages.

With the 21st century, it has been recognized that new social and technical aspects of work systems, organizational structures, managerial practices, competencies and skills are needed. Some authors (Anderson, 2012; Rifkin, 2011, 2014) define this new age as "Third Industrial Revolution" and explain it as "the industrialization of Information Age". It can been said that it is the collaboration age; the modern enterprise is already a cyberfactory with the usage of robotics, internet of things and high-automation (Czarniawska, 2012) and high collaboration is very important for organizations and people who work for them.

Rifkin adresses renewable energy by mentioning its sustainable use and he stresses that this energy will be one of the main power element to change the understanding of world (Rifkin, 2011). Further, Rifkin (online, para.36-37) also explains organizations and workforce of the future by mentioning some important aspects: 'The new high tech workforce of the Third Industrial Revolution will need to be skilled in renewable energy technologies, green construction, IT and embedded computing, nanotechnology, sustainable chemistry, fuel-cell development, digital power grid management, hybrid electric and hydrogen-powered transport and hundreds of other technical fields. Entrepreneurs and managers will need to be educated to take advantage of cutting edge business models, including distributed and collaborative research and development strategies, open source and networked commerce, performance contracting, shared savings agreements, and sustainable low-carbon logistics and supply chain management". Organizations shift from centralized global companies to distributed small and medium size enterprise networks. Klaus Schwab (2016), using the term of Fourth Industrial Revolution, explained future concepts on the topics of mobile supercomputing, self-driving cars, geneting editing and many others by defining them with some megatrends (physical, digital and biological). These developments will affect economies, organizations, governments, societies and individuals. Schwab (2016) also emphasizes that the speed, breadth and depth and the holistic effect of the Fourth Industrial Revolution is a way more different than the other industrial revolutions. It is non-liner; will change many paradigms and recreate them by gathering some of them together and it needs to be considered holistically with countries, companies, sectors and more. He mentions that the new era is the "collaboration era", so that these institutions should collaborate together to do the necessary changes. The developments in advanced robotics, 3D printing, circular economy, internet of things (IoT), sharing economy, artificial intelligence, innovation making, humanistic approaches and many more, will reshape the world. In this manner, we need to understand new organizational concepts and economics systems and they should be renewed according to these developments. Machines will be used even more in doing business and so, not "race against the machine" but "race with the machine" understanding should be complementary. In short, people and machines should be team mates. Data driven developments help goods to be better produced, and this leads to increase asset productivity. Organizations collaborate with different partners

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