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The Active Outward Orientation of the Organisation

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A central problem of organisations is the uncertainty of their environmental transactions in the attainment of desired responses. The degree to which the uncertainty is reduced, is often associated with the organisation's effectiveness. This study examines and identifies an appropriate theoretical framework within which to proceed with an investigation into organisational effectiveness. The systems approach, although of limited ontological value, offers a valuable cluster of strategies for inquiry, within which Heidema's partially systems-derived view is discussed. According to this view, perceptions of real systems can be described along spatial and temporal dimensions: as ahistorical, inward-looking and structural; or as historical, outward-looking and changing. From this, the active outward oriented perceptual paradigm is developed, and it is suggested that the existence of the active outward oriented basic assumption is a necessary condition of the organisation's potential effectiveness, and that the process by which it is instituted and maintained is communication.

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1. INTRODUCTION

All organisations are created and maintained to attain certain purposes (Schein, 1980). The purpose of a large proportion of all existing organisations is the inducement of specific responses from environmental social units where the response probabilities are not fixed, by offering values to those social units in exchange. By possessing such a purpose, an organisation may be termed a "marketing organisation", if Kotler's (1981) broad definition of marketing is used. The values which are desired and exchanged by such organisations could be commercial, but they could also be service, goodwill, support, employment, etc.

A central concern of all such organisations is the uncertainty of exchange. Dealing with this uncertainty is fundamental to organisational process (Achrol and Stern, 1988:73), and often associated with the organisation's "effectiveness" or "success". In attempting to identify the constructs of organisational effectiveness, one is immediately faced with a number of problems.

There is little consensus on an appropriate

theoretical framework within which the organisation and its processes may be identified (Lorsch, 1987:VIII; Trujillo and Toth, 1987), or upon the scope of "organisational effectiveness" (Cameron, 1985). The field of study is typified by numerous disciplinary approaches and diverse conceptualisations. Because of its turbulence, researchers are faced with a continually shifting theoretical field and new concepts of organisation (Miles and Snow, 1986).

Problematic too, is the conceptualisation of communication within the organisational process. Although there is wide agreement that "communication processes underlie most aspects of organization functioning and are critical to organizational effectiveness", Porter and Roberts conclude that a major omission in the study of organisational communication is "how communication relates to overall performance at the individual and organizational levels of analysis" (Snyder and Morris, 1984:461).

If theoretical advance is one aim of the study into organisational effectiveness, then the synthesis of existing theory, hypothesis, and conjecture into new, tentatative hypothesis, is necessary.

The attainment of desired responses from environmental social units by the exchange of values, is one of the most important reasons for the existence of organisations. The degree to which the organisation attains its desired responses is often termed its "effectiveness". Research into the determinants of organisational effectiveness exists in a field which is typified by a lack of development, conceptual consensus, or agreement upon salient variables, with little progress having being made in the identification of the determinants.

2. A SYSTEMS APPROACH

Perception of organisations and their attributes has been greatly influenced by the belief that organisations display the properties of the systems which are described in the broad systems approach. Use of the systems paradigm for analysis of organisations is widely supported (Fauconnier, 1975; Groenewald *et al.*, 1985; Monge, 1977).

The "general systems approach is neither a formula nor a doctrine, but a cluster of strategies of inquiry; not a theory but an organized space within which many theories may be developed and related" (Berrien, 1968:13). It is recognised that the systems approach supplies only a framework within which to work, and that it is necessary to look to a broader body of theory for the loading of the framework.

The systems approach is a perspective from which complex phenomena may be analysed, offering a framework within which specific areas of investigation may be focused upon. One such area has been addressed by Heidema (1987). Before discussing Heidema's conceptualisation however, the systems perspectives of Koestler (1978) and Cook (1980) will be noted, as these serve as an introduction to Heidema's work.

Koestler believes that the most important properties of systems stem from their hierarchic nature. Systems are seen as "holons". The holon is at once a whole and a part, reiterating the hierarchic nature of any entity. Koestler terms a hierarchy of systems a "holarchy". All holons and holarchies display degrees of constancy and flexibility. Constancy is the tendency of the holon towards stability; and flexibility is the tendency of the holon towards autonomy.

The extremes of the holon's constancy are governed by the holon's canon. "However, let us note ... that while the canon imposes constraints and controls on the holon's activities, it does not exhaust its degrees of freedom, but leaves room for more or less flexible strategies ... (Holons) all have this dual characteristic of conforming to an invariant code or rulebook which contains the blueprint of the finished product, but using amazingly varied strategies to achieve it" (Koestler, 1978:38). The canon "represents not merely negative contraints imposed on its actions, but also positive precepts, maxims and moral imperatives" (Koestler, 1978:301).

Of the attributes which Koestler ascribes to holons, that of being both whole and part at once (and the properties which follow from

this attribute) is of particular interest. That holons are Janus-like entities "implies that every holon is possessed of two opposite tendencies or potentials: an integrative tendency to function as part of the larger whole, and a self-assertive tendency to preserve its individual autonomy" (Koestler, 1978:57).

The manifestation of the self-assertive tendency is the maintenance of holons' and holarchies' individuality; while that of the integrative tendency is the maintenance of their inclusion (by control, a limitation of free choice, and a relative submission to the greater whole) within their suprasystems. Without the selfassertive tendency, holarchies would be rigid, mechanistic, and unchanging. Without the integrative tendency there would be no holarchic structuring, only the random and chaotic action of individual entities.

Cook (1980:X) believes that every unit of natural organisation (every system) may "be discerned not only as the isolated, disconnected units of reductionist science, but also as units coordinated within a system which in turn functions within an environment."

Cook believes that "The most basic elements of any viable system are stability and flexibility, or the ability of the system to modify its informational base, a system's information — no matter how fit it may have once been — ultimately becomes inappropriate for the external environment. Without stability, or the ability of the system to maintain its essential informational content, the system succumbs to the random ... fluctuations of the environment, its unity as a coordinated whole distinct from the environment is no longer maintained, and it similarly faces extinction" (Cook, 1980:1).

Stability permits the continued existance of the system, as a whole, over time. Flexibility permits the alteration of the system, which in turn allows for the appropriate operation of that system within a changing environment. An excessive bias towards stability or flexibility is dysfunctional. Too much stability prevents appropriate environmental interaction; while too much flexibility retards the unity and coordination of the system as it yields to the influences of the environment.

Despite their terminological differences and, at times, unproved hypotheses, Cook and Koestler identify a crucial systems attribute: that of bi-polarity which is existent in all systems. Both see systems as possessing tendencies toward stability and towards flexibility which are existent in varying proportions at one time within any system, subsystem, or suprasystem. Each tendency is not "good" or "bad", as both are necessary in proportions which may vary, within all systems.

Koestler and Cook have described a bipolarity which is existent in all systems. Heidema (1987; 1987a) addresses the means by which all such systems are perceived. He has proposed a framework within which perception of any system may be ordered. The systems which are perceived (physical, biological, social, cognitive, etc.) are Koestler's "holons", each of which is at once a whole and a part, possessing the hierarchic properties of all entities which are proclaimed in systems theory.

Heidema states that the holon may be thought of in two ways. It may be considered ahistorically, as static in time. Alternatively, it may be considered historically, as it exists through time.

If viewed ahistorically, then perception of the holon's inward-looking face will be of the holon's structure; and perception of the outward-looking face will be of the holon's context as part of the greater whole. The inward view is structural; the outward view is contextual.

The holon may also be viewed historically, over time. In that case, a view of the holon's inward-looking face will be a perception of the holon's process. A view of the holon's outward-looking face will be a perception of the holon's function in the greater system of which it is one part. The view of the whole demonstrates that system's internal processes; while the view of the whole as a subsystem of a greater system, demonstrates that whole's function in the greater system.

Heidema's concept is demonstrated in Figure 1:

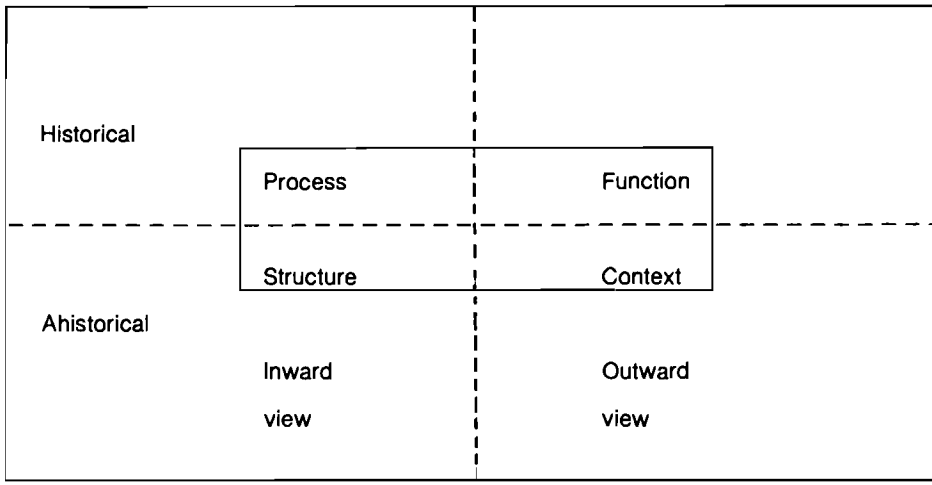

Figure 1 Spatial and temporal perception of the holon

Heidema notes that perception of any holon comprises two elements, one of which normally dominates. These are the "conservative" or "introvert", and "progressive" or "extrovert" elements. The conservative element is perception of the holon as one which maintains the existing, is stabilising, and which tends towards integration. The progressive element is perception of the holon as one which changes, is destabilising and interactive. The two elements complement each other. The manifestation of the "conservative" element is perception of the holon, or its predisposition to act — a static whole (ahistorical, inwardlooking, structural). Manifestation of the "progressive" element is perception of the holon — its predisposition to act — as a changing part of a greater whole (historical, outward-looking, morphogenetic, functional). Both elements exist, yet there is generally domination of the one over the other.

Cook and Koestler describe real systems, while Heidema describes perception of those systems. The real system or holon which is referred to is at once structure, context, process and function; but perception of that real system may be of one of these. While perception is primarily of one, the others are no less existent. Conservative perception and progressive perception are manifestations of the viewer's focus alone and not of the system, as the system comprises all of a system's component properties at once, albeit in various proportions of "stability" and "flexibility". The "stability" and "flexibility" elements of the system are properties of the system itself, and not of the viewer's perception; whereas the "conservative" and "progressive" elements are properties of the viewer's perceptions of the system, and not of the system itself.

3. THE OPEN SYSTEMS ORGANISATIONAL PERSPECTIVE

A true open systems organisational approach shares with some approaches the view of the organisation as an open system. It differs from the organismic, and "closed system" perspective most importantly in that it rejects a postulate of consensus, and views organisations as interacting with, rather than merely reacting to, their environments.

Organisations are viewed as systems at one level in a hierarchy of systems, each of which is open and interacting with its environment. Organisations follow the principle

of equi- and multifinality and they undergo complex adaptive changes, even of structure. Degrees of self-regulation and self-direction exist. Organisations have boundaries which have a greater or lesser degree of permeability, variability and dynamism; and their subsystems vary in autonomy and control in relation to the levels above and below them. Organisations are seen to display properties which differ from the properties of their individual parts.

With the organisation viewed as an open system it is variously perceived with an emphasis upon its structure, or with an emphasis upon its organisation per se. A polarised distinction between the two viewpoints is well illustrated by Farace *et al.* (1977:19). Using Weick's categorisation, these writers differentiate between perception of the organisation as "organisation", and as "organising". "The term 'organization' is typically used in a static, fixed sense; it does not take time into account. The term organization is used as a nominal label for a static description: General Motors is an organization ... (whereas) 'Organizing' is used to denote the processual, sequential, time-varying nature of the behaviors of members in an organization". The first viewpoint creates a bias towards a perception of the organisation's physical manifestation and an underemphasis upon process; while the second viewpoint comprises a process-centred focus, with a corresponding increase in abstraction and generality.

Despite the fact that Koestler discusses syterns in general, his approach identifies the relationship between the polarised viewpoints. One "can broadly distinguish between 'structural' hierarchies which emphasise the spatial aspect (anatomy, topology) of a system; and 'functional' hierarchies, which emphasise process in time. Evidently, structure and function cannot be separated, and represent complementary aspects of an indivisible spatio-temporal process; but it is often convenient to focus attention on one or the other aspect" (1967:59).

The organisation is an entity which gains form because of communication. It is by communication that coordinative behaviour, control, the definition of tasks and goals, the measurement of their attainment, and informal operations are made possible.

Communication is the purposeful attempt to share meaning between two or more people. It exists between people and is therfore interactive. It is not an independent variable, a thing apart from interaction. Where there is communication there is interaction, although all interaction is not communication.

Communication is the attempt to share meaning. Meaning is an abstract concept which may be applied legitimately in a number of contexts. Traditionally meaning has been seen as a social phenomenon encased in a language or group of symbols, to be shared between individuals. From this point of view, meaning has primacy as communication. "Meaning is assigned to an object from group norms regulating how people deal with the object in question" (Littlejohn, 1983:53).

An alternative perspective presents meaning with the primacy of representation. Thus meaning is seen as an esoteric phenomenon, with communication a side effect. Language or a group of symbols have as their primary function the storage of information.

The primacy of the one perspective over the other is not in question here. It is assumed that meaning is both private and shared. "When a sender and receiver communicate, they obviously do so in a cultural context that contains both shared and private meanings ... (which) differ in saliency" (Targowski and Bowman, 1988:9).

Communication is the process by which the individual attempts to share meaning with another, either by attempting to understand the meaning of the other, or by attempting to impart one's own meaning to the other. Individuals enter an interacting process with an existing and not always similar patterning or mapping of sets of environmental stimuli, which are perceived as objects and represented by symbols. In every interaction in which the individual engages, he enters with the purpose of "conveying" or "receiving" information, and with a measure of

uncertainty, not knowing to what extent purposeful and symbolic commonality exists between the participants. It is not suggested that the meaning to be shared is positive or complete. It could be a lie, vagueness, or misunderstanding.

For the individual to attempt to share meaning, it is necessary to attempt to reduce the existing uncertainty by aligning the interpretation of content and metacommunicative symbols to similarly perceived objects. Where total meaning is shared, communication is unnecessary, as perception regarding an object within any interaction is completely congruent (and known to be so) amongst the interacting participants. Only where meaning is not shared (and known to be so), that is, where there is uncertainty regarding symbols and their referent objects, may the attempt to gain congruency be sought. The attempt to attain such congruency is communication. This congruency may be that which the individual wishes to attain by having others share his point of view, it may be that which the individual wishes to attain by gleaning the point of view of others, or it may occur without the intention of one of the parties. The process may occur with the aid of the machine, and it need not occur simultaneously — there may be a temporal delay.

Communication and meaningful social interaction "implies some minimal commonness in the mappings of individuals and their referent environments, symbol systems, and need states" (Buckley, 1967:93). Yet communication is not a static "mapping"; it is rather the process of selecting from another's mapped variety some structured set with which to coordinate one's own, for some goal. Meaning is derived from the interaction itself in the form of action which is aimed at reducing uncertainty, by defining and redefining the symbolic parameters of specific objects and the stimuli to which these refer, in specific situations. Constraint is placed upon the freedom of choice that is possible in the interpretation of intention, behaviour and goals. Meaning is thus created and ever changing.

The organisation is a group of individuals who share meaning regarding specific objects. The variance of their interpretation of certain organisation-related symbols is minimal; constraint exists in the intention, behaviour and goals associated with those symbols.

The organisation can be seen as "a set of common-meaning-based constraints in the ensemble of possible interactions of social units, a reduction of uncertainty of behaviors, or a set of 'mappings' of behaviors and goal states. Certain of these mappings, those that are stable enough or salient enough, come to be generalized as codes or rules or norms. But is is important not to confuse these ... with the actual organizational process that they partly inform" (Buckley, 1968:94). The diffusion of commonly held mappings amongst the individuals in the organisation occurs through communication.

The organisation is the product of continuously interacting, communicating individuals who are in a process of transaction and with their environment. Of this transaction, some becomes continuous and repetitive, manifested as structure (as meanings, tendencies to act in certain ways, coded information, etc., as well as the physical accoutrements which facilitate and express these). Nonetheless, there is variability in the choice of alternative "mappings", increasing with the measure of uncertainty regarding the "best" option.

In the enactment of organisational process, there is rarely enough information regarding any specific situation to know accurately the best choice to make of those available. There are rarely organisational situations in which there is no uncertainty. Therefore the ideal "mapping" in any situation, where there is no need for information, where the best course of action is known, and where the existing rules and structural constraints are always sufficient to determine the action to be taken, is realistically nonexistent. All rules and the outlines of the organistation's structure "specify, at best, only a range of expected or acceptable behaviors ... institutional patterns are the resultant of a large number of individual or group lines of action directed at various ends

or purposes that are crossing, running parallel, converging and diverging, such that the total product only partially matches any original plans or purposes" (Buckley, 1967:130).

The perpetuation of some form of organisational stability (and structure), may arise from consciously negotiated coorientations (similar "mappings" and symbolic meaning); or from differential power distribution "such that patterns of compliance are institutionalized on the basis, ultimately, of coercive sanctions — despite ... incongruencies ... of coorientation"; and most commonly from combinations of both (Buckley, 1967:160). Such stability remains only with continuous reconstitution. The shared agreements and coercion are rarely of indefinite duration or completely binding.

The organisation is a manifestation of communication. Coordinated action, restraining structure, the attainment of goals, the prescription of behaviour, as well as misunderstanding, divisive behaviour and disorganisation, are (partially) the products or behavioural interpretation of communication, both successful and unsuccessful. The sharing of meaning may or may not come about. Yet even if the informational content of communication is shared, coordinated behaviour and compliance need not result. Successful distribution of information is not sufficient to ensure compliant behaviour. Individual predisposition, metacommunicative elements, and environmental factors ensure dynamic, disruptive, adaptive, as well as cooperative organisational behaviour.

4. THE ORGANISATION AND ITS ENVIRONMENT

That the environment influences the internal behaviour of the system and its functioning, is a tenet of the open systems organisational perspective.

Although there is strong functionalist influence in much opinion of the organisation's relations with its environment, a tenet of the open systems organisational approach remains the existence of mutual interaction and influence of organisation and environment. The system may operate more efficiently and effectively if there is synchronisation of output, throughput, and input with the environment; but such a synchronisation is not the response to an anthropomorphic "need", nor is it "determined" by a reified environment.

An organisation's environment is everything beyond its borders. Seen as such, "we would thereby define a limitless set of objects, individuals, and systems (which are) ... not very useful in understanding organizational behavior" (Rogers and Agarwala-Rogers, 1976:61).

Specific environmental conceptualisations have been proposed by various writers. Carroll and Tosi define their "relevant environment" as "the groups, or institutions, beyond (the organisation's) ... boundaries which provide immediate inputs, exert significant pressure on decisions, or make use of the organisation's output" (1977:168). Dill proposes the term "task environment", which refers to those environmental elements which are "relevant to or potentially relevant to goal setting and goal attainment" (Bedeian, 1984:177). "Task environment" is defined in terms of four sectors: sources of inputs, receivers of outputs, competitors, and regulatory groups (Organ and Hamner, 1982:446, 447).

Organisation-environment relations is a subject which is broached by writers from a wide range of theoretical backgrounds, but it is dominated by theorists who are proponents of what Bowey (1980) terms "contingency theory". Central to this theory are the positions that organisational structure is contingent upon the environment in which it exists, or that the "success" of the organisation is contingent upon its structural suitability in relation to its environment. In 1971 Dill wrote: "Most of the work of developing an adequate theory of environmental influences on organizational behavior lies ahead" (p 90). Even at present, "inconsistent measures of environmental characteristics, small sample size, and unique conceptualizations of structure ... confound the environment-structure research results" (Bedeian, 1984:223). Research into environment-organisational relations suggests that an appropriate "fit" of organisa-

tional structure and the environment results in an effective organisation.

However, the research does not successfully point to the principles governing such a relationship, or to the means that the organisation should adopt to attain the appropriate "fit".

There is unquestionably some "fit" which maximises the potential for effectiveness in terms of some property, between the organisation and its environment. The problem is that the "fit" is mostly seen as the result of organisational functions performed for a greater system; as a mysteriously, homeostatically-determined evolvement of structure to best suit the environment; and in terms of single narrow variables in relation to one another, which are ascribed to the organisations and their environments as their predominant or whole characteristics. "Most work has been in developing taxonomies of environmental dimensions ... and empirical research has focused on a few dimensions at a time ... (which) carries the risk of ignoring other important and/or confounding effects from the environment" (Achrol and Stern, 1988:36). Little attention is paid to the social contexts of the organisation's environmental relations, with a very strong structural-functional perception of those relations predominating.

Attempts to implement contingency theory have generally not proved successful. Cooper, for example, found that an imposed formal structure, no matter how "appropriate", often remained ineffective because the organisation members' real, informal structure, took on another form (Bowey, 1980:81). Because structure in much of this research is seen as the overt, formal, and relatively fixed manifestation of organisation, and not as the patterned interaction of its members, the research cannot explain the dynamics of appropriate environmental "fit."

To perceive the nature of organisation-environmental relations, it is essential to move from the attempt at explanation in terms of the interplay of misconceived and inadequate concepts such as the anthropomorphic needs and functions of organisations. It is proposed that the reason for the organisation "responding to the demands of the environment", where it does, is better conceived of in other terms. From within the open systems perspective, the environment is best perceived as the ensemble of more or less distinguishable elements, states, or events, which create the variety from which the organisation (i.e. its members) may select to interact. Where patterns of interaction between the organisation and its environment come about, a mapping of environmental variety onto the organisation's variety has occurred. Where repetition of this interaction occurs, the organisation becomes structured, and the interaction formalised. Meaning exists, and amongst the individuals who comprise the organisation and environment, there is some degree to which their individual goals may be attained by their mutual interaction. This may occur only part of the time, as misunderstanding, conflict, and lack of meaning are just as existent in organisational-environmental relations.

Despite the problems of operational specificity and the assumptions of functionalism, research into the relations between organisation and environment does suggest that the organisation operates most "effectively" where a "fit" between organisation and environment exists. If the functional premise of the organisation's adaptation to its environment is rejected, however, there is very little in the existing research to indicate how the organisation is to become aware of the factors in the environment to which it should adapt so as to operate most effectively, and what property of the organisation leads to its maintenance of effectiveness over time.

Effectiveness over time appears not to be related to an organisation's existing structure, or to environmental factors which have "caused" it, but rather to some other property of the organisation which offers it the capacity to constantly engage in the optimal relationship with its environment over time. This organisational property is suggested by the proponents of the organisational culture school.

5. THE ORGANISATIONAL CULTURE PERSPECTIVE

Proponents of the organisational culture perspective presume that organisational culture is comprised of, and manifested as, values, beliefs, assumptions, perceptions, behavioural norms, artifacts and behaviour patterns.

Schein sees organisational culture as the deeper, unconscious level of basic assumptions and beliefs which are shared by organisational members, and which influence an organisation's (i.e. its members') view of itself and the environment. Culture is "a pattern of basic assumptions — invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration — that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems" (Schein, 1987:385).

Louis proposes that organisational culture comprises "codes of meaning or relevance (which are) indigenous to a social system (and which) serve as behaviour-shaping ideals" (1987:424).

It is proposed that organisational behaviours are largely determined by the basic assumptions which exist within the organisation. Initially these assumptions lead to conscious patterns of decisions and behaviour, but with time and repetition, the assumptions drop out of consciousness. Despite this, the behaviours which were precipitated remain, and thus the initial assumptions still influence behaviour over time, even in changing environments. "They become the underlying, unquestioned — but virtually forgotten — reasons for 'the way we do things here' ... They are so basic, so pervasive, and so totally accepted as 'the truth' that no one thinks about or remembers them. Thus a strong organizational culture controls organizational behavior" (Shafritz and Ott, 1987:374). Organisational behaviour is seen to be governed by cultural norms, beliefs and assumptions, rather than by formal rules, authority and rationality.

Manifest behaviour and the organisation's artifacts are distinguished from the assumptions which precede them. Schein sees values and artifacts as the "surface levels of the culture but not the essence of the culture"; and the "deeper level of assumptions" as that essence (1987:384). He believes that there are "levels of culture". These are artifacts, values, and basic assumptions.

Artifacts Technology Art Visible and audible behaviour patterns	(Visible but often not decipherable)
Values Testable in the physical environment Testable only by social consensus	(Greater level of awareness)
Basic assumptions Relationship to environment Nature of reality, time, and space Nature of human nature Nature of human activity Nature of human relationships	(Taken for granted, Invisible; Preconscious)

Figure 2 Levels of organisational culture (Schein, 1987:389)

6. ORGANISATIONAL EFFECTIVENESS AND POTENTIAL EFFECTIVENESS

The formal organisation possesses certain distinguishing features. Amongst these, the organisation's existence to achieve certain purposes, and the continuing attempt to attain the "best" system by some in the organisation, are prominent (Silverman, 1970:13-14). The existence of these features suggests that there are degrees of success in the achievement of the purposes, and degrees to which the attempts to attain them are "best". Questions relating to organisational success are often discussed in terms of "organisational effectiveness". There is, however, little consensus on the meaning of "effectiveness" as the concept is used in organisational studies.

Research into organisational effectiveness has unfortunately delivered unsatisfactory results, with a number of researchers even calling for an end to organisational effectiveness studies (Bedeian, 1984). The field "has not as yet led to development of a universally accepted theory or methodology for assessing overall effectiveness of an organization. This fact is reflected in divergent definitions of effectiveness, the identification of different sets of explanatory variables, and the adherence of researchers to equally diverse schemes for measuring effectiveness" (Bedeian, 1984:142). Nonetheless, effectiveness remains important, because it is by effective operation that individual objectives of organisational activities are attained. In this work, effectiveness is seen as objective-attainment, and it is defined as follows:

Organisational effectiveness is the attainment of organisational members' desired effect.

(Effect is the phenomenon of one condition following another in a causal relationship).

Organisational effectiveness is a property of the organisation, where the organisation is seen as a composite social system and not as a function-serving entity with properties which exist apart from its members. That property may or may not be related to a goal.

It need not be a property which any individual within the organisation may wish to express. This effectiveness is related to certain specified referents, so effectiveness is not a holistic organisational property, being attributed to the specified referents only.

Organisational effectiveness is seen to be applicable to, and measurable in terms of, the limited range of organisations and organisational operations to which it is related in each instance.

Organisational effectiveness exists as a fait accompli. Because it is attainment of desired effect, organisational effectiveness can be known to exist only in the present and the past. All future effectiveness exists only as a potentiality. Organisations cannot possess certainty regarding their future effectiveness. Organisations cannot operate in a way which will ensure their future effectiveness; they can only operate in a way which will increase the likelihood that they will be effective in the future. In terms of what will occur (and not what is occurring or did occur) organisations can in the present only ensure their potential effectiveness.

Potential organisational effectivenss is approached in this work as that organisational property which increases the probability that the organisations's operations will attain the ends that they are intended to.

7. THE ACTIVE OUTWARD ORIENTATION OF THE ORGANISATION

In this work the question of potential effectivenss is considered only in terms of organisations which can be difined as Kotler's "marketing" organisations, that is organisations which seek specific yet uncertain responses from environmental social units, in exchange for values which they offer. This excludes organisations which control the exchange of values with their environments by, for example, legal enforcement, monopoly of the values which are in demand, or the use of force; and organisations which do not intend to attain environmental responses by their actions.

Inclusion in the organisational category which is considered here depends not upon

the organisations themselves, but rather upon the nature of their transactions in each instance. Organisations are included where the environmental social units with which they intend to exchange values have the freedom to engage in, or refrain from engaging in, the transactions. It is potential effectiveness and the organisational properties which lead thereto, which are investigated here.

All organisations are open systems, even although they are not always perceived or managed as such. Organisations vary in their tendencies towards self-assertion and integration, in the degree to which they are independent of and controlled by their overarching organisations and environments. The organisation and its parts have greater or lesser degrees of freedom in their operations, and the degrees of constraint may vary horizontally and vertically within the organisational hierarchy.

The organisation would disintegrate or close off entirely from the environment if one of the properties' integration and self-assertion were existent to the exclusion of the other. Organisations rather display biases towards the poles.

Following Burns and Stalker (Salaman, 1979:81) and other proponents of "contingency theory", particular balances of flexibility and stability are more "successful" in particular environmental contexts than they are in others. It is also suggested by Cook and Koestler, that there is an "optimal" proportion of flexibility and stability within each organisation for each situation.

That there should be an appropriate balance between flexibility and stability is supported by the propositons of marketing and public relations.

The organisation which operates according to the principles of marketing and public relations must be flexible. The organisation's production must be directed at the satisfaction of market needs, which may be stable or changing; and the organisations's production must be planned for the future (Downing, 1971; Shapiro, 1988). The flexibility in adapting to market demand must permeate each corporate function (Shapiro, 1988). Continous communication with the environment is the means of maintaining the organisation's awareness of the market and related social entities, and it is the means by which the meanings which are derived from these are disseminated within the organisation (Downing, 1971). The organisation must as a whole adapt to its social, political, and economic environments, and it must also interact proactively with these (Nolte, 1979). Those environments must continuously be monitored to ensure that the organisation's responses are appropriate (Van der Meiden and Fauconnier, 1982); and it must be recognised that the public controls the corporate fate (Koten, 1986).

At the same time, the "marketing and public relations" organisation must maintain stability. Organisational flexibility is in one sense the means of securing the wellbeing and stability of the organisation. This flexibility is restricted to operations which will ultimately be of benefit. Lawson (1983) points out that organisational endeavours must be restricted to those which will attain the previously determined criteria of success, with the appropriate evaluation of cost to the organisation. The haphazard attempt to satisfy every market contingency dilutes the organisation's potential to attain the ends towards which its operations are directed.

The coordination of the organisation's activities and image is essential. Shimp and de Lozier (1986) point out that coordination of the organisation's total communication spectrum is necessary, as these may work against one another if approached in isolation by the organisation's parts. All relevant information must permeate all relevant parts of the organistaion, and this must lead to integrated operation at the appropriate organisational levels (Grunig, 1975; Walker and Ruekert, 1987). Coordination of organisational activity in objective attainment, and representation of the organisation as one whole, are conducive to organisational "success" (Krause, 1977; van der Meiden and Fauconnier, 1982).

The action of organisations which

successfully seek uncertain environmental responses, as proposed in the public relations and marketing literature, must maintain an appropriate balance between flexibility and stability. Intra-organisational action must be relatively open, but coordinated; environmental awareness must exist, it must permeate all areas of the organisation, and it must be used to partly direct the organisation's operations; and the organisation must exist as a proactive entity within its environment.

All organisations are open systems. To be potentially effective these need to operate on the appropriate position along the flexibility-stability dimension, and the specific forms of the appropriate position are specified in the marketing and public relations literature. This position is a hypothetical ideal, and few, if any, organisations exist as perfect marketing or public relations organisations.

The ideal position along the flexibility-stability dimension (in Cook and Koestlers' terms), the ideal along the mechanistic-organic dimension (in the terms of the contingency theorists) and the ideal according to the propositions of marketing and public relations, are of the organisation as it is overtly manifested. These are paradigms of ideal organisational forms, and they scarcely address the underlying dynamics of human interaction and communication of which they are the final products. These underlying dynamics are not entirely ignored, but they are approached superficially at best. In the marketing literature reference is made to a "marketing orientation", but that orientation is described as behaviour, and not as cognition or any other determinant of behaviour. Also, Grunig (1975) suggests that manifest organisational traits are the products of their members' characteristics. He ascribes organisations' behavioural orientations to the cognition and mentality of their members, and to the relationships between them. However, he sees the members' traits and their interaction as becoming relevant only in the decision situation; and the result of their responses as influencing only the acquisition and dissemination of information.

Cook, Koestler, the contingency theorists, and the marketing and public relations writers address the artifact of organisations. Artifacts are visible, often not decipherable, and they include the organisation's technology, physical manifestations, visible and audible behaviours (Schein, 1987). To discover the organisational qualities which result in the manifestation of the potentially effective organisation, one must look elsewhere.

Its members' basic assumptions largely determine the organisation's more perceivable manifestations. It has been noted that these manifestations may be more or less appropriate in terms of specific contingencies and organisational operations. The manifestations may or may not make the organisation potentially effective. As with any organisational state, that of being potentially effective is largely determined by the basic assumptions of the organisation's relevant members. Schein states that assumptions are perceptions of the organisation's relationship to the environment; the nature of reality, time, and space; and the nature of human nature, human activity, and human relationships (1987:389). He does not specify, however, which basic assumptions, or which combination or intensities of these, result in particular organisational states (such as potential effectiveness).

It is proposed here that Heidema's paradigm of systems perception locates those basic assumptions which are central in the creation and maintenance of the potentially effective organisation, as it does the assumptions which result in potentially ineffective organisations.

Heidema (1987) addresses the perceptual dimensions which are applicable to all perceivable entities. Heidema's paradigm is as applicable to perception of organisations as it is to perception of all systems. It addresses the exact areas to which Schein ascribes his basic assumptions: relationship to environment; the nature of time, reality, and space; and the nature of systems components and their interrelationships — in the case of organisations these components are the individuals within them.

Heidema proposes that all entities, and in this case organisations, exist in varying positions along the temporal and spatial dimensions. No organisation exists upon any of the hypothetical poles exclusively, but there is a bias towards its existence as structure (inward-ahistorical), process (inward-historical), context (outward-ahistorical), or function (outward-historical).

Heidema states that perception of holons is aligned between the conservative and progressive poles. In the case of organisations, the conservative position depicts perception and the predisposition of the organisation as an entity which emphasises its inner potentialities and internal structure (which are viewed as unchanging and rigid), and as an entity which exists apart from the influences of an environment. The progressive perceptual position is one where the organisation is seen to exist within an environment with which there is dynamic exchange, and where change is seen as integral to the nature of the organisation, its environment, and the relationship between the two.

Only where the concepts comprised within the perception of the organisation's nature along the conservative-progressive dimension are shared, do these become basic assumptions. To differentiate between the perception of the organisation which is held by the individual, and that which is commonly held by the group, the progressive perception of the group is termed the "active outward orientation".

It is proposed that the greater the degree to which organisational members possess an active outward orientation, the greater the potential effectiveness of their organisation will tend to be, because the active outward orientation is perception of, and predisposition to perform as, a truly open system which interacts proactively with its environment.

Basic assumptions, degrees of passive inward orientation, and degrees of active outward orientation, vary from organisation to organisation. Biases in tendency towards particular predispositions are not on their own good or bad. However, where particular basic assumptions precipitate organisational forms which are evaluated as positive or negative, then these basic assumptions may be regarded as positive or negative. Where the potential effectiveness of organisations is strived for, those basic assumptions which lead to it are therefore regarded positively, and those which undermine potential effectiveness are viewed negatively. The active outward orientation is therefore seen as a positive organisational quality where potential effectiveness is desired. The greater its presence amongst organisational members, the greater the likelihood that the organisation will be potentially effective.

It is not proposed that the existence of an active outward orientation within an organisation axiomatically results in potential effectiveness. The active outward orientation is rather seen as a primary determinant of potential effectiveness. It is, however, assumed that within every potentially effective organisation, the members possess an active outward orientation. Hence an active outward orientation is a necessary but not a sufficient condition for potential effectiveness.

7.1 Active Outward Orientation — a Definition

The active outward orientation is the commonly held system of basic assumptions of organisational members which entails perception of their organisation, and which results in their predisposition to perform

- as an interrelated whole of interacting individuals
- as an entity which strives to maintain an awareness of the nature, potential, and dynamics of — and relationship with — the environment
- as an entity which permeates all relevant subsystems with relevant environmental and intra-organisational information
- as an open system which affects and is affected by the environment
- as an entity which exists proactively within its environment.

7.2 The Active Outward Orientation as the Product of Communication

The active outward orientation exists as

shared meaning amongst members of the organisation. The shared meaning may be preexistent. Organisational members may join the organisation with similar degrees of actively outward oriented prediposition. The shared meaning may come about by common experience. Individuals may, through their individual experiences of the organisation's operations, interpret the organisation's nature in similar ways.

It is improbable, however, that a common perception of the organisation, and a predisposition to perform in a similar way, can develop independently amongst individuals in the organisational context in these ways. The reason is that these perceptions, predispositions, or basic assumptions are "socially constructed" and they comprise an element of symbolic interpretation (Shafritz and Ott, 1987:378). Similar perception of the organisation is disseminated and "taught" (Schein, 1987:385).

Although personal meaning exists, in the context of the group, meaning "is assigned to an object from group norms regulating how people deal with the object in question" (Littlejohn, 1983:53). It is far more likely that the organisation's basic assumptions are generalised within the organisation by the process of communication, with pre-existing values and individual experience forming a lesser role in their creation and maintenance.

The active outward orientation does not exist apart from the individuals within the organisation which displays it. Organisation and perception of organisations are derived from and manifested by the interaction of individuals. The meaning which individuals attach to symbols and their experience thereof is largely created, and always shared, by communication.

It is suggested that, in reality, organisations are in degree, more or less actively outward oriented; and the degree to which meaning is shared within them regarding their extent of active outward orientation also varies. The active outward orientation of organisations is thus determined by:

- the degree to which perception of the nature of the organisation is shared;
- the extent to which this shared perception conforms to the construct of the active outward orientation.

The active outward orientation is an abstract ideal type, and best perceived as an ideal model to which real organisations conform to a greater or lesser extent. It could be construed as a goal, and it could acquire symbolic significance.

Drawing from the preceding arguments, it is proposed that a particular relationship exists between active outward orientation and potential effectiveness.

Postulate:

There is a positive relationship between the potential effectiveness of an organisation which seeks uncertain environmental responses by the exchange of values, and the existence of an active outward orientation amongst the organisation's key members.

8. IMPLICATIONS OF THE WORK

The propositions of this work are subject to empirical verification. Certain preparatory observations may however be made:

- It appears that organisational culture is indeed central to the nature of the organisation's operation. The importance of basic assumptions to the manifest form that any organisation takes on is identified. This suggests that, in the attempt to develop specific organisational forms or degrees of effectiveness, it is not sufficient to alter the structure or artifacts of organisations. The basic meaning system of the organisation's members must be changed. The meaning system inherent in potentially effective organisations is proposed to exist as the active outward orientation. Any attempt at organisational development must therefore proceed from an evaluation of the degree to which the organisation is actively outwardly oriented. The institution and maintenance of an active outward orientation could constitute a goal.
- The organisation's potential effective-

ness, and the underlying dynamics which precipitate it, cannot be considered apart from communication. Because communication is the means by which meanings inherent in central beliefs, and the action which leads to effective operation, are initiated, shared, and maintained, the process and content of communication are integral to the organisation's active outward orientation. "The communication system of an organisation is an increasingly powerful determinant of the organisation's overall effectiveness, and it may have a limiting effect on the ability of the organisation to grow, to perform efficiently, or to survive" (Farace *et al.*, 1977:7).

- A developed model of the active outward orientation could be used as a tool of organisational analysis, and of organisational development. It is envisaged that such a tool would identify the degree to which the organistaion (i.e. its members) is aware of the nature, potential and dynamics of the task which it engages in to attain its desired response, of its relationship with its relevant environment, and of its intent and predisposition to engage in and control the operation of the task and the relationship.

In conclusion it can be stated that the integration of the applied disciplines of organisational theory, marketing and public relations into the body of criteria which comprise the active outward orientation, draw the measure into a sphere of applicability which is restricted to those areas of human endeavour which are manifestations and derivations of the positivist and capitalist philosophies, or one limited world view. Where societal philosophy adapts or moves from such a world view, the parameters of "effectiveness" would no doubt alter too.

9. REFERENCES

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