

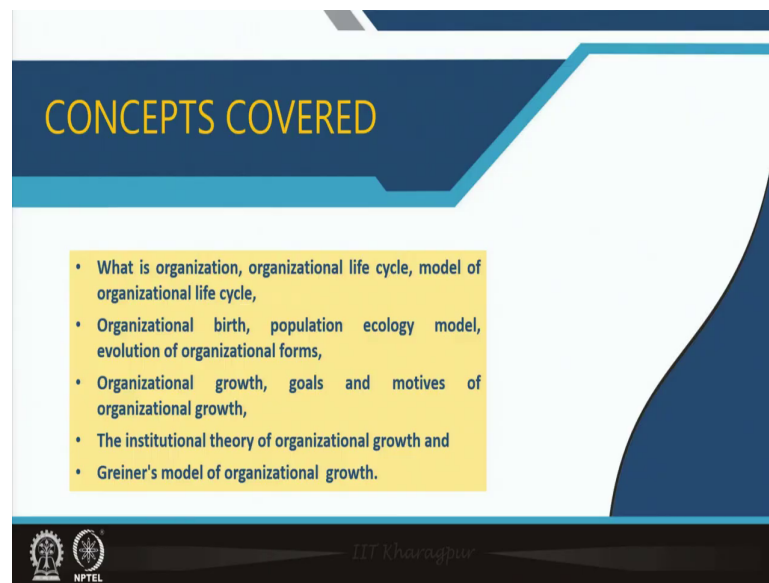
**Organizational Design Change and Transformation**  
**Prof. Susmita Mukhopadhyay**  
**Vinod Gupta School of Management**  
**Indian Institute of Technology, Kharagpur**

**Module - 10**  
**Lecture - 46**  
**Organizational Birth and Growth**

Welcome you all to the course on Organizational Design, Change and Transformation. We are on module 10 today starting with lecture 46 which is about Organizational Birth Growth decline transformation. So, let us begin our journey with organizational transformation. The next 3 weeks which is on week 10, 11 and 12, the modules 10, 11 and 12 will take you through the journey of organizational transformations, different life cycle stages of our organization.

What are the events, which leads to transformation, how organization transform themselves. So, let us begin the journey with understanding the birth growth cycle of the organization in this today's lecture. Let us begin. Let us see what is there in today's discussion.

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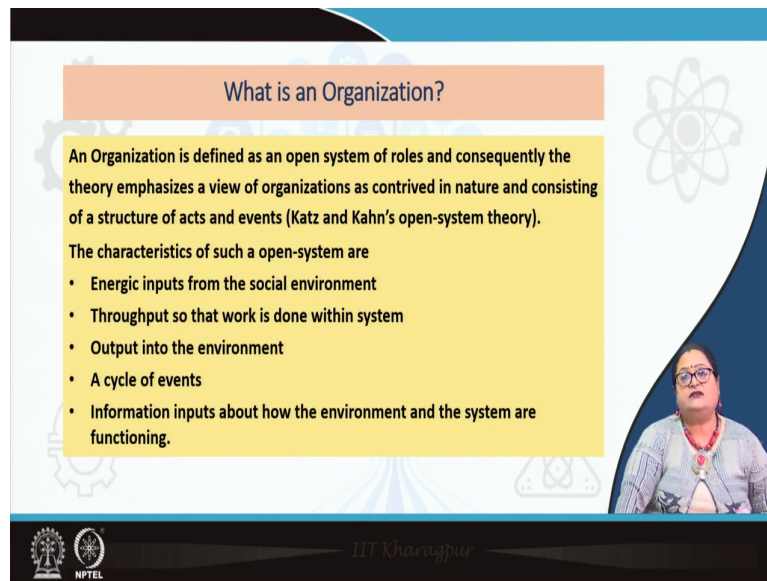
## CONCEPTS COVERED

- What is organization, organizational life cycle, model of organizational life cycle,
- Organizational birth, population ecology model, evolution of organizational forms,
- Organizational growth, goals and motives of organizational growth,
- The institutional theory of organizational growth and
- Greiner's model of organizational growth.

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The concept covered in today's discussion is what is organization, organizational life cycle, model of organizational life cycle; organization birth, population ecology model, evolution of organizational forms; Organizational growth, goals and motives of organizational growth. The institutional theory of organizational growth, and Greiner's model of organizational growth. So, we will begin our session by understanding what is an organization.

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**What is an Organization?**

An Organization is defined as an open system of roles and consequently the theory emphasizes a view of organizations as contrived in nature and consisting of a structure of acts and events (Katz and Kahn's open-system theory).

The characteristics of such a open-system are

- Energic inputs from the social environment
- Throughput so that work is done within system
- Output into the environment
- A cycle of events
- Information inputs about how the environment and the system are functioning.

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An organization is defined as an open system of roles and consequently the theory emphasizes a view of organization as contrived in nature and consisting of structures of acts and events. This is a very famous theory given by Katz and Kahn's and it is known as the open-systems theory of organization.

Here organization is understood as an analogy with a human system, human living system. And an analogy is drawn between the organization and the human being. The characteristics of any open system and so that of the organization is energy inputs from the social environment. Throughput, so that work is done within the system. Output, to the environment; a cycle of events, which takes place in between; information inputs about the how the environment and the systems are functioning.

So, you take inputs from the social environment. So, there is a throughput which happens within the system and an output is given to the environment. In this process a cycle of events, takes place within the organization, and the information is all in role of information is very important in understanding what are the inputs what what are the environment is looking like, and how the systems are functioning.

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**Organizational Life Cycle**

Organizational life cycle can be described as a predictable sequence of stages of growth and development through which it may pass.

The four principal stages of the organizational life cycle are:

- Birth
- Growth
- Decline
- Death

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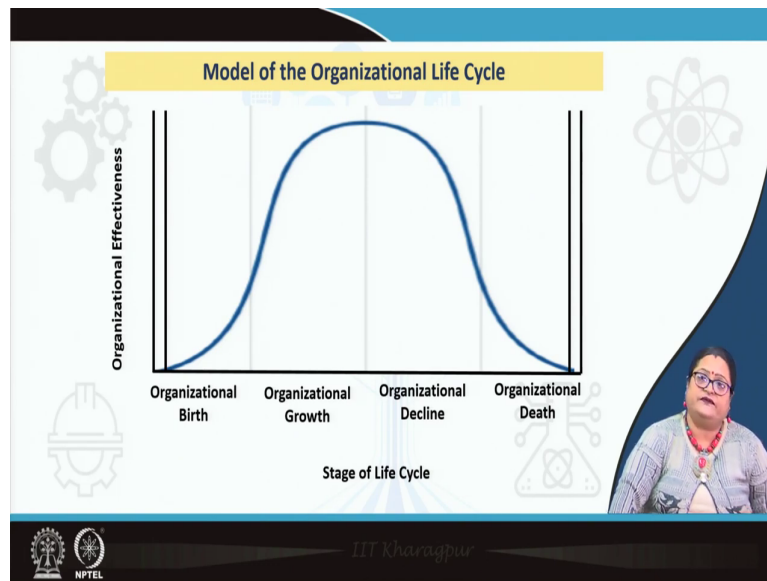
The organization like this, it input throughput and output process, this goes on and it is as you can understand it interacts with the external system, external environment that is why it is called a open system it takes input from the environment. It processes it within the organization and output or deliverable is given back to the environment, and then again environment gives a feedback. So, this loop continues.



In this process the organization passes through a life cycle. Just like human being has a life cycle. So, an organization also passes through a life cycle. So, what is an organization's life cycle? Organization's life cycle can be described as a predictable sequence of stages of growth and development through which it may pass. The four principle stages of organizational life cycle are birth, growth, decline and death. These are the four major stages of an organization's life cycle.

In today's lecture session, we are going to see each of these stages and I am going to emphasize more on the birth and growth phase of the organization. Because when we are talking of decline and death, gradually we will discuss those things and from here because when an organization is towards the decline phase and the death phase, then the question of turnaround and transformation comes in where the organization can get a rebirth. So, we will discuss all these stages sequentially, gradually.

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So, let us begin with the model of organizational life cycle. So, as you can see it is an inverted bell shaped or U shaped curve you can tell, where it starts with the organization stages of growth or the life cycle starts with organizational birth, organizational growth, then there is a decline and there is a death.

In this diagram, what you can see is there is a mapping of organizational effectiveness with the organizational stages of development. What you can see over here as the organization moves from the birth stage to the growth stage the organizational effectiveness picks up. It becomes more active, it becomes establishes more networking, it starts like becoming more productive. So, it gets connected with many systems so, it becomes more active in nature.

So, whenever you talking of, it connects more with the environment so, from birth stage to growth stage you can see the organizational effectiveness picks up. And when it approaches

the decline stage, whenever when we know when we understand that organizational decline stage has started is where we see effectiveness is like getting slowed or it is like sloping down.

So, when effectiveness decreases organization is no longer able to its abilities, its capabilities is no longer able to match with the demands of the environment. It is not able to keep up with the environment, then the it is not it is not able to its competencies are not able to match with that of the environmental demands. Then, you see the effectiveness gets like it is a sloping down and it starts decreasing. And that is a signal of organizational decline. And towards the death stage you find like the effectiveness has decreased to a greater extent.

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**Organizational Life Cycle**

The stages through which organizations pass at different rates and some of them may not have scope to experience every stage such as-

- Some organizations do not enjoy any growth and go directly from the stage of birth to the death if they are not able to attract any consumers or resources
- Some organisations enjoy long time in the growth stage , and in various sub-stages of growth which an organisations must navigate
- There are also sub-stages of decline
- Some organisations in decline take corrective action, change quickly, and turn themselves around

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We will discuss this things in details now. Like this, now as we told what is an organizations life cycle it is the stages through which an organization pass at different rates and some of

them may not have scope to experience every stage such as - Some organizations do not enjoy any growth and go directly from the stage of birth to the death, if they are not able to attract any consumers or resources.

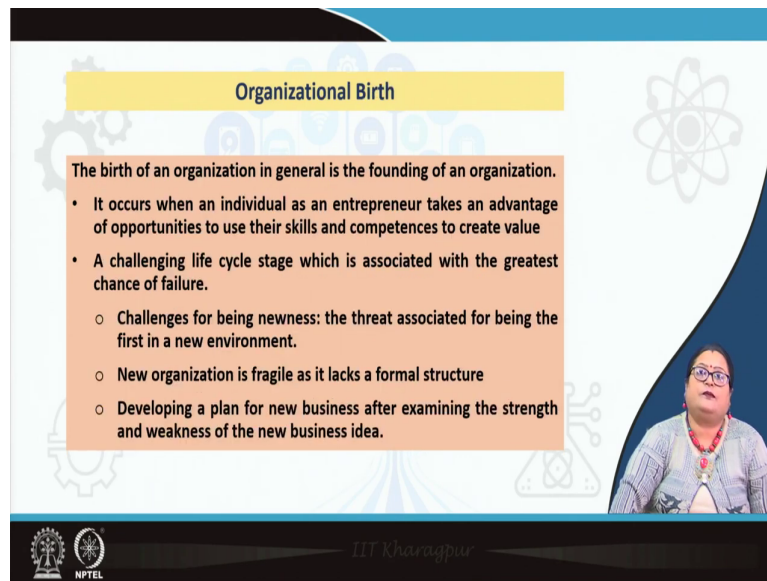
As I told you, like from passing from the birth to the growth stage, it needs to in become more active, it needs to increase its networking; it needs to connect with its stakeholders and needs to understand what your competence is about what are the niche and like area where it can like survive. So, if these things are not possible, then organization passes from the birth stage maybe directly to the death stage. It does not see any growth stage.

Some organizations may enjoy long time in the growth stage and in various sub-stages of growth which an organization may or must navigate. So, other organizations you may find like it may have like at the start very slow growth, then may maybe it has picked up and then, it may remain stable, and somewhere there could be a decline growth or there could be again a jump a second phase of jump comes and again a second plateau comes. So, there could be different phases of growth stages, sub-stages. So, there are also sub-stages of decline.

Some organizations in decline take corrective actions, change quickly, and turn themselves around. So, whenever organization is sensing that it is not able to cope up with the demands of the environment, it is not able to answer to what the consumers are expecting from them, what the employee employees are expecting from them.

So, they need to be alert, they need to be environmental, environment scanning. They need to understand what the it is demanded of them. And sometimes they take corrective actions change very quickly and turn themselves around at the decline phase, and again experience maybe a second stage of growth.

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The slide is titled "Organizational Birth" in a yellow header. Below the title, a text box states: "The birth of an organization in general is the founding of an organization." This is followed by a bulleted list of points. To the right of the text box is a video inset showing a woman with glasses and a necklace speaking. The slide background features faint icons of gears and a molecular structure. At the bottom, there are logos for IIT Kharagpur and NPTEL.

### Organizational Birth

The birth of an organization in general is the founding of an organization.

- It occurs when an individual as an entrepreneur takes an advantage of opportunities to use their skills and competences to create value
- A challenging life cycle stage which is associated with the greatest chance of failure.
  - Challenges for being newness: the threat associated for being the first in a new environment.
  - New organization is fragile as it lacks a formal structure
  - Developing a plan for new business after examining the strength and weakness of the new business idea.

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So, now we will discuss in details about the organizational birth stage. The birth of the organization, in general is the founding of an organization. It occurs, when an individual as an entrepreneur takes an advantage of opportunities, like to use their skills and competences to create value.

It is a challenging life cycle stage which is associated with the greatest chance of failure. Because if you are not able to understand the environment, if you are not able to sense like what are the prevailing demands of the consumers, where do I place myself, what will be my strategy? So, then it is the greatest chance of failures.

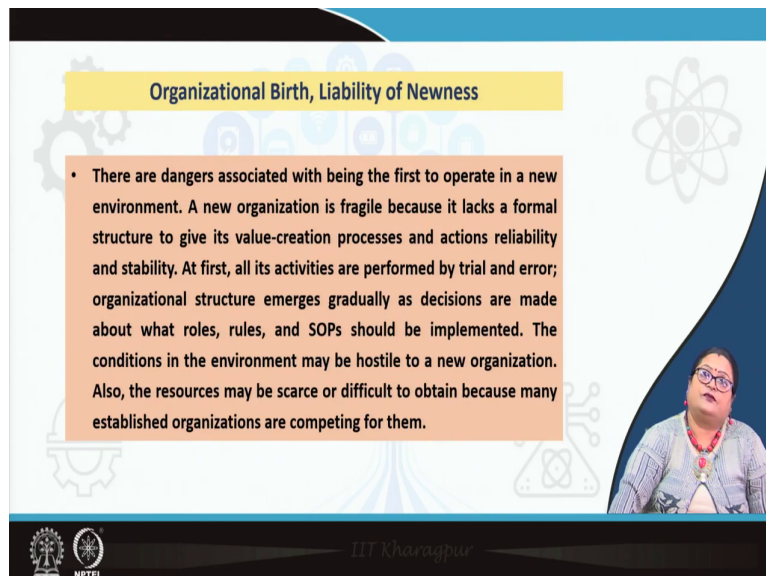
Challenges for being newness, the threat associated for being the first in a new environment. So, at the stage at which you enter into the market every stage is associated with certain risks, certain challenges. So, there could be a threat for being the first in the new environment

because you may not know much about the environment, you do not have somebody to follow and learn from their failures or their success.

So, being first in a new environment maybe to some people maybe threatful because they have to set examples themselves, they do not have anybody to follow or to learn from. So, new organization is a fragile as it lacks a formal structure. So, is it is just started maybe something is not yet again like formalized.

So, it lacks a formal structure and it is fragile in nature. Developing a plan for a new business after examining the strength and weaknesses of the new business ideas. So, it is important that you develop a plan properly for the business after examining the strength and also the weaknesses of the new business ideas.

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**Organizational Birth, Liability of Newness**

- There are dangers associated with being the first to operate in a new environment. A new organization is fragile because it lacks a formal structure to give its value-creation processes and actions reliability and stability. At first, all its activities are performed by trial and error; organizational structure emerges gradually as decisions are made about what roles, rules, and SOPs should be implemented. The conditions in the environment may be hostile to a new organization. Also, the resources may be scarce or difficult to obtain because many established organizations are competing for them.

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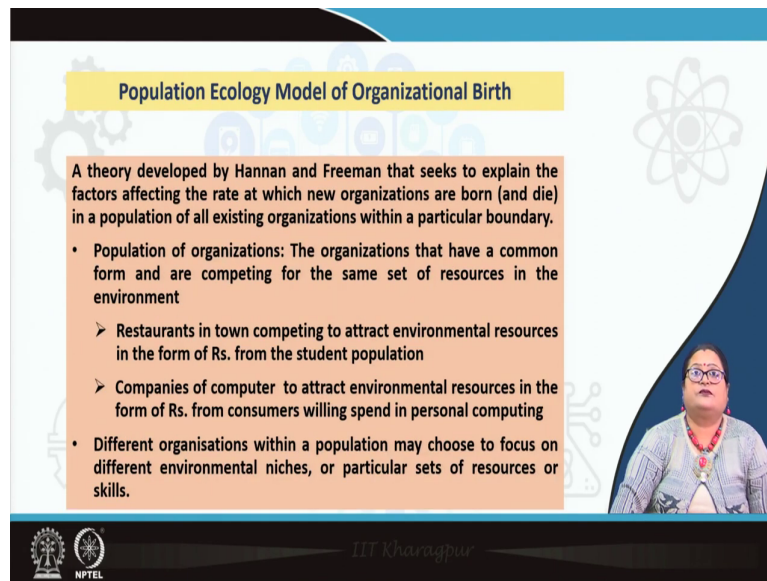
As I was discussing, there are dangers associated with the being the first. So, here we will discuss in details some aspects of it. So, we will discuss here like the organizational birth, the liability of newness. There are dangers associated with being the first to operate in a new environment. A new organization is fragile because it lacks a formal structure to give its value-creation processes and actions reliability and stability. Because it is experimenting, it is trying out trial and error, trying to find out which method is working best for it.

At first, all its activities are performed by trial and error. Organizational structure emerges gradually and decisions are made about what roles, rules, and SOPs should be implemented because people are learning as they are doing things. So, everything is evolving, it is very gradually in nature. The conditions in the environment may be hostile to a new organization. Also, the resources may be scarce or difficult to obtain because many established organizations are competing for them.

So, if there are other established players in the organization and there are scarcity of resources, then establishing yourself as something which has some distinguishable characteristics from the already established one, and then trying to get whole of the resources what others are using also could be challenging because there is already some crowd over there.

And from there you are trying to get something to develop some new aspects as you are like just born. So, you want to do something different, but what is the difference that you want to do, how differently you are going to use your resources, these needs to be well-planned.

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**Population Ecology Model of Organizational Birth**

A theory developed by Hannan and Freeman that seeks to explain the factors affecting the rate at which new organizations are born (and die) in a population of all existing organizations within a particular boundary.

- Population of organizations: The organizations that have a common form and are competing for the same set of resources in the environment
  - Restaurants in town competing to attract environmental resources in the form of Rs. from the student population
  - Companies of computer to attract environmental resources in the form of Rs. from consumers willing spend in personal computing
- Different organisations within a population may choose to focus on different environmental niches, or particular sets of resources or skills.

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So, to explain these things like when the how the organization is functioning in an ecology, of where other organizations are present in that ecosystem of how it is taking its birth in an ecosystem when already there are some players in the in that ecosystem. So, so for those factors may affect it is like the process of birth the obstacles faced during the birth time, whether they are allowed to take a birth, whether they grow or they die. So, this is explained by the population ecology model of organization, organizational birth.

We will look into the details of the population ecology model now. So, this theory was developed by Hannan and Freeman that seeks to explain the factors affecting the rate at which the new organizations are born or they die. In a population of all existing organizations within a particular boundary.



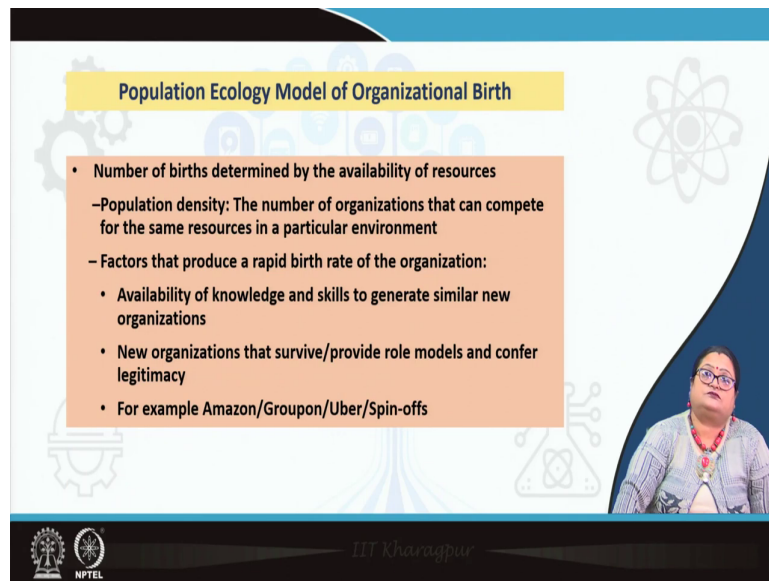
What is the population of organizations? It is those organizations that are common form and are competing for the same set of resources in the environment is called the population of organizations. Like, the restaurants in a town who are competing to attract environmental resources in the form of maybe rupees from the student population. Companies of computers to attract environmental resources in the form of rupees from consumers willing to spend in personal computing.

So, like you are, there are certain already existing players and you are entering into that. So, and you are targeting maybe the same source to get your resources, so there will be crowd and there will be competition, so how do you deal with it. Different organizations within a population choose to focus on different environmental niches, the sets of resources or the skills.

So, it will be prudent for an organization to do a background study, to find out or the competitor study, to find out how others are doing the business, how they are trying to tap their resources, what are their strategies and should I tap the same resource or should I go and explore a resource which is not yet tapped, ok.

And if I am tapping the same resource also, can I take a different way of approaching people with my different business plan. So, these homeworks need to be done very like with lot of care, with lot of like perseverance if before an organization is planned to take its birth.

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**Population Ecology Model of Organizational Birth**

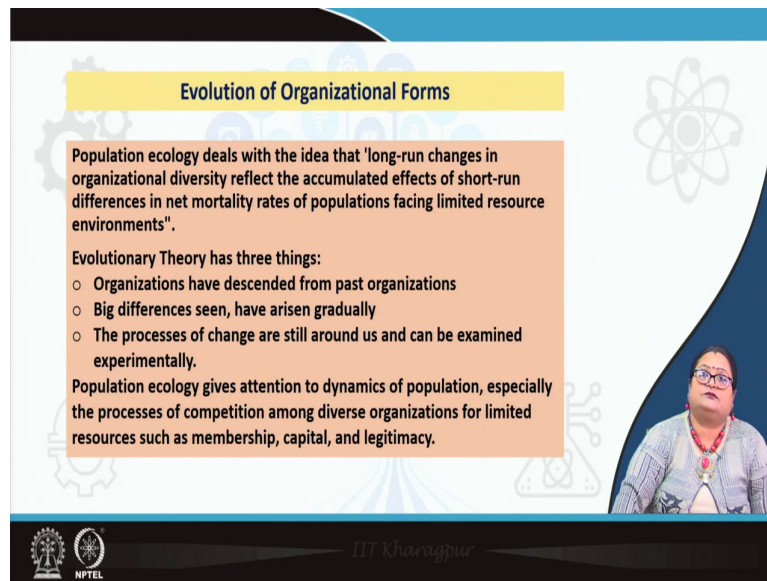
- Number of births determined by the availability of resources
  - Population density: The number of organizations that can compete for the same resources in a particular environment
  - Factors that produce a rapid birth rate of the organization:
    - Availability of knowledge and skills to generate similar new organizations
    - New organizations that survive/provide role models and confer legitimacy
    - For example Amazon/Groupon/Uber/Spin-offs

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With continuation, with the continuation with the population ecology model, we can tell the number of births are determined by the availability of the resources, which tell us about the population density. So, population density is the number of organizations that can compete for the same resources in a particular environment. And factors that produce a rapid birth rate of the organization; or the second like aspect that we need to look into.

So, when there is a population density like organizations are competing for the same resources, then how do a rapid birth rate takes place. It is taking place where there is an availability of knowledge and skills to generate similar new organizations; new organizations that survive provide role models and confer legitimacy. For example, like Amazon, Groupon, Uber, Spin-offs.

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**Evolution of Organizational Forms**

Population ecology deals with the idea that "long-run changes in organizational diversity reflect the accumulated effects of short-run differences in net mortality rates of populations facing limited resource environments".

Evolutionary Theory has three things:

- Organizations have descended from past organizations
- Big differences seen, have arisen gradually
- The processes of change are still around us and can be examined experimentally.

Population ecology gives attention to dynamics of population, especially the processes of competition among diverse organizations for limited resources such as membership, capital, and legitimacy.

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Now, what are the how the organizational forms evolves? Population ecology deals with the idea that long run changes in the organizational diversity reflects the accumulated effects of short run differences in net mortality rates of populations facing limited resource environments.

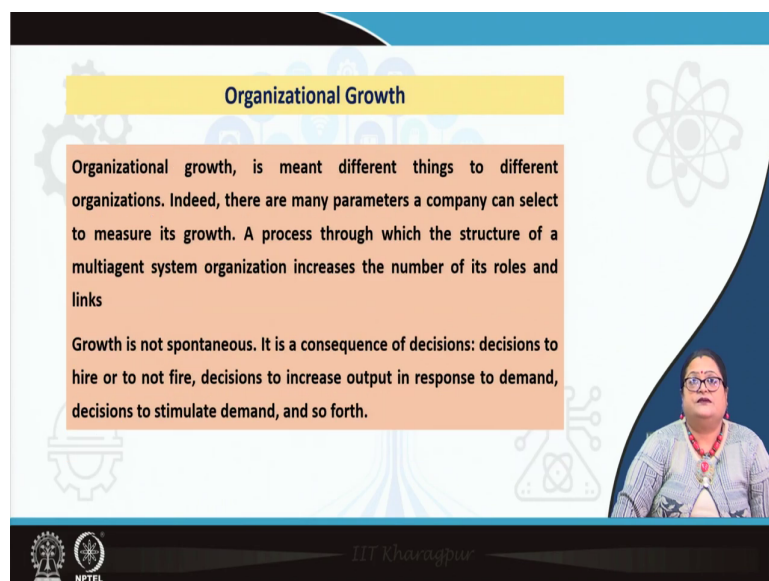
So, what we understand by this. It is like new organizations have descended from the past organizations. Whatever big differences that we see is a effect of like small small differences, short run differences, which have happened earlier. And as a result, is big differences have arisen gradually.

The processes of change are still around us and can be experimented and examined and experimentally. So, generally, what happens like, when organizations emerge from the past organizations evolve from the past organizations. So, like this happens because like there

could be some small differences happening, and then you find like the differences increasing and a new set, new organization emerges with new identity and new philosophy new ways of doing things.

We will see this more like whenever we are discussing about organizational turnaround, organizational transformation in the last modules of this discussion. So, population ecology model gives attention to the dynamics of population, especially the processes of competition among diverse organizations for limited resources such as membership, capital and legitimacy. So, how there could be lot of ethical issues will also come up over here, like how organizations are competing with each other for limited resources such as membership capital and legitimacy.

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**Organizational Growth**

Organizational growth, is meant different things to different organizations. Indeed, there are many parameters a company can select to measure its growth. A process through which the structure of a multiagent system organization increases the number of its roles and links

Growth is not spontaneous. It is a consequence of decisions: decisions to hire or to not fire, decisions to increase output in response to demand, decisions to stimulate demand, and so forth.

The slide features a yellow header with the title 'Organizational Growth'. The main content is in an orange box. A video feed of a woman with glasses and a necklace is in the bottom right corner. The background has faint icons of a gear, a person, and a network. Logos for IIT Kharyagpur and NPTEL are at the bottom.

Next, we will, after we have discussed about organizational birth in an environment in a population where other organizations are also present where they are also competing for the limited resources which they are. And how organization through its knowledge, through its ability, through its ability to scan the environment, through its ability to think differently, how it can carve a niche for itself, how it can understand, how to address the resources properly or how wet whether to look for in the new resources.

So, that will make the organization to like overcome the crisis that is faced at the stage of birth like, whether you are like surviving for the next stage or you are like facing your death immediately after the birth. So, once this crisis at the birth stage is over and the organization is able to deal with this challenges. Then, what we see is the next stage is the organizational growth stage.

Organizational growth is meant different things to different organizations. Indeed, there are many parameters as a company can select to measure its growth. A process through which the structure of a multi-agent system organization increases the number of its roles and links. Growth is not a spontaneous in nature. It is a consequence of decisions: decisions to hire or not to fire, decisions to increase output in response to demand, decisions to stimulate demand and so forth.

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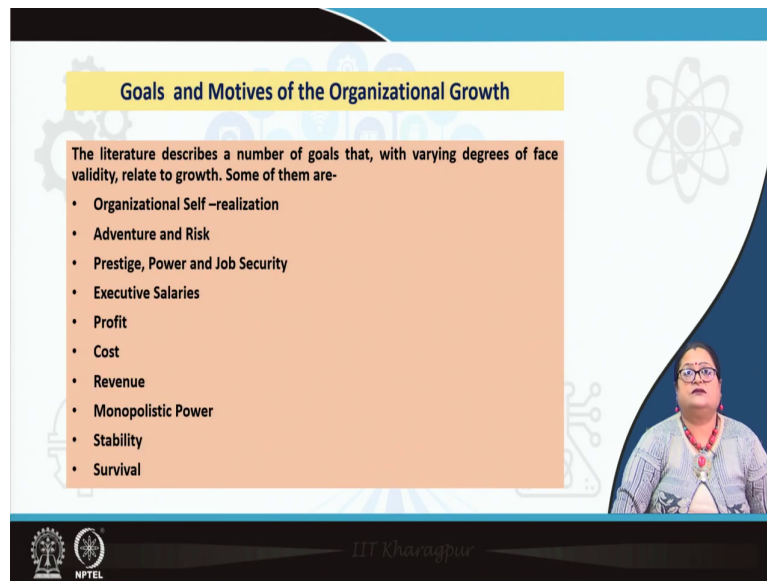
**Organizational Growth**

Organizational growth can take place only if increased size relates positively to achievement of the organization's goals or goals of individual members of the organizations.

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Organizational growth can take place only if increased size relates positively to achievement of the organizational goals or goals of the individual members of the organization.

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The slide is titled "Goals and Motives of the Organizational Growth" in a yellow header. Below the title, an orange box contains the text: "The literature describes a number of goals that, with varying degrees of face validity, relate to growth. Some of them are-". A bulleted list follows, listing: Organizational Self-realization, Adventure and Risk, Prestige, Power and Job Security, Executive Salaries, Profit, Cost, Revenue, Monopolistic Power, Stability, and Survival. The slide also features a small video inset of a woman in the bottom right corner and logos for IIT Kharagpur and NPTEL at the bottom.

**Goals and Motives of the Organizational Growth**

The literature describes a number of goals that, with varying degrees of face validity, relate to growth. Some of them are-

- Organizational Self-realization
- Adventure and Risk
- Prestige, Power and Job Security
- Executive Salaries
- Profit
- Cost
- Revenue
- Monopolistic Power
- Stability
- Survival

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What are the goals and motives of organizational goal? It is very important to understand like the what are the goals, why an organization wants to grow. The literature describes a number of goals that with varying degrees of face validity relate to goal, relate to growth. Some of them are organizational self-realization, adventure and risk, prestige, power and job security, executive salaries, profit, cost, revenue, monopolistic power, stability, survival.

So, as you can see there are some in a deficiency needs if you go by the Maslow's hierarchy some of the growth needs estimates. There could be different goals for which the organization wants to grow, starting from self-realization to taking risk, taking the need to take risk, the adventure loving and maybe prestige, power, security which are again connected with your esteem part to stability and survival.

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**Goals and Motives of the Organizational Growth**

- **Organizational Self–realization:**  
An organization has to carry out its functions, complete the tasks taken up, and expand to justify itself as a living entity
- **Adventure and Risk:**  
Some organizations are motivated by the urge of adventure and take risk for its own sake. And to reach a point of satiation in respect of wealth and power to be aggressive.
- **Prestige, Power and Job Security:**  
In addition to the prestige that follows from successful expansion, there is prestige attached to supervision of a large number of people in the organization. The more people an executive supervises, the greater the executive's prestige.

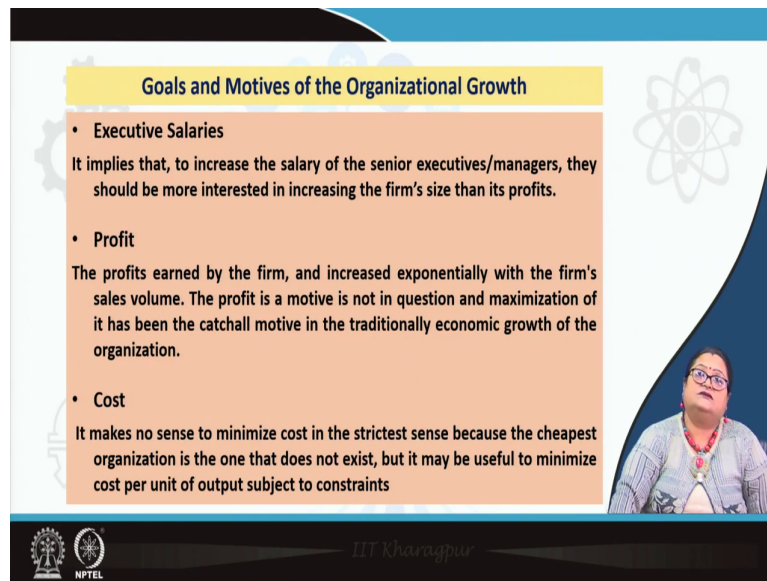
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We will discuss some of these in details now. The organizational self-realization growth: An organization has to carry out its functions complete the task taken up and expand to justify itself as a living entity. So, it needs to grow. Adventure and risk, some organizations are motivated by the urge of adventure and take risk for its own sake. And to reach a point of satiation in respect of wealth and power to be aggressive.

Prestige, power and job security: In addition to the prestige that follows from successful expansion, there is prestige attached to supervision of a large number of people in the organization. The more people the person or the executive supervises, the greater is the executive's prestige.



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The slide features a yellow header with the title "Goals and Motives of the Organizational Growth". Below the header, there are three bullet points, each with a corresponding paragraph of text. The text is presented in a light orange background. To the right of the text, there is a video feed of a woman with glasses and a necklace, who appears to be the presenter. The slide also includes logos for IIT Kharagpur and NPTEL at the bottom.

### Goals and Motives of the Organizational Growth

- **Executive Salaries**  
It implies that, to increase the salary of the senior executives/managers, they should be more interested in increasing the firm's size than its profits.
- **Profit**  
The profits earned by the firm, and increased exponentially with the firm's sales volume. The profit is a motive is not in question and maximization of it has been the catchall motive in the traditionally economic growth of the organization.
- **Cost**  
It makes no sense to minimize cost in the strictest sense because the cheapest organization is the one that does not exist, but it may be useful to minimize cost per unit of output subject to constraints

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**Goals and Motives of the Organizational Growth**

- **Revenue**  
Revenue as a goal as it seen that oligopolists' behavior resembled revenue maximization subject to a minimum profit constraint.
- **Monopolistic Power**  
Scholars have made argument that one reason for increasing organizational size is the power of a large organization as a monopolist or monopsonist.
- **Stability:**  
A desire for stability may be a very important consideration in choosing a direction for growth.
- **Survival:**  
An organization may not maximize profit or minimize cost, impart prestige, power, security but it may go for survival in a strategic way

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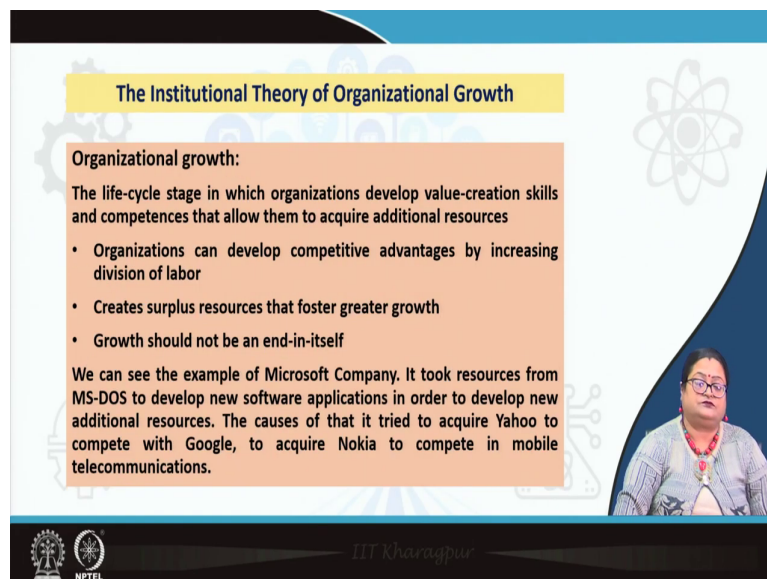
Revenue: Revenue as a goal as it has been seen that oligopolists' behavior resembled revenue maximization subject to a minimum profit constraint. Monopolistic power, scholars have made argument that one reason for increasing organizational size is the power of a large organization as a monopolist or monopsonist. Stability, a desire for stability may be a very important consideration in choosing a direction for growth.

Survival, an organization may not maximize profit or minimize cost, impart prestige, power, security, but it may go for survival in a strategic way. So, for all these reasons growth is very important. And sometimes the organizational size is related to organizational growth, but the urge to increase size as we have discussed over here. So, that we are on the track of organizational growth that needs to be taken with lot of prudence that needs to be taken that decision needs to be taken after lot of thoughts.

Because sometimes if it is like very unplanned kind of hasty kind of decision taken the organizational size may become a restrained barrier for future organizational growth and effectiveness. If we are understanding growth is your capacity to perform and not as just your like increase in size or volume which is your may be your physical like existence. If you are not equating growth with the size, then, and we are trying to see growth as your increase in competency, increase in level of maturity to perform in a better way.

Then, this like equating size and growth may sometimes be painful if it is becoming you know like too much of size, and you are not able to control it if you are not able to look into the details of every aspect of the functions of your organization, it may become detrimental to the organizational growth. So, everything rather needs to be balanced in a proper way.

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**The Institutional Theory of Organizational Growth**

**Organizational growth:**  
The life-cycle stage in which organizations develop value-creation skills and competences that allow them to acquire additional resources

- Organizations can develop competitive advantages by increasing division of labor
- Creates surplus resources that foster greater growth
- Growth should not be an end-in-itself

We can see the example of Microsoft Company. It took resources from MS-DOS to develop new software applications in order to develop new additional resources. The causes of that it tried to acquire Yahoo to compete with Google, to acquire Nokia to compete in mobile telecommunications.



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The institutional theory of organizational growth: Organizational growth, the life cycle stage in which organizations develop value creation skills and competences that allow them to acquire additional resources. Organizations can develop competitive advantages by increasing division of labor. Creates surplus resources that foster greater growth; growth should not be an end in-itself.

We can see the example of Microsoft Company. It took resources from MS-DOS to develop new software application in order to develop new additional resources. The causes of that it tried to acquire Yahoo to compete with Google to acquire Nokia to compete in mobile telecommunication.

So, how it is building on its competences, so that it can survive in the market it can compete with its competitors. These are also aspects of organizational growth, and that is where we talk of growth strategies for the organization how you are planning to grow.

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The slide is titled "Greiner's Model of Organizational Growth". It contains a yellow box with the following text:

According to Greiner, there are five essential growth stages having the features like:

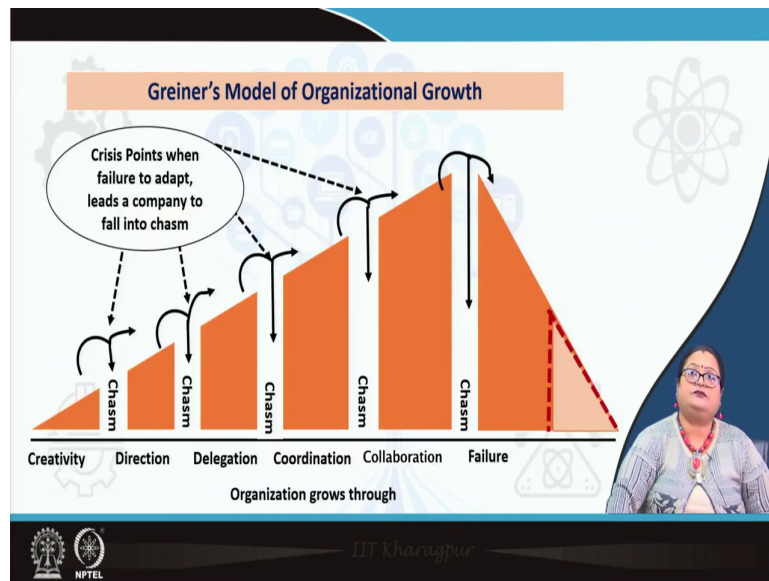
- Each stage have a organizational design problem resulting to a crisis
- Advancement to next stage requires successfully solution of crisis of preceding stage.
- Companies that fall into a chasm fail and die.
- Companies that have skills in organization design use them to cross the chasm and then they can proceed to the next stage of growth.

The slide also features a video feed of a presenter in the bottom right corner and logos for IIT Kharagpur and NPTEL at the bottom.

We will now focus on Greiner's model of organizational growth, which discusses about the crisis felt at each of the stages of the life cycle of the organization's development. According to Greiner, there are 5 essential growth stages having the features like each stage have an organizational design problem resulting to a crisis. Advancement to a next stage requires successful solution of the crisis of the preceding stage.

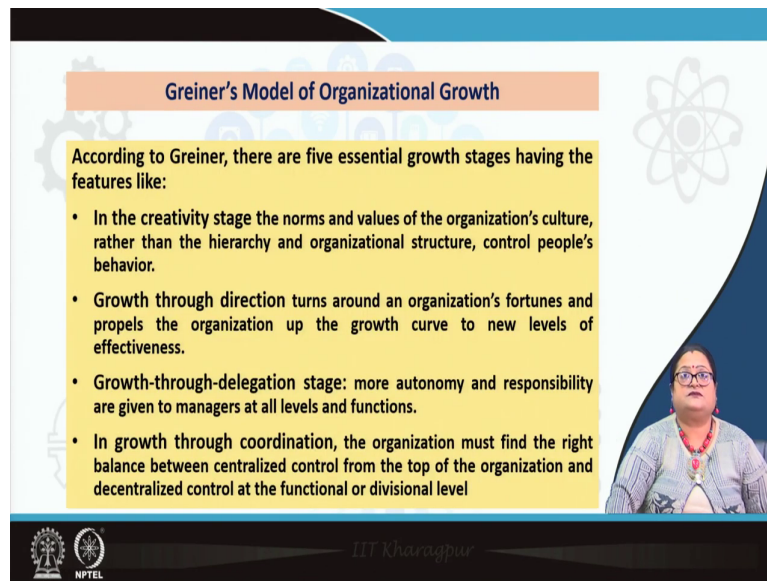
Companies that fall into a chasm fail and die. Companies that have skills in organizational design use them to cross the chasm and then they can proceed to the next stage of growth. Let us see what are these five stages.

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As you can see from this model, so the 5 stages you can see it is mapped over here as chasms like the creativity, then direction, delegation, coordination, collaboration and failure. Creativity, direction, delegation, coordination, collaboration and failure this is how the organizational growth stages move and there are chasms at each of these stages, and if you can overcome this then you need to the next stage.

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**Greiner's Model of Organizational Growth**

According to Greiner, there are five essential growth stages having the features like:

- In the creativity stage the norms and values of the organization's culture, rather than the hierarchy and organizational structure, control people's behavior.
- Growth through direction turns around an organization's fortunes and propels the organization up the growth curve to new levels of effectiveness.
- Growth-through-delegation stage: more autonomy and responsibility are given to managers at all levels and functions.
- In growth through coordination, the organization must find the right balance between centralized control from the top of the organization and decentralized control at the functional or divisional level

The slide also features a video inset of a woman on the right side and logos for IIT Kharagpur and NPTEL at the bottom.

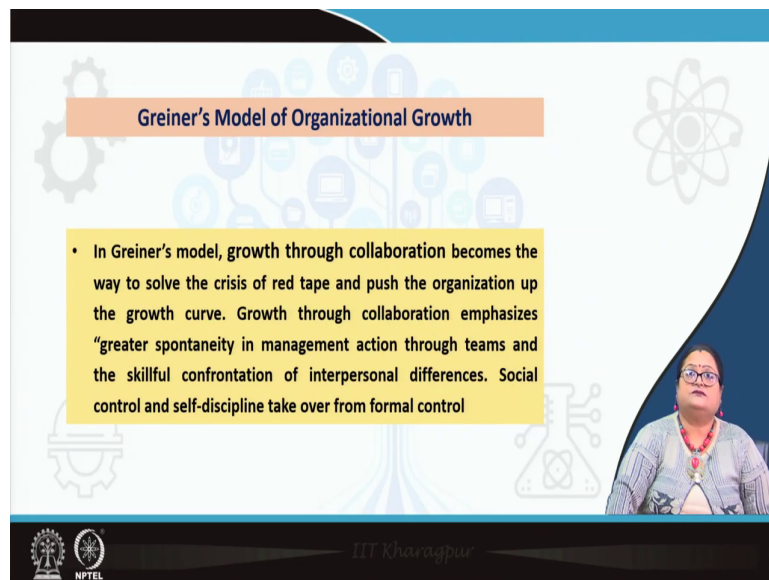
So, let us discuss this in details. According to Greiner there are five essential growth stages having the features, like the first stage it is which the creativity stage the norms and values of the organization's culture rather than the hierarchy and organizational structure, controls people's behavior.

The growth through directions turns around an organization's fortunes and propels the organization up the growth curve to a new levels of effectiveness. Growth through delegation stage, it brings more autonomy and responsibility are given to managers at all levels and functions.

In growth through coordination, the organization must find the right balance between the centralized control and the decentralization of the organization and you know to at the functions at each of the functional or the divisional level. So, when there is a balance between

a centralized control from the top and the decentralization, it is a growth through coordination.

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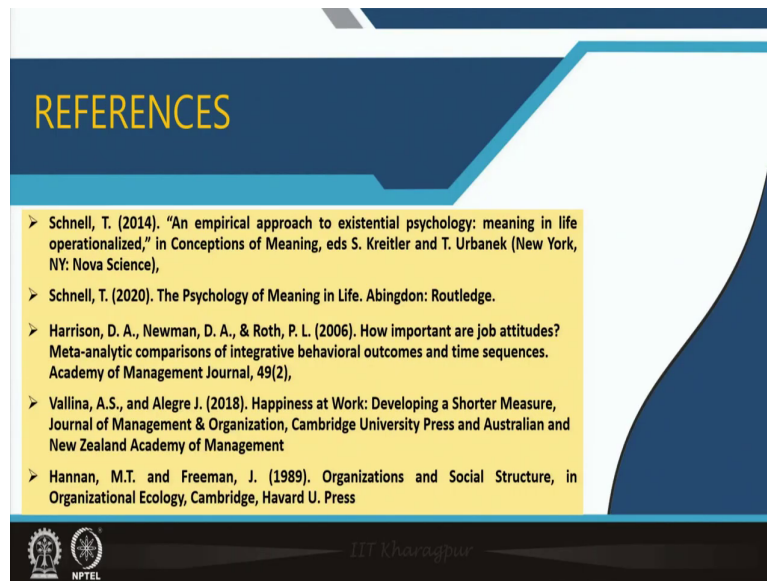


The slide features a title bar at the top with the text "Greiner's Model of Organizational Growth". Below the title, a yellow box contains a bullet point: "• In Greiner's model, growth through collaboration becomes the way to solve the crisis of red tape and push the organization up the growth curve. Growth through collaboration emphasizes 'greater spontaneity in management action through teams and the skillful confrontation of interpersonal differences. Social control and self-discipline take over from formal control". The slide is decorated with various icons like gears, a lightbulb, and a network diagram. In the bottom right corner, there is a small video inset of a woman with glasses and a necklace. At the bottom of the slide, there are logos for IIT Kharagpur and NPTEL.

In growth through collaboration, it becomes the way to solve crisis of red tape and push the organization up the growth curve. Growth through collaboration emphasizes greater spontaneity in management action through teams and the skillful confrontation of interpersonal differences. Social control and self-discipline take over from formal control.



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After that, you found like if collaboration is not done properly, it reaches the stage of failure. So, when we are talking of the stage of failure is where we are talking of organizational decline and death stage, which we will take up in the future discussions.

So, these are the references that we have used over here.

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**CONCLUSION**

This lecture session has covered the concept of organization, organization life cycle, model of organizational life cycle, organizational birth, population ecology model, evolution of organizational forms, organizational growth, goals and motives of organizational growth, the institutional theory of organizational growth and Greiner's model of organizational growth. Hope all the learners have enjoyed the learning about all these

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To conclude, this lecture session has covered the concept of organization, organizations life cycle, model of organizational life cycle, organizational birth, population ecology model, evolution of organizational forms, organizational growth, goals and motives of organizational growth, the institutional growth theory and Greiner's model of organizational growth. We hope all the learners have enjoyed the learning from this session. Thank you. Meet you in the next lecture session.

Thank you.