A Global Organizational Theory for the 21st Century

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Abstract

Organizational behavior and organizational change are elements of the ever-changing global business environment. Leadership and organizational behavior are 21st century disciplines. Network marketing organizations need to understand the ever-changing nature of global business and be ready and willing to adapt to the environment. Network marketing organizations have a challenge keeping up with a rapid escalation in global growth. Network marketing growth has been steady and global. Network marketing organizations have been slow to develop a 21st century global strategy to manage the rapid escalation of growth degrading organizational behavior, job satisfaction, increasing attrition, and degrading customer service. Development of an organizational behavior and leadership theory for the 21st century to help network marketing develop a global business strategy to manage the rapid escalation in growth that affect organizational behavior. Managing growth means organizational leadership must develop and adapt to the organizational environment. Growth comes with an open mind and one's departure from the comfort zone. Leadership growth operates in the tacit dimension. Systems thinking and adaptation of mental models can help shift organizational behavior. Shifting the organizational behavior requires organizational learning. Organizational learning occurs through single-loop, double-loop, and triple-loop learning. Triple-loop learning is the most difficult, but the most rewarding. Tools such as theory U can aid in developing a landscape for organizational behavioral development. Additionally, awareness to espoused and portrayed actions are imperatives. Theories of motivation, cross-cultural diversity, and communications are instrumental in founding an organizational behavior suited for the 21st century.

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Organizational behavior and organizational change are elements of the ever-changing global business environment. Leadership and organizational behavior are 21st century disciplines. Organizations need to understand the ever-changing nature of global business and be ready and willing to adapt to the environment. The following narrative will provide a problem statement as well as a purpose statement to provide foundational structure to a theory of organizational behavior and change for the 21st century. Theories and paradigms are discussed that will help global organizations face the issues of the 21st century. Additionally, one will present insights into organizational change and ways to implement organizational change.

The focal business segment for the organizational behavior and leadership theory for the 21st century is network marketing. Network marketing is a diverse and complex business environment with dynamic business architectures. Although the discussed theory will aim to cover global business as a whole, the basis of orientation, problem statement and purpose statement are foundational on network marketing.

Generally, network marketing organizations have a challenge keeping up with a rapid escalation in global growth. Network marketing has seen steady growth over the past 20 years. The growth has been on a global perspective. Specifically, there is an inability to develop a 21st century global strategy to manage the rapid escalation of growth degrading organizational behavior, job satisfaction, increasing attrition, and degrading customer service. Network marketing attrition rates are nearly 100%(Albaum & Peterson, 2011; Bloch, 1996; Coughlan & Grayson, 1998).

The development of an organizational behavior and leadership theory for the 21st century to help network marketing develop a global business strategy to manage the rapid escalation in growth that affect organizational behavior within Young Living Essential Oils.

21st Century Global Business Organizations

The 21st century global business environment is diverse and ever changing. In order for organizations to adapt to the global business environment, the organizations must manage growth. Managing growth means organizational leadership must develop and adapt to the organizational environment. Growth comes with an open mind and one's departure from the comfort zone. Polanyi (1983) argues that leadership growth operates in the tacit dimension.

Tacit knowledge is knowledge that is not easily convey in writing or verbally. Leadership growth occurs in three realms of knowing. The first realm are things one knows that one knows. The second realm are things one knows that one does not know. The third realm with the most growth potential are things that one does not know what one does not know one does not know (Polanyi, 1983). Leaders grow and obtain knowledge by dwelling in the third realm.

Systems Thinking and Mental Models

Systems thinking can help organizations manage the 21st century global business environment. Organizations base decisions on interrelated internal processes. Senge (1997) argued that system thinking is the cornerstone to organizational learning. System thinking is a complex method of accounting for the interrelationship of multiple processes in action simultaneously when developing an organization's decision matrix. Systems thinking is a method for organizations to understand events, patterns of behavior, structures, and mental models. Mental models are one's beliefs, ideas, images, and verbal descriptions that reside in one's conscious or unconscious experiences. Mental models represent one's perceived reality. Goodman's (2002) iceberg model is a viable tool to help organizations view and work through processes systemically. Mental models reside at the bottom or even below the iceberg. The closer one gets to the mental models the more leverage one obtains. The more leverage one obtains the better chances one has at managing the 21st century global business environment.

Learning Loops and Theory U

Managing the 21st century global business organization requires organizational learning. Argyris (1976) and Peschl (2007)categorized learning as single-loop, double-loop, or triple-loop learning. Argyris (1976) discussed single-loop and double-loop learning while Peschl (2007) presented the concept of triple-loop learning.Single-loop learning asks if the organization is doing things right. Double-loop learning asks if the organization is doing the right things. Triple-loop learning asks if the organization how the organization decides what is right. Triple-loop learning is the most difficult, but the most rewarding(Peschl, 2007).

In efforts to adapt to the 21st century global business environment, organizations must find a way to move from the current environment into the future environment.Scharmer's (2007) Theory U is a tool organizations can use to evaluate the current state and move toward the future state by effecting and modifying mental models. Theory U helps leadership progress the organization through the learning loops to triple-loop learning. Theory U is a process model or a social

technology for crossing the thresholds between the learning loops. Theory U provides a tool to aid presencing. Presencing is the art of bringing the future vision to the present by understanding the mental models. When an organization is moving to bring the future vision to the current vision one must move through the voice of judgment, voice of cynicism, and the voice of fear to have the will to develop presencing (Scharmer, 2007). The brain controls the voice of judgment. The heart drives the region for the voice of cynicism. The will controls the voice of fear. Global organizations must be aware of espoused actions and portrayed actions. The organizations espoused action can differ from the organizations portrayed actions. Espoused actions are organizational actions that the organization believes it is portraying. The organization's espoused theory is different from the organization's theory of actions (Argyris, 1976). The theories of action are the portrayed actions. Organizations can gain power when the espoused actions are congruent to the portrayed actions(Argyris, 1976).

External Environment

Global organizations in the 21st century must innovate and manage their external environments to develop competitive advantage. Organizations cannot control their external environment. However, organizations can manage their external environment by influencing the environment or by adapting to a changing environment (Hueske, Endrikat, & Guenther, 2014). An organization's external environment are all factors outside of the organization that affect the organization's ability to function (Root III, 2014). Five significant sectors of a global organization's external environment are customers, government, economy, competition, and public opinion.

The global business environment often requires organizations to function in global and virtual global teams. Cohesiveness is a key component of success in a global team. Groupthink is purported as a potential side effect of cohesive teamwork. Experts use the groupthink hypothesis to explain causal factors of poor decisions or decision fiascoes. Groupthink occurs when group members are deeply involved in a cohesive group and when the group members striving for unanimity override potentially realistic alternate courses of action. In other words, the voice of the group overrides the voice of the individual in efforts for a unanimous decision (Whyte, 1989). Janis (1982, p.9) argues there are eight symptoms of groupthink "an illusion of invulnerability, an illusion of morality, rationalization, stereotyping, self-censorship, an illusion of unanimity, direct pressure on dissidents, and reliance upon self-appointed mindguards."

One can implement countermeasures to reduce and nearly eliminate groupthink. Some of the countermeasures are explore various courses of action, explore alternative solutions, encourage ideas to be challenged, examine risks involved in the courses of action, test assumptions, reexamine alternative solutions, gather relevant information, process information objectively, develop an open communication environment for the team, get all team members involved and voicing their thoughts, and had a contingency plan.

Rational and Irrational Organizational Behavior

Effective and efficient 21st century global organizations must manage the rational and irrational aspects of organizational behavior and the business environment. Schein (2004)argues the irrationality of organizations is due to the fluidity and intangible nature of the organizational culture. Francesco and Gold (2005) add that irrationality comes when one must address cultures other than one's own culture. The intangibility is apparent in the overall organizational culture as well as the inherent subcultures that develop within an organization. The successful 21st century global organization needs to be able to establish and manage the cultural diversity as it emerges in an organization or in sub-cultures within an organization. North American organizations demonstrate a cultural preference for rationality (Francesco & Gold, 2005). The rational and irrational characteristics of organizations lead to leadership and leadership legitimacy. Weber's theory of leadership purports three social bases for leadership legitimacy. The three social bases are traditional, rational, and charismatic authorities(Francesco & Gold, 2005). Global organization in the 21st century need to possess all three authorities. A balance of the leadership authorities can help form a cohesive organizational behavior. Successful leaders in the 21st century global organization require implementation of theories to foster motivation within the organization.

Theories of Motivation

The theories of motivation described the basic elements of motivation required by 21st century global organizations. The things that motivate one are the things that energize personal and organizational behavior. Motivation channels and directs behavior. Additionally, motivation provides the energy to sustain and maintain momentum over time. Maslow's hierarchy of needs is foundation to motivation theories. Maslow purports that people are motivated by the different level of needs. In progressive steps of motivation, the levels of need are physiological needs, security needs, social needs, ego or self-esteem needs, and self-actualization needs (Bowditch,

Buono, & Stewart, 2008). Maslow argues that people are driven by a continual desire to strive for self-actualization through the steps of need. Alderfer attempted to reduce the number of steps in Maslow's theory in the development of the ERG Theory of motivation. The ERG theory reduced the needs to three levels based on existence, relatedness, and growth. Existence are the survival needs one possesses. Relatedness needs are social needs and esteem one strives to achieve. The growth needs focus on the needs to achieve and excel(Bowditch et al., 2008). 21st century global organizations can help the organization and personnel progress through the motivational matrix by establishing goals. A process theory of motivation that organizations can use to obtain and maintain motivation is the goal-setting theory. The goal setting theory bases principles on the path-goal theory. Setting goals is one of the most powerful motivation tools (Bowditch, et al., 2007; Cho & Perry, 2012). Goals direct thoughts and actions. Goals are the determinant factors of task-related motivation.Goals help guide global organizations through growth and adaptation to the business environment. Maintaining motivation is an iterative process and fundamental to success of the 21st century global organization.

Cross-Cultural Diversity and Communications

Global organizations in the 21st century are inherently culturally diverse. Diversity is a positive business element as diversity provides a broad perspective on global issues. Cross-cultural diversity and communications required leadership guidance and organizational programs. Global organizations need to engage in the challenges involved with cross-cultural diversity and communications. Organizations need an acculturation program to guide the organization in understanding the various cultures in the global business environment. An enculturation program will help personnel in the organization understand the organization and the organizations culture. Leading a cross-cultural organization is complex. Different cultures communicate differently and different cultures require different stimuli to enhance motivation (Francesco & Gold, 2005). The challenges to motivating a diverse cross-cultural organization are multidimensional. A foundational communication style needs to be developed for organization and leadership needs to have a multifaceted motivation plans to motivate based on cultural and subcultural needs. Cultural awareness and acculturation are important element of success for the global organization. Developing an enculturation program to inform employees about the company's culture is important to the success of new employees as they in-process into the organizational culture of the global company.

Power and Politics

Power distance is a measure of inequality between a boss and a subordinate. The higher the power distance the more autocratic the relationship. A lower power distance would present a more democratic and decentralized relationship (Bowditch et al., 2008). Power distance is one element of Hofstede's cultural dimensions theory. Hofstede's cultural dimension theory identified four basic dimensions for categorizing cultures. The four dimensions are power distance, uncertainty avoidance, individualism-collectivism, and masculinity (Bowditch et al., 2008). Knowing and understanding power distance and politics is imperative to the success of a global organization in the 21st century.

Global organization inherently come with certain organizational politics. Managing cross-cultural business environment entails politics and the global organizations that succeed in the 21st century will understand and manage the politics of the global business environment. Power bases and politics allow businesses to manage the global business environment. Due to the cross-cultural business environment, strategic initiatives are breeding grounds for politics. In addition to politics, ethics and values are key elements of conflict in the global business environment. Different countries have different ethical bases and traditions that cause conflicts in an organizations ethical conduct, decision making, and values.

Organizational Change

Managing business in the 21st century requires global organizations to change organizational culture and behavior in efforts to manage an ever-changing business environment. Changing the culture in an organization is a challenging endeavor. Most people are adverse to change. The major aversion to change is individual parochialism. Parochialism is a narrow focus normally on one's own self-interest over the higher of the organization. Additionally, ethnocentrism can play a role in aversion to organizational cultural change. Ethnocentrism is an organization judging another culture solely on the values and standards of one's own culture. The acculturation and enculturation programs should help in offsetting ethnocentrism.

There are many ways, means, and tools available to aid organizations is changing organizational culture. Scenario planning is a tool for organizational culture change. Scenario planning is a proactive tool that organizations can use to develop alternative and possible cultures as an initial step to changing the culture of an organization(Korte&Chermack, 2007). Korte and Chermack (2007) also stated that effective cultural change requires one to evaluate and effect change on

mental models. Using scenarios as a planning tool can help develop shared mental models to help leadership change the culture in an organization.

Essawi (2012) argues that organizational culture change requires constructive confrontation of values. Values build the organizational culture and to change the culture the organizations must shift and modify the values. The constructive confrontation of values occurs between the desired organizational values and the values of employees based on measureable results. Shifting of values must take place between the current values in the culture and the values desired in the desired organizational culture. In order to affect change in the current culture, one must constructively confront the values and the difference in the desired values from the current values(Essawi, 2012).

Organizational culture change is required in global organizations to build competitive advantage (Muratović, 2013). A critical analysis and comparative analysis are required to determine the required changes and to effect the change process. Muratović (2013) argues that flexibility is a key instrument in effecting organizational cultural change. Scalzi, Evans, Barstow, &Hostvedt (2006) identify barriers and enablers to change in organizational culture. The identified barriers are exclusion in the cultural changing process, competing and conflicting goals between the organization and the individuals, and high turnover of leaders. Scalzi et al. (2006)identified enablers as the importance of having change champions, management style, and participation of all stakeholders. Changing and organization's organizational culture is a challenging endeavor. Global organizations in the 21st century should undertake organizational culture change with care and enduring effort.

Conclusion

Organizational behavior and organizational change are elements of the ever-changing global business environment. Organizations must understand the ever-changing nature of global business and be ready and willing to adapt to the environment. The organizational theory for the 21st century provides a problem statement, purpose statement, and foundational structure for global business organizations to survive in a 21st century global business environment. Managing the global business environment requires tools to manage organizational growth and cultural change. System thinking, mental models, loop learning, and theory U are viable tools to help organizations succeed in the global business environment. Managing the external environment, leadership legitimacy, rational and irrational organizational behavior, theories of

motivation, cross-cultural diversity and communications, power, and politics are elements that require management by the organizations. The culminating points are actions organizations needs to take in organizational cultural change efforts to remain effective and develop competitive advantages in the 21st century global business environment.

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