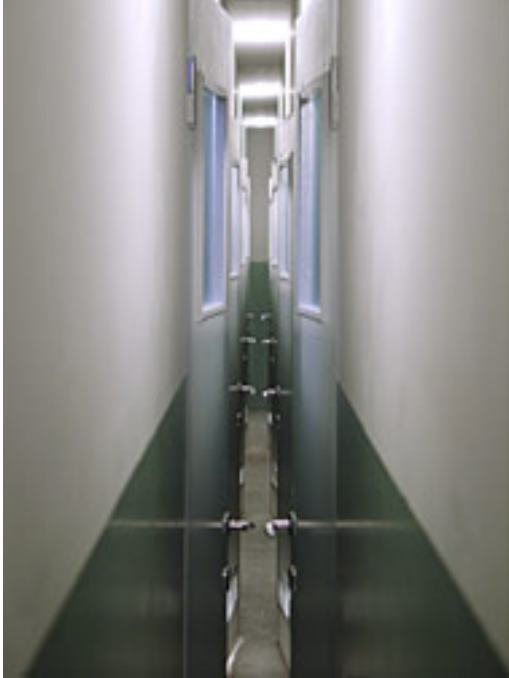


PARADIGM AND THE DEATH OF AN ORGANIZATION

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Paradigm is not a very common word; in fact many people still find it difficult to pronounce (it is actually pronounced as para-dime and not para-jim or para-gim). The word originates from the Latin word *paradigma* which actually means borders, as will be seen later in this article, the paradigm establishes the borders or fixes the limits of thinking (or whatever else may be the case).

Thomas Kuhn first used this word extensively in his book “*Structure of Scientific Revolution*”.

In his path breaking work, Kuhn, first a student and later a professor of Physics at Harvard, found how scientists had fixed paradigms and refused to look beyond certain boundaries that they fixed for themselves (usually done subconsciously). Not only that, Kuhn found that scientists had a tendency to alter the data to suit a model rather than challenge a model itself. The landscape of scientific inventions is littered with examples of men (or women) who questioned the epitome of organizational effectiveness and innovation and yet today is fighting hard to

established paradigms; the greatest example of all times being Galileo’s theory of sun



centered solar system as opposed to a earth centered one, as was postulated by the Church. Simply put, Kuhn realized that people in general tend to have paradigms and usually liked to operate based on these paradigms.

Paradigms can be powerful, and in the organizational context can even prove to be almost disastrous. To drive home the point we shall work with an example; in fact more like a series of examples. What is the name of the organization which at one point was the avoid a bankruptcy! Before you can rattle out dozen or so names, let me give you a hint.



This is the company which gave the world the concept of benchmarking. You got it - its Xerox Corporation. How could this happen? How can a company which gave the world a product which is synonymous with its application (we still say 'can you run a few Xerox copies' not a few photocopies) reach this unenviable position? Like a lot of corporate failures there are a multitude of factors which have actually lead to this condition, however we will track one of them only, which is paradigm. In order to understand the power of paradigms that was operational and so strong at Xerox, let us quickly look into the history of the organization. In the early part of the last century, a young man by the name of Chester Carlson had stumbled upon a brilliant idea. He found that when a piece of paper was put on a shining surface after being rubbed with a amber rod and then exposed to bright light it got a image of the paper and that the image could be read if the bright surface was

This organization,



sprinkled with dark powder. What he had actually found was electrostatic photocopying. This was a brilliant idea, and like many other torchbearers, Chester Carlson was ahead of his times. When he went to demonstrate his idea no one was too interested in his idea. It is said that all the great corporations of that day, including IBM, Kodak etc closed their doors on Chester Carlson. Now, if one were to look at why they did that, it was quite simple –they were all caught in a paradigm. An image was something that could be generated only when there was a “negative” – and electrostatic photocopying did not have any negative and therefore it did not fit into the general thinking pattern of the organizations or the people who ran them. Chester Carlson was fortunate however, when a small company called Haloid in Rochester decided to invest his brilliant idea. Guess what! Today we all know of Haloid as Xerox Corporation. (This example has been elucidated well by Joel Barker in his work, *Discovering the Future*)

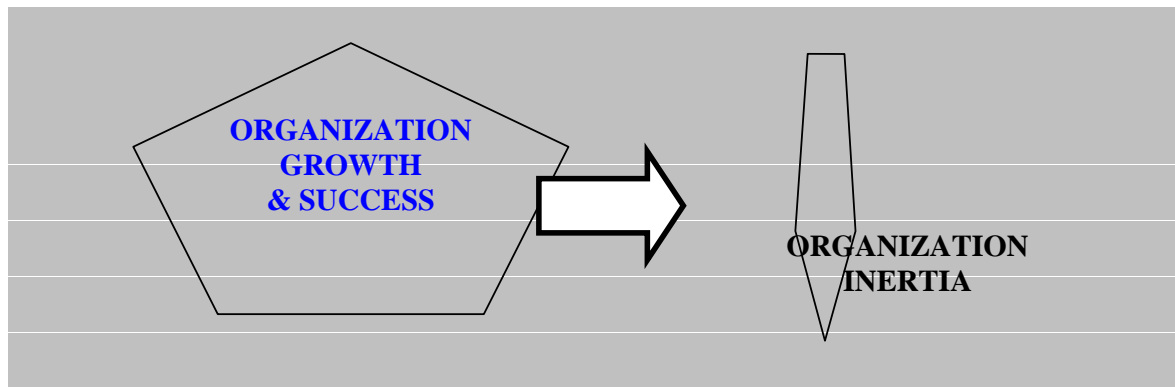
found on very innovative idea grew into a formidable empire This organization found on



very innovative idea grew into a formidable empire, which put up state of the art research center at Palo Alto, called PARC (or the Palo Alto Research Center). Unfortunately this jewel in the crown could be put on sale in the new restructuring plan that is being discussed). This research center at one point

of time was among the most fertile grounds for innovative ideas, paralleling the IBM Watson research center and the Bell Laboratories. However the organization had by then been infested by the very common organizational malice of inertia.

Fig.1: Development of Organizational inertia



As the ex-head of Corning had rightly put, in an organizational life cycle

- *Size leads to structural inertia*
- *Age leads to Social inertial and*
- *Success leads to pride and arrogance.*

What the visionary CEO was hinting is that, when an organization begins to grow (success led growth) it grows in size and as it grows, it

collects “mass”, thereby increasing the inertia – both with respect to internal needs as well as external demands. Added to this, a deep sense of arrogance develops in the organization, which in turn creates a powerful paradigm within the organization. This was exactly what happened in the case of Xerox.

And the paradigm paralysis of Xerox was to lead to other successes,



not for them but for others.



Researchers working at PARC had found a *computer operating system* which was user friendly and used an instrument called mouse as a input device. This invention found no takers in the top management of Xerox and the idea had to be scrapped, since basically the idea did not fit into the fundamental *paradigm* that Xerox had developed over the years. Steve Jobs, was to later exploit this idea and turn it into a multi billion dollar empire called Apple Computers. Apple Computers introduced the first ever GUI or the Graphic User Interface operating systems. Apple Computers' Mac and MacOS became a big hit

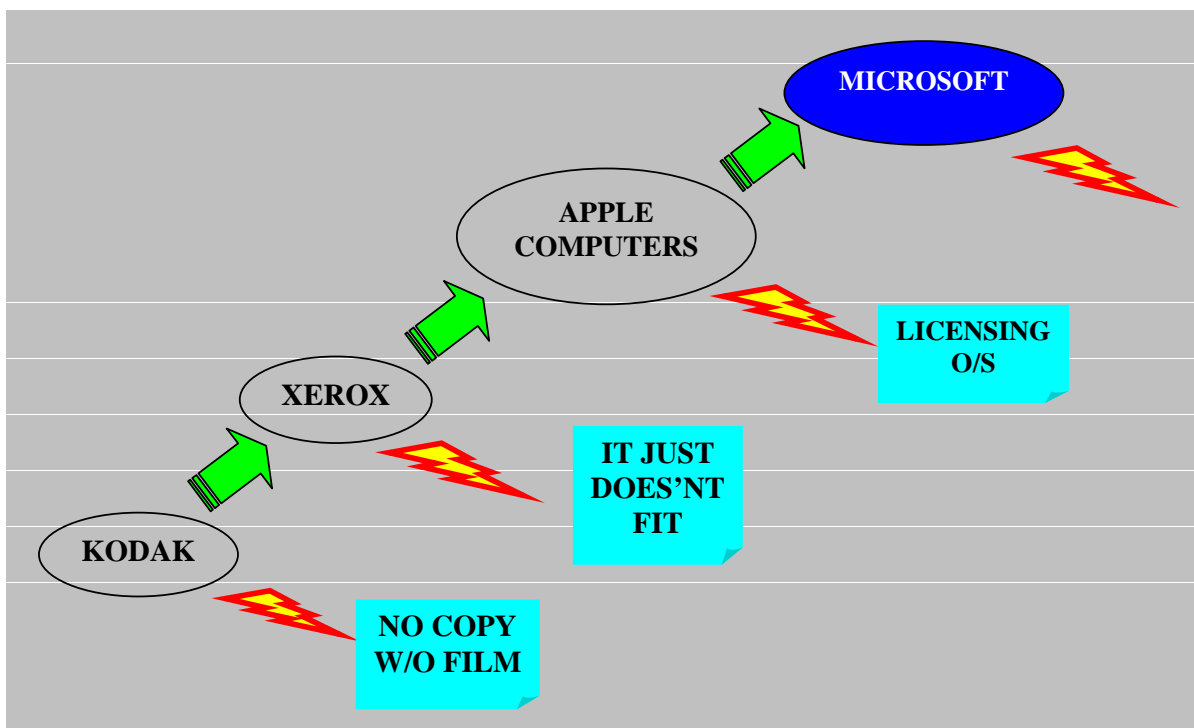
in the market. The organization and the product were considered as classic examples for technological superiority and marketing savvy. Like in the case of the Xerox, Apple was caught in success trap or the shortsightedness developed by organizations when they become *hugely* successful. The unresponsiveness (or in other words its rigid paradigm) of Apple computers regarding its property operating system was to lay the seeds for creation of another great organization – the Microsoft Corporation.

Along with Intel the Microprocessor leader in the world, Microsoft was to take the battle of the personal computers where Apple left off because of its tunnel vision. In a classic Japanese style attack, ie focusing on product superiority and sheer volume rather than product innovation, Microsoft captured the world PC software market. From the operating system to application software Microsoft systematically and successfully decimated the competition; becoming almost a monopoly and incurring the sanction of FTC. Microsoft developed the arrogance of

successful organization and almost fell into the trap of its own paradigm (of personal computers and developing software for the same) that when internet hit the market place, it almost lost the race by pooh-poohing it.

However, good sense (and more so good fortune) prevailed and the organization was able to stage a late, but remarkable comeback into the internet based products.

Fig2.: A Sequence of Impacts of Organization Paradigms



To summarize, Xerox could have been a Apple, and a Microsoft. Caught in a powerful paradigm of its own, Xerox lost many an opportunity to become perhaps the largest corporation in the world. Somewhere along the line, the company decided to be just a *document company* and lost out in the process

a series of golden, profitable business opportunities. The ability of the organization to focus on its core competency (in this case document management) and at the same time exploit the opportunities presented from within or by market, is a key ingredient for long term survival.



Visisht Corporate Growth Associates Pvt. Ltd. is a leading management consultancy that provides complete business solutions to medium and large sized organizations. Its key service areas are HR, Organization Development, Operations Management and Strategy.

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