

FITNESS LANDSCAPES

The world of business has become more complex, challenging the skills and abilities of people and organizations. How do we deal with change? Read on...

Though there is difficulty in coming to terms with 'Change'. But when the environment is characterized by such rapid change, we need to think of new ways of dealing with it. The world of biology has interesting examples, which help us make sense of the world of business as an ecosystem and the strategy to be adopted in order to sustain and grow.

The living organisms adapt themselves to the environment in order to survive and reproduce. As certain traits are passed on from the parent to the offspring, the organisms which fit into the environment grows in number and those which are not able to adapt disappear. Thus the process of evolution begins with mutation. Mutation is a creative force of evolution where less favorable genes are removed from the mutation pool while more favorable ones tend to accumulate by natural selection. Natural selection eliminates unfit organisms as a result of selective environmental pressures.

By 1940's, biologists had invented the image of 'adaptive landscapes', a multi-dimensional space with hills and valleys whose peaks represent the spaces filled by highly fit forms. In this context, fitness is not a point in a two dimensional linear space, as it is usually assumed in Business. It is a complete landscape of at least three dimensions, inclusive of time. It is not a fixed peak or valley but a dynamic landscape where the valley may become a peak and vice versa over time, by the interplay of complex interactions among the competitors.

A business organization can also be viewed as an ordered system. Organizations and people within them produce goods and services for the consumers. If the consumers do not value the outputs, those organizations and people will not survive in the long run. This will lead to emergence of a new organization, which will be more beneficial to the entire system.

If the organization has to sustain and succeed, it has to climb the performance peak, which leads us to the idea of fitness landscapes. What is needed for the organizations is the adaptability and what Stuart Kauffman calls "a God's eye view and behold the large landscape features". As organizations evolve, they influence the performance of other organizations, which share the same landscape.

What brings order to the system are not only the natural selection but also self-organization. Only those systems that are capable of self organizing evolves further. Large business organizations like Intel have seen many CEOs, but the

company's distinct qualities are maintained. No single person can understand the world of Intel, but collectively Intel performs.

In this complex world, there are greater opportunities, but they come along with greater risks. Leadership and organizational skills are required to survive. The individuals in any organization must wake up to the new realities instead of getting caught in old definitions and ways of thinking. Learning is the heart of an adaptive organization.

William E Fulmer brings out his concept that the foundations that shape an adaptive organization are Landscapes, Learning and Leadership. Further he says, Strategic planning, Organizational design and Organizational culture are ways of enhancing organizational learning.

Arie de Geus through his book, 'The Living Company', shares his provocative thoughts on how companies could be run for long-term success in the real world. He says that, "the company's survival rose or fell on the way they managed their resources, their people, their information and their money." He brings out the fact that long-lived companies are sensitive to their environment, meaning that they sample, learn and adapt to what is happening around them. Also, they are cohesive and have a strong sense of identity based on the ability to build a shared community.

The significance of the concept of fitness landscape is its strong support for adapting multiple strategies simultaneously. It is analogous to multiple groups trying to scale the peak through hill climbing. Conventional business wisdom advocates single strategy at any point in time. Business Environment keeps changing and organizations should also keep 'Climbing the hill' from multiple directions.