Organizations emerge, operate, establish, and expand. They build products or deliver services that revolve around their customers and try to stay profitable. Not all of them survive and become successful leaders in their industry landscape. Several startups vanish in a year or two, while some lose their competitive edge to others or are swallowed up by larger hungry rivals. Only a few grow, mature, become successful, reach, and stay on top despite external factors like economic fluctuations or depression. The history of the rise and fall of organizations raises a few questions. When we turn back and take a peek at this history of organizations, we confront questions like - Why is Microsoft changing its strategies? How did Apple transform itself into a giant from almost falling off from the cliff? What happened to Blockbuster? The answer is not the simple monosyllabic word "change." The appropriate answer would be constituted by the answer to the question “What causes the changes that transform the organizations into sustained successful leaders?” The cause effecting and sustaining success is “Intelligence.” Winners are intelligent and losers lack intelligence. But the concept “intelligence” stands in need of a comprehensive definition.

Organizational Intelligence as Holistic Intelligence
Analysis of Corporate Intelligence Practices

Sathish Kumar Balasubramanian
INTELLIGENCE

A platitudinous definition of intelligence, which is more circumlocutory than off the tangent is that most successful organizations have great ideas, vision, and innovative perceptiveness, that they have the ability to understand the technological advances, market landscape, customer expectations, and competitor’s strategies and moves. These skills are said to issue from reading the deluge of data (thanks to the seam-bursting internet information) to their advantage/benefit.

It is held that analyzing data helps organizations understand what is happening around them, prepare themselves for future headwinds, make them adept at changing strategies when the need arises, and help them flourish, expand, and cross boundaries.

Analysis, no doubt, is crucial for interpreting data. If the person or organization analyzing data fails to detect any key pattern or trend, it becomes a lost opportunity for the organization. Data driven decision making helps these organizations (a) take limited risks and maneuver out of difficult times (like economic downturns), (b) change strategies, and (c) reorganize themselves according to market conditions. Thus, data is the primary substance on which intelligence acts. This raises a rather amusingly disturbing question about whether intelligence is a force secondary to data.

So, can data be considered as intelligence? The answer is an emphatic “no.” Data only provides information, but data itself is not intelligence. Information becomes intelligence when the collected and stored data (both historic and current) is analyzed, reviewed, and interpreted to gain insights. Data in itself does not describe a process and its activities. Intelligence does the function of describing a process and its activities (Don McDowell, 2009). But the question is: Is intelligence a monolithic entity? Is it a kind of universal hold-all?

If we take a deep dive into the idiomatic word “intelligence”, it becomes clear that the word does not signify a single block built of uniformly made figurative bricks (the different types of intelligence) but is a dynamic activity. It has also been understood that intelligence as an activity moves through vertically arranged and hierarchically ordered layers of compartments like: Organizational Intelligence, Strategic Intelligence, Interpretive Intelligence, Business Intelligence, and Competitive Intelligence. It has generally been presumed that data enters one compartment, is interpreted, and is then passed on to the next (higher) compartment. The interpretation then becomes the data on which the intelligence, appropriate to that compartment, acts. The result of this intelligence activity is transmitted to the next level where it becomes data for interpretation. Thus, transmission and interpretation go on till the final compartment is reached. The problem with this model of intelligence is that each compartment is an autonomous entity and intelligence as an activity is discrete. While each intelligence-type is both important and necessary, each type is not sufficient for that type of intelligence that is a comprehensive activity (as contrasted with and opposed to discrete units of intelligence). But before a discussion on this larger/comprehensive intelligence is initiated, it will be necessary and useful to discuss what the author calls discrete units of intelligence.

ORGANIZATIONAL INTELLIGENCE (OI)

The IQ of an organization depends on how efficiently an organization handles information, culture, knowledge, and strategies to stay competitive through innovation and operational excellence. In the modern era, an information-age organization applies intelligence at various levels to gain insights and predict the future through continuous research and analysis. In a nutshell, the IQ of an organization is driven by three key intelligence components called Competitive Intelligence, Interpretive Intelligence, and Strategic Intelligence. Organizational Intelligence is defined as the value adds derived from data, knowledge, and experience as illustrated in the hierarchically defined pyramidal diagram presented below.
The flow of intelligence is incremental and starts from the bottom of the pyramid. Here, every single component that can add or contribute value towards increasing the organizational intelligence (OI) is stacked (Jay Leibowitz, 2006). Data is the foundation of intelligence. Information is derived when the data is analyzed to study the trend, patterns, and behavior.

Extensive experience to gain insights by analyzing the data and information becomes Knowledge. Specialized knowledge becomes expertise. Experience and expertise transform an organization to the next level - wisdom. This is applicable to the organization as a whole. According to Mendelson and Ziegler (1999), Organizational Intelligence depends on how well the organization is capable of handling information awareness, decision making, knowledge dissemination, organizational focus and information age business networks, which they call collectively as information-age principles, and they have clearly emphasized how each one of the first four elements of their information age principle is essential to develop an organization's IQ.

COMPETITIVE INTELLIGENCE AS PART OF OI

Many of us get confused between Competitor and Competitive Intelligence, as they sound alike. Competitor Intelligence is the knowledge an organization gains about its competitors alone. Whereas, Competitive Intelligence is extensive and includes competitor intelligence. In a nutshell, Competitive Intelligence is: (1) understanding the organization's goal, vision and mission; (2) relating them to market landscape, customers, competitors, and technological advances in order for the organization to stay competitive. Data gathered about market conditions, competitors, consumer behavior, demographic distribution, seasonality, consumer spending power, and geographic location help in understanding the bigger picture of what is happening in the industry. Competitive intelligence guides an organization to identify potential areas where it needs to focus to stay competitive and innovate to create blue oceans, that is, uncontested market space where an organization may have no competitors with an opportunity for highly profitable growth by creating demand in the consumer market and in any industry landscape (W. Chan and Renee, 2005). In the domain of CI, analytics framework is the DNA for blue ocean strategy, where Competitive Intelligence helps an organization to swim out of Red Ocean into Blue Ocean by challenging conventional wisdom.

BUSINESS INTELLIGENCE AS PART OF OI

Business Intelligence is the foundation for any information age organizations and it starts with data. BI is objective and metrics driven. BI is not universal, but it is defined by the organization’s position in its environment, its current condition and requirements, and it needs to methodologically collect, store, analyze, and present data in a particular format needed by the analysts and business managers in their organization to enable decision making. Technology specialists load data to database and into data mart for further analysis. Analysts work on this data to derive insights. Metrics and KPI (Key performance index) are defined by the business leaders, and these KPI's are tracked and reported.

Analysts have to work, in the present era of techno-strewn information and knowledge, on both structured data, which is simple and straightforward and can be loaded to any database for analysis purposes, and on a profusion of unstructured data that come in different format like image, videos, text, and so on.

Such unstructured data needs special processing. Increased availability of data, both structured and unstructured, results in information overload. Because of this, organizations need higher data processing power and storage capacities. With technological advances like Big Data and cloud computing, the challenge in data deluge is getting addressed. There are several BI tools available in the market which helps in the analysis. In a nutshell, BI is all about how efficiently an organization handles a variety of information collected and processes them to generate user friendly dissemination of data to business analysts, business managers, and decision-makers.

INTERPRETIVE INTELLIGENCE AS PART OF OI

Information must be available at the right time and at the right part of the organization (Mendelson and Ziegler, 1999), not only for decision making but also to present the futuristic landscape. CI experts collect data from various sources and agencies and provide it to BI experts. BI experts on the other
hand load the data in the BI tools. They help to slice and dice the data and provide it to Analyst and Business Managers. It is the job of the Analysts and the Business Manager to interpret the data to gain insights. Gaining insights from the data is not an easy job. Interpretation of information comes from experience and knowledge. Experts from every industry and domain type know what metrics need to be captured and analyzed and how far back they need to go back to understand the trend to have a relatively close projection for forward looking months. Interpreting the seasonal behavior, trends, patterns, and questioning why this is happening or why this has happened, will provide more insights into the current state of business and help to predict the future.

Similarly, information gathered about the competitors and their strategies need to be analyzed and interpreted correctly to gain insights into where they are headed and what their probable plans are. It doesn’t mean that the organization should adjust their strategies to align with its competitors. Interpreting the right information from the data help the leaders to think innovatively and to outsmart their competitors on their own game.

Failure to interpret and gain accurate insightful results in decisions which may be not appropriate at that moment of time for the organization and strategic decisions based on outdated data, will jeopardize the future of the organization.

STRATEGIC INTELLIGENCE AS PART OF OI

Strategic Intelligence help leaders maneuver the organizations to success and navigate easily during difficult times. Strategies based on conventional wisdom belong to yester years. Every business units in the information age conducts detailed weekly, monthly, quarterly, half year, and/or yearly reviews to understand the function and knowledge of drivers behind growth (or decline) and compares its growth with that of their competitors and market trends. Reviews are also a tool to measure its phased and overall growth. Strategic intelligence also helps in swiftly identifying threats and opportunities, and to plan the future through effective programs, policies, and practices. Strategy, as the word implies, is all about planning the future of an organization based on the current situation and guided by the predictions. Strategic intelligence alone facilitates processed and first hand information to be delivered to the decision-makers at the right time.

It is also worth making a note here. Strategic Intelligence becomes a weapon against certain practices that generate decline and fall. In some organizations, when information and insights move up the hierarchy they get altered or modified to project only the positive side of the performance story. Any modification to data or insights will provide only misleading information to the decision makers. Strategic intelligence facilitates decision-makers to be constantly aware of the current situation and to question the supplied data/information for their accuracy and consequently, to scrutinize their reliability.

Effective decisions are made when people in the decision-making levels have the right knowledge of the industry and a very good perspective of information. The lack of either one of these will affect the other and, in turn, affect the overall performance of the organization. This is clearly proven by the downturn of JC Penney Inc, where Stephanie Clifford briefs how the strategies of Ron Johnson backfired at JCP, leading to unhappy customers, loss of sales, and revenue. This is an example of not understanding the business model and existing strategies and trying to implement change at large.

Organizations with high IQ always review their strategies and study market conditions. When they sense that their strategies are not working as expected, they show no hesitation to re-work on their strategies to face the cold front of failed strategies in order to outsmart their competitors. Reworking of strategies may sometimes involve restructuring the very business models. Microsoft recently made strategic changes to align their business models through restructuring to effectively compete with Apple and Google. Mark Fidelman in his article briefs how Microsoft can benefit from the recent shift to One Microsoft Strategy and how the new mobile strategy can help Microsoft to surpass Apple in the mobile industry. Microsoft Strategy and how the new mobile strategy can help Microsoft to surpass Apple in mobile industry.
It can also be proposed that the culture of an organization and its style of knowledge management (the two are not only interactive but interpenetrative) are part of its strategic intelligence in the sense that they determine the organization's success or failure. Every organization has its own culture and it runs deep in the organization. Culture, in this context, is all about the mission, strategy, and goals of an organization driven by the structure, systems, and processes. According to Edgar H. Schein (1999, 2009), Organizational Culture can be categorized into three levels called Artifacts, Espoused Values, and Underlying Assumptions. Changing an organization's culture to realign business strategies in order to confront changing market landscapes is very difficult, and the effort to change the established culture is always met with resistance. An organization can overcome this resistance as soon as its employees understand the sense of urgency to change and when short-term wins are generated (John P. Kotter, 1996). Preparing the employees to accept a change in the organization's culture is part of Strategic Intelligence.

Reflecting John P. Kotter's Eight-Stage processes, Vineet Nayar in his book titled Employees First, Customers Second (Harvard Business Press, 2010) has exemplified how he changed the culture of HCL Technologies during its successful transformational journey, when the organization was losing its competitive edge to its peers. He introduced a philosophical management style called "Employee first, Customers second", whereby he empowered his employees who work close to customers, which he calls value zone and made the management and the managers accountable, thereby inverting the hierarchical pyramid. This shift in paradigm increased the transparency in operation and trust between the employees and management (Vineet, 2010).

The foregoing arguments, when accepted, will lead to the strategic perception that Organizational Knowledge depends on the knowledge it gains from its employees. Employees are the key assets to any organization. It is interesting to note that while an organization acquires external knowledge from its consumers, customers, and competitors, it gains internal knowledge from its employees (Mendelson and Ziegler, 1999). Skills and knowledge of employees is an asset to an organization. Management of knowledge that percolates from internal sources (employees) works by the strategy of employee retention plans. The techniques of the strategy are recognizing/acknowledging the talents, rewarding them, and encouraging the talents to share their knowledge across business units. This will motivate other employees to excel and perform above their expected levels. According to Jay Leibowitz (2006), Organizational Intelligence is directly linked to its employees, their knowledge, and how well their knowledge is utilized and disseminated towards the organization’s success. Knowledge sharing happens when employees trust the management. When knowledge is not shared, information becomes isolated islands. Thus, organizational culture plays a vital role in knowledge management, and knowledge management defines the organization’s culture.

In any organization with high IQ, information flows both horizontally and vertically. One way an organization can improve its horizontal knowledge dissemination is when peer groups are created and they start interacting with each other, thereby sharing their best practices and experiences which will enable cross functional communication and awareness. On the other hand, Vertical Knowledge dissemination is considered a little more complex, because information flows top down and bottom up as well. In both cases, there are chances for information to be lost or misinterpreted at any level. It is essential for an organization with high IQ to ensure that the information reaches the top or the bottom of the organizational hierarchy without loss or misinterpretation. Fiscal priorities, operational goals, strategies, vision, and financial goals flow from top to bottom. Everyone in the organization needs to be aware of these priorities set by the organization. Opportunities, challenges, lessons learnt from success or failure flow from bottom to top. The KM framework must be designed in such a way that the opportunities and challenges need to be routed to the correct unit where it gets addressed immediately to reduce waiting time and to have a quick response. This will increase the performance of the business units and, in some cases, can lead to greater customer or employee satisfaction. Lessons learned must be accessible to everyone to avoid repeated mistakes and to plan better (Mendelson and Ziegler 1999). All of this is part of the strategic intelligence of an organization.

**HOLISTIC INTELLIGENCE**

It is pertinent to note in this context that each intelligence domain within an organization, viz. CI, BI, SI, has its own sets of data to analyze and interpret. The results obtained and the conclusions drawn from them may define the function and success/failure of that particular intelligence activity and, consequently, of the particular business unit within the organization. But it will be fruitful to bear in mind that the results and insights extracted from the domain-specific data are not the ultimate end-knowledge required by the organization. It could be argued, with some measure
of truth in the argument, that the real world CI, BI, II, SI practices in an organization are interrelated and that they interact with each other seamlessly. Though, unfortunately, leadership teams view these intelligence practices as separate entities in the organization rather than as a cohesive force behind strategic decision making process. Focusing on just one intelligence component will be like strengthening one arm of the intelligence practice, but it will not drive the overall intelligence of the organization and will not suffice to address a business unit’s ultimate requirement or need. For the business unit to be purposefully active and to succeed, it is necessary for the organization to ensure a smoothly purposeful interaction among different intelligence practices.

But beyond the need for a smoothly purposeful interaction among different intelligence practices, there is a greater need. This greater need rests on the realization that while each intelligence domain is a boundary-specified functional unit in an organization, what is required to make each and all-functional units cohesively and meaningfully interactive is a perspective on the total and entire business context.

That is, perception of the whole context and ground in which all data and results are plotted (over and above the decoding of discrete pieces of mosaic) is the imperative principle. The figures provided by each domain need a larger background for them to be perceived appropriately. It is the comprehensive vision of the organization and its entire gamut that determine the relationship(s) between the figure and the background. The author calls this facility HOLISTIC INTELLIGENCE.

It is this framework of holistic intelligence that acts on, evaluates, and interprets the ensemble of data percolating up from each intelligence domain (the results emanating from the interpretive function of several intelligence domains). This concept of holism has been taken from Kohler,W (1975) who propounded the idea of perceiving a concept as an aggregate or whole rather than as something constituted by individual parts.

In a(ny) business organization, holistic intelligence is both the top rung of the hierarchy and the orb that actively envelopes other domain-specific intelligence units. Logically and pragmatically speaking, the modes of functioning of each intelligence domain, the tools employed for collecting data, and strategies used for interpreting data cannot be applied to holistic interpretation because while the tools and strategies of each separate unit of intelligence may be adequate to tackle data that will be limited in quantity and be highly specific to that domain.

These will be both ineffective and insufficient in the operation of holistic intelligence because it confronts not only a larger quantum of data, but data diverse in nature as they reach up from distinctly different domains. Since the properties of the two (different domains of intelligence and holistic intelligence) are different, the rules and procedures will also be different. Nor do the properties of each unit add to be the sum total of holistic intelligence. Since holistic intelligence has to deal with more complex data than each intelligence part, it becomes the greater reality
Organizational Intelligence as Holistic Intelligence

that defines and explains each separate intelligence unit and the relationship holding among the several units. While each domain deals with a limited set of variables, holistic intelligence, because it is a comprehensive force, has to act on not only a larger number of variables but variables of different nature and genesis. Therefore, in terms of both data, scope, and mode of functioning, holistic intelligence is a greater reality that not only uses inputs from different domains but questions and quizzes the inputs for their veracity and reliability before forging the larger business strategies of the organization.

The last-mentioned aspect makes it clear that holistic intelligence bears on its shoulders an explanatory necessity. It must explain what each smaller intelligence unit has done or has failed to do. It is only after this explanatory function is complete that holistic intelligence moves on to other thresholds like comprehensive planning for the future and the strategies to be shaped and implemented for the forward thrust of the organization. This is the arena where HI reigns supreme. But smaller units of intelligence do not bear either this explanatory burden or the responsibility for the overall plan devising and implementation. Therefore, it is concluded that without holistic intelligence no organization can survive or progress and prosper.

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At present, Sathish Kumar Balasubramanian is a Senior Project Manager working for HCL Technologies Ltd, based out of Seattle. He has 18 years of experience in Information Technology Industry and has worked in India & Singapore before moving to United States of America in 2007. During his career journey, he has played multifarious technical and management roles across different countries, culture, organizations and economies, which helped him to strengthen his Technical Knowledge, Management and Leadership skills. He is specialized in Project & Product Management - deliver solutions in Data Analysis, Market Research Analytics, Predictive Analytics, Competitive Intelligence, Business Intelligence and Artificial Intelligence projects. His sound technical knowledge, institutional knowledge of client systems, and extensive experience in analytics and troubleshooting gained customer confidence and helped him in managing/sustaining client relationship and business development.

Sathish Kumar Balasubramanian earned his MBA from Grand Canyon University, Phoenix, USA. He also earned a Master Degree in Physics and Post Graduate Diploma in Computer Science and Applications from Bharatidasan University, Tiruchirapalli, INDIA. He is a PMP and Certified Scrum Master (CSM) and is interested to further his education into research, specializing in the field of Organizational Intelligence and Organizational Behavior.