

NO MORE PROBLEMS, SOLUTIONS, OR NORMAL ORGANISATIONAL LIFE

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Our Common Concern

As a participant of this conference on systems thinking, you surely will have wondered, as I, why we do things at work the way we do, from strategic development to operational implementation? Like myself, you will have concluded that it is the result of a dominant mental model that gets people to picture all aspects of work in terms of parts rather than as interrelated events. We agree, I suspect, that now is the time to break the mould. I think that breaking the mould has implications we are just now beginning to grasp. I intend to explore some of these below.

Some Recent Experiences

Last week I facilitated over four days the year 2000 business plan for an IKEA franchise. We worked with the four categories of Kaplan and Norton's Balanced Scorecard, aiming to 'guarantee' a wide perspective on organisational learning and development. Attention was paid to each of the four categories: financial, internal processes, customer perspective, and growth and development. We employed Edward de Bono's Six Hats thinking to help people see potential strategies from many different perspectives. Participants learnt to wear the six hats emphasising respectively: good points, caution, creativeness, information, intuition and emotion, and organising thinking.

At every stage of strategic thinking the participants were encouraged to think systemically. We guided their thinking through systemically phrased questions. How are objectives and strategies for each category of the Balanced Scorecard interrelated? How does application of Six Hats thinking help mature a more whole picture of strategies? It was an exhausting experience to facilitate events in this way because of counter systemic currents of thought at work. That is, our participants saw clearly when employing one category or wearing one hat, but lost focus when trying to see strategies in terms of all four categories or all six hats. In other words, they saw the parts but had the greatest difficulty in appreciating the whole.

I experience this challenge in every organisation that I have the privilege to work with in my role as consultant and advisor. And I don't have to wait for strategic planning exercises. Thinking in terms of parts is ever present in day-to-day working life. The following true story from another organisation may resonate with your own experiences.

Summaya was blamed for public criticism of Khalid, her line manager. Summaya was punished as part of the solution to her insubordination. The problem was considered solved with the expectation that organisational life might now return to a

normal and comfortable existence. These events were the result of an 'A caused B' mentality, where 'A' and 'B' are considered separate parts. That is, Summaya and Khalid were thought about as separate parts with the conclusion that Summaya caused the problem Khalid experienced. Yet, the solution to this so-called problem turned out to be ineffective. Why?

Whilst Summaya may well have contributed to the so-called problem, she felt disaffected since, as she saw it, she merely responded quite reasonably to actions of Khalid and his immediate manager Taha. However, Khalid and Taha in their minds detached themselves from patterns of interrelationships from which the bad feelings generated. They loaded all the blame on one part, Summaya. In fact, the problem arose from the interactions of many more than these three people and could not be contained and solved by attempting to control just one. Consequently, the negative aspects of patterns of interrelationships in this organisation that involved many people actually intensified and worsened the situation.

Breaking the Mould

Recognising reductionism as the dominant mental model with question marks linked to it is relatively easy. However, trying to break the mould in business planning and day-to-day working life is a far more challenging task. People do not simply see the light and flip over to become systemic thinkers and practitioners. As Peter Senge has observed, challenging and transforming mental models often involves a lengthy gestation period of learning. Cognitive processes do not operate in one way at one moment, then in another way at the next moment. The important thing is to present tools for thought, which resonate with practitioners' experiences thus facilitating their internalisation. In recent experiences I have been helped by the emerging sciences of complexity, a form of systemic thinking, and believe that lessons they offer might add to Peter Senge's efforts to get across the message of systemic thinking. I will introduce the key concepts below and explore through them, why ideas like 'problems', 'solutions' and 'normal organisational life' simply do not make sense. Then I will suggest some alternative thinking coming from the emerging sciences.

Complexity theory

As we have seen, systemic thinking argues that behaviour at work is most usefully understood as the result of loops and interrelatedness. The impact of Summaya's actions on Khalid may feed on to Taha (and many other people) which may feed back to Summaya and so on. To understand the behaviour of Summaya, it is necessary at least to grasp the feedback dynamics of the loop between Summaya, Khalid and Taha. Feedback is clearly a key concept here.

Feedback in the natural sciences is characterised by deterministic or probabilistic laws. That is, the laws are fixed and have so far withstood scientists' attempts to refute them. So, why is it given this understanding that we are still unable to predict natural phenomena like weather patterns? Complexity theory suggests the reason is that dynamic behaviour is capable of producing unexpected results through spontaneous self-organisation. This is a special form of emergence where a complex of variables interrelates with multiple feedback that spontaneously creates new order. Spontaneous means that what emerges is not predictable. It is unpredictable because it results from details that are inherently unknowable to the human mind.

This formal explanation of complexity theory may seem a bit abstract. A real world story from complexity theory will help to clarify things. Imagine a butterfly in the Amazon rainforests. The butterfly takes off flapping its wings, creating air movement. A highly localised pattern of air movement spontaneously emerges. This local weather pattern interrelates with other ones, giving rise to a new spontaneously emerging local weather pattern. A number of subsequent spontaneously emerging and ever more global weather patterns three days later results in a hurricane in Hong Kong. If, however, the butterfly had flapped its wings at a different time or in a different way, then this may have led to a tornado in Texas. Complex behaviour is said to be dependent in this way on the detail of what happens, which high-powered computers cannot handle, let alone the human mind.

Ralph Stacey has explored these ideas of complexity theory in strategic management and organisational dynamics. He finds that organisational dynamics are even more complex than weather behaviour. The constitution of social laws, he says, is fundamentally different from laws in the natural sciences. Laws in the natural sciences are deterministic or probabilistic and persistently have withstood refutation. Laws of social behaviour on the other hand are expressed through social rules and practices and are 'agreed upon' by people, either wittingly or unwittingly. For example, what we call corporate culture is nothing more than people's behaviour shaped by written and unwritten rules and practices—be they about empathetic customer care or an aggressive sales pitch. Furthermore, Stacey points out, 'human systems' are different because human agents do not merely follow social rules and practices, they might wish to change them. 'Human systems' are adaptive. Social rules and practices are modifiable, not fixed. The nature of complexity is different for the social sciences.

'Human systems' involve many people each with their own interpretation and experiences of social rules and practices that affect them. People respond sometimes leading to co-operation and other times to conflict. Stacey, apparently departing from Senge's ideology of harmony, emphasises the importance in and 'legitimacy' of political interaction. Political tension is important in the process of challenging mental models and facilitating team learning. Stacey explains the dynamic as follows. Individuals in an organisational environment detect an issue, build support around the issue forming a coalition. The coalition then endeavours to lodge the issue on the organisational agenda. If successful, the process may at some stage bring about changes to organisational rules and practices. Changes might be considered an emergence resulting from the details of spontaneous self-organisation of interpretive beings around an issue. (And note that the dynamic is not directed by a central authority and does not result from formal rules and practices!)

Of course, social rules and practices can and do endure. Distinct qualities of a society may last several centuries. Corporate culture may remain in tact over a number of years. There may be a certain momentum that keeps things going in the same direction for some time, irrespective of changing circumstances—which might be thought of as 'the oil tanker syndrome'. Yet, 'human systems' are not ultimately predictable and cannot be dealt with in any commonly used sense of the term 'predict and control'. People are not supreme planners and masters over their own lives or anybody else's. Complexity is a source of great uncertainty that mainly prevents this, thankfully.

Complexity theory evidently holds mighty lessons for aspiring problem solvers. Traditional problem solving paints a picture of management and organisational dynamics where problems can be identified, solutions located and implemented, and everything thus kept under control. Complexity theory testifies to a more realistic explanation. Problem solvers must grapple with complex interrelationships and spontaneous emergent behaviour that is inherently unknowable to the human mind. Let's face it, complexity theory locates a momentous 'problem' with the concept of problems.

The 'Problem' With Problems

Traditionally, management action has been conceived of as a linear process of problem solving. Problems are thought about as if they are real things that can be separated out of a situation and solved. If a solution is achieved, it is thought, then all other aspects of organisational life may be sorted out and returned to normal. In my earlier example, Summaya was singled out as the problem, but this did not lead to a solution or normal organisational life. Another common concern is the 'efficiency problem' where process reengineering is considered the solution. In this case, admittedly the aim is to breakthrough to a new and better organisational life. However, there are many interrelated factors to take into account other than processes when reengineering, such as organisational structure, corporate culture and the political dynamic. No wonder Michael Hammer has to acknowledge that there is an 80% mortality rate with process reengineering solutions. A traditional problem solving approach like process reengineering reduces situations rich in issues and full of tension, to an illusory problem that is considered solvable. The 'problem' with problems as a concept in management is that it poorly represents organisational situations and misdirects people's actions.

In recent times a systemic school of thought recognised difficult organisational situations are more usefully thought about in terms of issues. Issues rather than problems do arise because people have different views and experiences of organisational rules and practices that affect them. Therefore, many interrelated issues exist that need to be dealt with as a whole. Systemic management of issues is considered far more relevant than any process of linear problem solving. Recently, I was involved in reengineering centralised personnel procedures of a medium sized company. The result was a new manual with much more efficient procedures, but the key to the project was recognising and coping with the wider issues. The original concern arose when strategic business units (SBUs) complained of unacceptable delays in processing, for example, requests for overtime, vacation or recruitment. Reengineering suggested decentralisation, which meant structural overhaul. To my surprise, key managers in SBUs resisted because the strategy meant greater responsibility for them that they had not bargained for. Cultural and political resistances came in to play. The reengineering project became a course of action that managed interrelated issues through debate amongst involved and affected people; debate about issues of efficiency of processes, effectiveness of structure, and people centred matters with cultural and political dimensions. However, this was not a straightforward task of appreciating the whole set of issues and managing it. Complexity theory takes up issue with this kind of issue management.

The Issue With Issues

To start with, the complex of issues in the reengineering project was too vast to ever know. It was impossible to get on top of all the details of organisational behaviour as it unfolded seemingly in spontaneous fashion through coalition building. As tension was quelled in one SBU, another coalition with another set of arguments emerged in central management, and so things went on. Issue management it turns out is far more complex than first recognised. Fresh ideas are needed to explain what is going on.

Debating interrelated issues aims to induce learning between people that nurtures a fuller appreciation of each other's mental models yielding shared understanding. However, it is all too easy to think that the full extent of interrelated issues can be unravelled and understood. There are many factors that prevent open and meaningful debate, such as intrapsychic, cultural and political forces. If we are not aware of these dangers, then we might think that consensus or an accommodation between views is easily achievable. People might set about securing shared vision without being fully equipped with an understanding of the nature of the debating processes in which they engage.

So, the issues with issues as a concept is that it too is somewhat impoverished. It can misdirect people's actions in the following way. Interrelated issues might be debated or negotiated in what is understood to be dilemma free negotiation. Issues are thus considered to be soluble, rather than solvable. They will somehow dissolve through negotiation. However, negotiation does not guarantee that people are sensitised to deep-rooted dilemmas that all too often emerge. For example, decentralisation to achieve efficiency will leave behind casualties who are institutionalised to a command and control culture. That is a moral dilemma for me. I have never been involved in organisational change when something like this does not happen. The point is that believing issues can be debated in a shared experience de-emphasises the individual side of experience where dilemmas originate. It is this kind of detail (drawing parallels to the butterfly story) that lies behind spontaneous self-organisation such as coalition building and the political dynamic that, frankly, always will dominate organisational change processes. Perhaps the need is to switch focus from problems and issues to dilemmas?

Dilemmas arise because experience is somehow personal and so each person experiences issues in a different way. The nature of experience and interpretation is such that people can and will form wholly different and irreconcilable perspectives from friends, colleagues and associates. Introducing the concept of dilemmas is meant to stimulate a thoughtful process of exploration of people's personal experiences and possible ways in which these can be preserved and shared in a constructive manner, all at the same time. I have found that this leads to an interesting account of the means for organisational learning and transformation.

Organisational Learning and Transformation

Complexity theory suggests that above all else it is complexity in organisational dynamics that is the challenge. However, there is a danger that we might attempt to match complexity with complexity. I made this mistake in the past. The result is an approach to management that ironically is itself too complex for practitioners to handle. In my opinion we need to use complexity theory to set the foundations of

thought and then see what can be done that is both relevant and on a manageable scale. The foundations for me are found in the following three paradoxes of organisational management that have origins in complexity theory:

- We must not struggle to manage over things—we can at best manage within the unmanageable.
- We must not battle to organise the totality—we can at best organise within the unorganisable.
- We can not simply know things—but we can know of the unknowable.

So, how might we proceed with these three paradoxes in mind? The approach I employ draws on scenario building but is very different from traditional approaches (for as long as the three paradoxes are kept in mind). Complexity theory informs us that we cannot know about everything, nor be sure what will happen next. However, scenario building with complexity theory in mind can inform us about the sorts of event that occur and the way they occur. It can alert us to issues and dilemmas that we face, facilitating relevant decision-making. And in the process, scenario building develops means that endure such as new ways of working together, rather than ends that rarely if ever come true.

The basic process comprises three lines of questioning generating three types of scenario, or learning. Each line of questioning is a counterpart to the other two in the sense that they inform each other. To be brief, they draw upon four windows on organisational life already mentioned above that might be summarised as the processes, the structure, the culture and the power/political dynamics. The aim with the windows is to generate a panoramic picture of the organisation as a whole, rather than four separate snapshots. The three types of scenario that employ the four windows approach are summarised below (but do have guidelines that are given in my new book *Rethinking The Fifth Discipline*).

- Explore the current action area by asking where we might be heading.
- Draw forth a kind of shared vision by asking what ideal we would really like to work towards.
- Establish projects to achieve the shared vision by asking how we might change direction towards what we would really like.

Results of this thinking are good for a while, but must be revisited again and again. Complexity theory reminds us that projects implemented face uncertainty right from the start. It is impossible to know in advance the complex dynamics of coalition building and spontaneous self-organisation. So, in the ongoing cycle of the three questions, projects must be evaluated, updated, perhaps drawn to a close whilst new projects are set up. Project evaluation is central to this approach (and guidelines may also be found in *Rethinking The Fifth Discipline*). This is a highly dynamic mode of working that assumes only one constant and that is change through spontaneous self-organisation. It manages within the unmanageable and organises within the unorganisable. And let me say in closing, its success depends only on a humble awakening to the realisation that we don't really know very much about anything and actually never will.

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Biography

Professor Robert Louis Flood (Bob) became Doctor of Science (Econ.) in 1997 for a sustained and authoritative contribution to the field of management. He is also Doctor of Philosophy (1985) in Systems Science and a Chartered Engineer. He has authored eight books including *Beyond TQM* (Wiley) that was nominated for the 1993 MCA Best Management Book of the Year. He is founding and current editor of the international journal *Systemic Practice and Action Research* (Plenum). Bob worked nine years full time, including in the film business, the health service, and an opinion

poll agency; and thirteen years in the university sector. His continued commitment to applied systemic thinking is evidenced in a consultancy and training portfolio that includes organisations in Australia, the Gulf, South East Asia, South Africa, and the United Kingdom. Bob now operates full time as a consultant and is Visiting Professor at Monash University (Australia) and Lincoln University Campus (UK). He has lectured by invitation in over 20 countries world-wide including Japan and the United States of America, and has featured on his travels in a number of radio and television programs.