SCiO

Building viable organisations

Viability Today

Winter 2011

Editorial

Welcome to this winter 2011 edition of the SCiO newsletter. In this issue we have several articles which we are sure you will find interesting. In particular, there is an introduction to the broader Systems Thinking landscape from Geoff Elliott which puts the myriad of systems approaches in relation to each other as well as a personal recollection of Stafford Beer from Rod Thomas. We also have an article on Systemic Leadership by Bill Tate which looks at what leadership means in the organisation as a system. Please remember that we are always on the look-out for material to include in the newsletter.

So....2011!? We stand at the end of an incredibly fraught year: the world economy seems to be grinding to a halt as China slows and Europe plays chicken with the markets (whoever they are). The model of constant economic growth never subscribed to this as being in one location however, now it seems that the whole world is tired and the sustainability of this model is being seriously questioned. The shockwaves from the Lehman meltdown have exposed the fundamental flaws in the European Integration project and we are now witnessing the start of the internal centre-periphery tensions that could lead to a fundamental change in the way these relationships are conducted. We are watching an identity crisis of gigantic proportions but which has potentially massive impact on the lives of ordinary people.

It is hard to imagine how the policy making part of the system got to be so out of kilter with the rest. Of course no single person is really responsible for the whole thing but at the same time, there are actors in the political sphere in the past and present who have been instrumental in putting in place structures which have conditioned the behaviour of the system. It is difficult to be optimistic since it seems the real problems are yet to come *as the knots in the tangled hair eventually get caught in the comb* (as the Italians would say). However, from a VSM point of view, it makes for a very interesting case study.

Gordon

This Issue

Reflections on the year in SCiO

It has been a busy year for SCiO, with our first open days in London as well as other outreach activities

As the year slides into an unusually late winter I thought it was worth reflecting on some developments over the last year and plans for the year to come.

2011 saw a move to us running some open days in London as well as Manchester. These have been well attended and attracted an interesting and diverse group. Our thanks to Steve Brewis of BT for arranging the London venue. The geographic base of professional development has also strayed south, with two VSM workshops in Milton Keynes and both an organisational dynamics workshop and a workshop on how to run Action Learning Sets run in London hosted by Howard Lane. In addition, there have been a series of professional development events in the North with another how to run Action Learning workshop and a session on Soft Systems.

Outreach activities have progressed well with some useful connections particularly to some other management areas. John Raven has provided a connection into the splendidly named Unreasonable Learners in Scotland and there was SCiO representation at a day at the Scottish Parliament about turning Scotland into a learning nation. A notable success has been Sally Bean's Enterprise Architecture group where there was a small but very well received group of VSM based presentations at the IRM EA conference this summer. Another mainstream management conference actively seeking input from SCiO members is the Performance Management Association's biennial conference http://www.performanceportal.org/pma2012 which is held next year in July 2012 in Cambridge.

There is interest in setting up SCiO groups abroad, interest in other outreach directions and in new subjects for taught courses and action learning sets. Please let us know if you have particular interests so that we can connect people to get these things to happen.

Patrick Hoverstadt

At the last development day

At the last development day 11th September, we had some interesting discussions. The participants had some burning issues and needed to test their ideas out and ask further questions.

Topics were:

Multi supplier integration
Policy conflicts
The West Lothian Question
i.e. Scottish mps voting on English issues
implications on system of government
Invisible forces: How to conceptualise?
Cybernetics in the media

There has been a suggestion that in future we take one VSM system each meeting as a single topic (along with the topics that participants bring), starting with System 5. So we will give it a go next development day and see how it goes.

If you are a member of SCiO and are struggling with systems / VSM issues and it would help you to share, why don't you come along? We will respect any confidentiality needs you have.

Jane Searles

The Unreal Economy

I was musing (whilst walking the dog) on something Trevor had written here: http://www.webofwealth.org/forum/topic/42453?page=1#message115193

Being from the inimitable Trevor it is of course intended in part at least to stimulate or provoke debate. A major thrust of the argument is that when we, or economists and commentators talk about the "real economy" that implies something that is the "unreal economy" and this of course begs the question of what this is and why anyone should bother about it.

We all know what the "real economy" is. Its real people paying real money for real things, so when I take my hard earned cash to the pub and order a pint of the peerless brew that is Wadworth's 6X, that's the real economy in real ale. So by implication, the unreal economy doesn't involve my hard earned cash - or indeed real ale that you can really drink. So "what is it then?" is the question Trevor provocatively asks.

The Unreal Economy - continued

Well of course most of what has become Trevor's unreal economy is actually about the future, or at least is a set of "instruments" and processes that were originally conceived as ways to deal with the future. And of course Trevor knows this, but his piece, I think, begs the question of how this looks from a systems/cybernetic perspective. Clearly, attempting to get a grip on the range of possible future values of things in the real economy - like the value of a firm, or a raw material – is in principle a Good Thing. And in theory, the unreal economy is trying to address lots of things that we would agree were important, like risk.

And of course the future isn't real, because it hasn't actually happened yet so considering the "unreal" economy that is the world of the future with all its manifold opportunities, possibilities and risks is inevitably fraught with uncertainty and error. But, from a cybernetic viewpoint it is both sensible, and prudent to try to get a grip on it.

So if the unreal economy started off as an attempt to do the right thing, to get a grip on the future what has gone wrong?

Well obviously quite a lot of things and many of us could reel off a long list. Inevitably in such lists, many of the things people talk about – the greed of bankers, the mass hysteria of traders, the wilful blindness, are symptoms as much as causes and, as ever, we look for the underlying system structure at work. So as a starter, I thought there are three worth mentioning here as a non-exhaustive list of systemic and structural factors that have a systems and cybernetic edge and maybe underpin much of the other things we observe as symptoms.

The first of these is broken loops. So, if we're trying to hedge against future risk, the feedforward loop needs to be tightly coupled between a set of possible futures (maybe risks) of a specific stock (say) and decisions about that particular stock. Instead what we see is that these loops are normally bundled up together and both the source of the risk, the stock to which that risk appends and the decisions all become structurally separated. Risks are bundled together, stocks are bundled together – and separated from their specific risk and then decisions are bundled together.

The power to use the unreal economy as a way to get a grip on a particular stock and its future has been largely lost. This dissociation reached such a pitch that we ended up with the surreal situation that risks were confused with assets and sold as assets in the US mortgage market. From a systems point of view this is partly at least a case of very sloppy design of the cybernetic loops by which we might understand the world.

The second systemic factor is emotion. Since the unreal economy deals with the future and since the future isn't real and therefore cannot be understood in totally rational terms, we have to use emotion to understand it. It's essentially about our hopes and fears. But when these emotions get bundled together, when our hopes and fears for the future become locked together, then what we have created is what the ancient Greeks called "panic" a mass emotional effect.

We tend to think of this sort of thing as an arbitrary phenomenon or an aberration, but its not, it's really a structural or systemic effect. It's what inevitably happens when you structurally bundle up peoples hopes and fears. And of course this is highly unstable, the mass hopes create the "bull markets" that inevitably trigger "bear markets" as soon as people realise that the future – the unreal economy has become so separated from the real that the tension is unsustainable.

My third factor is the Conant Ashby theorem – every good regulator of a system must contain a model of that system. Long before the financial crisis broke, there were people calling quite loudly that we had a financial system that nobody had designed, nobody understood and nobody was managing. All the components had been designed and were understood, at least at one time. Some of them were even being managed, but nobody had designed the system as a whole, or understood how all the parts interacted, or was managing the whole. There was nobody at the helm.

Slightly scarily, as far as I can see there still isn't.....

Have a happy Christmas and an interesting new year.

Patrick Hoverstadt

So if the unreal economy started off as an attempt to do the right thing, to get a grip on the future what has gone wrong?

Endangered species

The Systems Thinking Landscape

There appears to be little appreciation that systems thinking covers a very wide spectrum of approaches.

It is probably true to say that in terms western management evolution and thinking there have only been three significant milestones over the past 500 / 600 years. In the West, management thinking evolved from the renaissance with an emphasis on scientific thinking, analysis and reductionism.

The next milestone which typified this mode of thinking was about 1900 and the emergence of Taylorism and scientific management which subsequently gave rise to work study, industrial engineering and operations management. More recently the shadow of Taylorism can be seen in business process reengineering, six and lean sigma and the Toyota production systems (TPS).

It could be argued that systems thinking emerged out of code breaking at Bletchley Park where the world began to coalesce into two schools of thought. One based on the scientific reductionist paradigm which gave rise to formalised computer systems development methods and a second school based on holism and living systems. It is worth noting that the seeds of holism and living systems predate 1900 and Taylorism. In effect these two ways of viewing the world are not alternatives but as a continuum where either people dominate the problem and the setting or things dominant the problem and the setting. In other words, it can be said that ST embraces a very wide continuum of thinking, if you like hard and soft thinking or in metaphorical terms the machine metaphor which is representation of Taylorism and scientific management and the organic metaphor which is representation of holism.

Much of the confusion around what is and what is not Systems Thinking can be traced to the two schools of thought with many people taking polarised positions. There is, however, an important point to make that the ST approaches which emerged out of the “soft” school did so because of the failure of hard systems thinking (typified by Taylorism and scientific management) to adequately deal with real world problems where people dominated the problem and its setting. It is true to say that the Taylorist methods such as lean and six sigma, TQM and industrial engineering make use of analytical tools and techniques such as SPC, control and run charts and make little or no use of problem structuring methods (PSM). This is a very important distinction as the ST approaches emerging from the “soft school” are almost exclusively predicated around PSM. In some texts PSM is referred to as soft OR.

Over recent months “systems thinking” (ST) has become popular across local and national government and to a lesser the extent private sector. The phrase ST is being associated with Deming and Toyota (TPS). Phrases such as “lean systems thinking” have emerged without an associated definition along with phrases such as: "It’s all about flow", “Customer demand is all”; “95% of the problem is the system” and “ only people absorb variety” have added to the confusion.

There appears to be little appreciation that ST thinking covers a very wide spectrum where either people dominate the problem and the setting or things dominant the problem and the setting. Equally there seems to be little understanding that the real power of ST is PSM through the use of concepts such as requisite variety, boundary critique, multiple perspectives and relationships.

Many people think that the analytical tools which underpin, for example, six and lean sigma are problem solving tools. When it is pointed out that both six and lean sigma are predicated on addressing KNOWN problems and cannot be used to tackle wicked/messy unbounded problems this becomes too difficult for most managers to comprehend let alone be tackled and as a consequence largely ignored as being too academic. In this respect many of the players currently stating their approach based on analytical tools adds to the general confusion when it is probably true to say their approach is not systems thinking in the wider sense but simply a variation of Deming’s PDCA cycle. Deming does not have much to say about systems thinking concepts such as emergence, terminal ends, co-evolution; self-adaption (autopoesis), messy/wicked problems, multiple perspectives and boundary critique which are key concepts in PSM. It is also true to say that there is much confusion about the difference between diagnosis and analysis as well as divergent and convergent thinking.

Michael Jackson and others have produced several books on the strengths and weakness of the various ST approaches covering the broad categories of hard and soft systems. Deming is firmly rooted in the hard systems camp. In other words, Deming’s view of a system is as a closed bounded entity being constituted of related process activities. He does not have much to say about the socio-cybernetic view (Reference Beer, Checkland, Churchman et al). Deming is on record as saying that when he talks about a system he means end to end process optimisation with defined boundaries, i.e. a closed system although he does not used that prase.

Systems Thinking contd...

In the Deming closed bounded systems world the role of the rule set is important. In this context the rule set specifies the inputs, outputs; feedback loops and how the systems (process activities) are to be executed. A production line is a closed deterministic system. Without controls the production line or contact centre would not work. In day to day operation little of no attention is paid to wider socio economic environment. People seem to confuse TPS which is a closed systems and Toyota which is a self adaptive open socio-economic system

In open systems (socio-cybernetic) world the role of the rule set is not deterministic but it still has a role. In this model the rule set is normally set outside of the immediate systems boundaries, that is, within the wider socio economic environment in the form of regulation and compliance

The observation is that people are attempting to apply analytical tools and lean methods to address socio-economically and technologically wicked unbounded problems. This will not work. The other observation is that both the public and private sectors have several challenges to face over the coming months:

1. Improving efficiencies
2. Trading off and evaluating options for change and improvement
3. Developing capabilities to enable them to match, pace and lead their delivery partners – people will be resource constrained.

What are the Soft and hard Systems Approaches?

Generally speaking the hard systems approaches include but are not limited to:

- Systems engineering (INCOSE)
- Structured IT methods,
- Six and Lean Sigma
- PDCA
- TQM
- System Dynamics

Some of the soft approaches (PSM) include:

- SAST
- Soft Systems Methodology (SSM)
- Cultural-Historical Activity Theory (CHAT)
- Complexity theory
- Critical Systems Thinking (Heuristics)
- Organisational cybernetics
- Critical systems practice
- Total systems intervention
- Post modern systems thinking
- Team synergy
- Interactive planning
- SODA process
- Strategic Choice
- Robustness Analysis
- Drama Theory
- Dialogue Mapping
- Interpretative Structural Modelling/Interactive Planning
- Socio Technical Approach

Why so many different approaches? Quite simply because they are focused on different aspects of a problematic situation. In this respect the above approaches can be grouped into a Systems Thinking Landscape (see table on next page)

Some of the concepts and ideas which underpin PSM and some of the management contradictions which arise from hard and soft systems thinking will be explored in future new letters.

Geoff Elliott

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The Systems Thinking Landscape

Problem Structuring Methods (PSM)

Planning School
Systems thinking is a holistic approach to planning complex systems. Pioneers of this approach include C.W. Churchman and Russ Ackoff.

System dynamics school
Systems thinking looks at the cause-effect and feedback loops that drive complex systems. Pioneers of this approach include Jay Forrester, Donella Meadows.

Organizational cybernetics school
Stafford Beer's Viable Systems Model (VSM) which applies systems thinking to organizational design, focusing on the management of variety to achieve long-term viability. Builds on the work of Norbert Wiener and Ross Ashby.

Organization learning school
Popularized by Peter Senge, largely based on earlier work by Chris Argyris and Donald Schon, but also drawing on the work of Forrester.

Soft System/Sensemaking school
Sees systems as mental constructs rather than physical constructs and systems thinking as an ongoing process of enquiry to improve shared understanding. The Pioneers include Peter Checkland and Brian Wilson. Sir Geoffrey Vickers and Karl Weick are also associated with this type of approach.

Complexity and chaos school
System thinking explores the emergent properties of complex systems. Approaches could include Robert Pirsig's Metaphysics of Quality (MOQ) and Snowden's participatory method based on the Cynefin model.

Living Systems
work of Humberto Maturana

Hard Systems Approaches

Quality and service design school
Popularized by John Seddon, derived from a cut-down use of earlier work by Walter Shewart and Edwards Deming applicable to human dominated systems working at a naïve level of optimisation. Origins in the Statistical Process Control techniques (sometimes known as Six Sigma).

The next Open Meeting: Monday 16th January

Open Meeting Agenda: Monday 16th January

10am - 4.30pm Manchester Business School Room 3.74
Contact: Doug Haynes; doug@ei4change.org.uk; 0151 638 3363

Session 1: Internal coherence and systemic truth - Aiden Ward

Session 2: An integrated approach to Leadership Development in Manufacturing – Ann Mulhaney

Session 3. Craft Session: Aligning Intra-Personal Systems with Organisational Systems via NLP – David Kerr

Session 4: Managing Organisational Complexity – Stephen Brewis

Benefits: Make connections with other Systems practitioners; discover interesting Systems insights;

Stafford Beer and the Course of History

The readers of this newsletter may know that Stafford Beer (1926-2002) pioneered the application of cybernetics to the problems of organisational management and was the founding practitioner of viable system modelling. The editors of this newsletter have requested that I pen a few recollections of him as a teacher and friend.

I first met Stafford in 1998. He had accepted an invitation to attend a lecture on managerial cybernetics that was to be given at the Newcastle Business School, Northumbria University. Our lecturer was also a guest: Professor Alfredo Moscardini of Sunderland University. At that time Stafford was rather poorly but he lent his full support, from the floor of the lecture theatre, to Alfredo's expansive introduction to the origin of cybernetics and its application to the problems of management. In a style that was to become familiar, Stafford asked everyone present to close their eyes for one minute and to contemplate the complexity of a national economic system. He then requested that we contrast the product of our thoughts with what came to mind at his mentioning of the Treasury model of the UK economy. I still wonder as to whether the many people present fully understood his point.

In the years between 1998 and 2001, Stafford made many visits to Northumbria University to teach in his Socratic mode. This mode of inquiry was based on the questioning method that Socrates practised in Plato's dialogues. In Stafford's version it required participants to study some part of his writings – including his poetry – and to ask him a single question. Stafford's approach was to offer thoughts on each of the questions and then to demonstrate his holistic philosophy by somehow connecting each of the questions together. He was not always very successful in doing this, but that was part of the charm. At that time in his life, success had no more importance than failure, so long as both offered a bit of fun and entertainment.

The Socratic symposia attracted participants from both within and outside the university. Whilst the categories that Stafford used to discuss organisations had little resonance with business school academics, the breadth of his knowledge and learning made it perfectly feasible to advertise his sessions across all of the faculties of the university. This was in accord with his view that all divisions in the universe of knowledge are arbitrary. Indeed, he would identify such divisions with what he called 'reductionist thinking'.

Conducting those Socratic symposia formed a part of Stafford's formal obligations, as a Visiting Professor, to the university. But he was usually keen to make himself available to people for most of the duration of his visits. On a morning he would enjoy some time to himself to meditate and read the Guardian newspaper, but from the afternoon until the early hours of the following morning he liked convivially to meet people of all ages and all backgrounds, especially if they had an interest in science, politics, philosophy or simply having a laugh over some joke or other. As is well known, Stafford liked to situate himself in a comfy chair, glass in hand, and recount his memories of the pioneers of cybernetics, for instance, Warren McCulloch, Ross Ashby and Gordon Pask. Stafford was anxious that our generation read their works and celebrate their memory, but equally perhaps he could see how the developments unfolding in higher education and on the Internet made this prospect unlikely.

I was always surprised at how little inclined Stafford was toward discussing his own works such as the Viable System Model. "It is all in the books" he used to say. Indeed, he could be quite brutal with people who expected him to compress his work into a few strap lines.

Contemporary events were what he liked to make sense of. Looking back, from the distance of a decade, I now realise that he had a keen and prescient sense of what were to become the major problems for Great Britain in the first decade of the twenty-first century: the foreign policy of the Blair government, its relaxed attitude to an unregulated capitalism, and declining standards in public life and institutional management. Yet, at that moment in time, the course of history was only beginning to be shaped by political and managerial decision-making. Stafford did not live to observe the full horror of its outcomes.

Overall, my own memory of Stafford Beer is best summarised by a tribute paid to him by his friend and colleague, Professor David Weir, shortly after Stafford's death. It read: "As a person and a scholar, he was a great, shaggy inspiration; the sort of person you hope to encounter when you enter academic life and, of course, rarely do". Here, here!

Rod Thomas, Senior Lecturer, Newcastle Business School, Northumbria University.

"It is all in the books" he used to say. Indeed, he could be quite brutal with people who expected him to compress his work into a few strap lines.

Systemic Leadership

Any model that locates leadership in individual managers, especially in a limited number holding senior positions, is incapable of transforming the organisations of which the individuals are a part.

The systemic approach challenges conventional wisdom about leadership, its purpose, development and application, and where to look for leadership. Those searching for improved leadership should view the challenge from the organisation's end of the telescope, particularly asking 'what does the organisation itself need to do – especially on itself?'.

A systemic approach is organisation development (OD) based and, draws on principles from systems thinking. It treats the organisation, and not the individual manager, as the target most meriting attention and needing to change if the organisation's leadership capacity is to be released and then used to improve the organisation.

A fully systemic approach deals with questions such as 'How does the organisation engage with the leadership process?', 'How does leadership activity engage with organisation issues?' and 'What is happening in the organisation and what needs to happen if managers' leadership endeavours are to flourish?'. As my book The Search for Leadership: An Organisational Perspective expresses it, meta-leadership questions for organisations include 'How can the organisation help itself to become better led as an entity?' and 'How can the organisation best understand, expand, release, promote, improve and apply its leadership capability?'.

Contrast that aspiration and approach with the popular discourse that thinks and talks about leadership in terms of developing individual managers' leadership qualities and abilities, favours training courses, and turns to HR, trainers, business schools and leadership academies for solutions. In the traditional model, leadership's ambition is limited to individual managers and their jobs and careers. Beyond that level, the model assumes that an organisation's corporate requirement for leadership will be met by dint of sufficient managers choosing to use their personal agency, often against the closed door of organisational forces that favour the status quo. Rarely does anyone accept responsibility on behalf of the organisation for those closed doors or think of opening them to make acts of leadership easier, safer or more frequent.

Current ways of developing leadership largely fail to produce continually improving organisations, ones that steadily become better led as a whole and embrace reform. Rather, the development industry remains largely focused on replenishing talent at the individual/job level. The current process of defining, developing and delivering leadership is not an adequate response to evidence of system-wide leadership needs in organisations.

Any model that locates leadership in individual managers, especially in a limited number holding senior positions, is incapable of transforming the organisations of which the individuals are a part. Leadership is a property of those organisations, indeed a special asset, with relational and social capital to be realised beyond the individual managers. Those organisations themselves, rather than the individual managers, HR, or trainers and developers, hold the trump cards when it comes to taking improvement action, grounded in the organisation's ways of working, and having a lasting corporate benefit.

Assets need managing: ergo leadership needs managing, bringing with it a raft of managerial issues and implications. We have allowed a preoccupation with leadership's need to be developed to happen at the expense of its need to be managed. And we have allowed the locating of leadership in the individual to obscure the organisation's interest in building and using its own leadership capability effectively and holistically. That has happened because we have neglected what is going on around individual managers.

Leadership's state of health can be diagnosed only by examining what is going on, and what needs to go on, in the organisation, rather than in individual managers and leaders, and this is the place to start. This calls for a whole-systems perspective instead of the usual reductionist/atomistic approach that isolates, breaks down and fixes parts. Such 'parts' include managerial skill or, say, a leadership competency framework. In a holistic approach, the state of leadership, and the key to its improvement, is found in the way the organisation comes together and works successfully as an integrated system. Among other things, that means being aware of the gaps and spaces, and the glue that binds people to their organisation and to one another, or which keeps them stuck among dysfunction, stasis and under-performance.

The metaphor of a fishtank is a powerful way of communicating this idea. I argue that instead of observing the 'fish' and wanting to polish them to shine more brightly (and then plopping them back in the same old dirty water) it is important to see beyond the fish and notice the quality of the fishtank and what surrounds the fish, something that our gaze does not naturally do.

Systemic Leadership .....contd

People – managers – notice and become obsessed with the fish. Unless one owns a fishtank. Most owners take responsibility for providing their fish with a high-quality environment, removing toxins and adding nutrients. But where the equivalent responsibility rests in an organisation is often unclear and unmanaged, yet this holds the key to enabling the expansion and distribution of leadership throughout the organisation, freeing up leadership to flourish. All the fish can then shine.

The fishtank metaphor stands for the system and raises questions about its design, operation and management that go deeper than the well-understood matter of an organisation's climate, and more than merely nourishing the fish. The tank needs to be better understood and seen more clearly, it needs a stronger managerial focus, and it needs to change if the fish are to respond in a healthy way.

Frustrated people working in organisations frequently blame 'the system' – everything that surrounds them in their work environment, things that are going on around and between them, especially relations with and between managers, interpersonal, systemic, cultural and structural, that impacts on their ability to exercise leadership. This includes such matters as where power lies, who can speak to whom, how they are held to account, incentives, bureaucracy, etc. The system shapes their perceptions over such matters as where responsibility lies, their freedom to act, and what will happen if they do.

Even more than culture, the system makes clear what is expected of managers in their jobs. Are they expected to make a corporate contribution, one that goes beyond their job description? If so, what prompts that? How will that be viewed? How individually can they be an active part of a well-led organisation as a whole? Or is that always something for others 'higher up'? The system sometimes helps and sometimes hinders such perceptions and practicalities, opening some doors, at the same time closing others.

Managers' daily encounters and frustrations provide them with insights about what leadership ought to be doing to improve the way the system works. This can be their leadership role too. But they need to be able to 'see' the system, understand that they are part of it, see that they have a role in relation to it, and have permission to exercise such a leadership role.

Organisations and leadership enjoy a symbiotic relationship. The exercise of leadership affects the system, but the system also affects and determines what leadership can achieve. So while the leadership process should be used to bring about improvement in how well the system works, it must also consider how its own leadership process is working and how it too needs to learn, improve and enhance its own capability. There are issues of both supply and demand. Too often a development agenda is one sided, being supply driven by a provider's agenda, not giving enough thought to what the organisation is doing and needs to do. Systemic leadership addresses that question and redresses that bias.

No sentient being can remain unaware of two things: first, how many organisations fall well short of their potential. Many fail to capitalise on the goodwill and ability they have at their disposal. People's capacity for leadership is massively wasted. Secondly, there are glaring institutional systemic failures in society. In the public sector consider various policing incidents, banking collapses, child deaths in local authorities, defence procurement. These imply failures of systemic, rather than individual, leadership (though individuals are often blamed and punished to satisfy public and political thirst for blood). In subsequent enquiries an individual perspective usually leads to pressure for greater compliance in future. In contrast, a systemic perspective includes asking whether what we were trying to do was the right thing.

Large organisations are complex, chaotic and unpredictable; they respond less to formal planning and control than managers find it convenient to believe. Just as with people, much is hidden behind the organisation's façade. A formal system has a shadow system that contains powerful yet natural and very human forces, both positive and negative. Yet, the assumption followed by many managers, developers, and business schools remains: that the 'rational-technical' model of how to manage and lead still applies, especially when push comes to shove. Its familiar but ultimately doomed method may be summed up as: if something isn't working, then find a stronger leader, push harder, produce better plans, incentivise people to work harder, monitor compliance. It doesn't work.

Assumptions about the need to control using extrinsic motivators is being challenged by the attractiveness of personal intrinsic motivators, especially when the need to hit targets is less absolute, and diversity is acknowledged and valued. Managers' environment has changed in other ways.

People's capacity for leadership is massively wasted.

Systemic Leadership ...contd

.....there is a mood for reform and a new leadership agenda is long overdue

For example: technology has enabled easy and rapid communications between individuals. Information is more widely available and less dependent on the manager as the source. Less deference is shown, and the necessity for hierarchical power and status differentiation is less obvious.

The 1997-2010 Labour Government believed that public-sector reform was best brought about via the Number Ten Delivery Unit. Its tool of choice was national, externally mandated targets, regulations and standards. When this didn't work (whether or not it had initially achieved certain benefits) the succeeding Conservative-Liberal Democrat coalition government reduced the number of targets and offered greater local freedom. But there was and is a philosophical and practical vacuum. This needs answering because the target culture resulted in managers becoming unhealthily dependent on external decision makers for setting standards and priorities. In the absence of such direction, many managers want to know who and what should now drive their choices. There is an opportunity here for public-sector organisations to put a culture of continual improvement at the heart of an organisation's life. That gives a new meaning and impetus to the leadership part of a manager's job.

There is an economic efficiency imperative in these stringent times. And there is a mood for reform. A new leadership agenda is long overdue. Leadership is required to achieve two linked goals: safeguarding the organisation's future while also delivering its current business. 'Delivering today' is the short-term goal when managing within the present system and its constraints. By contrast, 'making tomorrow better than today' is achieved by challenging today's paradigm, in order to continually improve the system. The needs of tomorrow becomes managers' second goal; that is, when they are in leadership mode. A key aim of systemic leadership is to activate, manage and hold to account this second half of a manager's job – leadership.

The Institute for Systemic Leadership
October 2011

Mandelbulbs - keeping your eyes open!

Economics and dynamic models

Models.

What are they good for? Well it would appear that someone has (finally) spotted that the sort of sophisticated dynamic systems modelling that is frequently used in hard-core scientific ecological research can shed light on the behaviour of whole economic systems. It doesn't sound surprising considering that these two very different worlds are based on complex networks of interconnected activities and actors. It's just that eco-system research has been doing modelling like this for a long time through necessity.

So why should it have taken so, long for the penny to drop with the economists? Part of the reason is the usual human problem of silo-thinking. Why would an economist read up on advanced eco-system research? Another is that the sort of dynamic modelling that is done in this latter field are rooted in the iterative cycle of data collection and model building which is part and parcel of the experimental approach. The model can't be any good until it reproduces what is observed and still, it is only a working hypothesis. Economics with its physics-envy and desire for the mathematical respectability of a nice equation looks askance at dynamic model building because, after all, they are only models.

(See http://www.newscientist.com/article/dn21151-briefing-can-ecosystems)

Forthcoming events

Dates for your diary

Please contact the PDP Team if you are interested in attending one of the Level One courses which are currently held in Manchester or Milton Keynes SC101 Viable System Structures SC103 The Systems Minefield SC102 Viable system Model – Dynamics

2012
Sun. 15th Jan. - SCiO Development Day
Mon. 16th Jan- SCiO Open Meeting

Sun. 15th April - SCiO Development Day
Mon. 16th April - SCiO Open Meeting & AGM

Sun 1st July - SCiO Development Day
Mon. 9th July - SCiO Open Meeting - London

Sun 7th Oct. - SCiO Development Day
Mon. 8th Oct. - SCiO Open Meeting

SCiO Board 2011

Board and Legal Secretary:
Jane Searles

Chair:
Patrick Hoverstadt

Communication Lead
SCiO Website:
Steve Hales

Newsletter:
Louise Smail

Commercial Lead:
Aidan Ward

Education Director:
Penny Marrington

Meetings Lead:
Doug Haynes

Membership Secretary:
Jane Searles

Outreach Director:
Nadine Andrews

Treasurer:
Steve Hales

Website: scio.org.uk/systems
Membership enquiries: Jane Searles scio@janesearles.co.uk
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Open Meetings: Doug Haynes doug@ei4change.org.uk

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