SCiO

Building viable organisations

Viability Today

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Editorial

"Can you smell carrots?" said Frosty...

"ah yes, it must be that time of year " replied Rodolph adding a sighing "again" as a half-vocalised after-thought.

Dear All,

I hope that it has been a good year for all concerned despite the trying times which seem to continue unabated. Perhaps it was ever thus?

The European slow motion train-wreck continues its trajectory towards where the track runs out and there is a growing divide between the drivers (who never knew how to drive anyway) and the passengers who are only starting to realise what type of train they are booked. There is talk of the green shoots of recovery in Britain.

And in the meantime, the Chinese have landed a rabbit, sorry a robot on the moon, the great Nelson Mandela has shuffled off this mortal coil and SCiO has celebrated its tenth anniversary.

As the world gets more complex, society more fluid (check out Zyggy Baumann) and everything seems to be being questioned, the common denominator is variety. We are living the logical consequences of better, faster and more connectedness - an exponential increase in the variety that we have to deal with. Which means that we need tools which can help us in handling and harnessing this variety. Systems approaches are potentially powerful tools in this regard and being able to share them and experiences of using them with other people is one of the fundamental aims of SCiO.

On that note, I'll go back to my glass of mulled wine and mince pie and wish you all the best for the festive season!

Gordon

(no, this isn't a picture of me!)

This Issue

OMM for mobile devices

SCiO's Organisational Maturity Model (OMM) can now run on an iPad. A number of technological developments since the release of OMM in September 2010 enable some interesting new possibilities. The most interesting from my perspective is the prospect of using OMM in group workshops with the possibility of bringing together different perspectives on an organisation's maturity from a VSM perspective.

Single Page Application

OMM was conceived as a Single Page Application. This means that the interactivity is self contained: it does not require another computer to do any work or store any data, no server is involved. It was felt that this was an essential design feature during the design process. People entering personal details about their organisation and the people they work with could do so without any fear of their data being saved anywhere. It also opened up interesting possibilities for offline use and different ways of distribution outside of the Internet. OMM can be emailed, shared on a USB memory stick or used with Dropbox.

Dropbox

Dropbox was still quite new in 2010, it was not widely used. OMM is available though the SCiO website but it has always been hosted on a public Dropbox account. As it is a single page of HTML, it can work as a webpage without any special software environment (like Java) or traditional server space. It also made updates a lot easier to make. Also a shared Dropbox folder means that the OMM can run off your personal computer's hard disk and shared drive without needing the Web.

Browser

When the OMM team first stated working on the OMM several years before its release by far the biggest obstacle from my perspective as web developer was browser compatibility. I'd suggest that 80% of my time was spent trying to get it working on Internet Explorer 6. This was deemed necessary as so many people and organisations used it exclusively at the time.

Happily OMM still works well with new browsers, including Safari on the iPad. More exciting is that OMM runs perfectly in an app on the iPad, one specifically designed to run TiddlyWiki (the framework on which OMM is built) on the iPad. This app is called TWedit and is available from the AppStore.

OMM the App

OMM running on TWedit offers two new great features 1) The ability to save whole OMM files with their data and 2) aggregation via Dropbox

These features enable personal mobile use without need for an Internet connection - on the train for example as well as use by workshops and groups.

I can see these features working well together for attendees of a workshop. Prior to a workshop a consultant shares the OMM App via a dropbox with participants. It is then saved and shared with the consultants Dropbox. The consultant can then see the results from all the participants.

Future Developments

As OMM is already a wiki which could be automatically loaded into another Wiki from where a knowledge base on the VSM could be built. Data could be aggregated, restructured and lined to capture aspects of the organisation in question.

Testers Required

Anyone interested in testing and developing OMM for iPad use, please contact me directly.

R.A.Hough@gmail.com

"INNOVATION"

Innovation is yet another, in a long line of buzzwords which go hand in hand with engagement, ownership, culture change and other business critical capabilities which prove extremely 'Hard' to get right, even though they fall on the 'soft' skills side of the fence.... Ironic?

So, what exactly is 'Innovation'?
To answer that and similar questions (What is ... engagement, ownership, culture change etc.), we can use 'root cause' tools like 5Y's or 5W1H to dig down through the language we often take for granted.

Instead of asking Why? 5 times, let's ask What is...? 5 times and see where it takes us.

1. What is ... Innovation?
ANS: 'The act of introducing something 'new', or 'original', which 'breaks into' a market or society, usually identified as 'phenomena, which are important in some way'.... At base, it's a new human 'Act', 'Action' or 'Activity' in a given set of circumstances / situation.

2. What is ... an 'Act' which is new or original?
ANS: An act, as a Verb, is to 'do something', to 'take action'. As a Noun, it is a thing done, a 'Deed'. It can be seen as a physical thing, mechanical, or a human thing, 'behaviour'. New, is that which hasn't been done before.

3. What is ... behaviour?
ANS: the way in which an animal or person behaves (does something) in response to a particular situation or stimulus:

4. What is ... a response?
ANS: an excitation of a nerve impulse caused by a change in conditions or particular event;

5. What is ... a nerve impulse?
ANS: A nerve impulse is an electrical signal that travels along an axon, which can be considered electro-chemical activity in the brain (CNS – Central nervous system) and / or the body (PNS – Peripheral Nervous System).

Simply put, Innovation is about 'Thought, Word and Deed' ... in that chronological order.

To answer the question 'What is Innovation?' we might say ... "Innovation is a set of sensory & neural responses to prevailing conditions, which combine in the brain to create a novel idea or solution to a perceived challenge. This solution is transported from the brain, through the body, into the world, triggering new sensory and neural experience for self and others."

And for me, THAT is the interesting bit. As leaders, we can now ask, what 'prevailing conditions' encourage the kind of neuronal, axonal signals which lead to those new ideas (thoughts) which are sufficiently exciting and beneficial to motivate the individual to perform 'New acts, important to society or markets'. i.e. What 'prevailing conditions' are required to encourage innovation? Or more accurately, what prevailing conditions are required to encourage innovative thought, which will be acted upon.

And that takes us well and truly into the realm of 'Soft Skills', which consistently prove so 'hard' in a world that currently teaches best-practice, organisational control and leadership with little if any link to neuroscience or biology.

To truly understand 'prevailing conditions', which are good for the brain to be innovative, we need to think about the wiring and firing in the brain.

We need to consider neurological conditions, like FEAR. Fear can see the glucose energy converted from our food to fuel the brain directed to the defence mechanisms and away from the thinking bits! This 'emotional state' (neurological condition), inhibits our capacity to think logically in the absence of any fuel for the 'thinking' parts (pre-frontal cortex) .... This is one among many such neuro-biological facts, which can now be shown to directly link to terms like 'Innovation'. Fear = lack of thinking, Innovation requires thought; quid pro quo, if people are suffering any form of fear at work (in respect to targets / hierarchies etc.) they will not be innovative. Easy as 1,2,3!

We are fortunate today to be able to use neuroscience and psychology to understand such issues. In the absence of this knowledge during the past centuries of industrial development, such facts have been largely over-looked in the popularised approach to leadership. The ideas around 'being the boss' have unfortunately evolved in the prevailing conditions created by a Keynesian economic, capitalist, industrialised world, without any understanding of the brain and how to get the best from it.

In these 'prevailing conditions', leaders have been trained and encouraged to exercise their social position and power to focus on the outputs, (P&L / Forecasting etc.) more than they focus on or understand the conditions required if the neurological responses of their reports are to lead to actions which in turn lead to 'solutions' and 'improvements' which provide maximised profits and minimised losses.

It's all a little bit backwards from a 'human factors' point of view. It is often the case that conditions generated by current 'best practice' couldn't work much harder to oppose the natural capabilities of the brain to innovate, even if they'd been purposefully designed to do so!

E.g. Output targets in a business are typically projected in time, requiring assumptions are made; this can lead to cognitive dissonance throughout organisational departments and hierarchies, while KPI's put people under duress from cost accounting practices increasing the release of stressor hormones and provoking fear of failure and rejection based responses. While this is going on, ERP systems impose often nonsensical controls over a human's freedom to act to force conditions like learned helplessness. All in all, in the absence of such knowledge, we do a pretty good job of creating business environments in which people are conditioned NOT to think, while being provoked at a neuronal level to make physical mistakes and errors of judgement.

We might say we've systematised our attack on the capabilities of the brain!

Assuming the same few 'Human Factors' we've mentioned here, at a neurological level, are understood in terms like 'Culture Change' we can assume Kotter & Heskett's Landmark Study, which focused on 'Corporate Culture and Performance,' across 207 large U.S. companies, in 22 different industries, over an Eleven-year period, shows the potential outcomes it is possible to unlock, when this level of understanding exists in leadership teams.

*One must assume 'culture change' includes an understanding of what 'prevailing conditions' are required to get the best performance from people, including a level of neuro-biological understanding.

We might note, these results were achieved by leadership teams with a focus on a broad term like 'Culture change', before we had access to the neuroscience we have today – these results were achieved by those who intuitively understood how to create conditions in which 'brains perform best'. (Leaders Jim Collins might refer to as 'Level 5' leaders).

So, when do brains 'Innovate'?

Let's first consider the times when novel ideas and solutions pop into our heads, and look at the prevailing conditions we're in when this happens, (conditions you might note, that we don't often replicate at work!).

We've all experienced 'Ah ha' moments (also considered Gestalt, Insight, Epiphany etc.). For many, these moments of realisation come when we're driving, cycling or walking a regular journey and we can't remember how we did the last few miles or few hundred yards, or when we're vacuuming the carpets, or falling asleep or waking up. We have 'insights' in any 'condition' in which our conscious thought processes are put on stand-by, i.e. when the pre-frontal cortex isn't troubled by active conscious thought, allowing a deeper level of thinking to be given a little 'head-space'. A hot bubble bath is another place this can happen, hence the story that Archimedes jumped from the public bath's shouting 'Eureka' when he recognised water displacement could be a method of measuring density – the realisation came when he was relaxed in the bath! Not when he was in a facilitated workshop or under the duress of KPI's and targets.

The science we have access to today allows a

deeper understanding of this. Contrary to popular belief, our brains do not rest when our body does, at least not all areas of the brain and not in the way we might assume. When we sleep or relax significantly, such that we're functioning on autopilot, our 'conscious' brainwave patterns (From the frontal lobes) slows down from 'Beta' to 'Alpha', but the electrical activity in other regions of the brain can increase significantly.

We go from Beta to Alpha brainwave patterns when we go from fully awake and consciously thinking to a relaxed state. We move from Alpha to Theta brainwave patterns when we get drowsy. In Delta phase, we are either sleeping or deeply sleeping (Non REM or REM sleep).

It is in the Theta phase that we have an epiphany and lose the last 5 miles when driving. We are alert and able to respond to changes in the traffic, so not 'Drowsy' in the typical sense of the word, but we are in a 'special place' in our heads, a bit like 'meditation'. Driving is the modern alternative to a mantra or repetitive noise made to induce the same 'meditative' state in terms of neural activity, and it provides our brains a chance to piece things together that might span decades of experience.

The interesting thing is that the areas of the brain which increase in activity in sleep include the inferior frontal gyrus, the parahippocampal gyrus, the precuneus and the posterior cingulate cortex, as well as the brainstem and cerebellum.

It is increasingly accepted that the processing of memory traces in areas such as the parahippocampal gyrus point to the role of sleep in memory consolidation.

Similarly, in a meditative Theta brainwave state, the brain is often able to go to work on the individuals latest experience, cross-linking past experience to present conditions, testing theories from experience over decades and drawing conclusions which often emerge as an 'Ah-HA! Moment. We can think of the brain in this state, like a massive laboratory of collaborating scientists, carrying out experiments and testing theories to find mutually beneficial solutions (via an algorithm know as Hierarchical Temporal Memory).

Now, when it comes to leadership and innovation in a commercial environment, leaders can unwittingly create conditions that are completely counter to these human brain needs. Alarmingly, this is often in pursuit of so called 'Best Practice'! The introduction of Controls (ERP) or Time-Lines, Critical Paths, Financial targets and an array of performance related KPI's can create 'prevailing conditions' in which the individual can suffer a negative emotional response, potentially linked to common-all-garden, everyday psychological conditions such as a 'Fear of failure' and / or 'Fear of rejection' on a chronic basis.

The reason we don't hear of these 'Chronic' issues, is because most psychological and neurological studies which hit the headlines revolve around trauma and significant stress, not the common-all-garden conditions 80-90% of the global adult population find themselves in.

However, Under such chronic fear based (mundane) stresses, there is a complex process going on, far to complicated to detail in this short observation, but suffice to say, glucose energy is diverted to the Amygdala (Emotional Cortex), away from the pre-frontal cortex and the low level adrenaline / cortisol release into the blood-stream can damage a substance called Brain derived neurotrophic factor (BDNF), especially over time. This acts like fertiliser for the brain and it's essential for new neurons to grow (Neurogenesis) in response to new experience, perceptions, imagination and memory consolidation. (Which is a far too shallow summary of how we learn, adapt and memorise). The type of stressful environments we create at work, therefore inhibits the potential for brains to be 'innovative' and inhibits the speed of learning from experience realised in our teams. Damage to cells on a broader body-scale, are also probable
following prolonged exposure to stressor hormones, leading to heart conditions and cancer in many cases.

In this way, we not only detract from the potential for the brain to get into an innovative (Semi-subconscious) state, we also reduce the capacity to problem solve consciously, increase the potential for social issues to manifest where people are more prone (neurologically) to react emotionally, rather

than rationally, generate issues around the principles of 'Learned helplessness', provoke discomfort in respect to cognitive dissonance and damage people at a cellular level, not to mention disconnecting those who have to 'perform' to meet the goals and ideals of the organisation from the organisations strategic vision due to the stress they are under; thus creating conditions, which fundamentally undermine business critical traits like 'ownership, engagement and empowerment'.

Ignorance of this leads to external experts coming into a business to introduce 'Change Programs', to address ownership, engagement, empowerment, autonomous teams, culture change and innovation' by following the same implementation and performance rules that the incumbent leadership team demonstrates.

That is not to say there is no need for control. Some boundaries and rules provide consistency, which can lead to comfort, in line with old sayings like 'Congruence leads to confidence'. When people are comfortable, they can be innovative, but make them too comfortable and they can become complacent – it's a neurological and psychological juggling act, that links into issues around emotional maturity, greed, responsibility … and ultimately a philosophical definition of 'Good' … it's a bloody hornets nest once you start looking into it, but that doesn't mean there aren't rewards to be had for the effort.

There is a lot to this 'human factors' approach to Leadership. Control, leading by example, fear, process, systems, the theory of knowledge, psychology, philosophy and epistemology, you can just keep digging deeper and deeper. There are some pretty complex issues to understand, which is probably why there are statistics out there which suggest around 85% of all change initiatives go over-time, over-budget, over-both or fail completely.

It's safe to say leading Innovative change is not easy to get right in practice!

In respect to perceptions and an individuals locus of control, people require a certain 'freedom to act', to feel in control rather than controlled. They certainly do not respond as well as they might if they are a 'Slave to the machine', especially the over-logical type of machines we are surrounded with today. Equally though, ambiguous direction from leaders (too much laissez faire) can provoke feelings of insecurity and a lack of confidence, which leads to stress in teams, glucose energy diverted to the amygdala, defence mechanisms cutting in and mistakes being made.

A funny example of this 'Brain response' in stressful situations presented itself to me today while I was writing this. An FB update described my wife's friend carrying a load of shopping to the car from the shop, when her knicker elastic snapped, requiring that she try and stop them dropping past her knees and out the bottom of her skirt to her ankles, as she held up bags of shopping and struggled to get her car keys out, eventually getting into a position from which she could press the remote button to unlock the car. She pressed it over and over again, frantically trying to get into the car before anyone saw her predicament and embarrassment … she pressed it and pressed it but the car wouldn't open no matter what she tried … then she realised …. In her panic, she had walked to the wrong car!

Her pre-frontal cortex had basically shut down to divert the majority of glucose energy in the brain to her defence mechanisms, adrenaline flooded her blood-stream, stressor hormones surged to prime muscles and heighten reactions, fight-flight responses took over, rendering her incapable of logical thought – she bolted to remove herself from the danger of embarrassment, but bolted in the wrong direction.

It's a relatively mild example, the threat was minimal being only one of acute embarrassment, but it provides a live example of how people can make mistakes when stressed, even something as obvious as returning to your own car, that you parked just 10 mins before, can go wrong when your brain perceives a threat and triggers the release of stressor hormones into your system. When that stress is chronic, such mistakes are common-place, posing company's problems with Health and Safety, quality, cost, delivery, growth and morale at a cultural level.

Leaders who identify the critical importance of 'Innovation', and other 'soft skills' like empowerment, ownership, total quality

management, cost reductions etc. must consider the neurological issues when choosing what conditions to create in their organisations & they must acknowledge, their own thinking is a major factor in the formation of those conditions.

Where leadership teams manage to understand innovation and leadership at this level, then the financial results captured by Kotter and Heskett are available to all in addition to benefits in QCDGSM (Quality, Cost, Delivery, Growth, Safety and Morale) at an operational level.

Funny then, that the idea of neuroscience and psychology in relation to organisational change is virtually non-existent in a world flooded with change management, Lean, Six Sigma, OpEx, Agile, WCM, AI, EI, OD, Prince II, BSC, EFQM and CPD.

Perhaps it's time for a little Innovation!

David Bovis

SCiO Open Meeting: Monday 13 January, 10am-4.30pm BT Centre, 81 Newgate Street, London EC1A 7AJ

Speakers and subjects:

- Danny Chesterman, of Ashridge Business School, on complex programme management.

Danny will share some of the findings of a piece of Action Research, conducted with his colleague Sue Pritchard, into the realities of leading complex major projects and the possibilities of working differently with conditions that are inherently uncertain, contested, unpredictable and turbulent.

- Ivo Velitchkov - Requisite Inefficiency

Ivo will explore various manifestations of what he calls 'requisite inefficiency' - a necessary excess of variety which might be threatened by 'efficiency measures' in times of crisis - in an attempt to raise awareness about it, that could grow into capability to distinguish it and let it be.

- The Perspectivity Game - facilitated by Tom Hitchman (extended afternoon session)

The game is a board game predicated around participants each managing a national economy. The simplified, enjoyable game framework offers a surprising range and depth of insights into multiple perspectives, assumptions, structure and meta-structures, conflict, emergence and other systems themes. Tom has heavy eco focus and a deep knowledge of systems perspectives, and is able to draw out thinking around both of these themes.

A brief paper with more details of the speakers and sessions will be circulated shortly. Space is strictly limited. Please give your organisation (if appropriate) for BT security reference. You must book at least a week in advance for security reasons. Money is collected on the day – cash (much simpler to handle!) or cheque. The charge is only £10, though you should definitely consider SCiO membership at the same time if you're not already a member - see below!

Ben Taylor

ALL-PARTY PARLIAMENTARY GROUP ON MANAGEMENT (APPGM)

This All-Party Parliamentary Group was announced in the Autumn and has put out a call for evidence from any interested party, individuals and organisations, such as SCiO and its members. The main supporter is the Chartered Management Institute; submissions may be made via its website, which states:
'As the first management-focused Commission for over ten years, we want to hear from you. Tell us what works. Share your thoughts on new approaches. Show us what's changed ... or needs to! Your views will help us shape the future of management and leadership and directly input into the work of the Commission.'

Bill Tate and Aidan Ward have been discussing one or more possible submissions. Here is one by drafted by Bill that shows how careful use of management language is important for a systemic perspective.

We have a language problem. Get the language straight and you may think straight.

• Managers don't do management or leadership as such. They exhibit qualities of management and leadership. And they 'manage' and they 'lead'. Their activity is managing and leading.

• Managers hold positions of authority in an organisation's hierarchy and may be referred to as 'the management' (or at a senior level as 'the leadership'). But that doesn't say anything about their capability.

• Individual managers may be seen by others as good managers or as good leaders, both or neither. Good leaders value management activity as well as leadership activity, both in themselves and in others.

• Position, ability and activity are different but related 'management' considerations. This is a source of confusion, which the term 'executive' partly avoids.

• Management and leadership are about more than individuals in their jobs: they are also properties of organisation-level work processes; e.g. management of adoption services, management of a hospital's beds and waiting list.

• At a level up from individual managers' jobs, such work systems channel and combine managers' efforts and outputs and provide an enveloping context. These systems are responsible for most of what managers are called upon to do, what they choose to do, what they are allowed to do, and what happens when they do do.

• Managing is the job of a manager, can be and often is specified. Such managing activity is unavoidable if they are to keep their job. In contrast, leading is largely unspecified other than in positional terms; e.g. 'provide project leadership to ...'. Leading is discretionary, political, risky and lacks agreement on what it is. And while managing is fairly trainable, leading is less so.

• A manager is usually left free to work out what leadership means and to choose whether to and when to don the appropriate hat. More than the individual's personal qualities, it is the context and what surrounds the manager that largely determines whether and when the manager chooses to take a lead.

• Leadership is a relational phenomenon. It happens in the engaged space between people, not inside any one of them acting independently and alone. Leadership is thus an 'emergent' property of that relationship. In a different relationship the expectation and assumed need for leadership will be different, the leadership behaviour displayed will be different, and how such leadership is assessed will be different. The assessed quality of a manager as a leader lies in its perception: it is not an assessable or constant truth.

• Most of what a manager does that is grandly called leadership is really high-level managing that derives from having a clearly identified positional authority; e.g. team or project leader.

So what is the problem?

The word 'management' spans two different and complementary spheres of interest in the life of an organisation and how well it performs. The word is used for what is going on in individual managers as they do their job, as well as what is going on at an organisational level and how it behaves as a system designed to serve the business's needs. The

individual level is about a manager's actions, qualities, behaviours, skills, competence and qualifications. The organisation management level is about processes, activities, arrangements, structures, relationships and behaviour appropriate for achieving business results. The organisation surrounds managers with an appropriate environment so that they can perform as managers, and it adds value and synthesises their individual work to capitalise on their managerial efforts. It is when the management environment is inappropriate that we become most aware of the context's impact on individual managers' behaviour.

Most books on so-called 'management' confuse these two focuses – the individual and the organisation. However they are titled, most books are concerned with the individual level, with what individual managers do at work (see the recent example below).

'We've all worked for bad bosses, and know that they can make life miserable. Equally, I hope you've worked for good managers who have inspired you. This book is about how to recognise the difference between good and bad management and develop your skills as a good manager.'

Such 'management' titles appear to promise more than the individual level, but the organisation dimension – how the management process works as a whole system – is usually neglected (as it is in the example shown). By appropriating the word 'management' for what the individual does (as opposed to calling it 'managing') we risk overlooking what surrounds managers organisationally if they are to be free to manage purposefully and in an integrated way that enables the organisation as a whole to be effective and regarded as well managed and led.

The upshot is that many organisations underplay their synthesising management role where they can add strategy, direction and integrating value. Instead they analyse the poor managers to death using reductionist thinking based on the outdated metaphor of the organisation as a machine. That is, HR breaks down the organisation and its people into the smallest parts, seeks parts that are defective or broken, fixes them via development, stands back, and assumes that once the parts are fixed, the whole mechanism will perform correctly.

This Cartesian-Newtonian paradigm – named after René Descartes (1596-1650) and Isaac Newton (1643-1727) – gave rise to the scientific management way of thinking, organising and managing. But this model began to fall out of favour in the mid-1900s when it was realised that organisations were complex, social, organic systems. Systems thinking and complexity science gradually combined and gained prominence as an alternative paradigm. This recognises that organisations are somewhat political, unpredictable and uncontrollable at an individual level, with cause and effect linked only loosely. Yet the individual-focused, micro-managing, atomistic, hierarchically instrumentalist, mechanical myth remains. Power and human nature have ensured that this mindset still holds sway for many. It costs organisations dearly and undermines attempts at modernisation.

By way of example, organisations end up with grotesque, highly detailed and bureaucratic specifications of what the ideal manager is required to have and do (qualities and behaviours), semi-detached from the real organisation dynamic that either frustrates or enables managers freely to perform. It is usually the organisation dynamic that needs the greater improvement attention. Such obsession with the small print of individuals' make-up is a huge misdirection of energy – by professional institutions, business schools, publishers and businesses alike.

As organisations and managers become aware of the clash between the old and new paradigms they may recognise the need to modernise and change their concept of management and organisation. But the managers who have most authority to lead change are usually those who are most steeped in and vested in the traditional concept. If they can overcome personal hesitation, even wise managers have no choice but to work with the system to change the system. Hence the in-built tendency favouring the status quo.

So what can we do to improve management and leadership?

- As the main organisation strategy for improving the system's performance, abandon generic management skills training for individual managers. Instead, work on the system and people interconnections. Get people together to ask them

how the system is getting in the way of them doing their job, and how it can be improved, refashioned and repurposed.

• Don't conflate leadership development with applied leadership activity (as the book example mentioned does and as most studies into improving leadership do; e.g. Council for Excellence in Management and Leadership). There are many ways of improving leadership other than through development activity. First stop wasting it. And focus on improving the system rather than the individual.

• Ensure that the actions that managers take, and what the organisation does in the name of 'management', is a pulled response to people's needs (the manager's 'customers'), and is not what 'management' or HR wants to push on them regardless of their needs and wants.

• Use leadership strategically. Leadership is a safeguarding activity, ensuring that tomorrow works better than today. The more senior managers' position, the more time they should spend on safeguarding the future using their leadership role. This is the most important thing that leadership capability can be used for.

• By contrast, delivering against today's short-term needs is mainly a management activity. It links cause and effect more closely than does leadership. And it will usually be less contentious because it doesn't pose such a strong challenge to the status quo.

• Weaken strictly hierarchically-based authority and grade-based involvement in decision taking.

• Expand the population from which you want managers to take on a leadership role when it is called for. Let them loose to use it. Don't rule out anyone from being able to display leadership qualities and activities.

• Spend more time managing what surrounds people in their work and less time in managing the individuals and their detailed work. If given a worthwhile and interesting job, the right context and a healthy environment, most people can largely manage themselves. Semi-autonomous self-managing teams are an alternative to strong hierarchical management control (the Hackney 'unit model' for restructuring the work of social workers is an example of this).

• Recognise that the organisation's success comes from what is happening between people at least as much as what is happening within them. It is sociological as well as psychological. Therefore, manage the spaces and gaps in the relational networks. Prompt and value conversations more than individual competence. Lighten protocols that govern access.

• Engage multiple perspectives when problems are complex or 'wicked'. And get help in identifying the right questions before deciding who can help with answers. Don't assume that it is your job to tell people the answer.

• Don't just make managers accountable by telling them that they are accountable and by giving them responsible jobs: hold them to account practically for getting things right, including improving the system, and do this at a management team level when appropriate.

• Focus performance management energy on the system's workings and performance and how to improve it, as opposed to judging individuals using hierarchical authority. Allow the system to enter into conversations about performance.

• Make appraisal systemic by considering (i) how managers achieve things jointly with other managers, (ii) how they make it easier for other managers to be successful, (iii) how they improve their workers' environment (the 'system' as they would likely see it and blame when frustrated), (iv) how they lead by challenging the status quo to make tomorrow better than today, and (v) how they seek and achieve continual improvement in their bit of the organisation.

• Make the act of continually improving count for more than hitting fixed and arbitrary levels of attainment such as numerical targets. Improvement is more important to quality because it doesn't matter where you start, and there is no end. It is less hierarchical, less instrumental, and avoids the problem of gaming the system to achieve someone else's view of what matters and thereby collect rewards or avoid punishment, often at the expense of something else.

• Ensure that the role of specialists, inspectors, regulators, auditors, etc, is to work with, support and help managers and their organisations improve rather than to police them, measure them, catch them out and humble them.

Author of The Search for Leadership: An Organisational Perspective (Triarchy Press, 2009), and 'Managing Leadership from a Systemic Perspective', paper (London Metropolitan Business School's Centre for Progressive Leadership, 2013)

Open Notes: notes from the open meeting on 13th October 2013

The October open meeting had a good attendance and four enlightening speakers, including a surprise guest from the other side of the world!

Electricity in Europe – two potential systems

Roger Duck and Jane Searles talked about their work on the future of the electricity system in Europe – an industry requiring radical change in a short timeframe. Their work identified how the industry currently sees itself highly functionally – and how there is another possibility, of a consumer-centric architecture. Their proposal is that the two systems could, and should, co-exist and link together. This was an interesting example from work on the fringes of an ICT project – starting from the need to model the system to regulate it, Roger and Jane were able to move beyond the current view of the energy system. While the energy challenge, broadly, is to reduce carbon, maintain energy security, affordability, competitiveness and economic prosperity, there are three 'elephants in the room' which potentially block progress, seen from the functional perspective:

- Energy efficiency is not likely to happen to the scale and in the time required;
- The fossil fuel industry has amazing power; and
- Microgrids don't fit with the current industry structure.

Roger and Jane created a rich picture as a conceptual new POSD model – a brainstorm as a kind of proof of concept with the consumer at the heart. Renewables and electrification create a more distributed and less controllable generation, requiring more control and automation on both demand and supply sides. The idea of the model was to help people to lift themselves out of their silos (of functional thinking) to display two types of system going on – a commercial system with 'customer out there' – being sold to. Diametrically opposed to this is the self-sufficient system with the consumer included in the system, generating its own energy.

Modelling then moving to 'what needs to happen, today and tomorrow' therefore conceptually comes before deciding what should be automated and how it fits in the environment – the question becomes, how do we bring these two 'potential' systems together? They were part of a wider research project which was originated as technology-led – 'what can we automate' is the first question – leads to 'what might be possible' – then 'what might this mean for people'. They tried to use their proof of concept to create dialogue in participative workshops and produce shared models of possible futures. They felt this was a partly successful way to

combat the reductionist assumption of 'consumer' outside the system and help people to think about the user of energy in the whole system. They present their model as a starting point for discussion – something that can quite powerfully be used to map very different systems. They are actively looking for opportunities to continue to explore the potential.

Roger Duck roger.duck@mapsar.co.uk +44 (0)7711 346908
Jane Searles jane.searles@btinternet.com +44 (0)1538 372804

A complexity approach to sustainability

Dr Jon Walker and Angela Espinosa (PhD) presented their new book, published recently by the Imperial College Press as part of their new book series in complexity. The book can be purchased from Amazon http://goo.gl/zvWglS

Their argument is that most of the current methodologies and paradigms supporting sustainability programs have limitations there is an urgent need for the application of analytical tools that embody the principles of complexity management. They introduced us to a theoretical framework based on complexity science, with a focus on organisational and second order cybernetics. This began with the theory of viability from the viable systems model and its relationship with theory of sustainability – they have undertaken a lot of work linking and finding examples. In the current state of the world in terms economy, environment, inequality, resource depletion, they argue that VSM, by linking parts with autonomy and cohesion, can help to develop the structural conditions for viability, which they state is a pre-requisite for sustainability.

An interesting aside to this is that many sustainability interventions operate hierarchically and demonstrate very low success. After an elegant introduction/recap to the viable systems model, they explained that their big assumption is that system 5 must change dramatically to focus on sustainability. The system of sustainability itself needs to be based on an ecosystem, built up from individual to community to towns and regions then global. They introduced the concept of bio-regions as useful in this regard – based on water catchment areas. But you can't do everything locally – you also need global governance given power of corporations etc.

They developed a new framework for sustainable governance using the principles from the book (drawn from VSM) – noting that while VSM tells you the sort of things you need to do, the actual actions are always case-specific. Their view is that in levels of recursion, one system three can only deal with seven systems one, so John and Angela had to redesign governance for planet earth! The conclusion is that we really need to rethink the idea of sustainable development – Stafford Beer was going to be Angela's PhD supervisor – his quote is 'sustainable development is an oxymoron'.

There was an interesting discussion on a number of related points:

- Bateson – today's problems are caused by the concepts of yesterday – much of the problems identified by the analysis might stem from language use.
- Emergence and the VSM suggest much more emphasis on dynamic stability than stability. Evolution happens through chaos – like creativity, evolution is the non-random selection of random (chaotic) options.
- A comment from the floor – is hierarchy the same as command and control? Hierarchy might be heard as 'bad' – but all the content was talking about control. This brought us round to Stafford's concept of 'designing freedom' – really well-designed structures allow people to get on with their jobs…

They gave a helpful and insightful summary:

1. Society is most appropriately viewed as clusters of viable systems, coming together for their mutual benefit in a series of recursive organisational levels from the individual to the global.
2. Recursive levels must be correctly identified which enable all socio-ecological issues to be dealt with at the

appropriate level.
3. The interaction between a society and its environment must be re-thought as a continuous, co-evolving dance based on tightly coupled closed loops and real-time data.
4. Autonomy within cohesive limits at all levels is fundamental.
5. The four Meta-systemic sub-systems are needed to create effective, sustainable, viable systems.
6. These principles must be exhibited by all viable systems at all levels of recursion.

Peter Cooper – 'good leadership is an emergent property of the organisation'

Peter, who runs a successful organizational, leadership, and delivery consultancy using systems principles in Australia, took as his theme the Oliver Wendell Holmes quote 'I would not give a fig for the simplicity this side of complexity, but I would give my life for the simplicity on the other side of complexity'. He talk about working with leaders to create a positive workplace culture, using stratified systems theory evolved in application over twenty years in mining – much more about leadership, people and culture, and some models from the book Systems Leadership– Macdonald, Burke, Stewart (which he recommended – Amazon link http://goo.gl/CdtVro).

The lesson from mining is that getting a bigger digger is one way to get competitive/comparative advantage – but enabling the people better is more effective. He had identified appropriately devolved authority identified as the best way to maximise the value to the organisation as a whole, and the value to the individual of being in the organisation. This means very clear defined limits of authority – and the maximum scope within them. He defended a concept of appropriate hierarchy – if the organisation fails, typically the person at the top will account for that failure.

His view is that real leadership requires:
- creation of a culture
- the ability to see through the eyes of others
- the ability to understand how what you do and say as a leader will be judged by the group then acting to produce a constructive outcome

It does not mean everyone must agree, it does not mean consensus decision making, but in order to sustain leadership position, you have to be able to provide the conditions in which people decide to follow. Peter introduced a core set of values – six continue – very fundamental to human beings, linked to early development, gut feeling/emotion, and tribe membership. He has found that a good way to work on and with culture is to look at mythologies – the stories people tell and the assumption or belief that particular behaviour demonstrates positive or negative values – against the values criteria. The group looked as some issues in the news in the context of the values continua, and explored how they could be used to plan, predict results of behaviour, and communicate. Peter talked finally about how the three tools of leadership influence culture: behaviour, systems, and symbols.

peter.cooper@advanced-dynamics.com.au

Alfredo del Valle, PhD – managing high-complexity problems through methodical participation: experiences with the participatory innovation model

A guest speaker from Chile thanks to Angela, Alfredo kindly agreed at the last minute to adapt and present his seminar being prepared for presentation at the University of Hull. He introduced a clever overview of complexity at three levels; simplicity (traffic lights at a junction), complexity (where there is a shared and practical understanding – can be solved with known instruments), and highly complex – where no shared practical understanding exists.

He outlined the approaches that don't work with complexity:
- Simplification
- Analysis

- Trial and error

His example was around a real success – modifying the historic trend in road traffic accident deaths in Chile – to the extent that 8,000 lives were saved and 80,000 injuries averted. This was based on an approach of 'strong participation' – examples being:

- Group running a project
- Executive group formulating a strategy
- Friends organising a party

This must involve co-creation among the actor, multiply intelligence and enrich ideas. Such an approach humanises, dignifies and actualises, and generates innovation from the inside – identification of potential. His approach talked about seeing this approach right through from visioning to planning to acting in the real world. Typically, there are two directions of action, and two paradoxes:

- Efficiency acts: plan – do – impact

(Technocratic direction – paradox – it loses effectiveness because of lack of legitimacy)

- Legitimacy acts: reality – actions – plan

(Legitimacy direction 'Asembleismo' – paradox is that action never closes the loop)

Effective action under complexity requires a strong synthesis of the two (a 'golden mean'). This introduced the complexity-participation principle – those who create the complexity can design the systems to deal with it. He reflected on the development paradigm currently, development = economic growth. BUT developed societies first transform their characters and only then change their economies. In a non-developed system, there is only sporadic innovation – you really need to focus on developing a culture for development that is able to be e mature in handling innovation.
In the strong participation approach, conveners help participants to create a vision of development – a whole system 'action map'. This maps the concrete potentialities inherent in the sysgem and desired dimension by dimension – a really practical method to prioritise initiatives, build alliances, prioritise and design, follow-up and review.

Alfredo kindly offered a synthesis of his presentation

1. Central message: There is a new systems approach to deal with 'high complexity problems' effectively, by generating action and cultural change. Its name is Participatory Innovation Model, it is validated in practice and is available for interaction and transfer.
2. Presentation objectives: To let you know the Model's theoretical – methodological grounds, and its practical experiences, so you may decide to learn more and to interact with me around it. Grounds come from social systems thinking (Ackoff), management cybernetics (Ashby-Beer), culture-forming processes (Schein) and complex thinking (Morin), and from 35 years of original research and action carried out from Chile.
3. Current situation: Present-day societies are flooded with poorly-managed, high-complexity problems, with huge negative impacts. The common-sense, practical means that are applied to face them lack capacity (i.e., requisite variety) because of their reductionism and authoritarianism, and often make the current situation worse.
4. Potential situation: The widespread application of the PI Model to high-complexity problems of varied types, at varied places, could make their good management more likely, and could bring about positive impacts more often. It could also contribute to the positioning of complex thinking, enabling leaderships and democratic governance.
5. The next step: Disseminating the PI Model by means of: (a) joint research and publications to facilitate criticism and scientific debate, (b) theoretical and practical training of competent 'animators' to apply the Model in different contexts and cultures, and (c) building up a network of applications duly documented, evaluated and disseminated.

adelvalle@ceres-cr.org

SCiO Development days and Open days in 2014

Development days are open, confidential discussions where member of SCiO can benefit from the individual and collective wisdom, knowledge, and experience of those with common interests. There are four a year in London and four in Manchester - again demonstrating the incredible value to be got from SCiO membership at only £25 a year!

For more information on development days - and to book for Manchester development days - please email Tony Korycki, SCiO direct for development days - tony.korycki@scio.org.uk

Sunday January 12 10am-4.30pm – London development day

Sunday January 26 10am-4.30pm - Manchester development day

Sunday April 6 – London and Manchester development days

Monday April 7 – Open meeting and AGM

- Ash Moran – conflict, courage, and theory of constraints
- Ben Taylor – Power+Systems - systems blindness and systems sight
- Other speaker(s) to be confirmed

Sunday July 6 – London development day

Monday July 7 – London open meeting

- Christine Oliver on co-ordinated management of meaning
- Chrisoph Giannoudios – Beer at Work (how work can make us sick, and Beer can make us better)
- Alan Clark – 'a heretic's view of Deming and systems thinking'
- Final slot still open – suggest yourself or someone else now!

Sunday July 20 – Manchester development day

Monday October 27 – Manchester open meeting

These dates are all at www.scio.org.uk/events and more details will be added/corrected as and when.
Further planned date: Monday 26 January 2015 - London open day

I look forward to seeing many of you at events next year - please invite colleagues, friends, bosses and client to this and future open events!

Cheers
Ben Taylor

Calendar 2014

Mon. 13th Jan. 2014 Open - London, BT Business Centre

Sun. 26th Jan. 2014 Development day - Manchester

Sun. 6th Apr. 2014 Development day - Manchester

Mon. 7th Apr.2014 Open Meeting - Manchester

Mon. 7th July 2014 Open Meeting - London

Sun. 20th July 2014 Development day - Manchester

SCiO Board 2013

Chair	**Patrick Hoverstadt**	**Webmaster**	**Trevor Hilder**
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WANTED!

Book reviews,
Articles
Viewpoints
Stories from the field

Is it systematically systemic? Is it strategically stratified?

Send it in!

The SCiO Newsletter NEEDS YOU!

Seriously folks, this is a small opportunity to share something that you have or know with a bunch of people who are thinking along the same lines.

Website: scio.org.uk/systems
Membership enquiries: Jane Searles (jane.searles @scio.org.uk)
Newsletter contact: Gordon Kennedy (gordon.kennedy@scio.org.uk)
Open Meetings: Ben Taylor (Ben.Taylor@scio.or.uk)