

**New Horizons for VSM
Themes from WOSC 25 Paper**

**To be published in Shaping Collaborative Systems
for tomorrow**

Background

- Senior Lecturer in Mathematics Hatfield Polytechnic
- Operational Research - work mainly with local government
- Converted to VSM after Beer Talk to OR Society
- Post Graduate work on Organisation Analysis at Brunel University- ideas/theories of Elliot Jaques
- Computer Systems Analysis, Training, Strategy Management, Project and Change Management
- Pragmatic user of VSM and other tools as a consultant , manager and facilitator in:
 - Industry- ICL, Bull, Mobil Europe
 - Local Government- Variety of local authorities
 - Central Government- NHS CHD Collaborative, Department of Health Change Programme
 - Utilities-Transco, CEGB
 - Agencies-Lord Chancellors Dept, CAFCASS
- Other organisations- CFBT, Oxford Academic Health Science Network, Reading Labour Party, Reading Health Watch, Reading Patient Voice

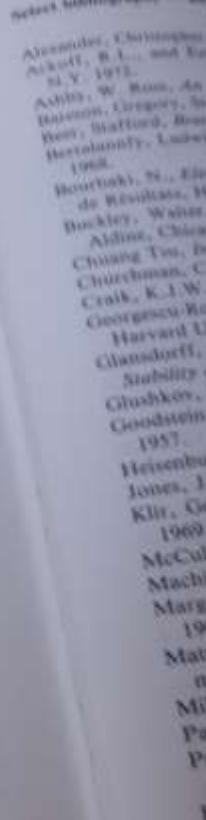
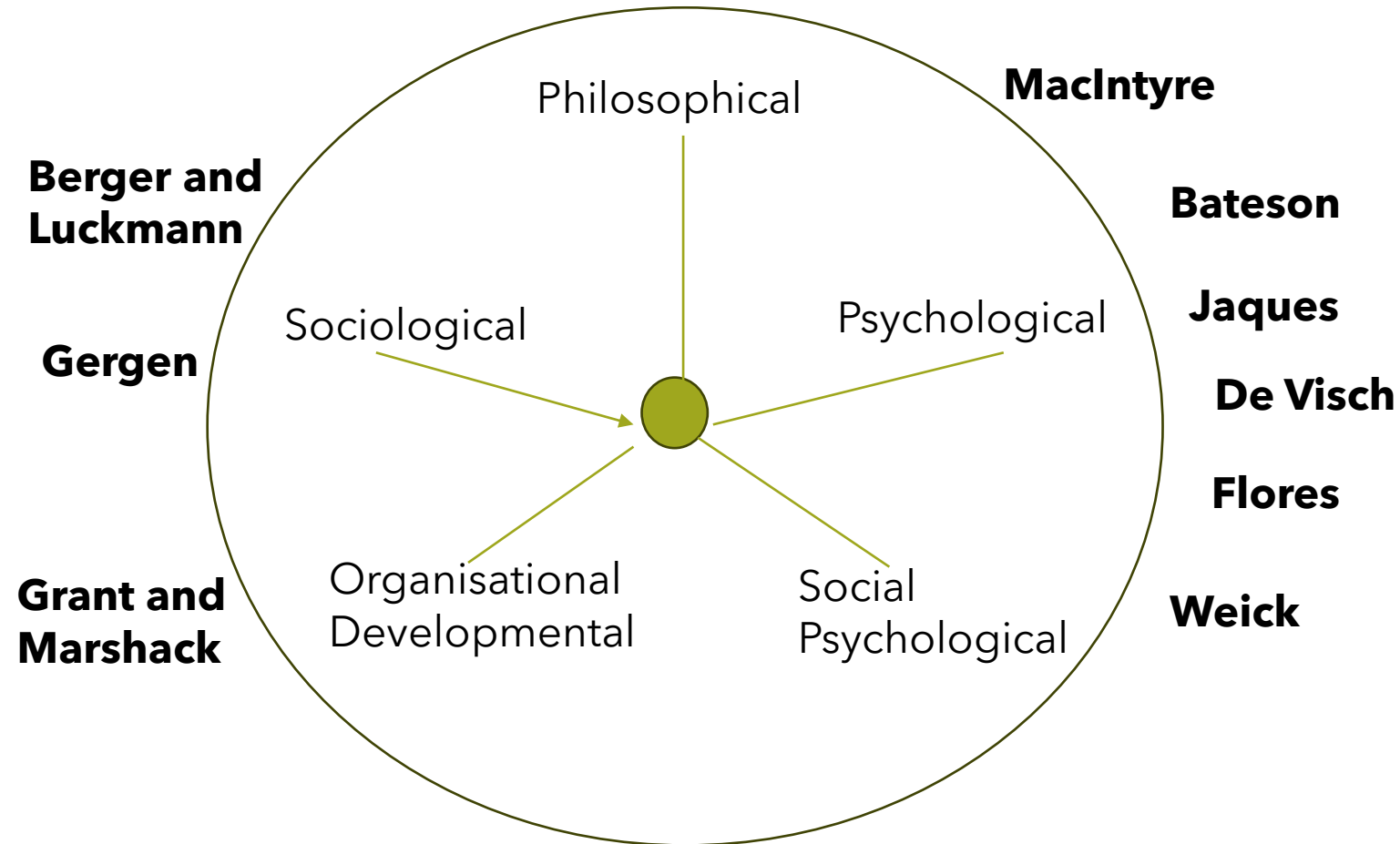


Figure 107. Model of a Reading List. Names on this map refer only to the particular books listed in the Select Bibliography

Reading List





Complexity and People

Key Themes

- *WHAT ARE THE CHALLENGES?*
 - 1. VSM and the human side of organisation.
 - 2. Requisite Variety and people complexity
 - 3. Move from rational to subjective perspective
- *WHAT NEW PERSPECTIVES ARE RELEVANT?*
 - 4. Social Construction Theory
 - 5. Being a Practitioner-Requisite Virtue
 - 6. System thinking and narrative
- *WHAT DOES THIS MEAN FOR PRACTITIONERS?*
 - 7. Conversations and Relationships
 - 8. Creating spaces for safe conversation-three stories
 - 9. Discretion, Maturity and Responsibility
 - 10. New approach and new tools for practitioners

As Stafford says: 'People Matter'...

- *The role in the enterprise of the people who constitute the organisational structure is paramount" (Heart of Enterprise, p141)*
- *"Variety is the natural law of interactive systems. The task of the manager is to handle the proliferating variety(of his areas of responsibility), **including those lovable, irritating and all - important variety proliferators-people"***

And he also says

- *The most effective organisational arrangements occur when the balance of the required managerial variety, as between Systems Three, Four and Five, are in balance with the expression of **interpersonal variety** of those involved in negotiations, who can have shifts of attention or be preoccupied with power (Beer, The Heart Of Enterprise, p370)*

*But most communication in organisations do not involve negotiation. They are **conversations** about the gaps between performance and plans. Bad conversations can arise from deficiencies at the organisational, work and personal level.*

- 
- **Or as Bateson might have said :**
 - *Narrow self-interest , ambition , lack of personal reflection and social awareness, and little experience of whole system thinking can perpetuate dysfunctional group dynamics*

Whose variety?



Requisite
Variety not just
Processes and
Information

BUT People in
all their
complexity and
unpredictability



People Complexity that leads to communication breakdowns

- Organisation-reputation protection, toxic culture, leadership styles, personal rivalry, weak governance and accountability
- Work – Job protection, avoiding blame, risk aversion, silos, defective coordination.
- Personal qualities- deficiencies in listening skills, humility, judgement, collaboration, networking, reflection, sense making

Message Dilution or Bunker Mentality - Behaviour and Requisite Variety

*Minor operation issues.
Everything else is fine.*

*Some issues exist that
prevent the business
operating optimally*

*Some operational issues
exist with some impact on
customer service*

*Major issues exist
preventing the business
from operating effectively
and severely impacting
customer service.*

**Message
Dilution**

Board

Director

Manager

Team Leader

End User/Customer



Two Ways of Being

- **REASON**

- Law- Logic- Mathematics- Controlled Experiments
- Proposals accepted because of agreement with FACTS, and derived through RIGOUR

- **Based on Objective Reality**

EMOTIONAL INTELLIGENCE

- Emotions-Self Awareness-Reflection-Relationships
- Proposals accepted because of personal TRUST, and generated through EMPATHY

- **Based on Social Reality**

Feelings and Sense Making- (Weick)

- " Our feelings are crucial for prioritising, sorting and filtering possibilities, otherwise we become paralysed or **stuck in a perpetual loop** . They guide us to what matters. and what is relevant, **not just to what makes sense**. Feelings are a **source of information**.....they are own **personal feedback** on what is significant, irrelevant, dangerous or desirous.(Stephen Fineman, *Emotions at Work*, 2003)

Social Constructivism

- Social Construction theory claims that social reality is defined by conversations and meanings. You only know what you can talk about. (Berger and Luckmann (1966), Gergen (1985).
- It offers a different way of understanding how organisations work, including how discourses are maintained by powerful people or interests.
- To change the course of an organisation, people need to change the stories they tell - to themselves and to others.
- Appreciative Enquiry-from diagnostic problem -solving mode to a constructivist paradigm: Discover what you do well and how can you do better I the future.
- The coordinated management of meaning(CMM) focuses on four key elements- Identity, Conversation, Relationships and Culture.

Social Reality Conversation

SCOPE- Structure, Behaviour
Culture, Identity, Relationships

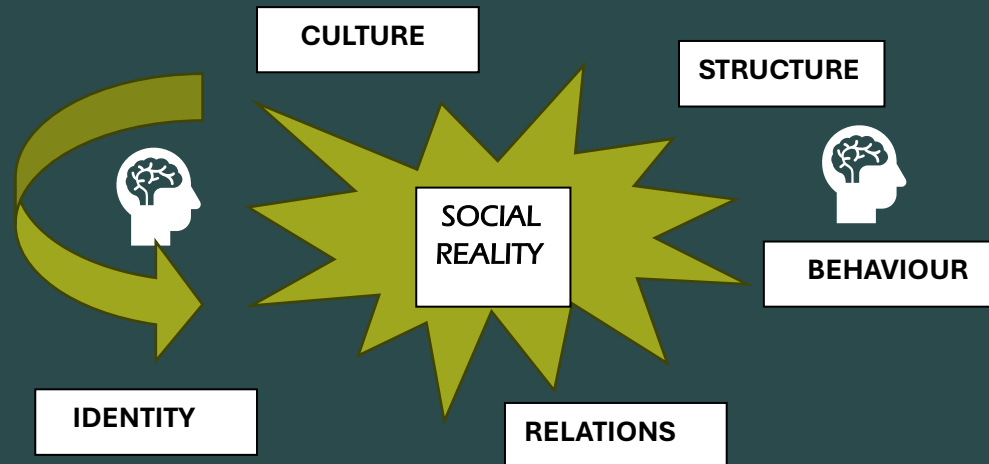
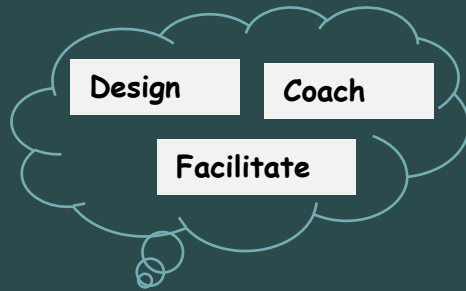
PRACTITIONER ROLE

Coaching ,Mentoring,
Facilitation

ASPIRATION- Self Awareness,
Reflection, Trust, Inspiration,
Innovative thinking



VSM & Social Constructivism



Conversations for Viability

- Operation
- Coordination
- Delivery
- Development
- Monitoring
- Policy

Conversations for

- Collaboration
- Reflection
- Inspiration
- Innovative thinking

Being a Practitioner – Sense making and mindfulness

How do we make
sense of
situations and
problems?

Relationships
and observations

Thoughts and
beliefs

Emotions and
gut reactions

Reflections and
experience

Feelings of
uncertainty and
anxiety

Key factors-Requisite System Virtues- After McIntyre

Be a good listener

Be constantly aware of your own prejudices

Never say anything you don't believe

Be ready to apologise

Be prepared to explain yourself

Have a dose of humility

Inter-personal qualities needed for good conversations that help to make sense of different social realities.

Requisite System Virtues



Requisite Variety

VSM- Models and model behaviour



Worker-owned Mondragon Corporation
Founded 1956

Now 95 cooperatives, 80,000 people, £8 billion revenue

“First cooperative people- later cooperatives”

Model for practitioner and organisational behaviour

Ideal Conditions for Dialogue(Heath)

Opportunity for
expression by all
participants

Setting aside authority,
position
and power

Openness of
personal interests

Ability to challenge
privileged claims to facts
and knowledge

Sharing
of
information

Aiming for mutual trust
and mutual understanding



System Thinking and Narrative

- Archetypes- narratives of unrecognised organisational patterns
- *The more knowledge a man has the better he'll do his work and **feeling's a sort of knowledge***" (George Eliot, Adam Bede, 1859)
- Emergence –George Henry Lewis and George Eliot
- System Thinking in fiction :Middlemarch- single generous acts lead to unforeseen improvements in characters' lives and prospects

A man in a dark suit, white shirt, and black tie is on the left, resting his chin on his hand in a thoughtful pose. On the right, a woman with curly hair, wearing a green long-sleeved shirt and a dark skirt, is gesturing with her hands as if in conversation. The background is dark with faint, concentric circular patterns.

Conversations and Relationships

Good Conversations need a common language (Flores)





Three organisational stories

1. One way an organisational relationship broke down



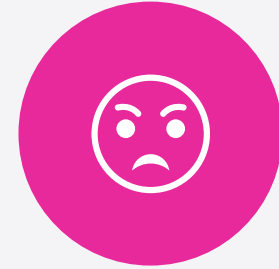
**SENIOR MANAGERS
AND IT FUNCTION
WORKING IN
DIFFERENT
LOCATIONS**



**MOST
COMMUNICATIONS
BY EMAIL**



**LACK OF PERSONAL
CONTACT
NO VISIBILITY OF
BODY LANGUAGE**



**HISTORY OF POOR
RELATIONSHIPS
AND HOSTILE
CROSS-
DEPARTMENT
EMAILS**

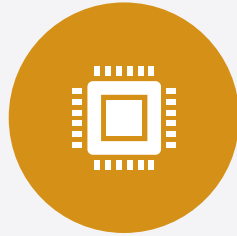
Managing a crisis-developing a common language



**NEW HARD
COMPLETION
DATE SET BY
REGULATOR**



**LACK OF SHARED
VIEW ON WAY
FORWARD**



**DIFFERENT
ASSUMPTIONS ON
TECHNOLOGY
DESIGN CHANGES
RESOURCES/RISKS**



**SOLUTION-
FACILITATED
MEETINGS WITH
KEY PLAYERS TO
PROVIDE
REQUISITE
VARIETY**



**DEVELOPED A
COMMON
LANGUAGE TO
AGREE A WAY
FORWARD TO
REACH NEW
TARGET**

Power and Accountability

The image features three incandescent light bulbs of identical size, each resting on a solid-colored rectangular pedestal. The pedestals are arranged in a row from left to right, with heights increasing progressively: the first is teal, the second is red, and the third is yellow. The light bulbs are positioned directly above each pedestal. The background is a light gray with faint, concentric white circles emanating from behind each bulb, suggesting a glow or field of influence. The overall composition is clean and minimalist, emphasizing the relationship between the bulbs and their respective bases.

2. Hierarchical power and getting a good conversation

Hospital uses medical model to close hydrotherapy pool

"No evidence that pool has any medical benefit!"



Challenged by external local user group



Local MP set up group involving professional and lay interests to find practical solution



3.Managing a Merger -Smith Kline Beckman and Beecham-1989

Strategic conversations-
experiencing power differences and protective ambitions

Also feelings of loss of control, threats to identity and anxiety

Describes a self-organizing dynamic in which managers **construct** meaning and intention

Places great weight on deep relationships and **trust**

Need for contextual awareness and emotional intelligence in VSM strategy practice

Lessons from my experience

- Need to understand the challenges for getting shared awareness, understanding and agreement from remotely separated teams.
- How the imbalance of power can undermine effective organisational dialogue.
- The need to for contextual awareness, collegial behaviour and emotional intelligence and mindfulness in VSM practice, especially in periods of major strategic change.



Exploring the New World

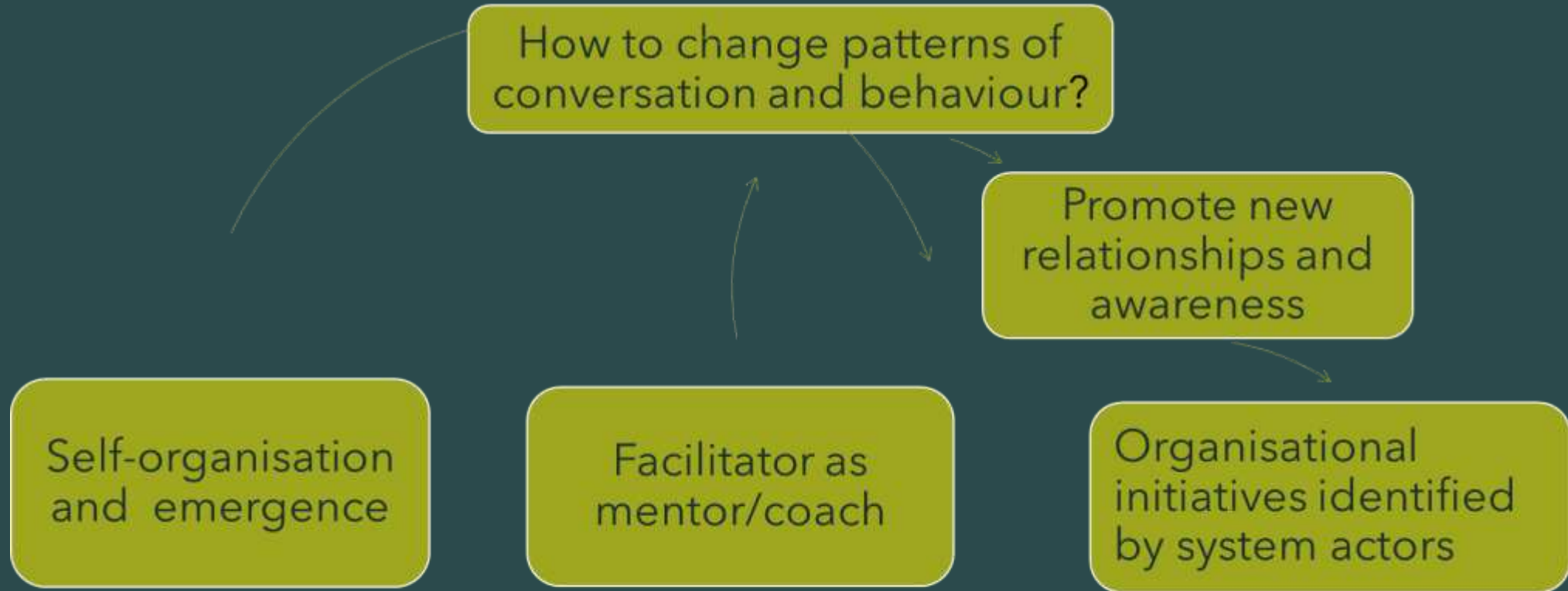
Bateson and changing the rules- Metacommunication

Change rules people use to think and understand messages

In organisations, this means changing inter-unit conversations, relationships, leadership style and learning the dance of change



Creating safe spaces for dialogue



New Horizons for the VSM Practitioner

- Collaborative and Constructive Approach
- Facilitator or coach group conversations to raise awareness
- Promote collaboration, reflection, inspiration and innovative thinking
- Conversations open a dialogue for improvement
- Create confidence
- Enhance capability
- Ability to replicate process
- Role of facilitator depends on context including :
 - level of organisational maturity
 - diversity of interests
 - Relationships and listening skills

Requisite Organisation -Discretion & Responsibility (Elliot Jaques/Jan De Visch)

Requisite
skills/maturity to
manage work

Empowerment
and sense of
responsibility

Level of
Commitment

New Tools- Liberating Microstructures

- All work to common set of principles to ensure inclusiveness, build trust and generate rapid insights for change
- Various forms of dialogue to create a group dynamic that opens the conversation to all voices
- Common experiential activity enables shared understanding of the organisation's challenges and opportunities for creative improvement
- Easy to set up, simple rules of engagement
- Completed in an hour to half a day depending on complexity and scope of issues to be tackled

Examples of Liberating Microstructures and VSM

<https://www.liberatingstructures.com>

Area	Sample Method	Purpose
Reflection	Hard, Seen, Respected	Practice deeper listening and empathy
Ideas for Improvement	1-2-4 All	Engage everyone in generating questions and ideas
Challenge	Generative Relationships	Reveal Patterns that create surprising value or dysfunction(VSM)
Practical Solutions	Discovery and Action Dialogue	Discover local solutions to chronic problems(VSM)
Coordination and Support	Helping Heuristics	Practice progressive methods for helping others, receiving and asking for help(VSM)
Resilience and Viability	Panarchy	Understand how embedded systems interact, evolve, spread innovation and transform(VSM)

Some other proven methods

In addition to the those listed there are a number of well-proven small and large group methods for promoting collaborative conversations, spreading ideas and agreeing solutions such as:

- World Café
- Open Space
- Syntegrity

And a few final thoughts from me ...

Don't forget you are **interpreting** a model -just like interpreting a piece of music

You need to be aware of:

- ❑ The context -who, when
- ❑ Harmonies - what works well
- ❑ Dissonances- lack of agreement on policies , standards and priorities
- ❑ Tensions- appreciating differences in identities ,views, beliefs and assumptions
- ❑ Contrasts- different emphases but creating a rich picture of complexity
- ❑ Themes and variations- repeated patterns, with a common structure-archetypes
- ❑ Other people's interpretations- lessons from other practitioner's experience
- ❑ *And your technical and emotional skills to read the VSM 'score' and build a **personal interpretation** that brings out the social, personal and political dynamics of the client organisation*