

Preface

This is not a book about how to run a company. It is about how to look at the world differently. Ultimately, this will help the reader to deal with complexity more effectively.

The market today is flooded with books which claim to show paths to higher organizational effectiveness. Most of these recommendations are given as “recipes for success” and on pragmatic grounds.

This book, however, is targeted at all those who want access to the powerful models of systemic management in order to improve their skills in coping with complexity. The contents are of interest to people who deal with organizations – as leaders and managers or specialists, or as advanced students. The purpose is to give them conceptual and methodological guidelines by means of which they can.

- Increase the “intelligence” of existing organizations by introducing or substituting a better design;
- Shape new organizations so that they are “intelligent” from the very start.

What are the distinctive features of this book?

The book is the result of a long-term research effort into the deep-seated, invariant features of organizations, based on the Systems Approach, namely, Organizational Cybernetics and System Dynamics. These sciences have specialized in uncovering such basic properties. They convey a fresh, sophisticated and unorthodox perspective. It is therefore worthwhile acquiring the capability of looking at the social world in this different way. The effort pays off because the new understanding based on systems sciences is more enduring than much of what is currently offered under fashionable labels. I claim that the Framework for the Design of Intelligent Organizations developed here and in particular the methodological components which are at its core, have a long half-life. They are robust and durable, because they are theoretically well-founded.

This is not a quick fix, for there are no quick fixes to cope with complex situations adequately. It is a heuristic framework, no more and no less. As this book documents, there is evidence that it works, provided that it is put into practice properly. Here is one challenge: What does “proper application” mean? In this book, I reveal the respective principles which comprise

not only lessons for applications but also warnings against traps. These should become clear to those who read the whole book. Given space restrictions, however, not everything can be explained from scratch. Therefore, readers for whom the subject is new are well advised to consult as possibilities for further reading the sources I have given. Managers plagued with complexity on the one hand and little time to cope with it on the other require clearly defined and theoretically well-grounded models. The results an organization can achieve are ultimately dependent on the quality of the models on which its management is based. The consequence is that the firms with the better models prevail. The models presented in this book are intended for the design of adaptive organizations, the steering and the development of organizations for enduring prosperity. They can be applied to any kind of organization – private firms, public institutions, non-governmental organizations and social initiatives.

To date, the literature has addressed organizational issues either by way of qualitative concepts, models and methods, or by quantitative techniques. Both approaches have their pros and cons, but neither is sufficient in itself. Despite the urgent necessity to do so, little effort has been made to combine them synergetically. For a long time my conviction has been that actors in organizations and organizations as actors can cope with the complexities of our time only if they exploit the complementarities of both quantitative and qualitative methods. This book is the outcome of a sustained effort in this direction, on the transdisciplinary grounds of systems science. It is not the panacea for all corporate ills, but represents the starting-point of a path that may most profitably be followed up.

The work expounded here is conceptual-theoretical as well as empirically based. Whatever is proposed has emerged from a struggle with real-life issues, in a dialogue of practical “problem-solving” and theoretical reflection. However, the work has been underpinned with several empirical studies, to which I shall refer. Some of them were published in my earlier writings, others realized in conjunction with the work invested in this book. Given the broad scope of the subject of “organizational intelligence”, not every single aspect has been as tested or even testable as might have been desired. This is work in progress, not its “definitive result”. So I am taking the courage of my convictions in presenting these propositions despite the lack of some empirical tests which are still pending, or which will, perforce, have to be carried out by others.

These are the lessons I hope the readers of this book will derive from it:

- Designing and developing intelligent organizations is the new key to effective management.

- In the face of complexity, this can no longer be achieved by merely pragmatic means, or as prompted by fleeting fads and fashions.
- The lasting success of management will be determined by the quality of its models. Inadequate management models will lead to inadequate results, except in cases of exceptional good fortune, that is, unless chance intervenes.
- The Systems Approach, namely, Organizational Cybernetics and System Dynamics, provides exceedingly powerful models (as well as principles and methodologies) for the improvement of management and organizations.
- These are no longer esoteric concoctions, focused on technicalities and difficult to understand. They are mature and robust devices specifically designed to help managers cope with their practical challenges, namely, real-life complexity.
- The prospective reader can use the instructions in this primer to start improving his or her conceptual capabilities with no further ado.

Structure of the Book

This book is made up of 11 chapters. The first introduces the reader to the purpose of the book and the innovative, systemic approach to coping with complexity which it offers. In the next three chapters, crucial concepts of systemic management are laid out: Chapter 2 relates to the environment or situation faced in terms of the complexity issue, while Chap. 3 discusses forms of distributed organization as a managerial response to that complexity. In Chap. 4, a framework for the design of Intelligent Organizations is presented. This framework is made up of five dimensions, which clearly define the logic of the following part of the book, in which a Methodology for the Design and Development of Intelligent Organizations is propounded. Each of the ensuing chapters is dedicated to one of these dimensions:

- Activities, or “What the Organization Does” (Chap. 5)
- Structure, or “Preconditions for Effective Action” (Chap. 6)
- Behaviour, or “The Control of Cognition (and Emotion)” (Chap. 7)
- Ethos and Identity, or “Basic Parameters of Organizations” (Chap. 8)
- Time and Organizational Dynamics (Chap. 9).

Chapter 10 presents an integrative perspective by reviewing the framework presented at the outset, and closing loops related to the interrelationships elaborated thereafter. The book closes with a very brief synopsis and an outlook into the future (Chap. 11).

Acknowledgements

I am very grateful to Professor Roberto Moreno-Díaz for inviting me to stay, as a Visiting Professor, at the Instituto Universitario de Ciencias y Tecnologías Cibernéticas, Universidad de Las Palmas de Gran Canaria, Spain. Professor Moreno-Díaz and the Institute kindly provided me with an ideal environment for the writing of a large part of this book during my sabbatical there. The building-blocks for this work originated in a long-term research effort, going back to the eighties, and enduring throughout the nineties all the way into the new Millennium.

My special very thanks go to Professors Stafford Beer, Aloys Gaelweiler and Anatol Rapoport – mentors and friends – for conveying to me insights and encouragement which have been crucial throughout my work. Furthermore, I am indebted to several other persons for reading earlier drafts of the different papers on which this book is built up, and for giving me valuable comments. Especially to be mentioned in this respect are Dr. Allenna Leonard, The Complementary Set and TSI, Toronto, Canada; Dr. Amy A. Shuen, The Silicon Valley Strategy Group, Berkeley, California; Prof. Dr. Raúl Espejo, University of Humberside and Lincolnshire, UK; Prof. Dr. Werner Schuhmann, University of Mannheim, Germany; as well as my former doctoral students, Dr. Stefan Buettner, Dr. Heiko Eckert, and Dr. Andrea-Leopoldo Sablone (who also helped with the graphics); Dr. Dr. Olaf Scherf and Dr. Peter Vrhovec. To the latter two I am also grateful for valuable support concerning epistemological and methodological issues.

Special thanks go to Prof. Dante Martinelli and his students at the Universidade de São Paulo, Brazil, as well as my assistants Kristjan Ambroz, Stefan Groesser and Camilo Olaya, for reading the texts and making important suggestions for improvements. Valuable inputs came from the faculty workshops organized by my colleagues Steve Powell at Dartmouth College and Pai Chun Ma at Hong Kong University of Science and Technology, to whom I extend my gratitude. I am also indebted to Dr. John Peck and Prof. Colin Miskin for their helpful support in matters of language.

Finally, I thank my dear wife Katharina for reading every single word of the drafts for these chapters and giving me other support of every conceivable kind.

St. Gallen
August 2008

Markus Schwaninger



<http://www.springer.com/978-3-540-85161-5>

Intelligent Organizations
Powerful Models for Systemic Management
Schwaninger, M.
2009, XII, 229 p., Hardcover
ISBN: 978-3-540-85161-5