

Paradigm Shifts: How to Manage Complex Organizations

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Have you noticed that your life is getting more complex lately? If so, you may be living in a paradigm shift. Organizations are undergoing changes in basic assumptions of how they work. This paper will summarize what the emerging paradigm is and what various authors suggest as management strategies for this emerging paradigm.

The emerging paradigm has many elements that challenge our basic assumptions about organizations. This paradigm shift is our environment. Terreberry (1985) states that we are living in a turbulent environment. This means that our organizations no longer have hard boundaries (like a closed system) between them and their outer environment. Because our boundaries are permeable we can be effected by changes in our environment. A turbulent environment occurs when rapid external changes which effect organizations can't be traced to its source, can't be predicted, and can't be controlled.

The sizes of our organizations also create this paradigm shift. As organizations have increased in size specialization has also increased. This creates interdependencies within organizations which change the functional relationship between subunits (Kotter, 1985). Our relationships become less hierarchical and more heterarchical. In addition our organizations are becoming more divers (Kotter, 1985). When organizations were regional and gender roles more proscribed our employees and clients were more homogeneous. As we move into a global market, our employees, suppliers, and clients become more diverse (Kotter, 1985). This diversity is reflected in values, ethnic and cultural differences, age, gender, and perspectives. All this diversity increases the complexity of our organizations.

Anne Huff (1985) in her article "Managerial Implications of the Emerging Paradigm" states that we have moved from a dominant to an emergent paradigm that reflect different qualities in organizations. She believes that the dominant paradigm thinks that organizations are simple/probabilistic, based on hierarchy, mechanical (predictable). Linearly casual (A leads to B), assemble (change is incremental), and objective (single perspective or "truth"). The emergent paradigm believes that organizations are complex and diverse, heterarchy (in function if not in structure), holographic (metaphor used to describe an organization), indeterminate (unpredictable), mutually casual (actions and responses are circles rather than straight lines), morphogenesis (radical change can happen), multiple perspectives (reality is socially constructed). The dominant and emergent paradigm would look like this:

Figure 1

Dominate Paradigm	Emergent Paradigm
From	Toward
❖ Simple/probabilistic	❖ Complex and diverse
❖ Hierarchy	❖ Heterarchy
❖ Mechanical	❖ Holographic
❖ Determinate	❖ Indeterminate
❖ Linearly Causal	❖ Mutually Casual
❖ Assembly	❖ Morphogenesis
❖ Objective	❖ Perspective

Source: Schwartz and Ogilvy (1980)

Huff (1985) lists a set of first and second order strategies as well as pitfalls for the manager who lives in the emergent paradigm. These strategies are designed for administrators who live in a world that is appearing less and less well ordered, logical, and predictable! She developed these strategies by observing effective school administrators who's work lives reflected complexity, diversity, multiple perspective, unpredictability, and heterarchy. Here's what she found!

First Order Implications / Strategies

1. Maintain an Informal Information Network (heterarchy, complexity, diversity, mutual causality, multiple perspective)

“In order to understand the complex, heterarchical, organic, mutually causative aspects of the world, one must have complex, heterarchical, organic, and mutually causative sources of information” (Hugg, 1985, p. 165).

These administrators maintained a variety of contacts across a number of levels in an outside the organization. They found that the complexity and fluidness of an organization could not be captured in formal communication systems. Therefore they used and depended on informal conversations with a wide number of contacts for much of their information. In other words these administrators paced the complexity of the organization with equally complex communication networks.

The communication with these contacts varies in content but is informal in form. The purpose of the informal networks is to both get and give information. Sometimes the administrators would “shop” an idea with their contacts. This is where they ask their contacts to respond to a developing idea of theirs to see if they will “buy it”. This form of communication allows people to give feedback outside of a formal meeting.

These conversations are also used to “create a mind set”, legitimize an idea, or give early cues about changes in policies or decisions (Brown, 1986). These conversations are two way. The informality of them keep the exchanges fluid in a way that would never be possible in formal meetings.

2. Play “What it?” (indeterminate)

“Thinking through responses to events that may not occur helps the administrator be prepared for the unpredictable events that do occur”. (Huff, 1985, p. 166).

They didn’t know what would happen but they knew in a complex world that something would! Therefore they tended to think informally and casually about how they would respond to different future scenarios.

3. Manage Premiss Rather Than Outcomes (heterarchy)

“Top level managers shape the premises of other executives’ decisions more often than they make decisions themselves” (Huff, 1985, p. 167).

Instead of aiming for a specific decision or outcome, attempt to influence general kind of outcome. In some ways this advice is like the old adage on delegation. “Don’t tell a person how to do the job, just agree on what the end result will look like”. This allows for participants to develop ownership and mutually effect the outcome. Some examples of the premises that administrators can shape are the amount of money budgeted to a department, the membership of a critical committee, the content of the agendas, the timing of a meeting or project, or the values of philosophies of the people they hire (Pfeffer, 1981).

4. Improvise (complex, indeterminate)

“...Acting in a complicated world depends on improvising connections between different decision arenas” (Huff, 1985, p. 167).

Leaders of the new paradigm look at the chaotic events that are happening around them and see rich opportunities to shape future possibilities. Their view is not restricted to departmental, functional, or organizational boundaries. They see connections where others see separateness. Instead of either / or thinking they see both / and (Campbell, 1984).

5. Be Content with Multiple, Partial “Solutions” (complexity, mutual causality)

“... The administrator’s ability to perceive issues is almost always bigger than the ability to act on issues. As a result, the administrator often must be content to work on a small part of the larger whole” (Huff, 1985, p. 167).

“... A specific action should rarely be taken unless it is compatible with several different issues ... (Huff, 1985 p. 168).

What’s possible is always constrained by events, personnel, readiness of other departments, timing, organizational culture etc. (When was the last time that all the departments / people you needed for a project were all ready at the same time?) In an organization filled with diversity, people and departments will have different time lines, values, levels of agreement etc. Each department marches to the beat of their own drummer.

Therefore it shouldn't be surprising that things don't get done in a linear, neat, timely, and unambiguous fashion. Goals often need to be kept alive over time, be seen as nested in each other, and the actions to achieve goals be interconnected. Administrators have to get used to thinking and implementing long term goals in disjointed and non-linear ways.

6. Let Politics Influence the Substance of Policy (heterarchy, mutual causality)

"... Unilateral control is not just difficult, but frequently impossible. Administrators must share the construction of the future" (Huff, 1985, p. 168).

Huff (1985) noted in her study of administrators that they "work on" rather than "solve" problems. They let others (groups / committees) solve problems and the members involvement increase their ownership of solutions. The effect of increasing the number of people involved in decisions means that the administrators' control on specific outcomes will decrease. Politics in this usage is defined as allowing the expression of differences to influence policy. While the trade off is less control, the benefit is that diverse opinions push the leaders to reexamine their assumptions. This increases the quality of decision making.

7. Think and Act in Contradictions (complexity, multiple perspectives)

"... to build understanding of complex and contradictory world, one must do complex and contradictory things" (Huff, 1985, p. 170).

Sometimes administrators must act even though they don't really understand what's happening. The belief that one must be consistent, aware, understanding of the big picture and consequences implies that the organization is knowable (Weick, 1978), In complex organizations this isn't possible. Therefore the courage to act without information is part of leadership in the emergent paradigm. Weick (1985) would call this leaping before you look and treating actions as conjectures about goals, preferences, and capabilities. The paradox is that in action we sometimes find clarification and understanding!

The above strategies are called first order implication because they are initial strategies that help an administrator lead in the emergent paradigm. However mutual causality means that there will be a response to all initial actions that reshape the conditions and increase complexity. Second order implications are strategies that help to control the amount of complexity that exists in an organization. Without this control the level of anxiety in the organization / people would increase as ambiguity and complexity increase (Schein, 1985). A leader needs to help manage the level of complexity.

Second Order Implications and Strategies

"... Each of the ways in which the administrator responds to an organic view of the world in turn helps create the complexity that characterizes that world, and this complexity has its own problems." (Huff, 1985, p. 173).

1. Develop Themes and Agendas

“... Consistency across various issues is created, in part, by themes and agendas. This consistency appears to help organization members predict and accommodate themselves to changing situations. Consistency also helps organizational teachers maintain their bearing in the complicated world that their own actions and perceptions help create.”(p. 174).

Themes and agendas help organizational members frame reality and make sense of day to day activity. This helps decrease the ambiguity and anxiety associated with complexity and change (Schein 1985). A theme is defined as a set of values or preoccupations (i.e. what you pay attention to). These themes do not need to be articulated formally, but need to be apparent to the members in the organization through the leaders thoughts and actions. In this way the leader demonstrates an intangible consistency that helps organizational members maintain their bearings in a complex world.

2. Lay a Bread Crumb Trail

“Coordinated action within organizations requires that any given member “edit” his or her concerns into a smaller number of items that can be comprehended by others. Repetition of these concerns is almost always necessary to gain the attention of others and convince them of serious intent” (Huff, 1985, p. 175).

Planting seeds in the form of ideas and nurturing them until they turn into decisions (perhaps years later) would be another metaphor for the process of laying a bread crumb trail. Leaders in the new paradigm know how to parcel up their long range goals into smaller fragments and communicate them on a regular basis to multiple stakeholders. When they are repeated and strung together they create an effective message that sells an idea to a consumer.

3. Dramatize Events

“...Organizations must sometimes wait for Pearl Harbor before they can enter the war” (Huff, 1985, p. 175).

Leaders of the new paradigm use external events to reinforce, emphasize, and draw attention to key issues. They look for connections between external pressures and their agendas and use them as a teaching tool or as an intervention in the system.

4. Develop Familiar Administrative Mechanisms

“The availability of a broad set of familiar mechanisms facilitates the consideration of new issues in at least two ways: Organization members are not distracted by the vehicle of discussions; and the ability to “package” a new issue into a familiar vehicle clarifies the way in which it might become a normal part of the organization” (Huff, 1985, p. 176).

Standard operating procedures can be frustrating and create a sense of stability and order at the same time. Familiar routines can decrease the effects of increasing complexity. The leader of the emerging paradigm maintains regular meetings, standing committees, budget forms, year end reports, and other structures, not because they work but because they provide members with a sense of security and a standard way of channeling new ideas into existing systems.

5. See the Same Individuals in Multiple Contexts

“Repeated contact with at least a few individuals, even over a relatively short period, is one way in which the organization leader creates the familiarity that facilitates the sense-making process” (Huff, 1985, p. 176).

Leaders of the new paradigm maintain contact with a few of the same individuals over time (in multiple situations). This increases the consistency of their message and reduces the confusion and misunderstandings associated with complex organizations.

6. Rehearse and Repeat Explanations

“... Rehearsal helps the leader work out the ramifications of a new issue in his or her own mind. In addition, repeated explanation makes the ideas familiar to constituents” (Huff, 1985, p. 177).

This strategy decreases complexity through helping the sense making process in organizations. Repetition helps decrease misunderstandings and miscommunication in the organization.

7. Simplify and Rationalize

“Given the complexities and irresolvable contradictions inherent in the emerging paradigm, the assumptions of good faith, and the simplifying assumptions of rationality, help action continue. The ritual of rationality, with its appearances of order and harmony, helps create order and harmony” (Huff, 1985, p. 177).

There is a time to voice the reservations, complexity and complications of a decision or policy and a time for presenting it as a rational and simple decision. Public decision making meetings are times to bring out the rational decision making rituals! If the informal communication networks, shopping of an idea, letting politics in, have occurred the outcome in the formal decision making meeting is one of harmony. Brown (1986) calls this the application of unobtrusive power...or power used in the absence of conflict.

The leader of the emergent paradigm also looks for small pockets of order and protects the, grows them, and diffuses them into the rest of the organization (Weick, 1985). Each of these strategies help individuals connect up with the reason for doing things. This helps members make sense of activities and decreases the ambiguity and complexity.

Pitfalls

There are pitfalls to working in complex organizations and that these particular strategies do not specifically solve. The first pitfall is **misunderstanding and incomprehension** (Huff, 1985). The more complexity you see the more difficult it is to communicate to others. In fact it may hinder your ability to communicate in simple terms. You may lose your ability to understand the context of individuals who don't see the same level of complexity that you do. Therefore you may appear wishy washy or our words will be misinterpreted.

A corollary to this principle is that in complex organizations there is unequal information which lead (in part) to different perspectives on a problem. So when you expect a ground swell of support for a difficult decision and it doesn't occur, don't take it personally. It could be a result of unequal information in the system.

The second pitfall is **limited participation** (Huff, 1985). When you use informal complex networks of communication, while it may enhance your ability to work within a complex organization it also creates its own set of problems. For example when you get information on an informal basis it may not be appropriate to share it with others. This limits open discussion in meetings where information is equally shared. When you improvise and link up different decision making areas, the information from one area may appear irrelevant to everyone but yourself.

This situation leads to the third pitfall, **dominance of narrow interests** (Huff, 1985). Leaders often are placed in the position of appreciating a broader view of the situation and its complexity. Other constituents may not know or care about the bigger picture. Constituents who see a single side of an issue can mobilize support and effect the outcome of a decision which does not reflect the greater good or long term interest of the organization.

The fourth pitfall is the **use of labels** (Weick, 1985). Labels and symbols are powerful means to reducing ambiguity but they can direct action. Leaders need to be conscious of their usage or they may get exactly what they say!

Summary

These strategies reflect the beginning of a way of thinking about leadership and management in the emergent paradigm. Changes and conflict will evolve as more and more of use become conscious of the different rules under which a heterarchical, complex, mutual causality, multiple perspective organization operates. These thoughts and applications are in our future.

This paper was designed to give those of us who have recognized that our world is becoming more complex, some beginning thoughts on effective management and leadership strategies. Please don't stop thinking here. I see these strategies as starting points. We are beginning to chart new ways to maneuver in this complex territory. Each of you are involved in action research. We are all applying the learning method of trial and error to help make sense of these new rules. I wish you luck and hope you will pass on your knowledge as you discover workable strategies for the new paradigm.

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