EMPLOYING COMPLEX RESPONSIVE PROCESS (CRP) AS A TOOL FOR ORGANISATIONAL LEARNING AND TRANSFORMATION

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For my daughter Inez and son Raees

You are my wings, my anchor. You take the angst out of the complexities of life.

I would like to thank the people, listed below, who gave their time, knowledge, experience and support in the preparation of the dissertation. They were unselfish in their commitment and assisted beyond my expectations in making this journey both a memorable and pleasant experience.

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I declare that this research report is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Science in University of Kwa-Zulu Natal, Durban. It has not been submitted before for any degree of examination in any other University.

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Conventional approaches to organisational learning and transformation are embodied in the paradigms of strategic choice. These imply that organisational leadership devises the vision, goals and objectives of the organisation based on prior intent. This is then followed by appropriate implementation and strategy execution.

The approaches embodied in the strategic choice framework are becoming subject to critique, in an environment characterised by rapid and discontinuous change, and globalisation. In addition high levels of technological innovation in many industries begin to impact significantly on organisations and hence their strategic processes.

This research will draw on ideas related to complex adaptive systems theory, and seeks to apply complex responsive processes as a tool for organisational learning and transformation. In particular, the phenomenon of emergence that is characteristic of many natural systems, as applied to the broader organisational system will be analysed and lessons extracted.

This work will be valuable as it is intended to make a concrete contribution to alternatives to strategic choice frameworks.

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BCEA	The Basic Conditions of Employment Act
BBEE	Broad-based Black Economic Empowerment
BEE	Black Economic Empowerment
BSS	Balance Scorecard System
BCG	Boston Consulting Group
CAS	Complex Adaptive Systems
CEO	Chief Executive Officer
CRP	Complex Responsive Processes
CEDAW	Convention on the Elimination of Discrimination against Women
DTI	Department of Trade and Industry
HRDS	Human Resource Development Strategy
IT	Information Technology (IT)
LFS	Labour Force Survey
MNC	Multi-National Corporation
NGO	Non-Governmental Organisation
NSDS	National Skills Development Strategy
OSW	Office on the Status of Women
RBV	Resource Based View
SCF	Strategic Choice Framework
SMME	Small, Micro and Medium Enterprises
SLT	Situated Learning Theory
SMS	Senior Management System
Stats SA	Statistics South Africa

1   INTRODUCTION

1.1   Orientation

Modern society changed dramatically from the old to the new in a multiplicity of dimensions, from technological innovations and the ways of organising society, the means of production to the eminence of mass media, mass production and mass consumption (Steinberg: 2002). The move from an industrial to an information or knowledge-based society, to some degree transformed the way people interact or relate. Capital is the strategic resource of the industrial age, while knowledge is the strategic currency of the information age.

Globalisation, technology, mass consumption, mass communication, complex, web-like networks and connectivity are prominent features of the information age - and so are uncertain environments and intricate social formations. A significant feature of the new century is the interconnectedness of individuals, communities, societies - a phenomenon that defies geographical borders. These global trends, to different degrees, are evident in South Africa as well.

Handy in examining businesses as communities, says knowledge is the lifeblood of these communities and the "New Alchemists" are the "magicians" able to overcome the inertia of traditional organisations and catapult them into new, effective dynamic entities. For Handy, the classical organisational concept will no longer be valid as society moves towards a more complex bottom line in which balance is sought between profit, environmental concern and social responsibility (Peters: 2004). These forces compel organisations to make a paradigm shift in the way they organise themselves.

Businesses and organisations no longer "Own" the people they employ, new relationships are fostered in which employees are regarded as citizens with rights to freedom of speech, a stake in the wealth of the organisation and how it should be governed (Peters: 2004). To operate in complex environments organisations have to continually innovate for sustainable growth and move beyond being merely effective and efficient, to new ways of relating and doing.

At the same time, the South African government in addressing the challenges of being able to compete effectively within the global context recognises the need of narrowing the structural racial inequity in all spheres by rebalancing the roles of state and market to ensure Broad-based Black Economic Empowerment (BBEE). The creation of a more equitable economy is fundamental to the acceleration of South Africa's economic growth. The de-racialisation of the economy is essential for political and social stability and economic growth. Government wants to see effective black participation in the economy and this should reflect in both a broadening of the entrepreneurial base as well as increased participation in managerial, professional and other skilled occupations.

Hence, the challenge facing local organisations is two-fold: Firstly, their ability to adapt in an increasingly complex environment and secondly, to transform the racial skew by integrating all its citizens in a meaningful manner.

In summary an organism does not live in isolation - individual agents or groups within the organisation to a greater or lesser degree are "touched" by the force of other agents in the environment. Institutions in the new world are impacted on by global and national trends and actions. (For example, in South Africa political change and de-racialisation of the economy, issues central to this thesis.) The forces in the macro-environment pose as an opportunity and challenge to agents in the micro-environment and vice versa. These can have a multiplicity of effects – they can change the inter-relations, the conversations among agents and in some instances, alter the organisation, therefore.The central focus of this dynamic is how organisations respond to the challenges within the complex and dynamic space.

1.2   Title of the Study

The title of the study is as follows: Employing Complex Responsive Process (CRP) as a Tool for Organisational Learning and Transformation.

This study will explore Complex Responsive Processes (CRP) as a tool through which an organisation can learn and transform. This will be examined through the prism of a woman's association in South Africa. The association is a non-profit, non-governmental organisation that represents women entrepreneurs of all races, ages and from all sectors of the economy. (For reasons of confidentiality, ethics and prudence the organisation will be referred to in this work as Organisation X.)

1.3   Context of the Study: Environmental Dynamics

The implications on organisational learning and change at micro-level cannot be divorced from the dynamic forces operative at macro-level (national and global context) as these influence the interactions at local level in ranging degrees. Hence, a descriptive overview of the environment the organisation is located in or inhabits at national level is imperative.

1.3.1   National Context

A key feature and legacy of the apartheid system was the structural exclusion of Black people from the ownership of wealth and resources. In particular, the relationship between race, gender and location affected the majority of Black women and excluded them from the economy, except as providers of cheap labour (The President's Office (SA) on the Status of Women: 2004).

The post-apartheid government inherited this complex, skewed and racialised way women participate in the economy. While, in the early years of democracy the South African government addressed many aspects of women's political and economic participation and

social citizenship by creating an enabling legislative environment, the gap between enactment and implementation has not narrowed (The President's Office (SA) on the Status of Women: 2004).

The above mentioned report identified the need to de-racialize women's participation in the economy and notes the critical challenges facing women's participation which include, but are not confined to the following: a lack of even basic business and life skills, insufficient education, the inaccessibility of credit and seed capital for black women and their businesses, the lack of an investment culture among women and black people in the country, the general under representation of black people and women in the South African private sector.

The report reveals that despite change in some industries, the overall environment remains unfriendly to women who wish to set up and run businesses. So, Organisation X having been founded during the Apartheid years bore many of the features of the economy, and its membership base remained unrepresentative of black women. Yet, the organisation faced the challenge of assisting even Black women and its predominantly White members to access business opportunities in a changed legislative environment. No longer could many of the White women access government and public sector business, without forming partnerships with Black women. Further, the law required more changes to the structure and the way they executed and ran their businesses.

1.3.1.1 Core Measures in Place to Advance Women in the Economy

Legislation passed aimed to address issues of equality and equity as well as compliance to international treaties ratified by South Africa, for example, the Convention of the Elimination of Discrimination against Women. Table 1 illustrates key legislation implemented to increase gender equity and women's participation in the economy. The critical objectives of the legislation passed in relation to women's participation in the economy are, among others, to:

- Provide for the eradication of systemic discrimination, a legacy of previously legalised discrimination

- Provide for the promotion of equality, prioritising the adoption of measures to advance persons disadvantaged by unfair discrimination

Table 1: Important legislation impacting on Women's Participation in the Economy	
The Employment Equity Act	This Act aims, in part, to increase the representation of women in decision-making levels in both the public and private sector.
The Basic Conditions of Employment ACT (BCEA)	As part of its affirmative action policy, the government has set targets for increasing the representation of women in the Public Service. The Basic Conditions of Employment ACT (BCEA) integrates women's experiences in its provisions.
The National Small Business Act of 2002	This Act focuses on gender equity and promotion of women-owned enterprises and co-operatives. The Act provides a voice for small businesses in the revision of the definition of small business. The Act mandates institutions to support small businesses.
Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000	The objectives of the Act include the prevention and prohibition of unfair discrimination, redress for discrimination, the promotion of equality and progressive eradication of discrimination.
The Skills Development Act 97 of 1998	This Act does not specifically address the training needs of women but states that the Department of Labour has to ensure that it gives effect to the provisions of the Beijing Platform of Action. In 2002, the proportion of women in the age group 15 years and over who have acquired learning skills for work is 7.14% compared to 10.32% males.

(Source: The President's Office (SA) on the Status of Women: 2004).

Since1994, apart from the series of legislation enacted there has been an increase in policy development, which aims to integrate women into the economy. State intervention in the economy to redress imbalances is illustrated in some of the pioneering initiatives undertaken by its various organs in creating an enabling environment for women's participation in the economy (Source: The President's Office (SA) on the Status of Women: 2004).

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In December 2001 The National Skills Development Strategy (NSDS) and the government's Human Resource Development Strategy (HRDS) were developed. The integration of gender into the national skills development framework seeks to address a specific deficit and barriers women face in trade, employment and the development of opportunities. The Department of

Labour has, in adopting the National Skills Training Strategy, attempted to ensure compliance throughout the economy.

Core measures in place to advance women in the economy include the Black Economic Empowerment (BEE) Act which aims to, amongst others, ensure that Black women will be targeted for opportunities. The underlying principles of BEE strategy emphasise broad-based empowerment. This means that it does not just make provision for the transfer of assets to women and Black people, but it ensures inclusive processes, good governance, and is linked to the SA strategy for economic growth. It is argued by government economic planners that the increased participation by all citizens in the economy would assist growth through the creation of new markets, new products, and foster innovation and diversity.

The follow-up of the BEE Commission established in 1998, under the leadership of Cyril Ramaphosa, released a comprehensive report in 2000, proposed the implementation of a Balance Scorecard System (BSS) and thereby defined BEE in the broadest possible terms. The BSS, a regulatory mechanism, aims to track and fast track two key principles, namely, that Black and female economic empowerment must be broad-based and inclusive. The scorecard measures companies BEE credentials at three core levels, direct empowerment ownership and control of enterprises and assets; human resource development and employment equity and indirect employment via preferential procurement and enterprise development (Bulbulia & Gqubule: 2004).

1.3.1.2 Women in the Economy

Despite changes in some of the industries, the overall environment remains unfriendly to women. Black women entrepreneurs have been turned into the bridesmaids of the deal making frenzy as mergers and acquisitions in the country soared. Black women became appendages to deals rather than initiators, guarantors or even key stakeholders. The critical challenges facing women's participation remain the;

- Lack of support from financial services institutions and other businesses
- Lack of community-based investors ameliorates the problems of seed capital and venture capital.

- Lack of investment culture in much of the black communities of SA.
- Lack of social support for women's work and business
- Lack of a deeper skills base among women to access for specialised businesses
- Hierarchical and masculine corporate cultures that ensure that women are unable to pierce the upper echelons of corporate structures

Comparative statistics of women directors and CEO's at national and global level conducted in 2004, by Catalyst Census, which profiles female participation in four countries, reveal 4.9% of women (18 females) occupy South Africa's private sector board rooms – (11 (3,0%) chairpersons of boards in South Africa are women while only seven (1,9%) of CEOs are women. No distinction is made between chief executive officer/chief executive/managing director positions, as per the South African Companies Act.

Women are significantly under-represented in the boardrooms of corporate South Africa - both as an absolute number and relative to the rest of the world. Women hold only 7, 1% of board directorships - the lowest result of all four countries where the census is conducted in (figures for the remaining three countries are: Australia (8.4%), Canada (11.20%), and United States (13.80%) (Grant Thornton Business Owners Survey – 2003).

However, the figure for South Africa stands handsomely because of the inclusion of State-Owned-Enterprise data with the private sector findings.

The data also shows at local level government is the key driver in bridging the gender divide while internationally the private sector plays a bigger role in redressing gender inequity in the economies. The findings also show trends within South Africa's senior managers and professionals reflect a growing racial skew across sexes, despite legislative measures put in place.

"The government's equity commission reported a 29% decrease in Blacks in management and professional level, reflecting Whites hold 62% of all management and professional positions, and Blacks 27.3%. Coloureds and Indians occupy 5% and 5.5% respectively" (Hlangani: 2005).

Further, White women are highly represented in management and professional occupations and represented in lower proportions in jobs at the lower end of the labour market. There is clear disparity that exists in terms of representations of the different population groups within the various occupations. The ratio between White and Black women is stark with African women the most affected. For every two white women occupying senior management, there exists one African woman (Statistics South Africa: 2001).

Recent inspections by the labour department reveals that of the 2953 companies inspected by the labour department between September 2003 and August 2004, 1505 - more than half of SA companies inspected - were flouting equity targets. Government aimed to close the net on such companies via fines. The Act provides for fines of up to R1million. A new evaluating system will provide a detailed analysis of the companies and "weight" (rate) companies according to race, gender and disability, in each sector (Sunday Times: 2005).

The ratio of black women entrepreneurs is equally poor – a common motif of their participation in the economy is one of marginalisation. Overall participation in the formal economy reflect a skew in the male to female ratio which extend beyond the racial divide and suggest that for every two males employed one female is employed. The data suggests, regardless of gender demographics, capital in post-Apartheid South Africa, "White" capital, has consolidated its position and displays patterns of being reactive in relation to transformation agenda – thus impacting on the nature of relations within organisations.

1.4   Assumptions of the Study

The study is located within a context in which the following assumptions are made:

- The inter-connectedness of the global environment has varying impact on organisations at national and micro-level and the ability of organisations to respond and adapt to global forces and local challenges is key to long-term sustainability.

- South Africa is a country in transition and is moving towards a participatory democracy in which organisations stand to benefit by embracing the process.

- The gap between legislative and policy statements and implementation needs to be narrowed in keeping with the spirit of South Africa's constitution.

- Organisational structures in varying degrees lack democratic content.

- Authoritarian structures and undemocratic value systems are incongruent with democratic ideals and impact on the transformation process.

- The recognition of diverse worldviews.

- Transformation has different meanings for different people.

1.5   Statement of the Problem

X, a non-profit organisation, established four years ago after a history of merges, has branches, nationally. The broad mission of the organisation is to represent the interests of all women entrepreneurs. The members consist of women entrepreneurs who volunteer their service and employees who focus on the day-to-day running of the organisation. The Council, a strategic, advisory body, consists of branch chairs, the Chief-Executive-Officer (CEO) and appointed council members. At a strategic session in mid-January 2004, Council outlined the primary concern: X operates in a complex and rapidly changing environment and is struggling to transform itself at an equal pace as evidenced by its racial skew towards a predominantly white-based membership. Further, the interaction between agents was low and impacted on learning and innovation.

Attempts to intervene in the conventional manner, this thesis will hypothesise, may have caused the failure of previous strategies to adequately address the organisational concerns and the requirements that the organisation complies with a new set of benchmarks and imperatives. The conventional approach employed, highlighted the centrality of the leadership to formulate a master plan. The Council informed the content and the organisational strategy was premised on this conventional management approach. Hence, the leadership devised a grand plan, formulated the goals, vision and mission, accordingly. Actions are predetermined and the expected outcome ought to match the grand plan. This did not happen in reality.

1.5.1   The Organisation, Its Environment - Statement of Sub-Themes

Organisations in South Africa to a lesser or greater extent are in a transitory phase in which redressing the inequities of the past is of critical importance. Key challenges facing such organisations are ensuring social and economic justice. In order to support the principles of transformation, the necessary material and objective conditions need to prevail at macro and micro level, that is environments that are just, equitable, responsive and participatory.

Organisation X lacks the critical mass for transformation, is experiencing transitional pains in which the challenge is to transform along racial lines and move from an authoritative and conventional management system of decision-making process to one that is participatory. Organisation X within this context may resist or embrace change, operate in the conventional manner or self-organise and reconstruct to changing conditions.

The study recognises the interaction between nodes (players) at micro-level (organisation) is not divorced from the impact of forces in the macro-environment (Political and legislative framework in which government policies are directed towards the implementation of participatory democracy and equity in sharing of power and economic resources). Working towards an ideal of participatory democracy requires a paradigm shift at local level (Organisation X).

The following themes, in relation to the research context and problem statement were identified and explored in an integrated manner:

The nature of the leadership and organisational dynamics: Concepts explored include Transactional VS Transformational leadership, the notion of authentic leadership and servant leadership; power relating within the legitimate and shadow themes and strategy emergence

Organisational culture and learning: Concepts explored include understanding levels and quality of conversation, participation, decision-making style and processes in relation to meaningful engagement

Transformation and sustainability themes: The ability of the organisation to adapt and change.

1.6   Purpose of the Study

The purpose of the study will be to explore and gain insight on how an organisation (Organisation X) can learn and transform itself by employing Complex Responsive Processes (CRP) as a tool within a complex, dynamic environment. The purpose is to explore how CRP as a tool allows one to gain a richer picture of organisational themes, the quality of participation at micro-level, the quality of conversation, strategy emergence and the dynamic interrelationship between the organisation and its eco-system.

Complexity thinking, in particular, CRP, is an innovative tool to explore learning and transformation within organisations. CRP allows one to explore the nature of participation and interaction at micro-level. While the conventional approach is concerned with improving a system and managing plans to meet future goals, CRP challenges conventional thinking in that it is process-focussed and is concerned with qualitative participation at local level which gives meaning to the way the organisation evolves.

CRP allows one to observe the way agents interact, participate and increase the conversations, qualitatively, at local level. CRP embraces the subjective elements of emotion, spirit, perceptions, misunderstanding, etc, and presupposes that these elements all form part of the learning process.

"From a CRP perspective, performance improvement has to do with authentic participation in processes of communicative interaction, power relating and the creation of knowledge and meaning. Meaning is not located in the individual mind but in the recognition and counter-recognition of people in interaction with each other" (Stacey:2003:Preface).

Organisational change, says Stacey (2003:387), is change in the themes organising the experience of being together in an organisation. Knowledge creation is not seen as linear or pre-planned by a manager.

"Organisations, change in novel ways when new patterns of conversation and the power relations embedded in them emerge...Creative change arises in the tension between shadow and legitimate themes that organise the experience of learning " (Stacey:2003:Preface).

This by implication suggests the existence of a dynamic property for an organisation to self-organise. Further, for organisational sustainability to occur it requires that the actors engage in their own reconstruction.

1.7   Employing CRP, Research Outline and Chapter Outline

The study is an opportunity to employ a tool, CRP, to explore the nature of interaction in the living present – and seek ways in which an organisation can learn, change and evolve its conversation with itself and its environment. This is a qualitative study which affords a window of opportunity to learn and gain insight of a real problem in which theory and action are dynamic.

This study allows one an opportunity to address an organisational problem in partnership with other actors in a complex context, rich in social, political and economic significance. This inquiry enables an exploration into an abyss - where there is a gap in literature - and encourages a plunge into the depths of the theoretical work at hand.

Bless and Higson (1997:41) state the purpose of exploratory insight is to gain insight into a situation, phenomenon, community or organisation.

Stacey (2003:359) discusses organisations as Complex Responsive Processes of relating between people and since relating immediately constrains, it simultaneously establishes power relations between people. This, Stacey says, takes the form of propositional and narrative themes that organise the conversational life of an organisation. If one wants to understand, learning processes within an organisation exploring the legitimate and shadow themes is crucial. Areas of exploration include what one can talk about or not, what form conversational patterns may assume – stable forms of repetition in which people are stuck or free flowing forms.

Change, occurs when there is sufficient diversity in organising themes and is expressed in free-flowing conversations in which shadow themes test legitimate themes. The themes of individual autonomy, organisation-wide intention and control remain central, in conventional thinking. The orthodox view is prescriptive in the discovery process and informs what learning ought to take place. Through CRP exploring conditions for productive dialogue, interaction and for self-organisation, is opportune.

Complexity Theory constructs another language through which we can understand and conceptualise strategic frames. It offers a way to perceive one's self and one's own role in the process. Further, the CRP approach embraces the notion of leading under self-organisation which is open-ended. In relation to Organisation X, employing CRP as a tool is a mere continuation of the current dialogue within the organisation and one whereby the leadership keeps the discussion on learning and transformation on the agenda. Intervention is seen as part of a process of facilitating dialogue for action of a particular theme as opposed to someone prescribing what to do, when and how.

Using CRP, this study examines the notion of building institutions for participation, that is, the qualitative input of people in the decision-making process or their meaningful participation, which is pivotal to how the organisations navigates and carves its role in the future. Factors explored within this context are the issues of power, conflict, resolution, negotiation, diversity, worldviews, trust, resistance, empathy etc.

Organisational leaders need to be context setters and facilitate a process for qualitative participation at grass root level. Active participation is fundamental, it is not meant to be fair or representative but as Shaw says gatherings are meant to be active (Stacey 2003: 401). Such a process offers the space for experimental action within an organisation. This, Kanoe (2003) says, allows for: "home-cooked constructs and processes."

The essence of CRP is that it allows one to see what is happening as opposed to prescribing what should happen. CRP's focus on dialogue and interaction fosters participation, conversation and change. The notion of strategic conversations and emergent strategies are key characteristics of organisations which have the ability to self-organise or re-invent themselves. CRP avails the conceptual tools to explore the dynamic processes which allow for self-oganisation. Using CRP as a tool for learning and change to study an organisation deepens understanding of the value and relevance of the tool in grasping how organisations respond and posture themselves in complex and turbulent times.

1.7.1 <u>Research Outline</u>

Using CRP as a tool for understanding organisational behaviour has meant one cannot predict what will emerge. This is a qualitative study which spanned over a year and a half. The pattern of enquiry covers three phases and may be described as cyclical and non-linear, in which sensing, understanding, deciding and acting is ongoing and dynamic in which intervention strategies emerge or are blocked. Through a process of reflection and iteration appropriate and relevant tools surfaced in each phase of enquiry. Both primary and secondary data collation tools have been used in each of the phases of enquiry.

The solution of the problem has its origins in the literature review and research. The role of the writer is one of participant enquirer and was critical in this research process. Thus, the writer, researcher was submerged and active in the organisation as a council member. The synthesis of literature was augmented by a rigorous process of research verification.

It is believed that the findings will increase further insight on CRP as a tool in understanding strategy and organisational dynamics; learning and transformation within an organisation.

1.7.2 <u>Chapter Outline</u>

Chapter 1 provides an overview of the context the organisation inhabits - the micro and macro context. This chapter also introduces the reader to concepts from complexity theory and a brief overview of the research process.

Chapter 2 is a literature review. The chapter explores organisational theories, learning theories and theories about strategy. This chapter unpacks complexity theory, complex adaptive systems and CRP broadly and in relation to the themes explored. The views of others with regard to CRP, its assumptions, limitations and significance is explored and integrated in the material.

Chapter 3 describes the research approach which is based on the notion of emergent enquiry and is hence both qualitative and exploratory in which primary and secondary data is used.

This chapter details the research approach and methodology. The data collation process and analysis in each phase is unpacked and a description and purpose of the tools which emerged over the three phases is discussed. In the third phase of enquiry qualitative and quantitative data collation tools were employed to deepen the enquiry and were deemed critical in the bid to narrow the scope of subjectivity. The chapter also discusses a process of verification which was built into all stages of the enquiry.

Chapter 4 focuses on the case study. The chapter details the case study and the background to the organisation is discussed as it contextualises the findings. The findings related to organisational dynamics as well as specific themes such as leadership, learning, culture and transformation are discussed. The research methods in relation to the findings and analysis thereof are discussed.

Chapter 5 is the concluding chapter and focuses on a synthesis of literature and case study in evaluating the interconnection between the organisation and the environment and contextualises the use of CRP as a tool for organisational learning and change. This chapter also looks at some recommendations and challenges in respect of CRP.

An appendix and reference is provided.

Just as the function of the alchemist of old was to turn base metals into gold, the intention of the study is, using various emergent perspectives, to produce a worthwhile and rigorous academic paper on CRP as a tool through which organisations can learn and transform. Bless and Higson's (1997:59) observations on action research and its relationship to collective and continuous learning, holds true, for this study.

"The repeated cycle of research and action...produces a process on ongoing learning and empowerment for all the participants in the study" (Bless and Higson: 1997:59).

2   LITERATURE REVIEW

Ordinary, daily conversations may have the power to transform and change the course and behaviour of whole systems and organisations. This is the radical interpretation of a theory dubbed Complexity Science which has been applied to management science.

Adherents of Complexity Science believe it to be a science which defies conventional ways of working in science. And, as a science, it has been embraced by a wide range of fields from the study of patterns in population growth to the physiology of the human heart, from music and art to seeking ways of understanding the complexities of human social systems.

Interest in this science arose in the 1960s, took root over the decades and, continues to appeal to a wide range of academics and practitioners within management sciences who posit Complexity Science to be a relevant framework of viewing the firm - a novel way of seeing and working with the complexity and turbulence experienced in organisations within an increasingly inter-connected global socio-economic context.

Traditional views of the firm, rooted in Western management philosophy in which planning and control-by design, a "top-down approach", influenced business practise globally. However, the implications of uncertainty and unpredictability in this era show any activity in non-linear systems may spell unintended consequences and results.

So, dealing with the myriad of challenges in a dynamic environment suggests the need to re-visit conventional practice and explore new and equally dynamic views on business practice.

Thus, the review is a journey of discovery. A journey with multiple-pit stops that allows the traveler to explore the nature of uncertainty as posited by Complexity Theory, pause and reflect on conventional ways of viewing the firm to exploring novel concepts, from a process and relational perspective, offer an expansive array of choices that inform action.

2.1 Complexity Theory: Dynamics of Uncertainty And Unpredictability

Chaos and Complexity Theory provide an opportunity to explore the 95% of the organisational world that theorists and practitioners have avoided because it is too murky, dark or because conventional theories or methods do not allow one to see (Ortergon-Monroy: 1999: 3).

The meteorologist, Edward Lorenz, first perceived chaos in the 1960s in which he modeled weather patterns using computer simulations, which led him to identify the "butterfly effect" phenomenon, where the flap of the wings of a butterfly in South America causes storms in the North. (McBride: 2002:5)

Chaos theory, developed in the 1970s and 1980s, was influenced by research studies of physicists, meteorologists, chemists, biologists, economists and psychologists. Several interlinking streams, chaos, dissipative structures and synergetics and complex adaptive systems (CAS is discussed later) led to development of the Complexity field. The common strand of these theories in explaining the behaviour of natural sciences is the centrality of non-linear relationships. (Stacey says independent of this work similar ideas were also developing in sociology and psychology.) (Stacey: 2003:216); (Ortergon-Monroy:1999:2)

Chaos Theory reveals in non-linear systems, patterns in phenomenon which may appear to be random show paradoxical patterns of stability and instability, predictable and unpredictable behaviour. The exploration of complex systems directed attention to inherent uncertainties, paradoxes and concepts pertaining to the edge of chaos and self-organisation.

The mathematical tools of chaos in the 1980s assisted scientists in understanding global complex systems, independent of local detail. Complexity and Chaos Theories had many applications outside of science. In fact, its concepts have been used to research the physiology of the heart. The findings have been extended to psychiatry, epidemiology and genetics. Through the use of chaos and fractals, computer art has become more realistic creating images with formula that repeats itself, but not in an identical manner. Similarly,

variations of musical notes of a piece of music resulted in variations of theme songs (Ortergon-Monroy:1999:1).

Stacey draws on the theory emerging in the natural sciences, reflects social constructivist views (social sciences and psychology insights) in understanding the dynamics at work in networks of human relationships.

Stacey (2003) expands on Lorenz's modeling of weather patterns to describe the dynamic features of Chaos Theory in explaining unpredictability. Weather forecasts reveal patterns which allow one to predict forecasts at detailed level in the immediate short-term. However, longer term forecasts of infinite precision is problematic as weather patterns are never exactly the same as the previous point in time the system was in.

Prigogine's and Stengers (1984) work revealed that small changes in the environment can amplify and cause instability and shatter existing behaviour patterns and make way for different ones. Hence, the system continuously fluctuates as a result of positive feedback – it can pass through states displaying instability and produce different structures or behaviour that cannot be predicted from the knowledge of the previous state. Such a structure is called "dissipative structure" because it requires more energy to sustain systems in the new mode. Implicit is the notion of states which emerge out of instability via a self-organising process. Thus there is no outside intervention, central or universal law which pre-determines behaviour (Stacey: 2003); (Ortergon-Monroy:1999:4); (McBride: 2002:2).

The research field of Synergetics focuses on how patterns form in non-equilibrium; how large numbers of parts in non-linear systems co-operate to create different forms, implying the notion of self-organisation.

The behaviour of non-linear complex systems operates in three zones: a stable zone, where the system returns to its original state if disturbed, when it moves away from the original state generating further divergence if disturbed, and thirdly when it operates under both stable and unstable conditions, in this location it passes through a state of BOUNDED INSTABILTY – or the edge of chaos. Behaviour in this state is highly unpredictable (Ortergon-Monroy: 1999:5).

For Stacey (2003), behaviour patterns are irregular which emerge via self-organisation, meaning that something is happening within the system itself, not via the input of external variables. What this refers to is that a paradox is displayed in which two opposing forces are simultaneously at work, and cannot be removed. The details in such a system are so complex that simple causal links are lost and the long-term future is rendered difficult to see as it is unknowable.

In fact, these findings undermine previous Newtonian notions of universal laws, and simple cause-and-effect explanations in understanding the behaviour of natural systems. Newtonian thinking was embraced in wide-ranging fields and have been used in everyday conversations, so that, we take natural laws concepts as a given. Complexity Science reveals an altogether different way of explaining causal effects and raises the problem of control.

In 1986, Streufert and Swezey's, seminal work Complexity, Managers and Organisations, caught attention of a wide academic audience of the relevance of this field in the management sciences. The authors adapted complexity and chaos concepts to explain organisational behaviour by using the concepts as metaphors.

For Mc Bride (2002:7), concepts of Complexity field support a better framework of understanding organisational behaviour in rapidly changing environments than traditional theories. Complexity Theory lends itself to an interpretive approach in which patterns emerge over time.

The radical insight of this theory revolves in the concept of self-organisation being a process which occurs spontaneously in the absence of a grand plan. Further, the notion of emergence, that is, the patterns produced by self-organising cannot be explained by the nature of entities or interaction within the system in which diversity is required for the system to jump to different attractors (Stacey:2003); (Mc Bride:2002).

Dissipative structures is not a result, it is a process – a process which uses disorder to change interactive processes which manifest itself temporarily in global structures. Therefore, notions of the ability of systems to adapt fail to recognise that the tiniest of changes has an amplifying effect, the so-called iconic, "butterfly effect", which can alter whole systems or

have wide-reaching effects on the development of and within organisations (Stacey:2003); (Mc Bride:2002:2).

The critical question for theorists is that how can one manage an unknowable future with infinite precision - how can one who is part of the phenomenon see the whole phenomenon, step outside of it, identify, manage and adjust accordingly, something that you don't know? If one recognises the future is unpredictable, managing the unknowable is a contradiction in terms.

Ortergon-Monroy (1999:3) points to the need to distinguish between Chaos and Complexity Theories. The former, she argues, is mainly non-linear and refers mainly to mathematics and physics in which repeated iteration of mathematical algorithms or set of fixed rules of interaction from which patterns of order and disorder arise. Complex social systems do not operate necessarily on these principles since they are able to change and evolve. While the two theories share common aspects, Complexity Theory differs in that complex social systems are able to evolve and change the rules of interaction.

Adherents of Complexity Theory thus argue the insights of Complexity Science questions managerial notions of a given future as it is perpetually under construction in unstable systems, and hence, renders prediction ineffective in a future which is unknowable.

The implications of chaos, dissipative and synergetic theories are significant when applied to human systems. It reflects linear and mechanistic predictions and planning within complex systems, displaying characteristics of discontinuity, negating simple cause and effect explanations in which the tiniest of changes usher multiple unexpected results.

Complexity Science insights, in respect of human systems are: iterative, non-linear interaction patterns itself and immediately brings processes to the fore. Groups of people are creative only when the behaviour displays paradoxical dynamics of stability and instability, simultaneously (Stacey: 2003).

In psychological terms this means embracing the notion of the ability to live with the ambiguity and paradox of life as well as the tension or anxiety it generates. The creative process is also a destructive process which involves co-operation and competition which

takes place in the medium of ideas, communication and power relations. The creative process is dynamic, involves differences, conflicts and stirs a myriad of emotions from anger to depression in people. Removing the mess by inspiring people to follow visions, doctrines, follow simple-rules, all removes the very material of creative activity. Neither the creative process nor the outcomes can be planned or intended over the long-term under such conditions.

Reductionism, fails in complex systems because knowing the present state does not allow one to predict the future, and because the whole system has self-organising properties, transcends the properties of its parts; a feature that arises in non-linearity (Reason & Goodwin:1999:1-22).

These insights challenge organisational interventions such as that of long-term planning and assumptions of future states as these would be rendered a fantasy exercise. But, because behaviour patterns display an overall qualitative pattern, organisations may need to rely on using such qualitative patterns to reason by analogy and intuition instead of decision-making step-by-step about future assumptions (Mc Bride: 2002:8); (Stacey: 2003: 229) (Reason & Goodwin:1999:1-22).

Stacey (2003) says those who succeed are those who saw patterns while others searched for specific links between cause and effect. Three features appear to be critical in this process: the ability of the system to produce an order that is changeable and diverse which emerges spontaneously; the existence of a dialectic between co-operation and competition and behavioural patterns which reflect this dialectic accordingly; and one of symbiotic reproduction.

Complex Systems are most innovative when at the edge of chaos and in respect of human systems may usher a new order; and instead of seeking ways to reassert control, the greatest value in complexity, according to Goodwin and Reason (1999:1-22), is complexity's radical challenge to control.

The authors argue the ability to predict and control is circumscribed by Complexity Theory - it negates the opportunity of creating the conditions in which creative order may emerge. The

value of Complexity Theory is that it leads to: *"generative, rather than predictive theory"* (Goodwin &Reason:1999:22).

Martiny (2003) defines complexity as: *"one whose behaviour cannot be described concisely, even though it has definite elements of organisation. Complex systems are neither ordered nor random, but combine elements of both."* For Martiny the radical insights of complexity include:

- *Systems are far from equilibrium*
- *Display patterns, not curves*
- *Forecasts are not possible (due to butterfly effect)*
- *Is the place for qualitative reasoning, that is, use of analogies and intuition*
- *Incomprehensive cause-effect relationships*
- *No history to be written – time becomes irreversible*
- *Self-organising due to fluctuations in environment and micro-diversity*
- *Emergence and self-organisation are important concepts*

The message of Complexity, for Stacey (2003), is that it allows researchers, theorists, planners and consultants an opportunity to participate in the processes of self-organisation. Further, while it is possible to predict outcomes and even control, this is only possible by enforced stability and forced control ultimately leads to the death of creativity, novelty and innovation.

The challenges contemporary firms face, is not confined to those beyond South Africa's shores - South African practitioners and theorists greatest challenge, perhaps, is to seek ways in dealing with both the complexities we face locally and those which emerge within the global context.

According to Leesom (1993:18), four pervasive sources of knowledge – empiricism, rationalism, idealism and humanism, each with differentiated cultures and philosophies had spawned diverse economic concepts and applications that pre-condition business activity. Empiricism and its cousin rationalism, inform the dominant paradigm. This implies, in exploring organisational behaviour and practise one needs to view historical patterns and paradigms which inform organisational practice.

Summary:

The radical insights of Complexity Theory are: non-linear systems operating far from equilibrium are sensitive to initial conditions and fluctuations and their long-term future development is radically unpredictable. The capacity of the system to self-organise depends on fluctuations in its environment and the diversity of its micro-entities. Non-average behavior is a necessity to produce novelty.

Paradox lies at the heart of Complexity Theory. The paradoxical dynamics of stability and instability occurring at the same time means no-one can be in control. The link between people's action and next action disappear in the long term. Knowing this becomes far less anxiety provoking and once it is accepted the consequences are not necessarily randomness and anarchy. Spontaneous self-organisation produces emergent strategies – that is, the interaction itself creates patterns that no agent individually intends or can foresee global outcomes. Hence, the system takes a dynamic of its own. Diversity, being a pre-requisite for emergence, therefore diversity amongst agents, that is, micro-diversity must exist.

2.2   Dynamics of Organisational, Learning and Strategy Theories

This section titled: The Dynamics of Organisational, Learning and Strategy theories embraces Stacey's (2003:3) definition of dynamism, which is concerned with movement. The emphasis is on how phenomenon moves, unfolds or evolves over time.

The study of the dynamics of organisational, learning and strategy theories is concerned with the patterns and features displayed by theorists and practitioners in these fields over time and how they come to explain or postulate an understanding of the view of the firm, organisations, society, namely, how individual, groups, institutions behave and engage.

In terms of historical chronology one observes the study of organisational behaviour as an academic field in the West, arose in the 1900s. Learning theories became vogue in the 1940s with the advent of notions that knowledge is critical in giving an organisation the edge and interest in strategic management arose in the 1960s in response to challenges faced by MNCs in a shifting global context.

Stacey, (whose views owe much to Hegel's idealism, sociologists and social constructionist theories) in embracing the insight of complexity field, proposes a framework of analysis of the view of the firm which allows one to expose the assumptions and reasoning processes for comparisons. Defining what a firm is, what it becomes (how strategy forms) may be best understood by examining how theories view: *human nature (primacy of the individual, primacy of group or primacy of both); the nature of interaction and interconnection (macro-level or micro-level analysis) ; the methodology underlying each theory (objective observer, participant, reflexive participant and how paradox is handled – as "either, or"; "and or both" or as contradictory opposing forces which are un-resolvable, and can never be eliminated (2003:preface).*

2.2.1 Organisational Behavior Theories

While organisational forms dominated other times and societies, a serious study of the field of organisational behaviour occurred at the turn of the 20th century with the rise of the corporation as a distinct organisational form in the West.

Theories in the first half of the century reflect the challenges of capitalism within this period, reflect the shift from agricultural to industrial based economies, the challenges of the industrial mode of operation (in which planning and design, intervention by powerful few was possible) in economies displaying linear relations in which simple, deductions were probable.

The first approach to management emerged in the early 1900s centred on economic rationale and focused on individual worker efficiency, at a time when the United States made a transition from agricultural to industrial societies (Robbins:1998); (Scott: 1969).

Early influences in shaping the study of organisational behaviour is attributed to Adam Smith, Charles Babbage and Robert Owen's view of understanding humans as autonomous and rational beings. Smith postulated society and organisations will reap the benefits from the division of labour and proposed workers should work independently and separately. Babbage expanded on the virtues of the division of labour and argued it increased an individual's capacity and skill to perform a task. Owen, on the other hand was concerned with improving the condition of industrial workers. It is argued that empiricism, was suited for the early entrepreneurial stage when it was necessary to be close to the customer Robbins (1998); Lessom (1999:20).

Empiricism and rationalism inspired general theories of management in the classical era spanning the period from 1900 to the mid-1930s.

Empiricism, the dominant-business orientation, for Lessom (1999:19), is an approach compatible with competitive enterprise and the free-market system, spurned business organisational concepts with a positive manifestation (promotion of individualism). An empiricist approach shares its analytical bent with rationalism (an approach based on

meritocracy, rooted in the Northern European mind-set, which espoused concepts of bureaucracy.

Rationalism, uses deductive reasoning, proposes structualist and functionalist concepts and is associated with classical theorist's works of Frederick Taylor and Henri Fayol. Robbins (1998); (Lessom: 1999:17-39).

The central tenets of the classical era witnessed the application of engineering principles to the study of people and their behaviour at work. Scientific management, classical organisational theory and social man theory influenced classical doctrine. The theoretical focus was on worker efficiency and the creation of a perfect, universal structure – the bureaucratic model - with which to co-ordinate, shape and mobilise resources, paved the way for western organisations to be fashioned accordingly.

Scientific management took root in American business thinking, facilitated job specialisation and mass production. Taylor's ideas spread to Europe, Russia and Japan. Subsequent theories, during the classical era, shifted focus on group ethics and methods of improving the condition of industrial workers.

Having said this, a brief description of these theories, allows one to view how much of contemporary planning and ideas on structure resonates with aspect/s of earlier doctrine.

Scientific Management Theory: Frederick Taylor (1911) premised the notion that all workers were economically motivated. He postulated management's function was to scientifically define each element of a job, select employees, supervise, train and ensure compliance of employees in tasks as determined. (Robbins: 1998)

Classical Organisational Theory: departed from Taylor's system, and instead focused on how organisations may be structured more effectively rather than on individual efficiency. The critical contributors were, French industrialist, Henri Fayol and Max Weber. Fayol, writing at the same time as Taylor, proposed a **theory of administration**. Management's function is to plan, organise, command, co-ordinate and control. Weber's ideal bureaucracy consists of distinct set of rules and procedures, division of labour, hierarchy of authority, technical competence, and a segregation of ownership, that is, managers must run the

organisation not the owners. Rights of property of the position must reside with the organisation not the person; and documentation is a necessity, namely, keeping of administrative records, rules and procedures. (Robbins: 1998)

Social Man Theory: Mary Parker Follet proposed a group ethic rather than individualism and argued that the individual's potential will be released by group association. She proposed a collaborative approach between managers and workers. Chester Barnard absorbed Weber's ideas. Barnard viewed organisations as systems which require human co-operation. Organisations, he believed, are made up of people who have interacting social relationships. The function of management was to facilitate space for higher level effort. (Robbins: 1998)

Robbins (1998) argues the early acceptance of Frederick Taylor's scientific management principles by US manufacturing firms, gave the US a comparative advantage over foreign firms for over 50 years. The author argues Follet's ideas on ethic and group ethic and ways of humanising industrial conditions influenced contemporary views on motivation, leadership, power and authority. Japanese management styles, which in the late 1970s came into vogue in America and Europe, according to Robbins, owe much to Follet in respect of group togetherness and team effort.

While Robbins places a positive spin on these theories, he ignores the conditions under which firms operated. In the first quarter of the 20th century conditions characterised by relative stability, displayed greater linearity in which simple-cause links allowed one to plan for the future. The author calls for the integration of associated fields in exploring organisational and management science. However, he fails to recognise the current dynamic nature of inter-connection of complex systems in which non-linear relations exists.

Stacey (2003:225) says the engineers, Taylor and Fayol, assumed the role of objective observer, and adopted a mechanistic view of the organisation in which behaviour was governed by universal laws. The shift towards holistic thinking challenged scientific managements' view of the firm.

Following the collapse of the US stock market in the 1930s, most countries experienced the pains of depression. This period found a heightening of tension between labour and management, an era which saw a marked rise of trade union activity. The short-comings of

capitalism and classical notions of organising ushered new views of the firm. Theorists emphasised the people-centred aspect of organisations.

The entry of industrial psychology led to concepts pertaining to worker motivation and focus on better alignment of worker's skill. The earlier findings of the Hawthorne studies, underscored the notion that individual and social processes are important and cannot be ignored, shaped much of organisational theories in the decades ahead. The Hawthorne studies allowed theorists to explore the functioning of the formal and informal features of an organisation. (Robbins:1998); (Moorhead & Griffin:1992). (Aspects of both the formal and informal features are explored by Stacey in his theory of CRP.)

Suffice to say, during the 1940s, the informal organisation was considered an entry point of diagnostic and intervention activities in organisational development because it surfaced feelings and attitudes about work, as variables impacting in behaviour and performance.

Nelson and Quick (1994) argue individual behaviour plays out in the context of the formal and informal elements of the system becoming organisational behaviour.

The 1940s was a period in which the **Human Relations Movement or Behavioural Era** swept American industry, the thrust being employee satisfaction as the key determinant in performance. People, it was argued respond to their social environment; motivation is a social variable and workers performance is based on variables which extend beyond mere economic needs (Robbins: 1998).

The human relations movement was criticised for its operational inefficiency and an approach which explores the human and structural aspects of the firm to the detriment of micro-economic studies (Lusato:1976: 59).

The socio-political and economic challenges of the industrial age characterised by mass production, task specialisation, assumed an environment to be static and stable in which theories and business practise focused on the efficiency and effectiveness of an organisation. The "Universal Model" of the1950s presumed a direct cause and effect linkage between variables.

Challenges faced by MNCs in the second half of the 20th century witnessed the emergence of organisational behaviour theories premised from a systems perspective. Organisations were considered as systems. Systems theories' central thrust was how to manage, improve, adapt or control systems movements in which a system may move towards equilibrium, self-sustain or self-destruct. Thus, the conditions which firms operated in displayed more complex systems characterised by non-linear relations, however, linear thinking still resonated in much of the theories during the 1950-1960s. Planning and ways to control and co-ordinate systems dominated much of this period and execution rarely matched intended outcomes.

For Moorhead and Griffin (1992) three theories dominated the latter half of the century and continue to resonate elements of contemporary practise in dealing with growing uncertainty and complexity: They are the **Systems Approach, Contingency Perspective and the Inter-actional View.**

Systems Approach emerged in the 1940s-50s. Organisations, from this perspective, are viewed as a set of interrelated elements functioning as a whole (includes the formal and informal interrelated functioning).

Central to systems thinking is that organisational systems use four categories of inputs, (namely material, human, financial and informational) which can be combined and transforms the input and returns them to the environment in the form of products, service, profits, losses, employee behaviour and additional information. The system receives feedback from the environment regarding the outputs. The ingredients involved in a systems analysis, consists of: parts, interactions, processes and goals. Systems engineering aims to study the interconnection and compatibility, effect of one part on another and the objectives of the whole group or relationships between systems and users (Moorhead and Griffin: 1992).

Organisational success from this perspective, thus, depended largely on obtaining co-operation from its people, in the maintenance of healthy relations with stakeholders in the "external" environment, and the ability of the organisation to adapt and adjust to maintain a state of equilibrium.

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Systems Thinking was thus a response to reductionist and mechanistic views of organisational behaviour, in which individuals are viewed as autonomous and the system, (the whole phenomenon), is understood as more than the sum of its parts.

Early Systems Thinkers modelled organisations on engineering principles which emerged during WWII. A heating system was used as an analogue for organisational behaviour (Stacey: 2003).

System thinkers thus viewed organisations as systems. The thrust of theories revolved on control and ways in which a system moved towards equilibrium, much like a heating system in which agents leveraged points in a heating system, in which the system moved towards equilibrium via feedback it received. From this perspective the science of top executives was concerned with ways in which to control and adapt to the environment. Humans are viewed as autonomous individuals and managers' task was to control and motivate individuals to perform tasks.

Contingency Theory emerged in the 1960s because the search for universal answers did not work and led to the belief that in organisations most situations and outcomes are contingent – they are influenced by other variables (Moorhead and Griffin (1992).

Basically, the contingency approach defines what is appropriate in a given situation depends on elements within the situation, for example, conducting business in the United States is different to how one conducts business in China.

Inter-actionalism, presupposes the interactive elements of the individual and situation. Interaction is continuous and determines individual behaviour. Inter-actionalism attempts to explain how people select, interpret and change and this varies in situations. Such a notion dispels simple cause-and-effect descriptions of organisational phenomenon as being insufficient in explaining why organisations behave the way they do (Moorhead and Griffin: 1992).

Stacey (2003:1-290) equates Neo-classical thinking with the birth of systemic thinking. For Stacey, managerial theories over the latter half of the 20th century stem from a systemic prism, rooted in cognitive and humanistic psychology. Stacey sums three waves dominated

system thinking since the 1940s: Hard Systems (1950s-1960s) influenced by Cognitivist and Humanistic Psychology; Psycho- analytic perspectives and Open Systems Theory and Soft Systems (1970-1980s) or Second-Order Systems Thinking. The third wave, (Critical System Thinkers), represent a shift towards socially-based perspectives and posited notions of "Communities of Practice" from a systemic vantage.

Three theories, Stacey (2003) discusses, are integral to the Systemic perspective in the period under review and which continue to have implications on managerial orientation. They are: Strategic Choice Framework (SCF), Learning Organisation Theories or Knowledge Management theories and Open Systems Theories.

SCF (1940's-50s): The theoretical framework adopts a cybernetic view of organisations. Organisational change is seen as the outcome of its most powerful members. Cybernetic theory assumed linear causality and deals with feedback loops through which self-regulation control is maintained and notions that the system moves towards equilibrium.

Organisational behaviour emphasise managerial roles in which top executives use quantitative tools to budget, plan and forecast, conduct market analysis and produce blue-prints for the attainment of goals in which the future is knowable. Success depends on the ability of organisations to adapt, meet set goals in which corporate executives create the framework and individual business units consider details of meeting corporate milestones. Hence, the concern of this wave revolved on interventionist strategies within the system in which goals were defined, problems identified and solutions offered in a system which was considered to behave quite rationally.

Open Systems Theories: argue that a system becomes what it is because of the strategic choices made. Learning is inter-twined with complex unconscious processes and the way anxiety is contained becomes an integral concern. This perspective is influenced by SCF and a psychoanalytic understanding of human nature - its focus on unconscious processes and neurotic forms of leadership which impact on the rational choice of learning. Open systems' contribution to organisational theory was its shift towards holism. Hence, the nature of managing and organisation incorporated concepts pertaining to integration, interdependence, interaction and interconnection between parts of an organisation (Stacey:2003).

The shift from mechanistic and reductionist understanding signified the importance attached to the interconnection between organisations and parts, and the roles of people. The shift from the industrial to knowledge-based era witnessed the birth of organisational learning (knowledge management theories) in the 1960s.

Organisation Learning Theory: represents a shift from its predecessor in that organisation's are not the outcomes of the strategic choices made by top executives but organisations evolve through the learning processes that take place within it. Learning processes involves relations in which members and managers engage. Leadership, participation, motivation and inspiration are concepts pivotal to this perspective. The notion of life-cycle models, for example, forming, storming, norming and performing are posited, however, they reflect models which are linear and emphasise the primacy of the individual (Stacey: 2003).

While Learning Theories have common elements with SCF, the theory approaches the nature of interaction differently – it incorporates non-linear causality, is not necessarily goal-orientated; meaning organisational behaviour is not pre-determined or as a result of prior-made intentions but emerges once it happens or as it happens. These system thinkers embrace uncertainty and put forward structures reflecting loose coupling.

For Stacey (2003), SCF of the 60s influenced Contingency Theory objectives of securing the ideal match between situations, strategy and structure - hence the notion that organisations must adopt mechanistic structures in stable times and organic structures in turbulent times. Logical incrementalism is opted as a way in dealing with uncertainty.

However, it must be noted that Contingency Theory was a move away from mechanistic and classical strategic choice theory in that it recognised the processes of learning, emergence and interaction at micro-level.

The concern is on understanding the organisational structures in a system and its leverage points. Behavioural patterns are of great concern in this analysis.

The impact of liberalisation, hyper-competition in the 1970s, rapid technological advancement, etc, placed enormous challenges on how firms may best mobilise and co-

ordinate their resources. The rise of the Asian Tigers equally undermined classical systems thinking and practice and led to a re-think of business theories and practice.

Globilisation, liberalisations of markets, highly competitive industries and the changing geo-political and social forces in an increasingly complex and uncertain landscape points to the implications of Complexity Science. Thus the last quarter of the century witnessed heightened turbulence in which one variable, the tiniest of which, could have more than a proportional effect on another.

Systems thinking in later years adopted non-linear causality and incorporated positive and negative feedback loops, arguing that non-equilibrium is a likely state. Hence, the shift of viewing organisations in simple terms to viewing organisations as more complex, the dynamics of which poses problematic possibilities for control.

Subsequently, theories emphasised different elements in which organisations may gain an edge. Theories in the last quarter of the century are concerned on how best an organisation may mobilise its resources and capabilities to survive and compete in an environment which is highly connected and interdependent. However, the concern remains on methods of enhancing such processes for the good of the whole system

For Stacey (2003), systemic thinking's use of feedback structures is done without understanding the complexity of the structures. Common assumptions about motivation, power and conflict, culture, and the role of the independent observer are made in exploring organisational dynamics.

Suffice to say, systems thinking in the latter half of the century, partially explains organisational behaviour – it ignores the dynamic relationships between people and while it focuses on micro-level entities, it does so from a macro-level analysis. The paradigms which inform such choices hold the primacy of the individual. Therefore, how theories view organisational behaviour underscores learning and strategy processes. It allows a framework from which to explore the development of, and nuances of learning theories and strategic management theories which emerged in the last quarter of the century, more fully.

2.2.2   Learning Theories

A shift from the industrial to knowledge-based economies is displayed, in ranging degrees, in countries world-wide and the notion that knowledge is the currency of the new age, has radical implications for managerial practice.

The growth in concepts of organisational learning increased because of the new characteristics of the business world and, the value of organisational learning is its contribution to increasing one's knowledge in understanding organisational behaviour.

Organisational knowledge is critical and allows organisation's to achieve competitive advantage. Knowledge keeps an organisation together not transactional costs (Teece: 1998:76); (Duguid:1998:90); (Wick & Leon: 1993); (Chiva & Alegre:2005:49-69).

In tracing the developments in the field of management learning, different and competing philosophical traditions influenced distinct schools of theory and practice in the present day.

Burgoyne and Reynolds (1997:19) argue that two contrasting approaches - **management education** (which lies in the realms of the academy, reflective of theoretical skill) and **management development** (a subset of human resource development informed by business, dealing with practical know-how) informed business practice.

Learning theories are characterised by a debate between two traditions, quantitative/positivist and constructivist phenomenology. Management as a field of study emerged in the late 19th century followed research methods associated with related disciplines such as economics and psychology, characterised by a strongly positivist approach emphasised quantitative measures, statistical analysis and the search for universal (causal) laws. The positivist approach was favoured by management academics and affected mainstream research traditions in management. (Mark Easterby-Smith and Richard Thorpe (1998:39).

The authors argue, Mintzberg and Kotter's research, found little evidence supporting the view that managers behave in the way traditional practice suggested. Their research adopted a phenomenological approach (using qualitative study, observation and narratives of the

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managers themselves). Other theorists echo the view that quantitative techniques do not necessarily lend themselves to lead, persuade, identify problems, create vision and manage 'culture'.

Chiva and Alegre (2005:57) also posit the development of ideas on organisational knowledge management and organisational learning assumed different paths owing to the different traditions which informed the content. The different approaches are: the psycho-dynamic perspectives/ Cognitive-Possession Perspective (the dominant view) and social dynamic perspectives/the Social- Process Perspective. The authors suggest a need to integrate the two perspectives and argue for the cognitive-possession perspective to collapse into the more viable social process perspective.

The authors argue that the literature of knowledge management school was originally based on economic sources, studied by academics and technologists with the aim of developing Information Technology (IT) tools to improve the management of knowledge. The roots of this approach lie in systems theory, computer science, psychology and neurology. This perspective comes from the positivist paradigm and is represented by the Behaviourist School (Pavlov, Skinner, Thorndike and Guthrie), Cognitivist (Piaget and Khohler) and Humanist school (Maslow and Rogers).

The social perspective, developed in the1990s, emphasised social-process, stems from sociologist disciplines and insights of integrating complexity insights. The thrust of this approach being organisational learning is socially constructed (Chiva and Alegre: 2005:49-69) Burgoyne and Reynolds (1997) (Mark Easterby-Smith and Richard Thorpe (1998) Stacey: 2003).

Table 2 sums the two schools of thought, from a Cognitivist (Knowledge Management School) and those from Social perspectives (Organisational Learning School). Broadly, the former focuses on individual learning theories while the latter leans towards relational processes.

Table 2: Key Differences between Cognitive-Possession Perspective and Social-Process Perspective

(Cognitive-Possession Perspective)	(Social- Process Perspective)
Knowledge is viewed as a commodity located in a person's mind which exists prior to and independently from the knowing subject, who creates no knowledge in appropriation, generation etc.	Knowledge is a social process and organisational knowledge is implicit. Social beliefs are developed by individuals and groups or via interpersonal relations. This forms the base of a dynamic theory of the company – knowledge is a process.
Learning is seen as an efficient process where knowledge can be codified, stored, processed much like a computer and transmitted to others. Learning and knowledge is dealt with separately.	This perspective emphasises communities of practice and comes from an interpretive as opposed to functionalist and individualist approach. Therefore, the focus is on collectivities and their interaction.
Organisational knowledge is one whereby individual knowledge is shared by all members of the organisation.	**Organisational knowledge** is a constructing or creative act, not a representation. Reality is socially constructed.
Knowledge is, objective, universal and abstract. Knowledge is embedded in the rules and routines and personifies the organisation. Individual knowledge generates and contributes to the development of the organisational or collective knowledge. Nonaka's (1994) argues organisational knowledge is created via continuous dialogue between tacit and explicit knowledge. He sees knowledge creation via language, metaphors and analogies and by building models.	Knowledge depends on context – it is neither universal nor abstract, it is dynamic and provisional. Knowledge is situated in the system of ongoing practice is relational and mediated by artefacts and rooted in a context of interaction and is acquired via some form of participation. Hence, this approach infers the dimension of practice (participation) as opposed to the dimension of possession.

Stacey (2003) says Nonaka's use of chaos theory in knowledge creation within organisations sees self-organising patterns emerge as an outcome of the interaction between free individuals. Nonaka views self-organising teams as a structure in which individuals can be free to diffuse their ideas in a team.

For Stacey, Nonaka misses the point of self-organisation as per Complexity Theory self-organisation is a process in which agents interact locally on the basis of their historically evolved identities and this does not imply freedom to diffuse ideas.

Critics argue that the cognitive-perspective approach assumes the (ontology) nature of organisations and the individual is the same, ignores that learning is complex and assumes that organisational learning processes are similar to those of an individual, when studies show that individual and organisational goals are rarely the same.

Further, the cognitive-perspective approach does not adequately focus on the interactions that exist in the environment, considered to be in a steady state. Therefore, the organisational environment was viewed as benign and static. A "universal framework" is proposed in an attempt to identify key learning patterns and processes in the absence of referring to a context in which they have been developed (Chiva and Alegre: 2005:58).

The authors argue Wenger's (1991) and Huysman's (1999) work influenced most of social learning theories. The thrust of their theory is organisational learning arises from social interactions, normally occurring in the workplace. The focus is on the way individuals interpret, or make sense of their experience at work. Humans are social beings who construct together an understanding of what they have around them, and learn from social interaction within social systems such as organisations. Learning can only be achieved through active participation based on the social practice of organisational life, which is constantly modified. This perspective is based on change not regulation and order (Chiva and Alegre:2005:59).

Three trends, according to Chiva and Algre (2005), inform the social-process perspective:

Learning is a cultural process (Cook and Yanow (1996). Organisational learning involves joint constructions of new collective meanings via dialogue, equality in participation,

tolerance to different viewpoints, shared experiences and first hand access to data. Dialogue is viewed as critical in these processes and bridges the gap between individual and organisational learning it also generates it by creating meaning and understanding.

Learning as a social construction. Learning involves the construction of common understanding, starting from a social setting, from physical circumstances and from people's social relationships and backgrounds. What one learns is connected to the conditions in which learning takes place. Learning involves becoming cultured and acquiring formal, non-explicit knowledge - that is, acquiring skills necessary to behave as members of communities of practice (Chiva & Alegre:2005).

According to Wenger (2000) "Communities of Practice" are the basic building blocks of a social learning system since they are the social "containers" of the competencies that make up the system. Wenger defined "Communities of Practice" as groups of people informally connected by a shared experience and the passion they hold for a common issue, unlike associations, teams and informal networks. These communities do not place emphasis on activities and may be temporary. They highlight the fact that each practice depends on the social processes by which it is perpetuated. Lave and Wenger, **Situated Learning Theory** (SLT), emphasises the practical and social dimensions of learning.

SLT draws attention that most learning and managing to learn, occurs "on-job", in tacit, culturally embedded ways through people's work practices within organisations, groups and other communities of practice. SLT allows one to understand better the tacit knowledge which sub-cultures of an organisation possess and makes this explicit (Burgoyne and Reynolds:1997).

Learning is a political process (Coopey: 1994). Politics is a characteristic of the social process. If knowledge is socially constructed then it would be accepted and/or rejected by others, thus power relations play a key role in the interpretation process (Chiva and Alegre: 2005).

Chilean biologists, Maturana and Varela, (1980, 1992) exponents of **auto-poiesis theory,** postulates the components of self-organising systems are those which re-create their own system, autonomously and in a closed-way. (Chiva and Alegre: 2005; Stacey: 2003).

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Autopoiesis theory posits a system can create itself, that is, organisations initially have no identity but evolve internally and in conjunction with the environmental factors of co-determination and co-creation. The theory's roots lie in the natural science and an analogy is a plant, where the leaves, stem etc are all parts. The form it assumes occurs with its location within its environment – it evolves into a whole in which the assumed identity is not a pre-given. Hence, Autopoiesis Systems are self-organising (either survives or destroys) unlike open systems, which are self-regulating. This theory posits knowledge depends on the context, is linked to observation (depending on viewpoint), and is not abstract but incarnate in the individual (Stacey: 2003); (Chiva & Alegre: 2005).

The cognitive-possession perspective is criticised for viewing knowledge in a mechanical, linear and reductionist manner. Individual learning perspectives ignores a dynamic environment, underplays context, collectivities and the complexity of the learning process.

The challenges firms face in a highly competitive global context has shifted the spotlight on organisational learning as it is considered critical in giving an organisation the decisive edge, to adapt and innovate.

Becoming a learning organisation allows firms to narrow the scope of error or respond and make a quick comeback.

Intentional learning from on-the-job experience may be the firm's greatest investment (Calhoun W Wick and Lu Stanton Leon argue (1993).

Organisations which are better at learning will able to retain a competitive edge. In his study of nearly 5000 people, Argyris (1994:60) argues cites organisational defences as the most critical barrier to learning.

Organisational defences, is any policy or action which inhibits the meaningful participation of the actors. Organisational defences routines (include groups, inter-groups and interpersonal relationships) are anti-learning and overprotective and are activated by logic or actions aiming to contain the level of embarrassment of what can be talked about or not. This process

also leads to distrust, distortion of information and impacts on learning and strategy implementation (Argyris:1994).

The weaknesses of Hard System thinking were addressed and led to 2nd order systems thinking in which issues pertaining to ethics and participation have been incorporated. 2nd wave systems approach was influenced by theory of Autopoiesis and constructivist psychology and focused on knowledge creation in organisations, participation and processes. For example Autopoiesis theory influenced Ackoff's scenarios based on an inclusive process and Checkland's theories on Action Research included interactive planning in which stakeholders are included, says Stacey (2003).

Checklands Soft Systems Methodology (SSM) used tools, which, via an inclusive process, allowed one to construct systems models, which were not meant to define a blueprint, but served as conceptual models, which contributed, to debates about change. Hence, notions of power and conflict, ways of probing alternative views as well as reflecting the role of researchers, designers, etc, reflected a participatory process. SSM's ideological base, Stacey (2003:) says, rests on a belief in improvement, liberation, participation and respect for diverse views, but discards the insights of Complexity Science; in the process it prescribes what should be done as opposed to describing and exploring what people actually do.

Autopoiesis Theory, Stacey argues (2003:158), laid the foundation of Learning Organisations. How organisations generate knowledge, and how to manage knowledge are of paramount concern. (Nonanka's works – tapping tacit knowledge, reflect much of 2nd wave systems thinkers.) Knowledge generation is a process in which individuals possess knowledge and join groups whose outcome is knowledge. Observation of this process can allow one to control and manage collective knowledge by capturing, sharing and storing the information made explicit. In essence, knowledge creation is a process of transmission. Constructivist psychology postulated human beings determine the world they experience and that one must be able to reflect on how we operate.

Systems Thinking postulate a whole separated by boundaries, between internal and external levels, ignores paradox in which humans are both free and autonomous. Change is designed by autonomous individuals, for example, researchers, who define the context and tools for discussions and observe stakeholders. 2nd Order systems thinking contributions was its shift

towards process thinking in terms of the exploration of knowledge, social processes, and the significance of conversations and participation in impacting on organisational behaviour.

Thus the insights of Chaos and Complexity Theories developed in the 1970s and 1980s influenced system thinking in general, albeit, theories which developed were underscored from a system's perspective (boundaries, interventions by designers and primacy of the individual etc).

Second or Soft Systems Thinking was a significant shift from its predecessor on various fronts: the approach was more descriptive rather than prescriptive. 1st order Systems Thinking was goal-seeking, concerned with optimisation and was functionalist while Soft Systems Thinking embraced participatory processes. Further, the shift is from prescriptive to interpretive phenomenology and one which is concerned with social processes in which social reality is constructed and re-constructed. This paradigm introduces process-thinking concepts of interaction between ideas, values, power positions etc. Process thinking means interaction between human bodies that simply produces further interaction. (Stacey: 2003:193).

Stacey's critique of Soft Systems is that in making boundary judgments one needs to question who is drawing the boundaries for systemic interventions. Subsequent theorists take on this challenge and argue different systems required correspondingly different interventions. Therefore, multiple-systems tools were proposed to deal with different contexts.

Modern day practice still has a basis in humanistic developmental psychology, with its narrow focus on the self and ignores the dynamics of power in organisations, conflicts of purpose and the collective nature of learning and practical sense-making. It ignores the social and material constraints on the achievements of aspirations. The authors argue this approach is manipulative, however, in the broadest sense there is an emancipatory agenda in the development and sharing of knowledge (Burgoyne, Reynolds:1997:337).

The trends in critical action learning, collaborative and reflective enquiry suggests ways forward. New collectivism, stakeholder society, communitarianism and organisational learning approaches, offer a better route forward is premised on the understanding of learning as socially constructed (Burgoyne, Reynolds: p331: 1997).

Current theorists focus on how best to understand this process and essentially, the tension rests between two paradigms – Systems and Process thinking. The former views knowledge in transmission terms in which agency is located within the individual who joins other individuals, share, exchange and transmit knowledge and the latter view sees learning as socially constructed, where neither the individual nor the group is primary - learning is then a relational social process within the context within which the learning takes place.

Hence, how people make sense of themselves and others within a particular context, how they act and how learning takes place underscores theories on strategy formulation and implementation. The tension about whether strategies emerge incrementally, are designed in a top-down fashion or bottom-up fashion or encompasses a greater complex relational dynamic is the concern and challenge of strategy theorists.

2.2.3   Strategy Theories

The evolution of strategic management was and continues to be a dynamic, multidimensional synergising theory and practice in which the academy, business, environmental factors (industry, legislation, social norms etc) wars and globalisation impacts on its content and growth as a science.

Theories in strategic management, which were influenced in its early years by economic theory, concentrated on market characteristics and rationalism, were heavily influenced by classical theorists and were rooted in scientific management. The assumption was that all firms were alike and decisions were essentially rational and predictable based on cost and demand. Later disciplines such as political science and organisational sociology influenced strategic management thinking (Rumelt, Schendel and Teece:1994:4).

The latter half of the century was a period marked by difficult economic conditions and raised questions about capitalism, the efficiency of business, interest in concepts pertaining to business organisational theory and theories of imperfect competition. The science of business management was challenged by input by theories pertaining to organisational sociology in which concepts were introduced which distinguished work which makes the organisation efficient, and work that made an organisation effective (Rumelt, Schendel and Teece:1994:6).

The diverse trends from organisational sociology, impacting on perspectives in strategic management, (and on strategy formulation), according to Rumelt, Schendel and Teece (1994: 25) are: **Contingency Theory** (mid1960s-1970s), which proposes that structure, follows environment and must be able to cope with uncertainty. **Resource Dependence** argues it is the flow of power and control over resources that determines what an organisation does. **Organisational Ecology's** focus is with the firm's ability to actively adapt to changing condition and views the strategy of the firm as fixed at its inception and unchanging over time. This view does not explain the phenomenon of firms that are able to adapt. **New Institutionalism** maintains society at large is the source of concepts and organisational institutions adopt these and thereby gain legitimacy. The thrust of adherents of new institutionalism being is that cannot aggregate and treat a collection like an individual. **Organisational culture** maintains that culture must be understood holistically via direct

participation. Culture is seen as an impediment to change and as a source of unusual excellence.

SCF during the1960s-1970s underscored much of managerial practise and in the later years when corporate tools of analysis included SWOT (Strength, Weaknesses, Opportunities and Threats), Industry structure and Value Chain Analysis. Porters' analysis incorporates systems dynamic thinking in which he argues links in a successful cluster in value chains create corporate advantage. Planning dominated much of strategic content (pre-dominantly focusing its energy to budgeting and short-term financial planning) during these eras. Open systems theory had a major influence – this theory suggested organisations were akin to organisms in the natural environment and concepts of strategic adaptation by organisations were introduced. Much of strategic management's focus was on "positioning perspectives" (Stacey:2003); Rumelt, Schendel and Teece (1994: 25).

Strategic management's thrust in the 1960s centred on the entrepreneurial responsibility of management's focus was to be on the dynamic direction a firm assumed in the long-run while simultaneously ensuring operational efficiency. For example, Chandler's, Strategy and Structure (1960) focused on corporate strategies and diversification strategies, as well as explored the growth of large businesses and how their administrative structures had been adapted to accommodate their growth. Chandler's focus was on how innovative executives achieved remarkable performances and in this way he defined strategy separately from structure. It is important to note the influence of SCF theory (Rumelt, Schendel and Teece :1994: 25).

Kenneth R. Andrew expanded upon Chandler's concepts in his text for business policy (1971) in which he included the notion that firms had to adapt to uncertain environments by conducting an internal and external appraisal of the firm – that is, the significance of the SWOT analysis. Strategy matches what a company can do (strengths, weaknesses) within the universe of what it might do (opportunities and threats).

The Boston Consulting Group (BCG) made the distinction between operational decision-making and corporate strategy. The BCG introduced two concepts, the experience curve which proposes whoever captures market share early and whoever gained experience in production would end up with the lowest curve and those with the lowest cost will have the

highest margin. The other concept was the Growth-Matrix (the plotting of a firm's assets, weak, potential etc). This guided strategic planners for much of the decade (Rumelt, Schendel and Teece 1994: 13).

In the 1970s interest revolved on concepts of strategic and long-term planning - concepts which owed much to the diffusion of war-based planning experience. For example, George Steiner wrote extensively on long-range planning processes, which he learnt on planning by working on materials allocation in Washington during WWII. However, this planning failed to survive the 1973 oil embargo crises, inflation and international competition. Advanced planning, thus did not match strategy implementation and execution. Observation of this process showed that a somewhat chaotic process occurred in which strategy emerged. Mintzberg and Water's (1978) "emergent strategy" was an attempt to gain insight into *"organisational processes which produced strategy as a somewhat unintended outcome"* (Rumelt, Schendel & Teece: 1994: 21).

Organisational behaviour theory dominated much of strategic management, prior to management guru Michael Porter's approach to strategy which relied heavily on industrial organisation economics. Porter's work inspired the Resource-Based Theory of the firm and Game Theory modelling in the 1980s (Rumelt, Schendel and Teece 1994: 561).

Hence, planners in the 1970s were guided by Andrew's SWOT analysis and later in the 1980s by Porter's notion that the structure of an industry determines the state within the industry and sets the context for a company's conduct, that is, their strategy. Porter's critics argue his analysis places the spotlight on "industries" while ignoring individual company's characteristics (Collis & Montgomery: 1999: 25).

The authors criticise internally focused theories of the 80s and say corporate strategy did not take into account a rapidly changing environment. Strategic thinking in the 1980s revolved around portfolio planning, experience curve, PIMS and Porter's five forces; and these strategies were relevant in a stable environment. However, global competition and technological change laid to rest and saw the decline of strategic planning as managers were unable to keep apace in rapidly changing markets (Collis and Montgomery:1999: 33-62).

New ideas of strategy may be seen in the 1990s within the context of increasing globilisation of the world's economy, with theorists concentrating on how MNC's co-ordinate and direct their resources and activities within a particular context. The realisation was that planned, intended strategies were not bearing fruit.

In fact, Walter Kiechel (1984) points to a study which shows only 10% of intended strategy is realised, and reveals that 90% of a firm's strategy emerges or is an unintended outcome.

Hence, subsequent theorists and business practice in the 1990s incorporated diverse and integrated views of what gives a firm the edge in highly competitive and uncertain environments.

Mintzberg describes planned strategy as when step-by-step instructions by the thinkers would be executed by the doers. Strategies, he argues, are mere visions, not plans (1994:107).

Planning, is about analysis, breaking down goals into steps, formalising the steps and articulating the anticipated outcomes for each – unlike strategy making which is a synthesis, involves intuition and creativity in which novelty emerges (Mintzberg: 1994:107).

Strategic planning makes the assumption that the future is predictable; that strategies may be detached from the subjects of their strategies and that strategy-making process can be formalised (Mintzberg 1994:108).

Mintzberg distinguishes between deliberate strategy that which is realised by the specific intentions of senior managers and emergent strategy, when a convergent pattern forms among the different actions taken by an organisation at a particular time.

Emergent strategy is formed unintentionally and is an unconscious act by senior managers or others, often through a process of learning to find a viable course of action. In this sense emergent strategy moves beyond the functionalist approach and encourages informal learning All strategies reflect a combination of deliberate and emergent qualities in strategy-making (Mintzberg:1995:113).

Rumelt, Schendel and Teece (1994: 38) argue strategic management is characterised by its concern with four fundamental questions within a context of a shrinking world, intense competition, complex environments and the increasing ability to survive. The questions are concerned with how firms behave; why firms are different (despite competition and imitative actions); the role of senior executives in creating value or preventing loss and what the determinants of success or failure are in international competition (which explains why some firms enjoy more success than others).

"Strategic management has to do with groups, their births and their continuing success. It does not assume that the group's purpose is beneficial, but simply that groups form and exist because it has a purpose. Groups exist within a context and the context governs conditions of success. It is management's responsibility to see that the group adapts to its context and survival in the end is an objective definition of success" (Rumelt, Schendel & Teece:1994: 39).

Collis and Montgomery (1999: 26) forward the **Resource Based View** (RBV), which contends that a firm's resources are a key driver in dynamic environments. RBV theory, these authors argue, incorporates the internal analysis of phenomenon within a company with external analysis of industry and competitive environment. The context a company operates in, the resources it has is pivotal in shaping its strategy. RBV relies on economic reasoning, that is, the companies resources are subject to the interplay, between fundamental market-forces of demand, scarcity and appropriability.

While these authors suggest that a macro-analysis framework is operative within this theoretical framework it must be stated that RBV is internally focused. The RBV view focus is on developing and improving the company's special resources and competencies, (its assets, skill and capabilities) may be generalised or specialised.

For Collis and Montgomery (1999:27) success is pivoted on the continual upgrading of one's resources. A company's location on the continuum constrains the set of businesses it competes in and limits its choices about the design of the organisation. Managers, the authors say, can forestall competition by building strategies accordingly. Valuable resources are difficult to replicate in new market as no two companies are alike.

US and UK firms pre-occupation during the 1980s and 1990s of being internally focused led to the creation of a generation of the denominator manager whose focus was to restructure (down-size,) and/or re-engineer (getting things done faster with less waste). Restructuring attempts to correct the mistakes of the past and re-engineering involves playing catch-up to competitors. Restructuring and re-engineering a company in the absence of creating markets of the future would be at the company's peril (Hamel and Prahalad:1994:6).

Theories in the 1990s revolved around behavioural processes of a firm – the focus was on developing a firm's Core Competencies and Dynamic Capabilities. This view was put forward by strategists and academics in observing how adaptive firms and incumbents were able to effectively compete with well-established firms in the US and UK in this period.

Dynamic Capabilities are the set of business processes that give the business edge in the eyes of the competition. A CEO's success is to build and manage a company's combined scale and flexibility which will outperform its competition. Companies should embrace the concept of capabilities-based competition in that they anticipate market trends and build dynamic-capabilities to respond quickly. (Stalk, Evans & Shulman: 1999: 171-204)

The authors cite the competitive war between Kmart and Walmart as an example of how the development and building of dynamic capabilities by Walmart, led to it outperforming, KMart, king of the discount retailing industry, within a decade of the incumbent's entrance.

In 1979 Kmart had 1891 stores nationally in the US, the average revenue per store $7.25 million. Walmart, a small niche retailer in the south had 229 stores, the average revenue $3.1 million per store. In 1989 Walmart doubled Kmart's earning and was considered the largest and highest retailer globally with its growth concentrated in half of the US (Stalk, Evans & Shulman 1999:173).

The authors contend Walmart's competitive edge arose because of its ability to respond to customers needs, quickly. Walmart built its capability by investing in computer technology, a dedicated fleet of trucks and a decentralised system of control. Walmart was able to minimise the time it took for goods to be stored in a central warehouse where goods crossed from one dock to another in under 48 hours. The industry norm is once every two weeks.

Walmart, was able to fine-tune its business organisational processed while Kmart followed classic text-book approach. The difference is Walmart emphasised behaviour – the organisational practises and business processes in which capabilities are rooted – as the primary object of strategy.

"When economies were relatively static, strategy could afford to be static. In a world characterised by durable products, stable customer needs, well-defined national and regional markets and clearly identifiable competitors, competition was a "war-of-position" in which companies occupied space.... Traditional approach is obsolete within a global context. In this more dynamic environment strategy has to be correspondingly more dynamic. Competition is now a "war-of-movement" in which success depends on anticipation of market trends and quick response to changing customer needs" (Stalk, Evans & Shulman: 2000:175).

Organisations, the authors argue, must be a giant feedback loop which begins by identifying customer needs and ends by satisfying them. Companies are able to outperform competitors along five dimensions: speed, consistency (satisfying customer expectations); acuity (ability to read and respond to customer environments); agility (adaptability to different business environments) and innovativeness (capacity to generate new ideas).

The theories of this period basically urge senior management to challenge orthodoxy and rewrite the rules.

"Strategy is both a process of understanding and shaping competitive forces and a process of open-ended discovery and purposeful incrementalism" (Hamel & Prahalad:1994: preface).

Companies who intend competing for the future should build the core competencies of the firm as well as forge strategic alliances. To be a leader, the primary task of top management is to re-invent industries and re-generate strategies not re-engineer processes. Transformation must be revolutionary in result but evolutionary in execution (Hamel & Prahalad:1994:23).

Competition for the future then is about collaboration and competition for opportunity share rather than market share; building competencies and capabilities is people-centric and

situated in environmental and industry analysis. The notion of one size not fitting all and that strategy must be context-specific is proposed by several theorists studying MNCs and the challenges they face in emerging markets.

US-based MNCs in search of growth in emerging markets like China, Brazil and India will have to rethink their business models in order to be successful. During the 1980s MNCs operated on the assumption that emerging markets will serve as a sponge and absorb their old productive practices. MNCs brought their products and market strategies to emerging markets without accounting for the market appetite in the new markets, that is, the indigenous appetite for Western brands. For example, Revlon in India appealed to a niche market only.

MNCs assumptions of emerging markets meant they super-imposed their models in contexts which were different from those they operated in. Good business advice in London or New York may be very mis-directed in emerging contexts, and "*something gets lost in translation*" when that advice is given to groups in emerging markets (Prahalad & Liebenthal:1995:95-120); (Tarun Khanna and Krishna Palepu:1999:147).

Companies should adapt their strategies to fill their institutional context - the country's products, capital, labour markets, its regulatory systems and mechanisms for enforcing contracts are some of the dimensions that need to be taken into account. Western economies and emerging markets have different institutions and perhaps strategy formulation needs to take into account these differences and begs that for success to be realised cognisance of local diversity is a necessity.

Stacey argues that SCF approach developed in the 1980s in which RBV and competency based-theories were presented as solutions in environments characterised by hyper-competition. RBV theories reflect a neo-classical view of the firm's structure and environment and emphasised the significance of resources which must be continually upgraded to match the environment. Organisational success is thus seen as flowing from clear, prior, organisation-wide intention and is in keeping with SCF principles.

Kagono, Nonaka, Sakakibara, Okumura's (1985: 1-140) comparative study of US and Japanese firms framework, modelled on contingency theory - proposes that structure follows environment and must be able to cope with uncertainty.

Their studies emphasised changes in the environmental variety (the context an organisation inhabits, legislation, industry changes etc) emerge at various levels in strategy formulation, organisational structure, processes, leadership behaviour, conflict resolution and control processes, etc. Their studies show how the environmental variety in the US was markedly different from Japan and how this accounts on the differences in organisational variety (structure, processes etc). Hence from this perspective environmental varieties are different and therefore different patterns of adaptation emerge.

US firms pursue profit in a highly competitive environment, (characterised by diverse markets, labour markets which reflect high mobility, a highly constrained environment because of regulatory bodies), while Japanese firms pursue growth in opportunity-based environments (reflective of higher barriers to entry, highly volatile markets, high rates of technological change, lower labour mobility, low competition).

Hence, the organisational variety (strategy formulation, organisational structure, processes, leadership behaviour, conflict resolution, control and processes) is shaped to match these objectives. Differences emerged at various levels - in terms of strategy formulation, US firms emphasise mobility, short-term capitalisation or resources in the pursuance of profits, competition and cost-efficiency. Strategy is articulated more clearly and formally (Kagono, Nonaka, Sakakibara & Okumura: 1985: 1-140).

Strategy formulation in Japanese firms involves a process of interaction of various people, rather than judgement based solely on executives. Japanese firms emphasise strategies on production quality and improvement unlike US firms which focus on product strategies and the development of new products, the authors argue.

US firms reflect a mechanistic system in which power is centralised with highly divisionalised systems, where the finance and control departments are placed as key departments. US firms structure a system centred on performance appraisal and financial re-muneration. Decision-making is delegated to the division of managers which suggest vertical networks of control. On the other hand, Japanese firms are reflective of organic systems, exhibiting participatory management and horizontal networks of co-ordination and control.

"Organic structures are said to be superior in terms of adaptability to environmental change while the mechanistic structure is superior in terms of efficiency" (Kagono, Nonaka, Sakakibara &Okumura: 1985: 41).

In terms of learning, individual learning takes place through the system while in Japan organisational learning occurs via groups, reflecting concepts relating to organisational learning theories discussed earlier.

Japanese managers are change-orientated while senior-executives in the US play a major role in initiating and implementing innovation. Company ideology is formalised to a greater extent and employees have a strict code to abide to in the US, while in Japan there are broad guidelines adhered to, but freedom of interpretation with regard to specifics (the how-to) is driven by the individual work-groups understanding (Kagono, Nonaka, Sakakibara, & Okumura:1985:48).

The Japanese approach allows interpretation and implementation to be adapted to the conditions facing the firm. Rather than instilling management ideology in a top-down approach, CEOs of Japanese firms engaged with individuals and groups, and corporate culture was a consequence of those processes. A characteristic feature of Mckinsey and Company was the active pursuance by the CEO of the values embodied within the firm (Kagono, Nonaka, Sakakibara, & Okumura:1985:140).

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However, the authors warn that while organic systems may be suited to change, the process is slower because the consensual approach favours incremental change rather than revolutionary changes. One observes SCF elements at work in this study as the authors contend that the CEO's role is critical in spearheading revolutionary change.

The author's research was aimed at indicating the significance of context as a critical variable in shaping the organisation and their studies gave insight into organisational behaviour and the form it assumes in adapting to changing environments. The research showed that the "participative management" approach reflective of organic systems was critical to the success of Japanese firms. The findings revealed that organic systems have open cultures and are more able to adapt to change than mechanistic firms (Kagono, Nonaka, Sakakibara & Okumura:1985: 1-140)

While having discussed much of the intricacies of organisational forms, processes and the impact of the environment on its form the authors note that both US and Japanese firms, in meeting the challenges of international competition, globalisation, technological changes and volatile markets, display mechanistic or organic systems. The authors cite IBM and Hewlett Packard as examples of firms which display organic systems while Hitachi and Matsushita were firms which displayed mechanistic models.

While the authors premise their argument that different environmental varieties impact differently on organisations, they do not forward an explanation as to why different companies behave differently in the same context. And, perhaps in here lies CRP's strength as it focuses on micro-level diversity to explore such dynamic phenomenon.

Developing a framework from which to manage uncertainty, regardless of different environmental varieties, is considered central to an organisation's well-being. Theorists from this perspective point to the ability of an organisation to learn faster as a solution to deal with uncertainties. The ability to re-examine paradigms, individually and as a collective is part of the process of building the firm's dynamism and capacity to respond to competitive and uncertain environments.

Adaptive companies are those able to adapt to changing environments – able to develop in good times and switch to survival mode in turbulent times. The ability of an organisation to learn faster than its competitors is the only real sustainable advantage. The significance of institutional learning is critical in gaining an edge, in being able to adapt and respond to rapidly changing conditions, in which long-term planning is possible. (De Geus: 1997:56)

Shell emphasised ways to "speeding the learning processes", not planning. The learning process was accelerated by the suspension of corporate rules via games or "what-if" scenarios and computer modelling, which allowed senior managers to stay in tune with an inconsistent world. Senior managers, have to revise their views of the world. Planning is part and parcel of learning and corporate planning is institutional learning. (De Geus: 1997:58)

One-third of listed companies in 1970 of the Fortune 500 vanished by 1983, yet there were those who survived for 200, 300 and even 700 years. The ability of the companies to survive

over centuries, according to De Geus (1997) lies in their ability to recognise and react to environmental changes before the pains of crises. Successful companies are able to institutionalise change.

Shell grew out the knowledge of itself and its environment. Relevant learning in a company implies the learning is done by people who have the power to act. Therefore, the purpose of effective planning is not to make plans but to change the microcosm (the mental models decision-makers carry in their heads (De Geus:1997:56).

Learning is continuous knowledge. The decision-making process is a learning process whereby the individual changes his/her mental models to build a joint model as they talk. The challenge is to accelerate learning processes in a fast-changing world. The industry norm is it takes 12-18 months the moment a signal is received until it is acted on. The accelerated learning tools executed at Shell, for example Scenario Planning, shortens the process.

One observes cognitive-perspective influence in De Geus's approach to learning. De Geus says institutional learning is a process of language development where the implicit knowledge of each learner becomes explicit and becomes the building blocks of institutional knowledge. The pace of change depends on the culture and structure of the organisation. Flexible, communication channels learn faster and the best learning takes place in teams that accept the whole is larger than the sum of its parts and that there is a good that transcends the individuals. Teams in rigid and inflexible structures and inflexible information systems learn slower (De Geus 1997:63).

De Geus contention in favour of open environments, fostering greater learning, gives weight to CRP's principles.

In dealing with uncertainty, senior executives have to devise new ways of thinking of strategy. Previous executives took a binary view of strategy - they either overestimated or underestimated uncertainty. Risk-averse managers suffer from decision-paralysis. In uncertain environments the mistake is to let strategies run on auto-pilot and update them annually. (Courtney, Kirkland and Viguerie: 1999:32)

The authors' view of the firm is premised on "systems" concepts. The comprehensive strategy tool-kit for Courtney and Company, include Scenario Planning, Game Theory (based on competitors conduct), Systems Dynamics (Peter Senge), agents based simulation models and real options valuation models.

On the other hand, Brandenburger and Nalebuft, use Game Theory to shape strategy. Business strategy, these authors argue, is about shaping the game one plays, not just playing the game you find (1999:67).

Game Theory was developed by engineers and a mathematician in 1944. The thrust of this model is placing oneself in the shoes of others and playing out all reactions and possible outcomes for the purpose of identifying the possible steps players may take. Companies playing this game will adopt perspectives which will then allow them to see the chances of success are greater if they create a win-win situation, that is, consideration of both co-operation and competitive ways to change the game. Participants in a game thus acknowledge that businesses are interconnected and players are interdependent. The elements of game are players, added values, rules, tactics and scope. Companies can design strategic tools by incorporating these elements.

Strategy traps include playing games to win at the expense of others; being unique is not a pre-requisite for success; failure to see the whole game; failure to see the role of complimentors and the need to understand that different parties view games differently (knowing this and understanding this allows one to negotiate a better space) The authors' argue that playing the game is an ongoing and dynamic process. (Brandenburger& Nalebuft:1999:69).

This implies an understanding the emergent strategy, the responses of others can not be controlled and impacts on the strategic outcomes.

Until the 1990's planned strategy was dominated by the environmental, rationalist or planned approach to strategy formulation. Stacey talks of SCF or the rationalist approach in which the shortfalls of this framework led to the RBV view. The RBV is reflected in Dynamic Capability, Core Competency and Learning Organisation Theories.

Thus one views a shift from planned strategy to those eschewing emergent strategy (incrementalism) or contingency model (logical incrementalism), as discussed by Kagono, Nonaka, Sakakibara & Okumura), which are more process focussed.

If one accepts the framework Stacey postulated in viewing theories and unpacking their inherent assumptions, one observes that the theories postulated thus far focus on improvement whether radical or incremental, from a view point of someone stepping outside of the system and able to leverage points within a system to a future which is unknowable. This in itself is a contradiction in terms of Complexity Theory.

A brief overview of Complex Adaptive Systems (CAS) allows one insight as to the content which informs the Learning and Knowledge Management Theories in the latter-half of the century. Further, it allows one to juxtapose CRP against the theories posited thus far.

2.3   Complexity Theory, Complex Adaptive Systems (CAS) And Complex Responsive Processes (CRP)

2.3.1   Complex Adaptive Systems View of the Organisation

Systems Theory shifted from focusing exclusively at the macro-level to seeing both macro and micro level analysis as important. Systems Theory assumes systems gravitate towards equilibrium, and in non-linear relations systems may jump from one point to another via manipulation or control by the objective designer(s). However, systems thinking, does not fully embrace Complexity Science insights which reveal transformative, self-emergent properties are displayed in the absence of design.

CAS studies are based using computers as analogues to explore human systems in which computer simulation revealed emergence as a consequence of local interaction. The digital symbols in computer simulation interact with each other and in the presence of diversity, self-organise and produce emergent change. The simulation displays how overall patterns emerge taking the form of algorithms (if-then calculations) of agent interaction. Computer simulations indicate patterns of interaction. (Stacey:2003:235)

CAS Theory consists of large numbers of agents, each behaving according to some set of rules which require agents to adjust their behaviour to that of other agents. In organisational terms it deals with networks of people relating to each other (Stacey:2003: 237).

From a CAS view scientists would seek to identify common features of the dynamics of such systems or networks in general. The concerns then would be how complex non-linear systems with large interacting agents function to produce orderly patterns of behaviour (Stacey: 2003:238).

However, Complexity Theory is not directed at blue-prints for the overall system nor of modelling agent interaction. Complexity Theory posits no individual agent or groups of agents by themselves are able to determine patterns of behaviour the systems display, or how they evolve. Integral to this process is the ability of the system to self-organise via a process

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of agents interacting at local level according to their own principles in the absence of a blue-print.

Orthodox advice reflects no connection between formal planning and superior performance. Planned change of organisational culture often does not work (Martiny: 2003). Organisations, he argues, do not only adapt to the environment but create it. Success comes from contradiction as well as consistency.

In terms of change and control, SCF views change as a top-down process in which managers choose the strategic directions. Learning organisations believe managers are able to capture knowledge, identify leverage points and control and develop the system.

Psychoanalysis view organisational change when managers regulate the boundary between psychic lives and their roles. Complexity Theory challenges notions of control as it views the nature of relationships and participation as producing changeable forms of behaviour (Stacey: 2003:281).

Leading complexity theorists emphasise different features as central in CAS. According to Stacey (2003: 249), Langton and Kauffman view emergence and emergent novelty as fundamentally important, while Gell-Mann emphasises chance in the evolution of CAS. Holland assumes the objective observer's role and argues modelling as central in understanding system behaviour.

Goodman, on the other hand, upholds the radical implications of complexity in placing the centrality of relationships and participation – the network of interacting agents within an environment and context where forming and being formed by another is emphasised rather than random mutation in the emergence of new forms. The new forms which emerge are radically unpredictable.

Stacey points to significant insights which emerged from CAS which is that paradoxical behaviour is displayed in which competition and co-operation co-exist in the evolution of the system; (that is agents compete and co-operate, in which rules change, spontaneously in the presence of this existing tension) and symbiotic reproduction (where you have cross-over replication.).

Further, the system takes a life of its own which makes it difficult to talk of whole systems, because one may not predict its final form. The crucial difference between chaos, dissipative structures and CAS is that the former models systems at the macro-level by means of non-linear mathematical equations. CAS differs in that it locates the focus of analysis primarily on the micro-level (Stacey 2003:261).

Theorists bid to gain insight of human behaviour by observation and building models to aid decision making at macro-level, equates managers with the role of designer or builder. In doing so, theorists are side-stepping the possibility that management is part of an evolving process and obscures the dynamic nature of interaction at local level and devalues the dynamics of power, conflict, emotion, etc.

Complexity Theory is explicit in the notion that no single or group of heroic agents is able to step outside the whole system and explain its behaviour or predict an unknowable future as reality is reconstructed in a self-referential manner amongst networks of interacting agents (Stacey: 2003:265).

According to Stacey, Marions analysis of the developments in the IT industry over a 50 year period, reflects that no single entity or even groups of a powerful few are able to control and direct complex networks. Therefore, no single organisation within the industry chooses the future direction of the industry or how it may evolve. For example, computer industry kings, like Micro-Soft, are being challenged by freely available operating systems on the Internet which nobody could have foreseen would happen.

System theorists application of Complexity Theory, as reflected in the section on learning and strategy theories, aim to develop models which emphasise structures or model agent behaviour which will be more adapt in dealing with the environment, have in fact, de-valued the insight of Complexity Science in which the form emerges.

Various theorists and practitioners, from the systemic perspective conjure notions that (CAS) structure themselves in a more agile so that they may adapt easily during turbulent times. Theorists and practitioners may outline characteristics of structures which would serve as a guiding principle for self-organisation. For example, CAS structures may be discussed as,

loosely structured; have fewer rules (standardisation); less formalisation; highly networked systems with relatively autonomous units in which authority is decentralised and where co-ordination is pivotal and favours flexible relationships.

Multi-skilling of senior management or experts becomes central for the adaptability of the organisation. The communication and control system of complex adaptive systems should display higher adaptive features because of the high-levels of interdependence. Structures modelled in the above example it is believed promotes faster feedback in the belief that the reciprocal impact on output would be greater.

Complex systems, may be self-organising, disintegrate, stay rigid in repetitive ways and display the potential for emerging into a new form and shape which cannot be predicted in advance; however this does not mean it could lead to survival. There is no guarantee of survival (Stacey:2003).

"Managers can't create the context and let self-organisation happen because managers are part of the context and process of self-organising. Self-organisation is not a new form of behaviour it's a different way of understanding behaviour, how people have always behaved. The question is whether self-organising behaviour produces patterns that block or enable change" (Stacey: 2003:383).

And, while one may provide qualitative descriptions of a system over time, Stacey argues, one can only do this in terms of the attractor the system is drawn to. He says one cannot foresee new attractors the system may be drawn to or jump to, spontaneously, until the jump has already occurred.

Hence, in terms of strategy, managers ought to embrace the paradox of uncertainty and un-predictability and acknowledge one cannot see the shape of the attractor until one is familiar with its form, that is, you cannot forecast on something you do not know.

For Stacey, researchers couch complexity language in watered-down versions of systems or strategic choice frameworks. Viewing organisations through the prism of system thinking is problematic as human behaviour is reduced to a few key rules. Such thinking view managers

as solving dilemmas rather than facing paradoxes. It assumes managers are able to recognise when an organisation is at the "edge of chaos".

Critical Systems Thinking still hold central the concepts of whole and boundary, however, Stacey acknowledges that there is a stronger shift towards process-thinking; from the focus of the primacy of the individual to relational and social perspectives in which both the individual and group is considered primary.

Stacey cites Wenger's work on "Communities of Practice" as revealing of Critical System Thinkers shift in the development of social and participative aspects of decision-making and problem solving in organisations (2003:201).

Application of CAS whereby leaders create healthy environments in which a few simple-guidelines will push the organisation to a self-organising one in which its potential is unleashed, Stacey argues, is rooted in the ideology of harmony and ignores the potential emerging from daily participation, ignores dynamics of conflict, differences etc.

Hence, the notions of organisations in which leaders facilitate space and let things happen, or the choice of appropriate leaders depending on where the board would like the organisational state to be, still operates from the context of an outside designer manipulating the system.

Mintzberg and Waters (1985: 225) define umbrella strategies as those in which leaders provide space for strategy to emerge within loosely-defined boundaries. Stacey says the Simple Rules Approach reflect characteristics typifying this approach.

For Stacey, the problems with Chaos and Complexity Theory as applied by Wheatley (1999) is that she transfers the insights of natural living systems and views organisations as living systems. The view of living systems sets up the whole in which leaders apply simple rules for the good of the whole is akin to Learning Theory. Stacey draws on Griffin's critique of Simple and Living Systems Theory arguing it is actually a disempowering process which encourages the shifting of blame, is alienating and ignores that communicating and interaction is alive.

The simple rules approach aims to accomplish two attractive states: one in which simple rules replace complex procedures and bureaucratic forms by freeing individuals to act creatively, the other, is a replacement of bureaucrats by autonomous people. These theories operate within an ideological framework of harmony, in which people submit voluntarily for the greater good. It distracts attention from the essentially conflictual nature of human interaction, obscures power relations and views organisational behaviour as those exhibited in cults (Stacey: 2003).

The problem is that much of the theories discussed in the last quarter of the century revolve on ways to manage, adapt or respond to challenges, few of which, according to Stacey, discuss how novelty arises, how innovation occurs – it is merely presumed to happen:

"Systems understanding from a complex perspective fails an opportunity to explore what it means to operate as a participant in a setting in which the future is unknowable, is lost. No further understanding of the process of how strategy might emerge from local interaction is obtained" (Stacey:2003:290).

Complexity, Chaos, Synergetics, CAS theory, etc, continue to view managers as able to manipulate or leverage points within the system. The final form or state of intention is a state already perceived in the rules governing the way agents interact.

The theories emphasise the primacy of the individual, examined from a macro-level in which micro-level dynamics are largely ignored, and hence obfuscate the elements of emotion, conflict, stress etc. The danger of ignoring micro-level dynamics is considerable and has bearing on the success and survival of a firm.

The challenges faced by organisations in a rapidly changing world suggest theories which focus on the nature of interaction and interconnection, those which embrace non-linear relations and the paradoxical nature of control, offer greater scope for action. It means in acknowledging the dynamics of relating, the path paved ahead suggests the need to focus on what is happening at micro-level in the living present. Perhaps, CRP may be an alternative way in dealing with uncertainty, turbulence and complex social phenomenon in which the focus is on micro-level communicative interaction in a highly interconnected and networked world. CRP suggests self-organisation is possible in the absence of design.

Summary:

Traditionally, organisations were viewed as clinical clock-work systems in which human behaviour is seen as logical and rational. Classical thinking of organisations ignored the dynamic interaction of individuals and groups with their environment. Critics argue that the classical school and neo-classical school assumed a mechanistic view of organisations, alienated the worker and ignored the importance of individual and social processes within organisations.

Classical Organisational Theory overlooks the contribution of the behavioural sciences and focuses narrowly on the formal anatomy (formal parts and processes) of the organisation. Neo-classical theory compensated for the short-falls of earlier doctrine. Neo-classical theorists accepted the classical doctrine but postulated these are modified by the individual acting independently or within the context of the formal organisation (Scott 1969). While the neo-classical movement was pivotal in systematically exploring the informal structures, they ignored the interaction and complexities within the informal structure.

Modern organisational theories resurrected the social systems (religious, political, etc). Contemporary theoretical concepts view organisations as being a complex mutually interdependent system - allows for a meaningful method of analysis for the study of behaviour in human organisations.

Modern organisational theory closes the gap, is premised on an integrative nature and studies organisations as systems as organisations interacting with the environment or from process and relational-centred perspectives. The literature review provided an overview of CAS. Systems thinking application of Complexity Science aims at ways to manage organisation is a prescriptive analysis and as a result, Stacey says, the radical insights gained from Complexity and Chaos Theories have been lost.

2.3.2 Complex Responsive Processes (CRP)

Complexity Science insights have been applied by both systems and process theorists in which essentially radically different views of the organisation is espoused. Note the significance of the term process, from a systemic perspective "process" is used to signify the interconnection between parts, sub-systems, while CRP uses process to signify the dynamic processes of inter-relating between people, not systems. CAS views organisations as complex adaptive systems, operating along a continuum. On the other hand, CRP, views organisations as complex responsive processes of ongoing human engagement in the living present.

Complexity Theory from a systemic perspective focuses on the primacy of the individual, centres on macro-level analysis while CRP adopts relational-orientated approach and focuses on micro-diversity in which one is an active participant in the process of what emerges.

Stacey's radical application of Complexity Theory views organisations as Complex Responsive Processes (CRP). For Stacey, exploring the "conversational life" of an organisation, offers insights into the phenomenon of what organisations do, how organisations become what they are, and, how those identities continue to evolve. In terms of CRP strategy emerges via collective or joint-action of inter-relating between human bodies in the living present.

Change does not occur from leverage points by managers themselves, but the direction the organisation assumes emerges from the choices and the patterns of responses they evoke from others in a self-organising way (Stacey: 2003: 263).

2.3.2.1 Roots of CRP

Stacey theoretical paradigm is informed by the 19th century philosopher Hegel and the studies of Elias on the sociology of human social orders. The theoretical framework of CRP also owes much to the insights of sociologist G H Mead (1934) and the works of Bakhtin (1920s) (Stacey: 2003: 292 – 318).

Hegel views thought (knowing) as essentially paradoxical and human knowing as a social act. Simply, how one understands the world and the concepts one uses evolves socially in the context of social practice. Individual and social consciousness arises in social relations, simultaneously constructed. Hegel's term *"Aufebung"* which means transformation in which opposites are retained but their meanings change, denotes a dialectical dynamic. Therefore, stability and instability exists at the same time at which another dynamic emerges (Stacey: 2003:295).

In describing the logic of Complexity and CRP, Stacey uses Hegel's notion of paradox, as meaning diametrically opposing forces in which the contradictory opposing elements can neither be eliminated, nor resolved. Hence, Stacey sees organisations in paradoxical terms – one may not be able to resolve but may live with organisational dynamics with its tension generating behaviour which is irregular, unstable and unpredictable and this may lead to creative novelty.

Hegel's view differs from Systems Thinking which operates from Kant's perspective, in which paradox is eliminated altogether and where human knowing is placed in the agency of the individual. For Stacey, the entry point from which the two paradigms view people are different, therefore, the way the theories view organisations are incompatible.

Elias dismissed the separation of boundaries from which to view the world and argued social order emerges via interaction between people, over time. While Elias did not have the insights of Complexity Science to frame his work, Elias's work reflects the concepts of self-organising and emergence. For example, Elias argues what is called Western Civilisation was not an event, intentional act nor planned rationally. Change in society occurred in an unplanned manner which nevertheless displayed a specific type of order, which we now term Western civilisation (Stacey: 2003: 298).

Stacey embraces Elias's views of the paradoxical process in which individuals form groups while being formed by them at the same time – individuals and groups are therefore two aspects of the same process of human relating. Power relations are thus co-created in the medium of language in which power is about relationships which constrain and are constrained.

For Elias, ideology is mutually constructed conversation that is continually repeated. The differences which people emphasise allow power to be preserved, and occurs in everyday speaking and practice. For example, when people talk in terms of "us" and "them", they are displaying a behaviour which indicates polarisation. Ideology and power is preserved by making this behaviour natural in daily conversation. Gossip, for Elias, plays a central role in this process because via gossip power differentials are reinforced and ideology is preserved (Stacey: 2003:297).

Elias sees change as a paradoxical, transformative process. Change is a self-organising emergent process of perpetually constructing the future as continuity and transformation. Order arises in specific dynamics of social interweaving in particular places at particular times. Hence, Stacey argues, if one thinks of societies in these terms it is probable to view organisations in a similar vein. Thus, CRP Theory's focus is premised by the notion that studying the nature of everyday conversation will allow one insight of human behaviour of group processes and of organisations.

Mead and Bakhtin as well as Elias postulate relationship psychology in which both the individual and group is primary in which the energy and the motivation for individual and joint action arise in relationships in which forces enable and constrain interaction. Hence, power relations emerge and are structured on an ongoing basis.

For these theorists the mind and the conversations one has with oneself (the ability to step back not step outside of a framework is a reflexive act) is made possible because of social relationships. It is a mental process which arises between people but is experienced individually and one which is paradoxical in that it is formed by the social/group at the same time as forming the social/group (Stacey: 2003: 293-318).

Bakhin argued social phenomenon are constructed in the ongoing dialogical relations between people. Individuals are not simply effects of social relations nor are social relations simply the sum of individuals. He believed the unpredicted and unfinished nature of dialogue has the capacity to produce novelty and he spoke of the paradoxical nature of dialogue in which there are official and unofficial themes, that is, what may or not be spoken about (Stacey: 2003: 293-318).

2.3.2.2 CRP and Complexity Science

CRP is a radical interpretation of Complexity Science. CRP retains its focus on micro-level diversity in which self-organisation may produce emergent novel forms via communicative interaction. Diversity and deviance is critical for organisations to change spontaneously - a process which is unpredictable.

CRP is thus concerned with the nature of the process of micro-interaction between individuals and groups of individuals in explaining "organising". Strategy and organisational dynamics are seen as non-intentional acts with evolving patterns of organisational and individual identities.

For Stacey (2003:320), organisation's continuously evolve and identities emerge at local level involves inter-relating in which people construct their future continually and the potential to transform occurs simultaneously. Stacey argues human relating does not always fit in or adapt to each other, and therefore one may see human relating not as adapting but as responsive.

When people talk we shape and are being shaped by the themes which emerge and are continually built upon in daily conversations, rather than being shaped by constructed models. In the process of conversing (verbal and non-verbal communication), decisions and actions are formed and taken on an ongoing basis (Stacey: 2003: 321).

Therefore, the focus of CRP enquiry is on thematic patterns which emerge in a narrative way which continually evolves in which the individual conducting the enquiry is also participating. The participants are part of the process in which the course of the problem situation arises and their resolutions trigger yet other problem situations in endless iteration. Observation and participation occur simultaneously. Spontaneity is located in the observer not in the system implies transformational processes are already at work. Stacey says, the minute one focuses differently on things then one is already focusing differently and already doing differently. Therefore, CRP does not separate theory and practice - it is a theory of the unity of theory and practice (2003:316).

Hence, the participant is part of the process in which individuals and groups of individuals take action and evoke and provoke responses from others continuously – and therefore it is not possible to predict how the pattern of responses will unfold past a certain point in the future.

In contrasting Systems and Process Thinking, Stacey (2003:310) says Systems Thinking sees interaction of parts to produce systems, whether real or constructed, in which another level is attained. Emergence, therefore, relates to levels where interaction at one level produces at another level. On the other hand, CRP Thinking sees people in relationships producing relationships, which produce them simultaneously, in which widespread patterns not hierarchical levels arise. The future is continually reconstructed via the interaction of people and in the process of interaction differences amplify and novelty emerges.

System Thinking is based on spatial notions in which the past is factually given, the future is yet to be unfolded and the present is simply a point dividing the two.

Process Thinking avoids spatial notion and takes a circular view of time: "*in which the past is not actually given, but is being reiterated, retold in the present in the light of the expectations people are forming in the present for the future. Expectations for the future are affecting how the stories are being retold and those stories are affecting expectations for the future, all in the present. In a sense the future is changing the past just as the retelling of the past is changing the future, all in the present. The present is thus living in the sense that it has a time structure incorporating both the past and the future*" (Stacey:2003:312).

Self-organisation in complexity is thus about conditions that enable and constrain the interactions between agents, simultaneously. Stacey says that which is organising itself not as separate individuals organising on their own, but are an overall ongoing pattern of relationships at the same time the nature of the agents change. Thus, the system and the agents are emerging together, simultaneously constraining and being constrained by each other.

Common misunderstandings of what it is to manage in terms of self-organisation are those which imply: A wait-and-see approach because something will happen regardless of what anybody does; Full blown democracy and consensual decision-making are pre-conditions for

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self-organisation. Other misconceptions pertain to fears that anarchy will prevail and a belief that the lower echelons of organisations will be empowered (Stacey:2003).

Self-organisation means that far from doing nothing, everything one does or does not do, has potential consequences. Further, there is no reason why people must behave in a democratic and consensual way as pre-conditions for self-organisation. Anarchy does not prevail as the act of a single agent or group face a number of constraints. Finally, there is no connection between self-organisation and the empowerment of the lower echelon and disempowerment of the upper echelons of an organisation (Stacey: 2003).

Self-organisation is about the dynamic way people interact at local level and responses they evoke or provoke in relation to the capacity and resources available at a particular point in time in which counter-forces are at play. The very powerful may have the capacity to implement and control programmes but are unable to control the responses of others. Those occupying positions at the top, Stacey says, did so via a self-organising process.

The insights of Complexity Science in human relationships reflect the patterning of CRP, that is the relational themes, competitive and co-created, evolve and emerge in which themes may display repetitive, unstable or novel forms and in which the "I" and "we" are paramount and formed simultaneously. In terms of patterning of interaction, some themes become habitual, are institutionalised and impart stability and repetition, at the same time, display unstable and transformative potential.

"Complexity Theory demonstrates the dynamics of a complex network of interacting agents is determined by the nature of the relationships across the network. As information/energy flows increase, as connectivity between agents and diversity in the nature of agents increases; the dynamics of the network shift from repetitive and predictable stability towards dynamics of randomness and disintegration. At some critical range, the dynamics of bounded instability appear. In this dynamic, at the edge of disintegration, novel forms or relationships may emerge." (Stacey:2003:352)

From this perspective the processes for self-organisation are considerable. Studies show groups fall into repetitive themes when there is too little information or if the stimulation is

very high with others who are sufficiently too different to be stimulating and implies there is too little content, connection and diversity to produce a change.

On the other hand, Stacey says, human relating disintegrates if people are faced by information overload or if there is connection with too many people very different from each other to form an agreement. Thus themes organising experience are too diverse, interconnected and filled with content, spell for random communication. Free-flowing conversation occurs in between these dynamics. Other factors affecting the dynamics of human systems are power and anxiety.

In respect of power, autocratic power inhibits processes, while abdication of power creates a power vacuum in which competing forces aim to fill the gap. The challenge facing managers is steering between directing and abdicating.

The ability to hold anxiety in a good manner is another challenge manager's face. Avoidance of anxiety is equivalent to maintaining dynamics of stability and regularity, if organisations are suffused with too much anxiety it will cause flight, fight responses, pairing and prevent free-flow conversation in which novelty emerges (Stacey: 2003: 320-336).

For Stacey, group/individual themes resonate with wider themes that organise the experience of being in a community and within a society at a particular point in its history. The themes which arise at a particular point also reflect power relation configurations within the wider grouping.

Further, they reflect the patterns of control over economic resources and therefore, the material, technological and physical nature of the place at a particular historical moment. This does not mean that themes are shared but that the themes represent the experience of what it is to be part of this process, which means organising themes continually arise in interactive relations. Interaction is thus always evolving, a process in which the future is constructed in the living present, while at the same time, spontaneity, continuity and transformation themes are organising as well.

For Stacey, Wenger's process-based theories on community of practice shifts from a micro-level perspective to a macro-framework (exploring systems), while CRP retains the micro-level interaction (social act at local level) in which meaning emerges. CRP retains the insight of Complexity Science in micro-diversity in which widespread patterns emerge in the absence of a blue-print or design (Stacey: 2003: 320-336).

2.3.2.3   Constructing CRP's Framework

From a CRP perspective organisational identity and strategy emerges via ordinary conversation. Thus the focus of CRP is on the way people relate/communicate and interact. Power is implicit in relating and Stacey argues, in organisations asymmetric power-relating occurs. Therefore, conversations are complex responsive processes of relating. Stacey says, change may occur within organisations if the patterns of conversation changes.

In understanding the phenomenon of patterning it is perhaps necessary to gain an understanding of the structure and dynamics of conversations. This paper draws on Stacey's (359-388) theory of CRP and provides a framework from which to understand CRP as a tool to gain a pulse on the conversational life of an organisation. Thus the literature review:

- Unpacks how people relate

- Explains the organising features of thematic patterning

- The organising principle of thematic patterning

The nature of communicative interaction

The organising principle of human experience is via themes, stories and conversations. People relate in the medium of symbols (gestures, conversations, etc) (Stacey: 2003:360).

Symbols: The symbols which inform the narrative structure are proto-symbols, significant and reified symbols. These symbols are interwoven, occur throughout life, and display how people relate and behave.

- Proto-symbols are the elementary symbols which represent the bodily gestures evoked by communication.

- Significant symbols are those which represent the relational experience – the themes which organise the experience of being, a patterning of interacting themes. Narrative themes are mainly patterned on proto-symbols and significant symbols.

- Reified symbols point to a reality, a construct, a model, framework from which one understands and where one projects meaning onto words – it is a thing in itself rather than just a means of communication. Reified symbols mainly pattern propositional themes.

Stories are accounts of a sequence of specific actions, feeling states and events. Stories are used to describe and deal with ambiguity. They give insight into the subjective and allow one to share the subjective experience of each other. Stories display highly passionate emotions.

Narrative Themes, on the other hand, are a story line linked by reflections, comments, conceptualisation, etc. Narratives create a sense of temporality in experience – it links the present to the past and the past to the future. Narratives focus on departure - from what is expected, taken for granted as ordinary and acceptable, and reinforce cultural norms.

Turn-Taking: Conversations Analysts, in building a picture of how conversations produce orderly patterns of behaviour point to "Turn Taking" as the fundamental organising principle of conversations. Turn-taking is building the spin of narrative themes. Turn-taking, as a concept, may be seen in the way people converse: taking turns, interjecting, remaining silent, silencing others, etc, It reflects how conversation is dispersed, spread, establishes power relations, is a reflexive process and is self-organising in itself (Stacey: 2003: 359-388).

The Organising Principle of Thematic Patterning

So, in understanding organisations CRP focuses on the significance of everyday conversations in which thematic patterning occurs, in which power and ideology is at play. Organisational action is never an act of an autonomous individual, action occurs in joint

relations. Themes take different forms and constitute the conversational life of an organisation in which power relations are configured, constructed or blocked.

"How people talk, what patterns that talk displays is of principle importance to what the organisation is and what happens to it" (Stacey: 2003:363).

Change is possible when the conversational life is free-flowing and flexible and impossible when conversational life is stuck in repetitive themes. Therefore the question is how do themes block emergence and/or give rise to new patterns of talk?

Stacey forwards a framework from which to understand thematic patterning. He discusses how organisational dynamics power and ideology may be reinforced or altered by exploring the legitimate themes and shadow themes, conscious and unconscious processes, informal and formal themes and the interaction of these. These interactive themes and process of relating constitutes CRP (Stacey: 2003: 359-388).

Legitimate themes: organises what people are able to talk about openly and freely. These are conversation deemed acceptable and allow one to engage with others, regardless of whether the relationship ties are close or loose.

Shadow themes: far from being illegitimate, are conversations in which one feels less acceptable to talk or converse about one's actions or the actions of others. Engaging in shadow themes is done in informal, small groups, in which trust is a critical component as one cannot talk openly. Shadow themes do not conform to official ideology.

The distinction between the legitimate and shadow themes relates to official and unofficial ideology. Official ideology is dominant and legitimises and sustains current power relations and conversations in this space influences what can be talked about or not. However, it does not determine what may or not be acted upon. When people engage in shadow conversations they do so, secretly. This does not imply those that hold powerful positions of authority do not engage in shadow conversation. Conversations in the shadow are those conversations expressed in the margin. Shadow conversations are explorative in nature, are deviant and do not fit in the legitimate realm. Shadow conversations test boundaries and hence, deal with the unexpected and ambiguous.

The distinction between legitimate and shadow is different from those made by system thinkers of formal and informal elements of an organisation (Stacey: 2003: 364-65).

Formal themes: relate to those elements which are purposeful, task-orientated, in which roles, responsibility and authority are defined.

Informal themes: are those aspects of relations which are not formally defined. Personal and social relations fall into this category.

While some of the propositional themes fall into the formal, modeling of hierarchy, etc, they also display narrative themes in the form of unwritten rules of behaviour, conduct, etc.

Stacey distinguishes between formal/informal and legitimate/shadow themes. Formal and informal relates to the degree of formality while legitimate and shadow relates to the degree of legitimacy (Stacey: 2003: 364-65).

Conscious and unconscious themes: may be understood as processes explored by psycho-analysis to offer explanations of what Argyris described as "Organisational Defenses" (institutional learning is blocked because of unconscious processes of feelings of embarrassment.) While Stacey does not agree with the reasons for blocking, he believes unconscious and conscious processes exist and inform thematic patterning.

Intention, choice, free will, are themes which emerge in relations just like any other organising theme. Likewise, the tools of communication, emails, telephones, blue-prints, etc are just that, they are tools used in the process of communicative interaction with each other.

The organising principle of thematic patterning

Thematic interaction occurs in various ways, legitimate interaction, covert politics and unconscious processes, in which any one of a number of themes may be evident simultaneously (Stacey: 2003: 364-65).

<u>Legitimate interaction:</u> includes formal themes and conscious processes assume a propositional form as expressed in meetings. This does not mean that shadow themes or informal themes do not emerge in the course of a meeting.

<u>Covert politics:</u> is a social process. Interaction may occur between two factions and takes place at a formal meeting organised by legitimate themes. Covert politics has to do with how people may bolster, undermine or shift power relations. The action to remove someone may begin by conversations organised by shadow themes – these conversations can shift power relations and patterning of talk, but it can block as well. The point being, thematic patterning and the nature of interaction affect how an organisation evolves. Covert politics may reflect the informal, shadow themes and conscious processes.

<u>Unconscious themes:</u> are relations organised by informal, unconscious and shadow themes.

Stacey offers an example (2003:364) to illustrate the interplay of these themes in a scenario in which a CEO unhappy with the performance of senior managers threatens to fire them at a meeting. The senior managers griped about the CEO's behaviour towards them and undertook to confront him. However, the next day, senior managers opted for a cautious approach, prepared business plans and raised issues pertaining to the CEO's rebuke of their performance. The example displays unconscious, shadow and informal themes played out after the first meeting, but in the subsequent meeting there was a shift towards formal, conscious and legitimate themes.

Further, the interplay between legitimate and shadow themes creates new meaning and the potential to transform. Stacey cites an example of a company whose official equity policy speaks of gender representation at board level. Senior male and female members are aware of this policy but at a meeting few of either sex question the acceptability of the policy or the absence of women on the board. Therefore, it is acceptable to talk about equity but, not freely about the absence of female presence. Thus, Stacey argues (2003:365) official and unofficial ideology expresses underlying power relations. If this pattern continues over a period of time the pattern of conversation will continue to reinforce the status quo. However, in this example, some individuals, privately galavanised the support of others and argued the need to transform the board. Stacey points to new patterns of conversations being formed. The

decision to make and act on a more gender representative board reflects a process in which the shadow theme becomes official.

The examples display how new themes and new meanings emerged in the interplay of themes and generated greater diversity and variety in the company. Shadow themes may organise collusive maintenance of existing power relations or subvert them, indicates who is included, excluded or marginalised.

The key to transformation is thus diversity, variety, anxiety and misunderstanding. Variety in human communicative interaction is generated by imperfect communication. Misunderstanding involves a back-and-forth process and takes place in which people attempt to clarify meaning (2003:350).

For Stacey, the potential for transformation takes place when there is a critical level of misunderstanding. If misunderstanding is too extreme communication fails. A degree of cross-fertilisation must take place for something new to emerge. For example, if two groups from different fields interact they attempt to create a framework in which terminology is understood by both. Hence, via misunderstanding and cross-fertilisation, diversity is generated in which the interplay and tension between shadow and legitimate themes are all present and posit a dynamic for transformation.

Creative potential arises from the subversion of legitimate organising themes in which power relations are shifted. An organisation's capacity to shift depends on the degree of diversity of its conversational themes for Stacey (2003:353).

Rhetoric, Stacey argues, blocks flexible and exploratory conversations. Rhetorical dialogue provides a framework of reference, makes claims to be truthful, influences beliefs, constructs a sense of urgency and is practiced by all, not necessarily only by those who are the most powerful. Stacey says it is also a mistake to assume that rhetorical conversations are prevalent only in legitimate themes.

On the other hand, free-flowing conversations push the boundaries of legitimate themes. Trust is critical in free-flowing conversations.

Healthy organisations are those reflecting free-flowing forms of conversations, such organisations continually respond, that is, it provokes and evokes responses from other organisations and reacts and responds to these in an iterative manner to survive and prosper. Free-flowing conversations display dynamics of bounded instability. Ailing organisations are those which block conversation (Stacey: 2003: 270).

From the characteristics of shadow themes one may imply that the potential for creativity lies in the shadow themes, which in time test and undermine the legitimate themes. It perhaps needs to be noted that shadow conversations may support legitimate themes, if so, it prevents organisational transformation.

Hence, the dynamics of conversation are such that reproduction and transformation of conversational themes occur continuously. Repetitive patterns block change and free-flowing, flexible conversations shift towards new patterns. This does not necessarily mean that free-flowing conversations take place in small groups. If one considers small groups talk about the same subject, the conversational theme becomes repetitive and stuck. On the other hand large groups may have too many themes and may tend to become disorganised. Highly emotional mis-communication displays disintegrative qualities as well. Organisational health has to do with the capacity to change, produce new forms and depends on free-flowing, flexible conversations.

CRP is the analogue for computer simulations in Complex Adaptive Systems. The digital symbols, gestures and conversations interweave and produce patterns in the form of narratives which are equivalent to the patterns taking the form of algorithms (agents). The interaction of themes and the presence of diversity produce emergent change. Therefore, themes are equivalent to analogues or agents. Imperfect communication and misunderstanding produces random mutation much like the computer simulations. However, human systems unlike CAS do not operate on the basis of adaptation, the responses may be to adapt or not (Stacey: 2003: 270).

"Conversational life cannot develop according to the overall blue-print since no-one has the power to determine what others will talk about all of the time. Conversation is thus self-organising phenomenon and this self-organising continuously produces emergent patterns in itself" (Stacey: 2003:375).

Stacey says it does not mean if an organisation changes its conversations new forms will emerge. The pattern of conversation and activity which emerges is subjected to a selection in competition with other patterns emerging in other organisations. Some will succeed others will not, therefore there is no guarantee for success. However, Stacey posits stability guarantees ultimate extinction; bounded instability creates potential, but does not guarantee survival.

Stacey defines social structure as those displaying repetitive and enduring patterns of recurring relations in their ongoing dealings with each other. Examples of social structures are economic phenomenon – they are patterns of relations between owners of capital and providers of labour, markets are patterns of relations between suppliers and demanders of goods and services. The key feature of all human groups, organisations, institutions and society is joint action.

Organisations, he says, may be thought of as institutions displaying formal descriptions and closely linked to notions of habit, norms, etc of a particular social structure. Institutional themes organising the experience of being together sustain power relations via formal, legitimate and conscious themes. Social processes may be one that patterns communicative interaction as clusters of strong connections.

Organisations involved in shadow themes are those which act as pressure groups and are antagonistic to institutional themes. Change in institutional themes emerges because of the conflict and tension between institutional and shadow pressure groups.

IBM is an example of a company which was stuck in repetitive conversations and reflects the interplay of themes in ushering a new robust organisation. IBM also reflects aspects of CRP theory and the failure of traditional and conventional practice in managing innovation and change.

Gerstner Jr. in his book entitled: *"Who Says Elephant's Can't Dance?"* (2002:1-365) reflects back on his journey during his nine year tenure as CEO of IBM. He may not have touched on the insights of CRP in respect of understanding why organisations behave the way they do, but the similarities are considerable. Gerstener's journey begins when IBM came close to

collapsing in the 1990s. The challenge facing IBM, Gerstner pens in his foreword, were not different from those of other companies at the time, namely, how to: *"transform tradition-bound enterprise into tough nimble player"* in the new world economy.

Gerstner's entry point was that he had no pre-planned vision for IBM, which he describes as a global institution. He is emphatic about his style of management which reflects high involvement, and understanding of strategy emergence and a bottoms-up process in which open-free flowing conversation is critical. Comments made to his team at his first meeting, linked telephonically across IBM's offices, globally, underscored his approach.

Some of the comments penned were: *"I am heavily involved in strategy; the rest is yours to implement. Just keep me informed in an informal way. Don't hide bad information...Solve problems laterally; don't bring them up the line...; Hierarchy means very little to me. Reduce committees and meetings to a minimum. No committee decision-making. Let's have lots of candid, straight forward communications"* (2003:24).

In reflecting back, Gerstner says, success was not based on re-engineering IBM's structure to resemble loose-decentralised units, but one in which the quality of participation was the principle for success. Neither did Gerstner encourage consensual participation as a pre-condition for success. While he does not use the concept of reflective participant his narratives display such an approach.

Gerstner's book, details how he *"questions the very being of the organisation"* (a phrase borrowed from Daneke (1997)). Gerstner describes his experiences and the challenge of transforming the organisation by changing the conversations within IBM. He believes IBM lost its robustness because its conversations became repetitive and stuck over the years. He details his role as CEO, as an active participant in the process of what emerges, and dismisses notions of a turn-around as a consequence of the interventions by a few heroic individuals, groups or teams. He says it would have been naïve, dangerous for anyone, including himself: "to somehow *magically run the place better than the people who were there in the first place"* (Gerstner:2003).

Gerstner's observation came from exploring the conversations of the organisation: *"I'm a strong believer in the power of language. The way an organisation speaks to its various*

audiences says a lot about how it sees itself. Everywhere I worked I've devoted a good deal of personal attention to the organisation's "voice" – to the conversations it maintains with all its constituencies. The truth is you can learn a lot about a place simply by listening to how it talks" (Gerstner: 2003:198).

Gerstner's entry point into IBM pointed to the need to get a pulse on the organisation. Within days of his arrival he embarked on a global trip, meeting employees and customers and discovered that the most important messages were internal. The conversational life of the organisation as narrated by Gerstner in the examples below, display the interplay of thematic patterning of legitimate interaction, covert politics and unconscious themes.

IBM was locked in the dynamics of power-relating displaying: *"Powerful geographic fiefdoms with duplicate infrastructure in each country. In terms of political manifestations,* Gerstner says there was general permission to stop projects *"dead in their tracks, a bureaucratic infrastructure that defended turf...and a management class that presided rather than acted. IBM even had a language all of its own...In the IBM culture, the organisation, and how one fit into the organisation was considered a very important subject. Kremlionology – whereby you judge who is in and out up and down – was a fine art"* (Gerstner: 2003: 23-234).

Gerstner says that in most of IBM's meetings in which presentations, regardless of subject, inevitably start with where the speaker fits in the organisational hierarchy. Daily announcements of who is in, out and those climbing up (promotions) were broad-cast on notice-boards, emails, etc. Gerstner describes this process as a *"published caste system with broader readership",* which he had subsequently banned.

The point being the examples reflect, legitimate interaction (includes formal themes, conscious processes which assume a propositional form – it does not mean shadow themes did not exist).

Gerstner says the jockeying for power (or rather in CRP language, the covert politicking - how people may bolster, undermine of shift power relations) was complimented by a *"NO"* and *"Non-concur"* culture in which any individual, any team, any division may block agreement or action. This social process was institutionalised by throwing *"no concur*

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spanners into the work were formalised in memos as well." In fact, this covert politicking manifested itself in internal rivalry. Gerstner talks of how the research and development units hid projects from each other because of the *"staggering array of internal competition"* *(2002:192)*

Gerstner's narration signifies the value of exploring the nature of ordinary daily conversations in which power-relating is part of communicative interaction which may block or unleash change. He cites a myriad of examples of the standard format of IBM meetings in which strategy meetings revolved on preparing tedious speeches, which drained rather than energised action; institutionalised behaviour and reinforced power-relations. He discusses an example of how the organisation negated "conversing" - in which he interrupted and requested a senior manager to switch OFF the overhead projectors and graphics, and this action changed the conversations within the organisation. In this incident he said: *"Let's just talk about your business. This episode had an unintended, but terribly powerful ripple effect. By that afternoon an email about my hitting the OFF button on the overhead projector was crisscrossing the world"* (Gerstner: 2003:43).

In another instance and on his first public discussion after what he had learnt and planned to do at IBM, Gerstner decided to speak without notes or even a podium when he announced: *"the last thing IBM needs is a vision...I said this because I had discovered in my first 90 days on the job that IBM had a file of drawers full of vision statement. The real issue was going out and making things happen every day in the market place"* (Gerstner: 2003: 71).

The example is reflective of the need to shift from traditional practice and implies the failure of planned, blue-prints for the overall system. Further, it points to how intended strategies are rarely executed, instead most emerge.

Gerstner attributes IBM's decline to its obsession with its past success, and as a result of its corporate culture: *"IBM's dominant position had created a self-contained, self-sustaining world for the company."* The other critical factor which has bearing on containing conversations was the anti-trust suit file against the organisation in 1969, which meant IBM lived under the specter of a federally mandated break-up for 13 years. The suit was an example, according to Gerstner, as to what may be talked about or not: *"Just consider the effect on vocabulary – an important element of any culture, including corporate culture.*

While IBM was subject to a suit, terms like "market" "market share"...were systematically exercised from written material and banned at internal meetings. Imagine the dampening effect on a workforce that can't even talk about selecting a market. After a while, it goes beyond what is said to what is thought...the suit was finally lifted in the early 1980s, the industry's "next best thing" arrived. Whether the company fully understood it at the time, the downward spiral was about to begin" (Gerstner: 2003:118).

The example, in CRP terms reflects how unconscious themes, informal themes and legitimate interaction impacts most profoundly on what an organisation becomes. It reflects how ailing organisations display behaviour which inhibit free-flowing conversation, inhibit action and block innovation.

Reflecting back on strategy, Gerstner says the hardest decisions were neither the technological nor economic transformation required: *"It was changing the culture, the mindset and instinct of hundreds of thousands of people who had grown up in an undeniably successful company but one that had for decades been immune to normal competitive economic forces. The challenge was making that workforce live, compete and win... As I found, I couldn't slip a switch and alter behaviours...I came to see, in my time at IBM, that culture isn't just one aspect of the game – it is the game. In the end, an organisation is nothing more than the collective capacity of its people to create value...How people actually go about their work, how they interact with one another, what motivates them "* (Gerstner: 2003:177).

For Gerstner, most important rules are not written down. He says one can assess within hours of being in a place, what the culture blocks, encourages, discourages, rewards or punishes and one has to ask what is it that blocks or inhibits conversation. He also argues the initial reasons why companies become successful change because plans have an expiry date. *"The more successful an enterprise becomes, the more it wants to codify what makes it great – and that can be a good thing. It creates institutional learning, effective transfer of knowledge, and a clear sense of "how we do things." Inevitably, though, as the world changes, the rules, guidelines, and customs lose their connection to what the enterprise is all about...The codification, this rigor mortis that sets in around values and behaviours, is a problem unique to – and often devastating for – successful enterprises"* (Gerstner: 2003:183).

Gerstner's comments points to the dangers of ignoring the murky aspects of an organisation; namely, micro-level interaction and the over-reliance of cognitive-perspectives and assumptions of the learning process. In fact, Gerstner's book points to the need to view organisations from a CRP perspective.

Changing attitudes and behaviour of people is a difficult or probably and impossible task, Gerstner says it is not possible by imposition, nor can it be planned. However, conditions may be created for transformation in which management does not set about changing culture but creates space for the "*workforce itself to change the culture*" (2003:187). This comment suggests the possibility of the processes for self-organisation may be inherent within the organisation, that is, the capacity for change is internal to the organisation itself. Further, it suggests the need for senior managers to participate in quality action.

Gerstner calls on senior managers to stop presiding over processes and understand that they are active participants in the process. *"My kind of executives digs into the details, work the problems day to day, and lead by example, not title. They take personal ownership of and responsibility for the end result. They see themselves as drivers"* (Gerstner: 2003:199).

Stacey talks of the paradoxical nature of organising, is verified in Gerstner's comment: *"My deepest culture-change goal was to induce IBMers to believe in themselves again – to believe that they had the ability to determine their own fate, and that they already knew what they needed to know – and get them to think and act collaboratively, as hungry, curious self-starters. In other words, at the same time I was working to get employees to listen to me, to understand where we needed to go, to follow me there, I needed to get them to stop being followers. This isn't a logical linear challenge. It was counterintuitive, center around social cues and emotion rather than reason. Tough as it was...we had to talk openly and directly about culture and behaviour, and beliefs – we could not be subtle"* (Gerstner:2003:188).

While it is not within the scope of this literature review to discuss IBM's turn around, the book is insightful of CRP theory viz. the paradoxical nature of organising, how CRP may be used as a tool to explore the conversational life of an organisation; signifies the dynamic nature of communicative interaction at micro-level; has bearing on what the organisation is and what it becomes. It reflects, as Stacey suggests, complexity insights as to those who are successful are those who see the patterns.

Summary:

Thus far, one observes the ideological paradigms and social constructivist and social sciences influence of CRP theory. Systems and process thinking reflect two contrasting views of human behaviour - each posit fundamentally different ways from which to understand human organising, and in fact, process thinking challenges systems thinking of notions of control and co-ordination.

The review outlines what it means to view and explore the conversational life of an organisation - IBM is cited as an example of complex responsive processes of relating. Communicative interaction is a dynamic process and it is in these dynamics, in local situations in the living present, in which organisational strategies emerge. So, organisations are complex responsive processes, the dynamic nature of interaction relates to constraining and power relations, inclusion or exclusion and anxiety.

Conversations are critical and take narrative and propositional themes which take many forms. The interplay between themes is dynamic. Conversational patterns take certain forms they may be repetitive or free-flowing forms, which are unpredictable. Tension between the legitimate and shadow themes is critical as the shadow themes may subvert legitimate themes and has the potential for transformation. Hence, the notion of change emerging in self-organising ways exists. Success, however, is not a guarantee.

CRP seeks to sustain a methodological position in which people are able to both observe and participate at the same time, researchers or managers can not step outside of the conversational processes. This implies that one is engaging and responding to the responses evoked, hence one cannot control organisational processes, improve, direct or perturb in an intentional direction, what happens unfolds from ongoing responses. This method, Stacey dubs, emergent enquiry. Free-flowing conversation is critical in the process of new forms emerging (Stacey: 2003:312-39).

2.3.3   CRP – A Tool for Organisational Learning and Change

Organisational life requires living with a paradox. For managers, this means, that strategy emerges and is also deliberate and because organisations are complex responsive processes of relating, managers have to live effectively with the paradox of organising.

"Processes of decision-making, change and performance achievement emerge in the self-organising patterns of meaning in which each struggles, in participation with others, to maintain a sense of self in an uncertain world. This is the process of an organisation's evolution" (Stacey 2003:393).

Hence, for Stacey the question is not whether managers are in control of the organisations they work in but how they co-create, *"how what happens is due to the details of what happens as interacting individuals are doing in ordinary conversations with each other."* (Stacey 2003:395).

2.3.3.1   Implications for Strategic Management

CRP re-focuses attention on organising strategically. CRP's focus is on what is happening as opposed to prescribing. Hence, this approach directs managers and members' attention on what is being done, that is, it re-focuses attention on the self-organising processes of which the outcomes are unknowable.

Leading, under self-organisation implies high-involvement management, developing knowledge, via discovery, choice and action and, is relational and embraces notions of shifting power relations.

In respect of strategic management, CRP is a tool which allows one to get a pulse of the environment. By refocusing attention on the quality of participation, on the quality of conversational life, the environment becomes visible via socially constructed categories. CRP focuses attention on the quality of conversational life of the organisation as it is via evolving, changing themes in which learning and change occurs. CRP views the quality of the conversational life as paramount as it reflects the internal capacity for self-organisation. From a CRP perspective the emphasis is on everyday conversations.

Participation is an evolutionary process and is a relational action. CRP, thus, re-focuses attention on the quality of participation in which managers themselves are active participants in the process of what is happening in the organisation, hence, CRP encourages reflexive enquiry. The managers and top executives engage with each other in which intentions or designs emerge, but in implementation they can never design the responses as unexpected responses are evoked in the tension between legitimate and shadow themes.

"CRP re-focuses attention on emergent enquiry in which design and intention is understood as emergent and problematic processes. Thus, the manager's focus shifts from how to make a choice to how to focusing on the quality of participation in self-organising conversation from which such choices and the responses to them emerge" (Stacey 2003:417).

Hence, the role of managers is their participation in those conversations and power relations and their facilitation of different ways of conversing, at the same time acknowledging that one is unable to control the responses of others. This implies that managers must be sensitive to factors which block conversational themes, such as rhetorical ploys.

Effective managers, Stacey says (2003: 400-423), are those who:

- Are able to notice repetitive themes and participate in a way which shifts repetitive themes which block free-flowing conversation.

- Will be concerned about understanding covert politics and unconscious processes which trap repetitive themes.

- Focus on anxiety - focus attention as to the nature of the anxiety, so that the experience of it is enabling and one which generates energy as opposed to sapping energy – in which people are able to continue struggling with the search for new meaning.

- May reflect on what is promoting or destroying trust.

CRP is distinctive in its focus on diversity unlike other theories which focus on consensus and ways to achieve control over consensual processes via motivation, structuring cohesive

teams etc. CRP views this in paradoxical terms, too much in common may lend towards repetitive themes, and nothing in common means joint action is not possible.

CRP focuses attention on the shadow themes, unofficial ideologies in which a degree of subversiveness is required, to create tension between the legitimate and shadow themes as a condition for creativity. The purpose is not for managers to manipulate themes but to understand their own actions in the process and understand and be sensitive to the dynamics of power relating (Stacey: 2003: 400-423).

For Stacey, managing paradoxically means managers ought to embrace the notion that not knowing does not mean managers must stop doing. In placing greater attention on what is actually being done implies a shift in the criteria used to judge quality action. In assessing quality actions the possibility for options and responses to outcomes are higher. Further, the reflexive nature of participation implies that those making the decisions are responsible for their actions as well. Managing is thus a process of continually re-arranging the paradoxes of organisational life.

"Strategic management is the process of actively participating in the conversations around important emerging issues. Strategic direction is not set in advance but understood in hindsight as it is emerging or after it has emerged. This is because if small changes can escalate to have enormous consequences, then the distinction between what is strategic and what is, say, tactical becomes very problematic. The distinctions can only be identified after the event" (Stacey 2003:423).

Kanoe (2003) says organisations are relatively stable configurations of clustered or patterned relational webs/networks where individuals and groups co-produce each other. The social order in the configuration is not an intentional design but is emergent of many contributions. Heterogeneous actors – micro-diversity produces raw materials for homo/heterogeneity. The actors are not deterministic but evolving and have the capacity to learn, create new themes and configurations.

The object of strategic management is to create processes that generate and capture legitimate stakeholder value through market exchange. CRP is a way of making sense of strategic organising. Strategic Choice Framework in its top-down approach in which one analyses,

decides and acts ignores the blind-spots in organisational dynamics. Strategists from a CRP perspective clarify, explicate, add to or close down. Strategy in this sense allows for home-cooked constructs and process, implies the pro-active role for managers (Kanoe:2003).

CRP is a perspective that deals with both the classical top-management role as well as spontaneous self-organisation.

Kanoe (2003) contrasts two-basic models for strategy formation, the perfect world of strategic rational choice and CRP perspective. The former model augments a view in which one does not act if one does not have a knowledge of alternatives or knowledge of future consequences. Action is based on consistent and clear ordering of preferences in management that will not change - in which plans set out action programmes and milestones that must be followed. From a CRP perspective on the other hand, one may act despite a lack of prior clear goals in which good outcomes are possible and goals, interests and intentions may emerge from action as processes unfold.

CRP perspective, Kanoe sums (2003), is good for:

- Creating mechanisms fostering stability, improvement and spontaneous innovation behind value creation;
- Rebuilding individual minds and the organisational mind by complex processes of inter-relating;
- Understanding organisational qualities and capabilities as outcomes of patterns or interrelating and rules for interrelating.

Visions and imaginations are not necessarily precise, but may become so during the process and they too have an expiry date. Thus, the management process, he argues, is not only to pre-conceive strategies, but to recognise their emergence, and intervene when appropriate.

Thus, CRP re-orders rules for action and interaction, shapes conversational patterns, authority and competence. It allows for the mobilisation of resources and the emergence of important actors.

There is a need for making the ORGANISING principle the strategy in which an environment facilitates emergence Martiny (2003).

From a non-linear science perspective the basic tools of TQM (total quality management) are themselves subject to continuous improvement. *"TQM shifts focus form simple product inspection to process assessment. Non-linear applications further shift the focus to changes in the processes of process control"* (Daneke:1997:258).

Daneke (1997) argues Stacey's application of non-linear science as a metaphor is done with greater conceptual care. The use of metaphors has had a powerful impact on social enquiry for example, Newtonian mechanical metaphors, and dominated much of economic theories in the past century.

Despite non-linear science origins in the natural science it has far-reaching implications in the domain of forecasting and strategic planning. Although forecasters cannot know the exact location of an industry or firm will occupy in the future, they can, by studying the nature of the attractors at play identify a number of probable paths. Further, even if Stacey argues that the future is unknowable: *"non-linear science can make it a good deal more manageable"* (Daneke 1997:255)

2.3.3.2   Innovation and Change

Stacey draws on Fonesca's argument that innovation and change can be understood as conversational processes of transforming the collective and individual identities. Imperfect communication, misunderstanding and diversity are essential in this process.

Fonesca's studies on innovation show that innovations emerged in streams of conversations in which imperfect communication was at play, over a length of time, in which no single individual is in control of the conversational processes. Further, those who engaged in the conversations in which innovations emerged were not located within a single organisation. Thus critical levels of diversity could be reached because of interconnection that is, the diverse themes are interacting, organising and re-organising across organisations.

In respect to change, Stacey draws on Shaw's work (2002) which shows change emerges from the ordinary everyday conversations in organisations whereby people speak into one another's responses, so responsively shaping what they say in the very process of conversing.

Shaw argues managers and consultants, in drawing up the rules of engagement, limit spontaneity and the nature of everyday conversation. As a consultant, Shaw, in seeking to foster free-flowing conversation and retain the spontaneity of daily conversation, engages in meetings without preparing or specifying the rules of discussion, nor does she report-back or provide action plans.

Stacey argues Shaw's approach draws attention to the transformative potential of every day conversations in which people perpetually construct the future. Shaw does not plan or formulate designs for some future work because the work is already underway in people's conversing.

Unlike practitioners or consultants who see themselves as external observers, facilitators, etc, Shaw says under-specification increases the experience of diversity, disturbs routine responses and increases the potential for novelty. For Shaw, facilitating means participating fully and responsibly in the process, which means one's opinions, ideas, etc, is voiced along with everyone else.

Traditional practice in which managers and researchers approach a situation by stepping outside of it, from which they believe they are able to identify solutions and project interventionist strategies, are separating thought from action. Further, practitioner's focus is, on what should be done not what is being done and thus ignoring their role as participants of the process of what is happening.

On the other hand practitioners operating from CRP perspective, understand thinking and talking are action and join in participating in conversations in a bid to understand: *"something of the organising theme that are emerging in these conversations...the practitioner has no intention of creating the right conditions for better conversation, no intention to design*

anything, or improve it...instead the intention is the same as that of other participants, namely to understand what they are all doing together, what they are talking about and why" (Stacey: 2003:401).

What Stacey is pointing to is to work with the potential for change, is an active and ongoing, perpetually constructed and reconstructive process. The process is one which demands intensive interaction, is engaging, messy and not meant to be fair or representative – such processes has an everyday quality to it in which plans and proposals are formulated, assessed and revised or dumped.

Stacey says practitioners from the CRP perspective are responding to what others are saying, *"by linking themes, the practitioner is helping to articulate emerging themes and in so doing influencing further patterning of the conversation. It is these shifts in communicative patterning that constitutes organisational change"* (Stacey: 2003:403).

2.3.3.3   CRP and Leadership

Stacey argues leadership in interwoven with questions of ethics. Traditional managerial practice has been influenced by the notion that the individual autonomous leader is charged with developing ethical conduct. This notions assumes the existence of a rational individual who is able to judge his/her own conduct, has no plans or agendas and is able to impose for the benefit of others, for the good of the whole system.

CRP offers a different way of viewing ethics and leadership in which, as discussed earlier, the organising principle is inclusive of all. Leaders are participants and the ethics of action is an ongoing process of engagement in which individual desires and agendas are at play.

Stacey draws on Griffin and Mead who argue that CRP is an empowering perspective, as it is impossible for any individual to escape accountability, as the actions of each individual matters (389-407). Therefore, feelings of powerlessness and alienation and victimisation hold little truth from this perspective - paying attention to what one does impacts in some way the future, even though the future is unknowable.

For Mead, the individual who emerges as leader is one who is more able to enhance connection between people. Hence, from this perspective the leader is constructed in the recognition of others.

CRP's view on leadership and ethics is that the former emerges in the process of mutual recognition in the interaction between people and ethics and, is the continual negotiation of what is appropriate action. They are unlike traditional views on business which apply idealised values to a situation which are construed along cult-like principles in which mission and values are spelled out and people are expected to willingly submit to the leader.

The implications of CRP, is that managers and leaders become more reflexive in what they do and how they relate to others. The skills of self-reflection, ensuring open-free-flowing conversation, ownership of one's actions, ability to articulate on what is emerging, is more essential, according to these authors, to those who occupy positions of authority as they have a greater impact on a larger groups of individuals. CRP displays that these skills are not taught in abstract ways but via experiencing them.

2.3.3.4   CRP and Learning

CRP's focus on communicative interaction in which thematic patterning occurs, in which ideology and power relating is reflected, suggests learning and knowledge creation is perpetually constructed and reconstructed in social practice (Stacey 2003: 404-407).

For Stacey, knowledge creation is an evolutionary process of reproduction and potential transformation – knowledge is neither stored, nor shared. Knowledge is not an object an "it" it is a process. Here, Stacey adopts notions that knowledge is socially constructed.

Knowledge is not objectified or seen as an artefact. Tools of communication, technologies and the tools of knowledge are used in the process, but the focus is not on the tool but how it is used. The tools are used to understand ways of talking, who is included and excluded, and how does it impact, obstruct or encourage the emergence of new knowledge. .

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Knowledge management proponents call for the need to measure intellectual capital, do so, because of its contribution to shareholder value. Therefore, knowledge management perspectives make the distinction between tacit and explicit knowledge, the split suggests that individuals possess knowledge (tacit) which need to be converted, stored and made explicit (Stacey 2003: 404-407).

CRP does not make the distinction because tacit and explicit are part of the same communicative processes. Learning is ongoing and knowledge is not stored but is an active relational process between people.

"Knowledge cannot be grasped, owned by anyone or traded in any market and its creation is a process of communicating and power relating that is both stimulating and anxiety provoking...It is not possible to manage knowledge, even asking the question makes no sense. The whole notion that an organisation can own "intellectual capital", that is, can own attitudes, competence and intellectual agility of individuals is a dubious one" (Stacey 2003: 404-405).

Hence, from this perspective it would be futile to talk of sharing, spreading, or storing knowledge and the concern will focus instead on "improving" knowledge-creating capacity in respect of the quality and dynamics of human relating. Therefore, the attention of CRP is to focus on the nature and quality of conversational themes.

Stacey draw on Aram's (2001) view of learning which is a paradoxical process of personal change, which happens to groups, or not; in which the rate of learning varies, contains the dynamics of inclusion and exclusion and involves anxiety. CRP's focus on learning would be on understanding the complex dynamics of human learning processes.

Figure 1 illustrates the process in which new knowledge results from action based on discovery, choice and action loops. This process suggests that plans emerge and "implementation" may add to, correct, reject plans and still produce good outcomes. Hence, intuition, play and mistakes may lead exploring in which one may find new goals and intentions.

Figure 1: D-C-A Learning Action Loops and Cues – Leading under Self-Organisation

Source: Stacey: 2003:112
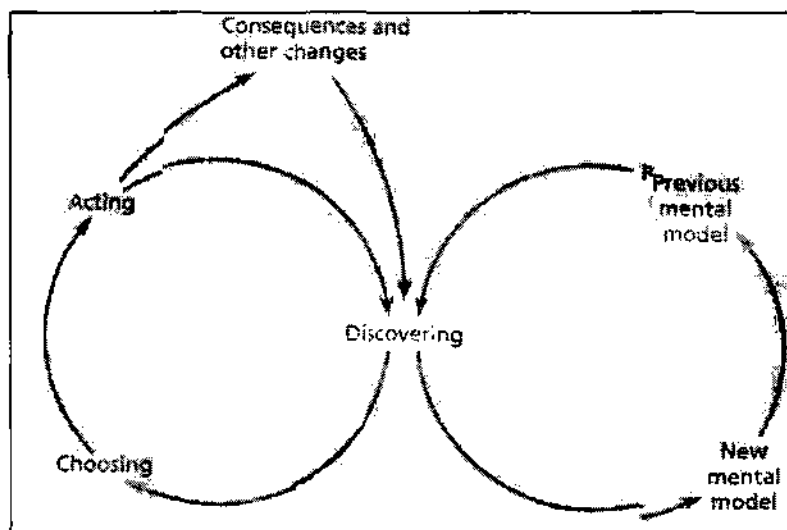
For Kanoe (2003), CRP augments a grass-roots model for strategy formation processes. He says strategy formation is judgmental designing, intuitive, visioning and emergent learning. It is about transformation as well as perpetuation and may include analysing before and programming after as well as negotiating under. Clear goals and intentions may also be a result of action not only a pre-condition for action – and may change.

Daneke (1997:256) makes an interesting point of theories which make greater use of non-linear systems is that of a strategy of continued development. Those which question the very "being" of the organisation, he says, add yet another loop to learning. "Triple loop learning", the author argues, may be associated with strange or chaotic attractors. Traditional and/or bureaucratic organisations are poor internal environments for learning. He argues a more profound arena for applying non-linear methods is in the development of total quality organisations.

2.3.4 Implications of CRP – Other Voices

Ortergon-Monroy (1999: 11) says Stacey's handling of the long-term, in relation to strategy as vision is a powerful antidote to much management writing. She argues single visions produce cultures of dependency, restricts the expression of conflictive views and generates shared mental models bending towards group think. Stacey, she says, re-focuses attention on the significant issues to be handled in the short-term and encourages debate in managing long-term consequences.

However, Ortergon-Monroy's (1999:13) criticism of Stacey is his reliance that innovation and transformation at the edge of chaos is reliant on shadow organisation and limits the possibilities for formal mechanisms to be installed.

Chaos and Complexity Theory, she says, adds to the development of a social-constructionist view, whereby conscious and unconscious constructions of reality are influenced by language, class, culture and gender which exert a decisive impact in which these forces operate deterministically over which individuals and groups of individuals have no control, in spite of their ability to "construct" their own reality. Such views can place one on a path of probable transformation and the other is that deep structures of power-relations has its own logic which must be addressed to change the social constructions that shape one's world.

Ortergon-Monroy (1999:15) argues the time-scale required to validate the findings has as yet not provided evidence to support the theory. The novelty of this theory can be approached from the use of metaphors - from this perspective complexity may be a way of thinking differently in the postmodern world view.

While using metaphors may be a safe starting point to applying natural science principles onto social systems for the development of future exploration, she warns against transporting the principles. She draws on Morgan's notion that ideas about organisations are based on images and metaphors create insight and allows one to see, understand and manage situations in particular ways. However, they may also distort.

Frenken in his review of Stacey's book says while it is insightful, it is flawed with respect to loose analogies in reference to self –organisation. Further, that Stacey's main purpose was to review mainstream system thinking and contrast the approaches to his alternative approach. He argues Stacey's premise rests on two central theses of the distinction between the individual and social is unhelpful as it is via communicative interaction in which meaning is produced, and secondly the distinction between a system and its environment is unhelpful as organisational goals cannot be: *"derived from an outer selection environment, as goals are also constructed and negotiated within the process of communicative interaction"* (Frenken: 2001:4)

While Stacey provides a refreshing alternative perspective on the theory and tools of knowledge management, Frenken says, the analysis of knowledge creation as a social process of communicative interaction cannot be ascribed to Stacey as it was developed 20 years prior. However, the main contribution and novelty is Stacey's *"attempt to integrate the perspective of communicative interaction with Complexity Theory developed in the natural sciences"* (Frenken: 2001:5).

Stacey's book, the author says, offers a coherent alternative to system thinking by substituting self-organising communicative processes instead of evolutionary adaptation however, it fails to elaborate on the self-organisation processes systematically and explores self-organising processes in rather loose sense.

Naidoo (2004) who applied CRP framework in the development of her own theory on her thesis: *"Thoughts on Living Dialectics"*, says she believed the possibility of learning, from Stacey's work in the development of a theory of CRP, to be significant. However, she criticises Stacey for the minimal examples of what he does, as such: "the reader gains no insight of Stacey's learning and in what way the people he is working with in groups where he uses complex responsive processes of relating influenced his practice."

Anthony in his review believes Stacey and his colleagues have developed a new way to make sense of human interaction. The theory of CRP, he argues, is the first Complexity Theory written specifically about human thought and communication. This is in contrast to other

complexity theories which are based on natural or biological sciences and applied to humans by means of analogy or metaphor.

"It offers a powerful new account of how patterns form in the thinking, feeling and behaviour of both individuals and groups, and how both continuity and novelty emerge spontaneously in those patterns as a result of self-organising processes" (Anthony:2000).

Van Eijnatten and Van Galen (2001: 1-33), argue their research on the power of dialogue (CRP) in leading to change. Their paper documents a series of CRP observed in a Dutch capital-equipment manufacturing firm in the South of The Netherlands, which was focused on the development of the organisational mind, seen through the "chaos lens." This occurred after interventions from a systemic perspective failed to address fully the problems experienced within the organisation in which management complained that initiatives taken by employee ran below expectation.

While the purpose of this paper is not aimed at reviewing this case study, dubbed the Dolphin project, which spanned over two years, the insights of using CRP are considerable. It proved CRP to be useful in the diagnosis of what ailed the organisation; as a remedy dialogue became the main mode of communication of developing the organisation's mind and creating the potential conditions for self-organising. Dialogue moves beyond any one individual's understanding, to make explicit and build collective meaning and vision. Their work, the authors argue, favour Gerard and Teurfs, (2000) notions that the practice of dialogue creates community, transforms the organisational culture and produced attitudinal transformation, both in individuals and the group.

2.4   Making Sense of Theoretical Paradigms

A historical journey of the field of strategy, learning and organisational theories and theories from an alternative prism allows one insight of the nuances of specific school/s; the context theories emerged within and continue to influence current practice. It also allows a framework from which one gains insight of interventionist strategies opted for by surfacing the paradigm or world-view of the theorist/practitioner.

For Nelson and Quick (1994) an understanding of organisational theories essentially follows a Two Perspective Theory (internal and external). Tension lies in the perspective one holds. Theorists concerned with internal factors are concerned with psycho-dynamically-orientated views based on human behaviour in terms of thoughts/feelings and past experiences. Theories from this perspective, the authors say, explain people's behaviour in terms of history and; value systems internal to the individual which explain why a person may act in a specific way. The authors argue, theorists espousing an external perspective focus on environmental, social, political factors, etc and explain human behaviour as drivers which are external to human behaviour within an organisational setting.

Theories are culturally driven and constantly evolving, according to Schein (1994). He too holds that a theorist's paradigm is critical in understanding the evolution of his or her theory. How one views human nature and the nature of the organisation, (for example, loose, open and loosely dependant or a view of organisations as organic systems in which parts are highly interdependent) allows one a prism from which to entertain a theoretical proposition. Essentially, Schein believes, the conflict is between individualism and groupism perspectives.

Lusatto (1976:85) argues that Systems Theory is a synthesis of the movements which preceded it. Systems Theory, he says, is targeted towards methods of analysis and learning, attempts to deal with every organised entity and hence, extends beyond the firm. For Lusatto, Systems Theory is an open theory, unlike the classical and neo-classical theories which confine themselves to the business firm.

Other organisational theorists in developing the view of the firm concentrate on different elements as to what gives the firm an edge. For some, different structures may be appropriate in different situations.

Concepts on structure and processes emerged in the last 50 years in response to challenges facing large American corporations. Managers ought to question universal notions of management effectiveness and embrace notions that the realities that make for business success vary considerably from one context to another. What the review reveals is that the paradigm from which western institutions, and which to a large part has influenced and shaped managerial practise locally, has shortcomings - theories which favour collaborative, network and relational approaches are process-orientated and may better explain organisational behaviour and strategy as an emergent outcome of these processes. Such theories locate the firm as part of a socio-economic whole (Binedell:1999:4); (Lessom: 1999:18).

South African managerial practice, Lessom (1999:17-39) says, must re-examine its traditional theoretical bias. To do so, managers have to traverse the different paradigms – rationalism, idealism, humanism and empiricism, and re-examine the business orientation which each informed.

Idealism, having its roots in Descartes, Smut's "wholism" and Hegel's dialectical approach, has led to notions of public private-partnerships, views the interdependence between the organisation and its environment and has produced managerial notions of the developmental manager and collaborative practice. Idealism, which favours intuitive analysis, is also rooted in Japanese systems practice. Humanism on the other hand leans towards communally-based concepts, embraces notions of socio-economic networks and the convivial manager.

Lessom calls for the integration of the positive aspects of the "isms" and argues this would offer a more dynamic approach, has relativist connections, is pragmatic, is group-focused and strives towards consensual participation which resonates in Africa.

However, it must be pointed that CRP is not framed in consensual notions of managerial practice. Such notions will negate the insights of Complexity Science as it will ignore the dynamics which gives rise to novelty and innovation.

Generally, CRP abandons notions of the autonomous individual, the position of the objective observer and replaces the assumptions with social constructions of group and individuals in which all participate in complex processes, including the participant enquirer. Paradox is central to CRP and paradox is not viewed as resolvable only that existence of opposing forces has the dynamic to transform.

As for the argument of an integration of paradigms, Stacey maintains that Systems and relation-orientated process perspective cannot be merged because they are premised on different understanding of why organisations are what they are and what they have become (Stacey: 2003:).

Having said this the journey into the past reveals that theory and practice does not develop in a linear manner but as Lussato indicates *"There is a perpetual "envelopment" of one school or theory by another in which each movement has developed as a reaction to the one which preceded it, not without absorbing some parts... a dialectic which has been enriched by associated sciences"* (Lussato:1976: 46).

2.5 Conclusion: Literature Review

Thus far the paper contextualised the underlying premise from which western institutions engage – which is the dominant paradigm. It examined traditional practice, questioned mechanistic systems in which increasingly the assumptions of managers are being tested on-the-job. The review explored reasons why some firms are more successful than others, and in so doing examined emerging business and organisational concepts put forth.

The literature review assumed both an evolutionary nature (historical journey) as well as explored distinguishing trends of thought of different and complimentary inspirations in these fields. It is hoped that the review moved beyond a descriptive and interpretative reflection of the subject, to ask not only "what" is happening or "why", but to turn theoretical concepts on themselves, to understand the value-judgments, assumptions, limitations, omissions, etc, in theoretical analysis.

The synthesis of research and literature informed this research enquiry. The application of CRP in a case study, spanned about 18 months, in which various aspects of the conversational life, leadership, learning, the nature of participation and strategy formulation are explored in depth later in this paper. The conversational life of the organisation, over time, pointed to the interplay of themes, legitimate interaction, cover political and official themes, produces patterns over time which impact on strategic outcomes and learning. It shows how communicative interaction is a process in which shifting power relations come to the fore. Suffice to say, the enfolding drama within the interplay of the shadow and legitimate theme resembles the murky, dark-side of a Shakespearean play.

3 RESEARCH APPROACH AND METHODOLOGY

3.1 Research Approach

The study, a case study, called for a qualitative research approach because it was exploratory in nature. It was an enquiry into a particular phenomenon, about which there is a dearth of information. This enquiry focused on how an organisation evolves and talks. The study explored the power relations, the nature of interaction and conversations between individuals. Since research and participation are key elements in addressing the problem statement, the notion of participant enquirer was employed and was considered fundamental for a richer exploration of the topic. A qualitative study permits the exploration of a phenomenon and is in keeping with complexity approach, which explores and describes rather than prescribes.

"Qualitative study is defined as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting" (Cresswell: 1994:1).

Further, the following assumption inherent in the qualitative paradigm defined by Creswell (1994) is congruent with the complexity approach:

- Ontological assumption (nature of reality) as viewed by the researcher is subjective
- Epistemological assumption (the role of the researcher) is interactive
- Axiological assumption (role of values) is value-laden
- Rhetorical assumption (the language of research) is informal, with evolving decisions
- Methodological assumptions (the process of research): is an inductive process in which design/categories/patterns and theories emerge during the research process; is developed for understanding; accuracy and reliability follows a process of verification.

The research enquiry followed the CRP framework in that the researcher was a participant in the process of enquiry, meaning the researcher participated and observed at the same time. The participant enquirer did not prescribe but participated in the process of learning and

change within the organisation. The interaction with the actors was not predetermined, the outcomes of what emerged was on learning through interaction, doing and discovery in everyday conversation. The participant enquirer embraced the notion that the future is constructed in the living present.

The radical insight of CRP is that organisations are thought of as complex responsive processes of relating. Managers, the CEO, consultants are not external observers. They are agents in the system.

Stacey (2003:263) says what emerges, the direction the organisation assumes comes from the choices and the patterns of responses they evoke in the absence of a grand plan, in which being in control and not-being-in-control is a paradox. Such a process leads to self-organisation.

In this sense, the notion of emergence is crucial in the methodology adopted. There was no pre-designed formulae/tool that was employed to direct a future outcome or goal. CRP is about dialogue all of the time. The focus of time is about living in the present. It is premised on the notion that there is ongoing stability and instability. There is a web of communication. The effect of a plan is not a given but emerges - the form it assumes is the manner others give meaning to the plan. CRP thinking states one cannot see what will emerge until it emerges.

While most conventional research models specify methodological tools to be used prior to the enquiry, the participant enquirer used "Emergent Enquiry" as the appropriate methodology in dealing systematically with a messy, complex phenomenon. Emergent enquiry is a CRP concept in which appropriate tools will emerge and allow the researcher to gain deep insight of the mess. Instead of solutions one needs to think about the discussions and negotiation of proposals for improving the situation (Stacey: 2003); (Checkland: 1991).

Methodology, according to CRP, emerges in the ordinary everyday conversational processes that are already underway. Thus, the participant enquirer was concerned with the detail of the local interactions between people. This was both a reflexive and reflective methodology.

Action and work is ongoing and continually emerges or is blocked (Stacey, 2003: 414). In a sense the focus of enquiry is on what happens and what emerges.

The research design and methodology, in this study, emerged as the enquiry unfolded. Suffice to say, the research enquiry of the organisation spanned 18 months and comprised of three phases in which primary and secondary tools of data collation were employed. The design, methodology, data collation process and analysis process is discussed later in this chapter.

3.1.1 Definition of Terms

Through literature review key concepts were identified and explored. Suffice to say, the following definitions were deemed central to understanding the research approach and design. Stacey's definition of Complex Responsive Processes (CRP) was employed in this study: *"CRP is concerned with complex responsive processes of human relating in which strategies emerge"* (Stacey:2003: p 291).

The role of the *participant enquirer* as a dynamic phenomenon in which one participates and is able to reflect on the findings to inform the content of the research study. Humans are able to reflect on and articulate something about the widespread patterns that are emerging. In order to gain an understanding of these interactions: *"one has to participate in them and one's understanding will arise in one's own experience"* (Stacey:2003: 291).

This implies one cannot stand outside of the conversational processes and control or direct them or even perturb them in a particular way. What happens unfolds from the ongoing responses – this methodology, Stacey (2003: 412) dubs, "**Emergent Enquiry**".

The emphasis in this enquiry moved from how to make a choice, to focusing on the quality or participation in self-organising conversations from which such choices and the responses to them emerged. Further, the literature review and analysis was conducted parallel to the enquiry and informed the themes, constructs and tools which emerged in each of the phases of study.

3.2   Research Design Model

The rationale of the research design, congruent with Complexity Thinking, embraced a qualitative design as defined by Cresswell (1994:9) in which rules and procedures are not fixed, but are open and emerging. The study, a case-study, spanned about 18 months, divided into three phases in which exploratory tools of enquiry emerged. The phases were non-linear and strategic decisions which emerged included formal, informal and intentional and led to unintended consequence as well. The phases of enquiry suggested a cyclical pattern where sensing, understanding, deciding, and acting were an ongoing and dynamic process. Observation, participation and reflections were critical in this process.

Primary and secondary research tools of enquiry appropriate to each phase surfaced and were employed. The tools aimed at testing and validating constructs explored. Phase one may be described as the sensing phase in which power relating of individuals and group dynamics surfaced strongly and led to the second or understanding phase. The findings of the first and second phases informed the development of tools required for the third phase. Phase three may be described as one of deeper critical review in which appropriate tools of enquiry were employed to verify, revise and review the outcomes of the previous phases. Themes and concepts explored were:

The nature of the leadership and organisational dynamics: Concepts explored included Transactional vs. Transformational leadership, the notion of authentic leadership and servant leadership; power relating within the legitimate and shadow themes and strategy emergence. **Organisational culture and learning:** Concepts explored included understanding the quality of conversation, participation, decision-making style and processes in relation to meaningful engagement.

Transformation and sustainability themes: Explored the ability of the organisation to adapt and change.

Figure 2 offers an overview of the research model and identifies the data collation tools used in each phase of the enquiry as it unfolded.

Figure 2: Research Model
Data Collation Tools

Data Collation Tools
Phase 1 & 2

* Strategic Workshop
* Rich Picture Exercise
* Council Meeting
* Discussions – formal, informal, corridor
* Personal Interviews – (two)

Data Collation Tools
Phase 3

* Council Meetings
* Semi-structured interviews – (two)
* CEO Interview
* Discussions - formal, informal, corridor
* Sustainability Indicators
  * Questionnaire
  * Membership survey
  * Markor survey

3.3   Phases of Enquiry - Data Collation Process

Primary data collation was critical to the study, as there was a lack of secondary data. The primary data was used to verify and explore emerging concepts and findings. Secondary data, in the form of minutes of Council meetings was made available to the participant enquirer. The participant enquirer also detailed all observations in a journal or field-book which was used to log data, the content and conversations of actors. The journal served as tool for reflection and analysis of the data which informed the choice of action - noting that doing and acting is an ongoing process in which one constructs and reconstructs. Further, interviews which were loosely-structured were recorded in a bid to capture the exact words expressed of both the interviewer and interviewee.

3.3.1   Phases One and Two Process of Data Collation

Primary data collation tools used in phase 1 and 2 were an integration of workshops, a rich picture exercise, un-structured interviews, a series of discussions which were formal, informal as well those which included grapevine discussions formed part of the primary data. Active participation in Council meetings was deemed critical in the primary data collation process as well. The methodology was qualitative and exploratory in nature and tools employed allowed one to access, interpret information and gain insight of the responses of agents via observation and participation. It must be pointed out in exploring how people interact CRP allows one to view communication in a holistic manner, that is, observation of verbal and non-verbal forms of dialogue/interaction between agents. Interviewing techniques used incorporated the concept of using all one's senses in the interview process - this technique allows one to explore nuances which may not be easily captured via written communication alone. That is, actor's responses which include emotions, misunderstanding, etc were documented, including that of the participant enquirer. (Perhaps, it needs to be mentioned the participant enquirer's professional background – a journalist for over 17 years - boded well in this process.)

The purpose of primary data collation tools in phase one and two was to:

- Gather new and relevant information in relation to the problem statement
- Fill information gaps deemed critical to the study. There was a lack of availability of secondary data in a range of areas, which included, but was not confined to the following: lack of information on agent's perceptions of the organisation; membership figures and membership profile

The methods or tools used to gain the primary data (tools detailed below) appeared to be the most appropriate methods in the initial phase of enquiry as it allowed the participant enquirer a qualitative insight into the conversational life of the organisation. It is via communicative interaction that the participant enquirer was able to explore thematic patterning of the conversations in which legitimate interaction and covert politics surfaced. It was via the conversational life the participant enquirer was able to explore the shadow and legitimate themes.

It must be said that the workshops, interviews and discussions have a multi-dimensional quality in that the participant enquirer was able to extrapolate the perceptions of individuals, noting these, including that of the enquirer are biased and value-laden. Information extracted informed the content of the journal. Further, this process also allowed the researcher to explore concepts and verify its findings with others on an ongoing basis.

The tools discussed below follow the order in which they appeared, as well as reflect the concept of emergent enquiry as a methodology, meaning some tools emerged out of the organisational context, some emerged as a consequence of the organisational processes, others were deliberate and some tools emerged as a consequence of the research process itself. As such these acts were deliberate, formal, informal, intended and unintended acts. For example, the workshop was the first formal meeting in the year 2004 was a planned act while the rich picture exercise emerged unintentionally, allowed the participant enquirer an initial but richer insight into the organisation. The council meeting, discussions and interviews, formal, informal, intended and untended acts, which followed gave the participant enquirer greater insight of the themes and constructs which had emerged.

The data collation tools, exploratory in nature, were used in an integrated manner and provided the participant enquirer an opportunity to observe, participate, act and interact with others, reflect, revisit, reject, expand on or develop emerging concepts. The process allowed the participant enquirer an opportunity to discuss constructs with other actors within the organisation as well as with specialists – novel ideas, concepts, criticisms which emerged informed the content of the dissertation.

Hence, the exploratory and descriptive techniques used in the first and second phase of enquiry allowed the participant enquirer to gain an understanding of the thematic patterning in the organisation. The tools were used to describe what happened in the organisation as it happened. It allowed one to record the underlying dynamics, patterns of behaviour and processes which underscore organisational learning and change.

3.3.1.1   Phase 1 and 2 data Collation tools:

- **Strategic Workshop (2004).** This was the first strategic workshop which became part of the organisations annual calendar, in which staff and regional chairpersons meet to discuss future plans and in which goals are tabled. Council leaders engage voluntarily in these workshops. The Strategic workshop in 2004 allowed the participant enquirer a window of opportunity to observe and participate in the organisational processes. The concept of power-relating came to the fore in this workshop and the responses evoked had a direct impact on the "pre-designed" organisational strategy. Discussions which ensued indicated a misunderstanding by agents of the organisation's role. What emerged was that the perceptions of individual actors were incongruent with the organisation's mission, vision and strategy. Discussions which ensued led the participant enquirer to suggest the use of the rich picture as an exercise. Suffice to say, the rich picture emerged as the appropriate tool in which individual agents as well as groups of agents, perceptions surfaced. This point displays that several themes formal and informal were at play. It also indicates the role of the participant enquirer. The discussions also revolved on clarifying misunderstandings.

- **Rich Picture Exercise**: Primary data was captured via observation and participation in the rich picture exercise, a sensing devise tool. The participant enquirer facilitated

this process. The rich picture exercise involved over 25 people. Participants, representative of all tiers in the organisation, were placed in groups, drew pictures which expressed their understanding of the organisation. The rich picture exercise, which lasted for 2 hours, was an exploratory tool used to describe rather than prescribe. The findings from this exercise were captured collectively, and led to a discussion of the emerging needs of the organisation. The participant enquirer recorded the data extracted from the discussions and allowed one to describe and explore individual and group behaviour and processes. This process allowed one an opportunity to record and reflect on the themes which emerged, essential revolved around organisational dynamics: power-relating, political tensions, group and individual dynamics. It is via this workshop and exercise that the themes explored in this study surfaced. Further, one of the outcomes of the need for formal training for staff was expressed during this exercise and led to the initiation of a training programme for staff several months later. (An edited version of the data and analysis of the workshop and rich picture exercise is included in the chapter which details the case study).

- **Council Meetings** are held quarterly. These are forums representative of the formal leadership countrywide, about 16 people, in which operational and strategic issues are raised and assessed. Attendance of these forums was important as it allowed the participant enquirer an opportunity to observe, participate and record information, relating to the interplay of thematic patterning. The Council meetings allowed the participant enquirer a richer insight of legitimate interaction, covert politics, noting unconscious themes are also at play.

- **Discussions, formal and "corridor" (grapevine)**: These discussions proved to be a valuable means of gaining primary data and insight of conversations held within the legitimate and shadow themes. The discussions allowed the participant enquirer and opportunity to tap into the official and unofficial discourse and gave insight of individual and group dynamics and interrelating, both within the legitimate and shadow themes. The latter, the participant enquirer dubbed "corridor discussions", as they tended to take place mainly in the corridors. These were discussions not held within "legitimate space". Corridor discussions were impromptu discussions and

arose generally, after, or prior to, an event and signalled what may unfold. They were mostly unintentional in which deliberate goals may have emerged leading to intended and unintended actions. The corridor discussions were held mainly by those at the "margins" of the organisation, but at times involved those occupying positions of authority, meaning the corridor discussions reflected the diverse interests of individuals or groups of individuals within the organisation. There were several impromptu and unintentional "corridor" discussions in which the researcher participated. Discussions with two exiting members also took place. Overall, the shadow discussions assisted the enquiry into areas deemed "no-go areas" in the official, legitimate space. The shadow and legitimate themes allowed the enquirer an opportunity to note the views of agents in terms of the organisational appetite for transformation in respect of racial representation and diversity (world-views and opinions) as well as individual and group perceptions of the "legitimate leaders/leadership" or "shadow leadership".

- **Personal Interviews**: Two 30-minute interviews were held - with the CEO and the President of the organisation. The interviews were exploratory in nature, were one-on-one and face-to-face. The interviews were flexible to encourage free-flowing dialogue, and allowed the researcher to adapt questions to seek out specific answers and to gain an understanding of themes being explored. Data collated from these were included in the research.

(The data extrapolated from the tools in phases one and two of the enquiry informed the analysis of the enquiry. Aspect/s of the findings has been included in Chapter 4 which unpacks the case study).

The data collation tools and process in phases one and two allowed the participant enquirer to participate and reflect on micro-level interaction, that is, gain a pulse on the organisation, via the workshop and rich picture exercise. Subsequent interviews and discussions allowed the participant enquirer an opportunity to explore and describe in greater detail the patterns of behaviour which inhibit, block conversations or have the potential for self-organisation. It allowed the participant enquirer insight into the dynamic processes of learning and strategy formulation.

3.3.2 Phase Three Process of Data Collation

The third phase of enquiry completed the cycle of enquiry in which the conversations and themes which surfaced initially were critically explored and verified in this phase. Qualitative and quantitative tools, dubbed Sustainability Indicators consisted of a questionnaire, a survey and membership profile figures for 2003 and 2004 respectively were used to gain an understanding of the growth of the organisation.

Primary data collation was captured from the sustainability tools, a council meeting, a formal meeting, a "corridor discussion" and two semi-structured interviews held with the outgoing CEO and the trainee head. The trainee head is the current CEO.

The Council meeting allowed the participant enquirer to explore themes relating to leadership style. Suffice to say, the last council meeting captured the diverse expressions held by the executive on the leadership style and approach deemed appropriate for the organisation. The interviews were both a follow-up of concepts which emerged in phase one and two; as well as a culmination of the growing concern expressed in the shadow themes and legitimate themes of two issues - racially skewed membership profile and the significance of organisational learning as being critical to its survival.

The participant enquirer continually updated the journal, a critical entry log, which allowed one to step-back and reflect on what was unfolding. The interviews, discussion and meeting allowed the participant enquirer greater insight into the organisational dynamics (covert politics), culture and leadership styles and learning as understood by individuals and groups of individuals within the organisation.

The Sustainability Indicators were a set of descriptive, exploratory techniques which were quantitative in nature as well. The sustainability tools included a questionnaire, developed by the participant enquirer, a communications audit known as the Markinor Survey and, questions pertaining to membership.

(The "Sustainability Indicators/Tools", emerged at a time when the participant enquirer was studying a module on Sustainable Development at the University of Kwa-Zulu Natal and

concepts of the sustainability tools were applied). The sustainability tools allowed the participant enquirer to critically review concepts explored in the earlier phases and to narrow the scope of subjectivity of the participant enquirer.

Further, the tools allowed one to measure (quantify) individual agent's perceptions as well as the perception of groups, to gain insight of the organisation's collective expression in relation to the themes being studied.

Broadly, the Sustainability Indicators/tools were used:

- To measure participation as a route way to more participatory democracy

- As a device for capturing individual and collective perceptions on a range of areas from participation to decision-making processes

- As a "yard-stick" to measure organisational well-being:
    - In which quantitative targets may be set, based on membership demographic figures patterns
    - Based on responses and respondent's interpretations on the quality of effectiveness of the organisation in respect to communicative interaction between individuals
    - In respect of the organisation's ability to gather, disseminate and respond to information

3.3.2.1   Phase 3 data Collation tools:

- **4th Council Meeting**: At a day-long meeting attended by 16 people - the last meeting of the year, an event unfolded - the CEO resigned. Discussions concerned the appointment of a new CEO and the type of leadership style desired and was deemed appropriate to the organisation. An evaluation tool, measuring leadership qualities deemed relevant in areas critical to the organisation's future was proposed and accepted by participants. Potential candidates were to be rated, accordingly.

- **Semi-structured interviews:** Two 30-minute interviews were held with the National Training Administrator and the outgoing CEO. Each interview was conducted on a theme-based approach. The former dealt with learning within the organisation and the latter centred on the racial demographics and growth of the organisation. (The edited version of the transcripts is captured in the chapter dealing with the case study. The interviews formed part of the primary data.)

- **Formal Meeting and "Corridor Discussion"- Interviewing candidates for the vacant CEO's post:** The formal meeting lasted for four hours and was attended by four council members, inclusive of the participant enquirer. The formal meeting was divided in two: the first lasted approximately 1 hour and was held prior to the actual interview. An impromptu "**Corridor Discussion**": approximately 10-minutes took place, after the formal meeting, between two council members and the participant enquirer. This was informal, spontaneous and unintended and provided primary data on transformation issues and power struggles. The significance of the discussion relate to the legitimate and shadow themes. (The meeting and discussion formed part of the primary data.)

- **Sustainability Indicators/tools:** The Questionnaire and a Markinor Survey, divided into section one and two respectively, designed to be completed within 50 minutes, were emailed to all staff and council members, separately in a bid to get individual and group perspectives. Confidentiality and anonymity were guaranteed and deemed critical to allow people to respond without fear or favour. Questions relating to membership figures and profile were emailed to head office as well. The duration of gathering responses lasted over three weeks and included two reminders. Some membership data is still outstanding. The participant enquirer was informed that the organisation's data-base was incomplete at the completion of the dissertation and hence a complete assessment of the membership profile and growth for the period under review was unavailable. The point being that membership figures which were used were those which were supplied and these are therefore subject to verification.

It also indicates the administrative disarray. The lack of forthcoming data feeds perceptions amongst members, which are contrasting, on the organisational progress in respect of its Black membership base.

The **Questionnaire:** Questions relate to agent's perceptions of transformation, leadership, decision-making-process and participation levels of agents within the organisation. Open-ended questions were posed to encourage respondents to answer freely. Questions based on a rating range were designed to capture facts easily and as a means to deal with complex data – the latter also allowed the participant enquirer to gauge agent's feelings on issues.

The **Markinor Survey:** A conventional marketing tool, developed by marketing specialists, measures the ability of an organisation to gather, disseminate and respond to intelligence (information). Individual respondents place a score on a range from 1-7 (1 = I strongly disagree to 7 = I strongly agree) on a series of questions. The participant enquirer applied a prescribed formula, which included collating responses and calculating individual responses to gain an organisational average. The data extracted from this process allowed the researcher to come to a finding on the ability of the organisation to gather, disseminate and respond to information. (Refer to the section entitled Appendices for templates of the Markinor Survey and the Questionnaire on Agent's Perceptions and Participation. Data collated informs the findings in this case study which is discussed in the next chapter.)

Journal keeping and tape-recording

As indicated earlier, journal-keeping was an ongoing process throughout the enquiry. The advantages of journal-keeping may be described as being both a reflective and reflexive act. The advantages include the ability to capture raw data - in which acts (knowing and doing) and emotions are documented in the immediate present.

The journal served as a rich bank of information in which data captured included, the ongoing communicative interaction in which human emotion, non-verbal and verbal gestures, behaviour and processes of all actors, including the participant enquirer's was documented. In

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this way the journal served as a record of information; served as a compass in that it pointed to areas which were then explored.

This process allowed the participant enquirer a richer picture from which to extract data for identification of concepts and themes and analysis thereof. This process allowed the participant enquirer an opportunity to observe the patterns which were being formed.

The journal-keeping process was one which may be described as a timeless act in which stories of the past were re-told in the present; stories in the present represented the future - all describing what is happening in the present.

The journal served as a continuous thought tracking device in which the participant enquirer was able to track, monitor, add to, revise and reject concepts and construct – in this sense it provided an opportunity of discovery, in which choices informed action of continuous construction and reconstruction of the dissertation. Thus, the journal keeping allowed the participant to engage in self-talk, a reflexive act, in conjunction with others.

The process of knowing is made possible because of social processes. In this sense knowing is the ability to step-back, hold discussions in one's own mind. This process of sense-making is a joint act in which people engage with each other. The journal keeping was part of the dynamic process of learning.

The tape-recording of interviews aimed to capture the exact words of both the interviewee and the interviewer. In this sense, it was hoped the recording device would compliment and encourage free-flowing discussion as intended by a loosely-structured interview.

The shortcomings of both techniques, journal-keeping and tape-recording are that they are value-laden. The journal-keeping raises the problem of subjectivity of the participant enquirer in this process, as after all, the information is based on the participant enquirer's interpretation of the unfolding human processes.

The interviews which were recorded aimed to create an environment of trust but, may have contributed to inhibiting fully-fledged open conversations as it may impact on interviewees responses and opens one to errors such as self-censorship and, what Argyris (1994:61), calls defensive routines.

In an endeavour to overcome the shortfalls cited, the integration of the other tools allowed the participant enquirer to capture more fully the content of the conversations and document the interactions.

The participant enquirer, as indicated, used a myriad of exploratory, descriptive and quantitative techniques, workshops, discussions, questionnaires and surveys, guaranteed confidentiality and anonymity, to allow for open discussion.

Summary: the tools used in phase three of the enquiry sought to gain clarity on themes explored as well as explore emerging concepts; gain collective and individual expression on a myriad of issues which emerged in relation to the problem statement and narrow the scope subjectivity on the part of the participant enquirer.

Further tools used in phase three, deepened the processes of enquiry into the themes explored. Finally, it must be reiterated that the literature review was integrated into the study and was the guiding principle throughout the study.

Figure 3 details the themes which emerged and were explored during the respective phases of enquiry. (Phases 1 & 2 represent the initial and middle phases of the enquiry, and phase 3 is the final stage of enquiry).

Figure 3: Thematic Patterning over 3 Phases of Enquiry
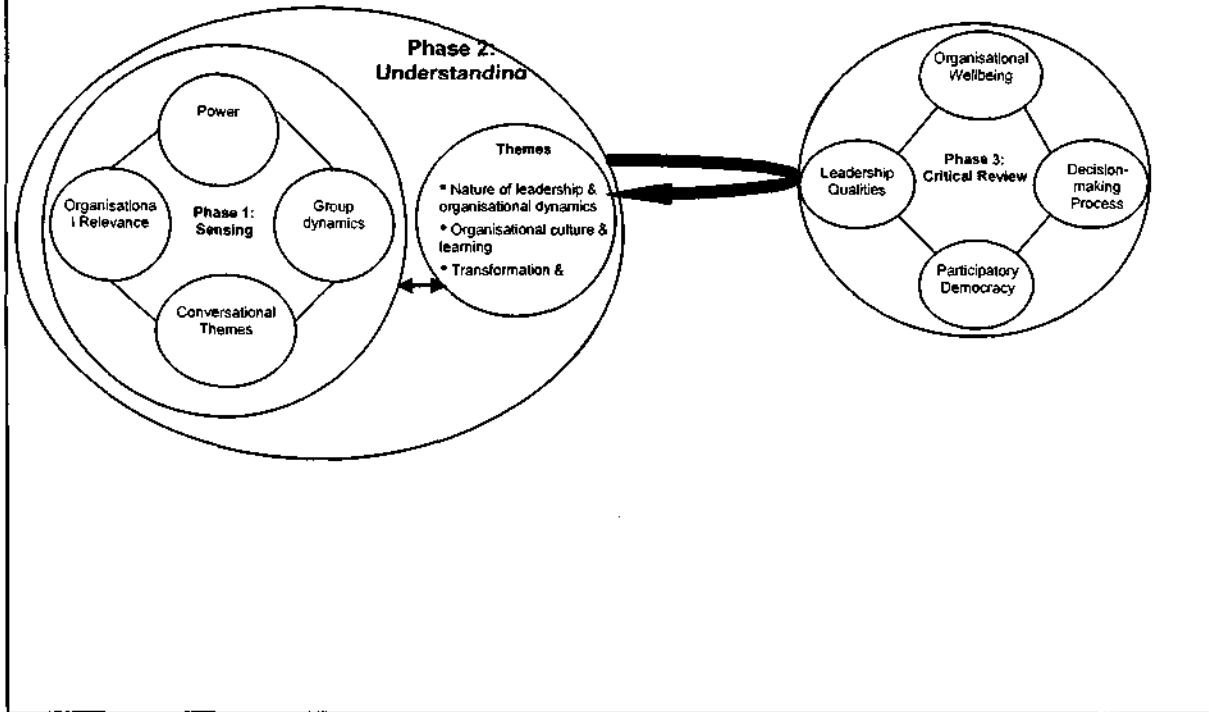
3.4 Synthesis of Literature Review and Research

A preliminary literature review allowed one to set the context and formulate the research problem statement. The initial review consisted of understanding Complexity and CRP Theory. The literature review allowed the researcher to gain a critical understanding of the principles and views of others, in the same field as well as related fields, evaluate and integrate the opinion of others in the material and in the research enquiry.

The synthesis of literature and research allowed the researcher to gain an understanding of diverse approaches to organisational, learning and strategy emergence theories. Further, the literature review allowed the participant enquirer to gain a richer understanding of complexity theory, complex adaptive systems and the nuances of applying complexity as a tool for organisational transformation and learning. In summary, the objectives of the literature review were to:

- Gain knowledge of conventional approaches in contrast to the study
- Gain knowledge of Complexity Theory, Complex Adaptive Systems and CRP broadly, and specifically to the themes being studied
- Define assumptions, implications and significance of using CRP as a tool for learning and change

3.5   Data Analysis Process

The data analysis or modes of analysis were concerned with textual analysis both verbal and written. The data analysis process was both reflective and reflexive following, broadly, an inductive process of analysis or grounded theory approach.

"Inductive theory is a socially focused methodology aiming to unpack what is happening and why, which leads to the generation of substantive theories and underpinning knowledge"

(Douglas: 2005).

Grounded theory research or inductive theory methods are grounded in gathering data and analysing it systematically (Meyers: 1997).

The data collation and analysis process allowed the researcher to explore the complexity of human "sense-making" as the situations emerged. Martin and Turner (1986) argue the researcher in such an approach develops a theoretical account of a topic while simultaneously grounding the account in empirical observations in which there is a dialectical relationship or interplay between the data collation and analysis. The authors believe this approach is useful in developing context-based, process-orientated descriptions and explanations of phenomenon.

Douglas (2005) argues Glaser and Strauss' seminal work, *The Discovery of Grounded Theory* (1967), specifically aimed at developing social scientists' capacities for generating theory. However, the authors differed in their views in later years. Glaser emphasised the necessity for the researcher to be more creative and less processual in his/her methodological approach while Strauss conversely, conveyed a more linear approach to recommended methodology, according to Douglas.

"Glaser's methodological approach relies primarily upon the constant comparison of different incidents, perceptions, relationships, and issues, with the aim of identifying inconsistencies, contradictions, gaps in data and emerging consensus on key concepts and relationships in grounded theory we do not know, until it emerges" (Douglas: 2005)

In this study the process of data analysis process was one which:

- Allowed for the central concept/s to emerge inferentially.

The data collation process surfaced a series of clues from which the researcher gained insight as to what is happening within the organisation and why, as perceived by the actors. The data gained from narratives allowed the researcher to identify emerging patterns and define organisational issues. An analysis of the data allowed the researcher to draft a framework of the emerging concepts. These concepts were discussed with other actors formally and informally. Further, the participant enquirer verified and refined the findings via discussions and interviews to illicit individual and group opinions/perspectives on the central concepts explored.

Hence, the participant enquirer was able to gain an understanding of the organisational processes in which communicative interaction occurs. The overall consideration in the data collation process was to acquire empirical data on the phenomenon being studied, that is, the generation of primary data captured in the exact words, explanations and expressions by the actual respondents themselves with minimal framing on the part of the researcher.

- Contributed to the process of generating a grounded theory.

The process of data analysis assumed a cyclical nature as well an ongoing systematic investigation of concepts and themes via a thorough collation process of observations, journal keeping, interviews, meetings, discussions, questionnaires, surveys, inspection of documentation where appropriate or possible, and literature review. The researcher identified commonalities and explored core categories in a bid to build a robust organisational theory. The data collation tools which emerged during each phase of the enquiry allowed the researcher to verify, explore, refine and revise the concepts and evidence which emerged and which was strong pointed to areas where there was strong support for it. The researcher's analysis was presented to stakeholders and specialists in a bid to deepen the discourse and expand on the outcomes of each stage phase of enquiry. This process only enriched the dissertation analysis. Thus, the data analysis process reflected a prolonged engagement with data in an iterative manner. Data was organised, summarised, analysed and expanded upon, individually as well as via the input of others.

"Theory generation occurs around one or more core categories, with evidence of properties of these categories and therefore patterns of behaviour to be found in the research phenomenon studies" (Douglass: 2005).

- A comparative approach to collating data from multiple-sources over a period of time.

Over the three-phase enquiry, the participant enquirer posed questions in different ways for comparative analysis. The findings, themes and concepts conjectured were verified via this cyclical pattern of enquiry. The prolonged engagement with data and the triangulation of data, synthesis of literature and research, testing with stakeholders, etc, allowed the participant an opportunity to build a robust organisational theory. Douglas (2005) argues insights can be cultivated from the perceptions of the actors as well from the researcher's interpretation of the data until the conclusion of research because they have the capacity to emerge continually from ongoing reflection upon the data, through constant comparison. Creswell's verification process was followed within a qualitative paradigm.

"The question about the accuracy of the information may not surface in a study, or, if it does, the researcher talks about steps for verifying the information with informants or "triangulating" among different sources of information..." (Cresswell:1994:7).

The conversations, discussions, workshops and rich picture exercise were useful in checking tacitly held assumptions of the actors. The Sustainability Tools added enabled a quantitative analysis of the data. The findings were coded and calculations were checked by an independent researcher for additions and corrections. Individual and groups responses were collated and informed the findings. Suffice to say, a substantial number of staff and executive, 80%, responded to the questionnaire and Markinor Survey. These tools was thus part of a process employed to narrow the scope of subjectivity on the part of the participant enquirer and assisted in dealing with the shortfalls cited in terms of analysis based solely on journal-keeping.

Further, the way tools were employed also allowed one to check the accuracy of the information, i.e. by collecting the same information in different ways and comparing the results. The approach, in general, was to ensure in-built mechanisms of scrutiny were

contained in the research design in a bid to take steps to verify the phenomenon being explored at all stages of the enquiry.

- Further, writing of the research was a continuous process. Wolcott (1990) argues, writing is thinking. Writing, he says helps the researcher to think, reflect and figure the phenomenon being studied.

The participant enquirer, as indicated earlier, used a journal throughout the course of the enquiry, tape-recorded interviews as well as submitted assignments on themes explored during the enquiry.

The actual data analysis was based on the edited transcripts and data gained from the integration of the tools outlined and, where permissible, fed back for discussion. Some of the information from the Sustainability Tools and corridor discussions was not fed-back to organisational actors because of trust and anonymity which the researcher guaranteed. The analysis process in which themes explored were also subject to specialist's input as a means to generate greater discourse, verify, clarify, revise and explore areas and incorporated in the dissertation itself in a bid to build a more grounded theory. The literature review, informed much of the research enquiry as well.

Hence, the process of analysis assumed a cycle in which emerging concepts were subjected to continual testing for consistency across multiple observations. Concepts were identified, developed and/or discounted, in order to produce the component concepts of the emergent theory.

Finally, it must be noted that the dialectical role of the participant enquirer in explaining an unfolding phenomenon was noted from the onset. Having said this, the participant enquirer believes the onus of behaving in an ethical and responsible manner is of utmost importance and was one which was strived for at all times.

3.6   Conclusion: Research

The literature review followed a process of contextualising the research enquiry within an increasingly complex and changing environment. The research enquiry and synthesis of literature enabled a richer understanding of leadership theories and practice, organisational culture and organisational dynamics. As a participant enquirer one is expected to enter into a real-world scenario and gain knowledge of the subject at hand. The literature review allowed the participant to gain insight and work towards resolution. The research enquiry and the published material of diverse voices guided this case study's own empirical findings.

The next chapter deals with the case study itself, taking cognisance of the dynamic context the organisation inhabits. The chapter is divided into several parts. Briefly the chapter looks at why the case study is interesting, a brief historical background is provided as it contextualises the organisations challenges and dynamics. This is followed by the findings in this research enquiry - the broad findings are discussed as well as sections which deal with specific themes. The methods and how they relate to the findings are also discussed. A brief analysis of the methodology is forwarded.

Chapter 5 is the concluding chapter and discusses the significance of the interconnection of the organisation and the environment it inhabits and discusses the significance of CRP as a tool for learning and change.

4. CASE STUDY AND ANALYSIS

This paper looks at learning and change within an organisation from a CRP lens. The organisation, referred to as X, is located in South Africa. This case study explores the complex interrelation of agents within an organisation and with forces in their environment. At national-level, the forces of change and de-racialisation of the economy pose as an opportunity and challenge to the actors within Organisation X, an NGO, established several years ago, after a history of merges. Organisation X's aim is to represent the interests of all women entrepreneurs and contribute to the growth of this sector.

At the commencement of this research enquiry in 2004, the Executive tabled the following primary concerns: the tenuous relationship between branches impacted on learning and sharing of knowledge between branches and problems associated with transforming the organisation to be reflective of all races. Several other concerns surfaced relating to the financial and transactional aspect of the organisation.

What is interesting in this study is that it is located in a period in which a series of initiatives were implemented to increase co-ordination, tighten control and bring actors together. A characteristic feature of the period 2004-2005 was that the initiatives, intentional and unintentional, increased dialogue within the organisation – dialogue which may not have been fair or democratic, but by the end of the dissertation led to solving, in part, the operational and financial aspect of the organisation. For example, standardised administrative procedures were put into place, the relationship with the key sponsor had improved and greater efficiency and successful promotional activities had led to a healthier financial scenario. However, Organisation X's ability to transform itself was proving to be its greatest challenge.

Further, this study is interesting in that it explores the shadow conversations within a shadow group. According to Stacey (2003) shadow groups reflect an alternative view to the status quo and may subvert historically consolidated ideologies. In this sense, Organisation X is representative of a shadow group - women entrepreneurs - a marginal sector which has

historically been ignored in a predominantly male-dominated society. This enquiry allowed one insight into the political and organisational dynamics within the shadow group.

The study also revealed that secular interests, those between Black women entrepreneurs and White women entrepreneurs, reside within a body which eschews a common ideology and the ability to traverse these pose as a challenge given the changing environment. The South African economy has been described as one which is a dual economy in which first and second-world economies exist parallel to each other. Within this context Black entrepreneurs needs and conditions often differ from those entrepreneurs operating within the mainstream economy. Organisation X walks a tight rope in seeking ways to deal with governmental policies which impact differently on its diverse audience – policies designed to affirm Black women specifically, such as the BBEE procurement polices which may not gain the support of the Organisation X's traditional support base, that of White business women. Hence, the conversational themes point to the paradoxical nature of the conversational life of the organisation in which entrepreneurial interests of the diverse groups are both in conflict and complimentary to each other. It also points to the challenges of organising Black Women and suggests that noting the historical context the organisation operates in - organising for different communities may require different strategies.

Hence, the transactional and transformational challenges are numerous and organisational dynamics will intensify. Bearing this in mind, the focus on micro-level interaction offered a window of opportunity to explore the dynamic and complex inter-relating amongst agents which impact on what an organisation is and will be.

4.1 Organisation X - Background

After a series of merges in the 1990s, post-Apartheid, Organisation X established itself in its present form about four years ago. The merger consisted of two smaller organisations, (representing entrepreneurs of non-racial organisations) and one primary organisation, over 30 years old (representative solely of successful White-business women). Majority of the executive members and all of the regional chairpersons were appointed from the primary organisation. This group constituted the Council, a body tasked with designing and effecting policy, strategy formulation and implementation.

Organisation X during this period had established international links and formed part of an international network of entrepreneurs. Its appeal to women entrepreneurs, a sector largely ignored during the Apartheid years, had continued to grow. However, the difficulties in building operational and administrative capacity in meeting the objectives of organisation as well as the challenges of inhabiting a new legislative and political environment impacted negatively on the organisation.

Between 2001 and 2003 the picture grew bleak. The CEO described the organisation during these years as one which did not resemble a national body. Branches worked in isolation from each other, morale was low and relationships were characterised by intense levels of distrust. The regional branches located in the primary urban centres had access to greater resources, human and capital, were placed in an advantageous position in comparison to the branches in semi-urban areas. Some regions dominated.

The Council was a symbolic body and had abandoned its advisory and operational role. The financial scenario was equally bleak. The international network had also collapsed. On the other hand, Organisation X's advantage was its long track record - the primary body in the merger had maintained a profile for over three decades and had pioneered a series of successful projects. Further, Organisation X's strategic alliance with a key sponsor on annual projects had deepened the organisational brand, albeit to a lesser degree in comparison to the sponsor.

By mid-2003 the over-reliance and dependence on a single sponsor proved to be costly to the organisation as most projects were branded in favour of the sponsor's name. Further, regional executives worked closely with the sponsor and as such the rank and file membership and industry players perceived many of the projects to be driven by the sponsor rather than by Organisation X. The period also witnessed a total break-down in communication and a collapse of co-ordination and control between branches.

During 2003 Council added two new tiers to the organisation's hierarchy, the Head Office division and branch co-ordinators, in an effort to centralise control. The Organisation's first CEO was appointed in a bid to address the administrative and operational challenges it faced. Re-structuring efforts partly addressed the problems and in some cases this process exacerbated organisational dynamics, for example, tensions between branches increased and there appeared to be a contest for power and manifestations of inter-regional rivalry. An example of this rivalry is illustrated by the action of regional chairpersons – in an attempt to control the communication processes regional heads issued an ultimatum that Head Office was not allowed to communicate with branch coordinators without the permission of branch chairpersons.

The organisation also experienced difficulty in attracting Black Business women and Council believed the appointment of several Black non-Executive members to the Council would address this challenge. During this period the organisation faced declining influence with its primary stakeholders, business women, government and the business community in general. Further, the growth of other organisations addressing the specific needs of the Black entrepreneurial sector posed as serious competition to Organisation X. Council commissioned a marketing company in a bid to position the company in a bid to raise the organisational profile, increase its membership, particularly Black Women. However, the black membership base did not increase and organisational inefficiencies and dynamics persisted.

This research enquiry commenced against this background.

4.2   Findings: CRP - Organisational Learning and Change

Using CRP, the participant enquirer was able to gain deeper insight of the organisational dynamics and, the collective conversational processes in which power-relating occurs. CRP allowed a framework in which to explore the cyclical and dynamic nature of organising and strategising.

The enquiry revealed the interplay of themes which organise or block the emergence of new patterns of talk. The conversational themes pointed to an organisation in distress, characterised by leadership and power struggles and a culture which prevented authentic participation. The conversational patterns which emerged during the course of the enquiry revealed the intensity of the power struggles in which covert political themes emerged.

The struggle for power also led to numerous alliances, the nature of which may be described as mainly loose and adhoc in nature. These alliances cross racial boundaries and are expressed more visibly before elections and as positions, across all tiers, became available with the exit of members. The alliances also assumed a racial character when the interests of a racial group were brought to the fore as a result of legislative changes and issues relating to transformation.

Alliances were also forged within the legitimate and shadow themes and even crossed these boundaries as evident with the appointment of a new CEO towards the end of the writing of the dissertation. (This matter is discussed under the section entitled findings on Transformation.) The point is that group and individual responses impacted on relations, on strategy implementation and on delivery and in some cases led to the obstruction of projects as well.

The findings also revealed the existence of two opposing approaches to managerial practise amongst Council. Majority of Council members favoured an authoritative and conventional management approach to decision-making processes while a minority favoured a

participatory and consultative approach. The minority constituted mainly non-Executive members who were change agents drawn from other organisations and their approach favoured open-enquiry approach – an approach which was consultative and grass-root orientated. The clash in approach often led to discourse on strategy formulation and implementation.

However, the influence of conventional managerial practise generally held sway and thus decision-making processes tended to rest solely with the Council. This approach may partly be due to the organisational problems described during 2001-2003 and was partly the result of the influence of traditional managerial practise and SCF paradigms in which a powerful few design and preside over processes.

The findings revealed that Council's interventions, regardless of the managerial styles, in instituting measures such as: standardisation of regular formal meetings, workshops, standardised procedures and processes fostered inter-branch activity. The processes instituted were designed to increase control and forums were initiated in which attendance and participation was compulsory and led to a situation which "forced" dialogue. In terms of theoretical discourse, forced dialogue may be deemed incongruent for knowledge generation, innovation and creativity. However, this process did contribute to creating conditions for greater communicative interaction. The benefits of increasing a process which fostered dialogue, recorded in Council minutes at the end of 2004, suggest that these measures led to, amongst others:

- Efficiency and profitability - most branches were running well and profitably
- Increased inter-branch activity
- Improved relations with existing members and with the key sponsor. The processes also resulted in the establishment of new relations particularly with governmental departments, specifically the Department of Trade and Industry.
- Links with new and former international entrepreneurial bodies were established.
- Increased local and national media profile as a result of the successful projects initiated by the Organisation. The spin-off was that it deepened the organisational brand and decreased its dependency on a single sponsor.

However, the negation of input at micro-level, broad-based enquiry and consultation had also resulted in a fragmented view of what was happening on the ground and continually impacted on intended strategy implementation.

The findings revealed that the structure of Organisation X was modelled along the basis of self-organised units - the leaner, flatter, structures, theorists presuppose to be more agile and responsive to complex, rapidly changing environments. Ironically, this enquiry revealed, regardless of the structural nature of Organisation X, there was an absence of open dialogue between agents and there existed a highly competitive culture. The impact of this was that while agents were able to gather information on their environment, their ability to disseminate, make sense of it and generate new knowledge was hampered. The high levels of competition also led to a situation whereby, information was withheld, projects were blocked and information was abused to further the interests of individuals or groups of individuals. The irony is that in an environment reflecting a treasure trove of "entrepreneurial talent," creativity was stunted. This was partly due to the nature of inter-branch rivalry, the competitive and closed culture and the autocratic managerial approach.

The enquiry revealed agents lacked the autonomy to choose how they approached a task. The operational style was exclusive and voices which deviated from the norm, across all tiers within the organisation, were censored or ignored. Further, the consolidation of power in the hands of a few combined with the closed-culture, the slow pace of transformation, led to lower-morale and a revolving door syndrome which impacted on the institutional memory. These factors undermine the sustainability of the organisation.

The point is that one observes thematic patterning at play in which traditional and alternative processes co-exist which served to stabilise and even led to improvements and prevented Organisation X's total collapse. However, the arbitrary and unilateral managerial decision-making approach has the potential to inhibit the transformation of the organisation into one that is vibrant and innovative.

Organisation X positions itself in the environment as a voice representing the interests of a sector at the margins of society. This enquiry, interestingly, revealed the dynamics of thematic patterning at play in which the shadow themes within Organisation X (a shadow group) were unable to subvert the legitimate themes within the "shadow group".

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Research methods and its significance to the findings

The Research enquiry, which spanned over one and half years and constituted three phases, allowed one to explore, gain insight and verify the findings. From a CRP perspective tools applied in phases one, two and three consisted of a strategic workshop, rich picture exercise, discussions which were formal, informal and grapevine discussions. Council meetings as well interviews informed the content of the dissertation. These tools allowed one to explore micro-level interaction and informed the exploration of themes studied. Comments made in ordinary daily conversations allowed a richer picture of the themes. Edited versions of these comments have been captured as they aptly reflect the content of the findings.

The research methods allowed one to explore the conversational life of the organisation. Via ordinary daily conversations, the participant enquirer was able to patch together the history of the organisation, participate in what unfolds and gain insight into the challenges the organisation faces.

The strategic workshop in 2004 as a research tool allowed one to observe the paradigms which influenced the organisational processes and revealed the strong influence of the SCF in which the top designs and presides over processes. The workshop followed the standard approach of most workshops or meetings in which an individual in authority lectured others, using power-point presentations, as a tool for communication. The workshop as a tool allowed one to observe organisational practices which hinders free-flowing conversation and which reflects attempts by management to control the communication process and strategic outcomes. It also revealed agents discomfort at control attempts. Comments by participants of 2004 workshop attest to their frustrations of the lack of space to air their views: "Another lecture on vision..."; "At some point I lost track of what was said"; "Did you notice we could not even ask questions?"

The rich picture exercise, used as a descriptive, exploratory tool emerged unintentionally during the 2004 workshop. As a tool it encouraged dialogue. The exercise revealed the lack of a shared understanding amongst the rank and file of the organisation's mission, processes and the context it inhabits. Individuals, it was found, attached different meanings to where, the organisation was, what it did or ought to be doing. From the conversations it emerged that crucial information was "falling through the cracks" because of the high levels of inter-

branch competition. These tools initiated other discussions and over the two-day workshop a series of impromptu discussions, formal and informal materialised. These discussions pointed to several themes which revealed that there was a lack of space for open-dialogue, transformation was not actively pursued and the existence of hostile political relationships which impacted on inter-relating between agents.

The benefits of the rich picture exercise were: its inclusive approach; it allowed a framework in which participants were able to express their fears, anxieties, misunderstandings, views and that it initiated a process of collective sense-making in defining the organisation and the challenges it faced. However, maintaining the momentum where ideas and input on strategy remains open and is an inclusive process, proved as the enquiry unfolded, to be an ongoing challenge.

The grapevine, the participant enquirer found, was a key link into the shadow themes and revealed what was happening within the organisation.

As the enquiry unfolded the series of discussions, formal and informal and interviews during the phases offered insight into the nature of organisational dynamics, the quality of conversation and allowed one to describe the organisation as one that is ailing, characterised by high-levels of power-relating and conflict, a repetitive quality of conversation, a closed culture, and a stressful environment of inter-relating as individuals and groups of individual vied to gain a stake in the organisation, and/or merely survive on a day-to-day basis. The following comments captured from discussions formal, informal and grapevine, reflect this: "The ability to remain depends on the 'camp/s' you belong to..." "If you don't belong... you just have to live day-by-day." Another agent described Organisation X as: "Being at the cross-roads of change...but if we try together we can turn this organisation around." Some gave time-frames, while other comments reflected low morale and even a sense of powerlessness: "I'm giving it two years to change." "You never now what tomorrow unfolds as the goal-posts keep shifting..."; "People are always leaving..."; "Not many people have survived this organisation for longer than three years...".

The informal discussions and shadow themes throughout the course of the enquiry point to perceptions that power rested in the hands of a few who took unilateral decisions. Further, it pointed to the restrictive nature of a closed culture in inhibiting risk. Agents expressed fear of reprisal if they erred. Others indicated they were met with hostility if they aired views in contrast or in conflict to some in authority. Some members described their experience of working in the organisation as "energy-draining". These criticisms and comments were repeated by participants in a questionnaire submitted during the final phase of the research enquiry.

Council meetings used as tools within the CRP framework allowed one could witness the interplay of legitimate themes and covert politics. These forums gave insight into the nature and quality of conversations, as a tool it also served to validate findings and views exhibited in the shadow themes.

The thematic patterning which unfolded over the course of the enquiry led to the study of several sub-themes, the findings of which are detailed below.

4.2.1   Findings: CRP - Leadership and Organisational Dynamics

The perceptions of agents were that the leadership turned a deaf ear on the "noise" (conversations) imminent in the organisation. The leadership was criticised for presiding over processes rather than as being a part of the process. Organisation X's formal leadership displayed a lack of the ability of leaders to be self-reflective of their role and how they may impact on others and reflect a resistance to changes taking place within the broader contest.

"Leadership is the interaction and shared communication about direction, change and service delivery improvements between those who have the positional power and authority to respond to change-proposals and those who deliver the service" (www.compass2.demon.co.uk :1999: 4).

The enquiry revealed covert political interaction was a characteristic feature within the leadership. The process leading to the selection of the new CEO reflected: the arbitrary decision-making style, the concentration of power in the hands of a few, power struggles which manifested in the formation of alliances between camps, across racial and secular interests. Events at a Council meeting in 2004 and the process leading to the appointment of a new CEO are cited as examples of this.

At the November Council meeting (2004) the CEO resigned, taking most of the Council by surprise. The meeting was informed that the CEO, the Deputy and the President had short-listed potential candidates and that processes were put in place to appoint a new candidate. The CEO then nominated her deputy as a suitable candidate for the CEO's position. The National Administrator indicated that this was procedurally incorrect. It emerged at the time that the National Administrator was one of the short-listed candidates for the CEO position. What ensued was a series of heated debates which raised notions of accountability, transparency and issues on governance. The outcome of this process was the documentation of a leadership code of conduct, which eschewed servant leadership styles.

The discussion led to a withdrawal of the CEO's nomination and a re-examination of the appointment process. A panel, incidentally reflective of its previous composition, save for the member who replaced the CEO, was appointed to steer this process. The participant enquirer also attended this forum. At this meeting the President of the organisation informed the panel that of the four candidates two of failed to arrive, the other revoked her application – and the National Administrator was the only available candidate. The National Administrator was appointed as CEO.

In CRP terms, this process illustrates the interplay of shadow, formal and legitimate themes at play, in which even shadow themes become formalised. The process attests to CRP thinking of communicative interaction, in which responses evoked may not be controlled and of shifting power-relations. It also reveals the fluidity of power in which alliances are forged and point to processes which reinforce legitimate interaction. The example is also illustrative of the political camps, high levels of jockeying for power and the fluidity of power. Suffice to say two council members have since resigned – one of whom described the organisation as being a "mess which serves the political agendas of a few".

While the meeting reflects the closed and arbitrary nature of those in authority, it also reflects the significance of communicative interaction in which ordinary conversations have a transformative potential. The application of CRP in this case-study indicated that a paradoxical dynamic exists in which competitive, collaborative, co-operative and yes, even destructive behaviour is displayed as individuals or groups of individuals with a myriad of agendas via conversations negotiate and/or claim space for their views.

As the enquiry unfolded the conversational themes also indicated that the approach to organising was one in which the leadership believed it had the answers and that managers should preside over the processes. On the other hand, members believed their opinion should be sought but believed the responsibility of the success or failure of the organisation rested solely with the leadership. This abdication of responsibility can impact negatively on the organisation as in terms of CRP, the action of each individual impacts on what an organisation is and will be (Stacey: 2003).

Leadership theories posit servant leadership as being effective in dealing with change. An effective leader is one that creates or facilitates the conditions which embrace diversity and a culture in which workers are empowered in which ownership of what happens to the organisation.

Effective leaders develop other leadership tiers for succession. Leaders create space for freedom in which others find comfortable space to express themselves and where people can (act) do and be (reflect). Effective leaders are change-orientated and reflective beings.

These skills referred to by leadership theorists as "meta-skills" are considered critical in effectively dealing with uncertainty and turbulence (April, Macdonald, & Vriesendorp 2000:3); (Chatterjee 1998:30)

The impact of globalisation on the changing nature of organisations requires the development of leadership skill not managerial skill amongst its members.

Good leaders foster ongoing collective learning within an organisation. This implies that open organisations are those in which conversations are free-flowing, conducted in an environment of trust lend themselves to more enabling processes, knowledge generation and innovation. The approach in Organisation X is contrary to this principle and had led to a vicious cycle which accentuated, organisational dynamics, institutionalised a closed culture and processes which restricted collective learning.

4.2.2 Findings: CRP and Culture

The dominant culture favoured a top-down process. The conversations revealed the culture was closed to discourse and a leadership style, which adopted a defensive posture to discussions, deemed sensitive. Power relations within the organisation remained in the hands of a few and are largely backed by a majority whose agenda serves, unconsciously or consciously, the special interests of a racially select group.

Traditional linear thinking in Organisation X was the dominant approach to addressing issues. A degree of space for innovation amongst individual units does exist. (This may be a characteristic of the architecture of the organisation in which self-organising units allow individual actors a degree of free-rein).

However, the process for novel actionable ideas may be negated as the emphasis of the organisation shifts towards a structure resembling Weber's ideal bureaucracy, in which centralisation of control and standardisation of processes and task-specialisation is deemed the appropriate route for effective co-ordination and control. Hence, the structural re-engineering re-emphasises a culture favouring transactional and hierarchical aspects of management over transformational aspects.

The culture within organisation X suggests that the understanding of the nature of human interaction was informed by a perspective that places the primacy of the individual above the group. The individually centred-culture and approach to issues negated the opportunity for dialogue between agents and for collective or incremental action, reflective of the "wait-and-see" approach to what may unfold.

All the agents reside in the areas in which they work and are connected to the local communities they service. However, there is little space within internal structures for feedback between units. While products and strategies are pre-planned, actionable ideas, which emerged at local level, often underwent time-consuming bureaucratic processes which hampered the implementation of action.

An open-enquiry culture requires a range of people who collectively encourage open communication (embrace conflict and disagreement) and in so doing create space for creativity, innovation and improvement.

The enquiry pointed to an organisational culture which was characterised by repetitive themes and reflected the conversational life of Organisation X as being stuck. Legitimate themes also organised silence by making certain areas taboo.

The quality of conversation may be described as defensive and when people connect, the richness is absent from the themes. Covert political themes underscore much of the way in which people related in an environment characterised by a high level of distrust.

The culture of the organisation and the ordinary conversations, according to CRP, affects the way an organisation evolves. A highly energised workforce is a reflection that employees and/or members of an organisation have taken ownership of the organisation. Such organisations are reflective of an organisational culture which values the input of all of its participants. In CRP terms, "closed cultures" and a climate of distrust do not augur well for processes in which creativity may be unleashed or for novelty to foster and, may ultimately lead to the death of innovation (Stacey:2003).

The conditions for creative, free-flowing conversation allows for emergent new patterns of conversation. Stacey (2003) says a healthy organisation is one that continually responds, provokes and evokes responses from other organisations and reacts to the provocations of other organisations so as to survive and prosper. Organisation X would benefit by allowing new shadow themes to emerge.

Conditions for free-flowing conversation lie in the critical range between the two extremes, where the tension between the legitimate and shadow themes are between orthodoxy and deviance – the deviance allows for new conversational attractors" (Stacey: 2003:378).

4.2.3   Findings: CRP and Learning

A recommendation from the 2004 strategic workshop set in motion a programme for formal training sessions. Learning in the organisation reinforced the classical approach to strategic management. Learning is designed to compliment the organisational restructuring process which resembles Weber's model of bureaucracy and as such, training is purposeful and geared towards uplifting individual skill deemed appropriate for a specific task.

Evident of this approach to learning is the belief that training sessions, based on rote and individually-orientated outcomes are considered the sole route to addressing knowledge generation. Council believed the codification of processes, into standard formats, would provide a rich data of information for current and future reference and action.

Further, the conventional approach to learning was validated in an interview held with the National Administrator during the last phase of enquiry, and revealed a mechanistic and linear approach to learning. The National Administrator's approach to learning was an approach rooted in scientific and classical management theory and concerned solely with efficacy and control. The foundation of the training programme was underpinned by ways in which to standardise processes. The learning environment consisted of CDs and standardised training manuals from which all coordinators could refer to. Coordinators were expected to study these independently and were monitored accordingly. Suggestions that coordinators share their insights collectively were blocked. Standardisation, it was argued would solve administrative, inter-branch co-ordination and decrease rivalry.

The views on learning reflected an organisation which was grappling with administrative challenges and while the learning strategy may address these problems it does not embrace a holistic approach to learning and knowledge generation.

Further, the dominant view to learning would hold sway, as a substantial number of agents who view organisations in relational terms, have left. Unfortunately, the exit of voices

holding diverse views may lead to a vicious rather than virtuous cycle and negate richer and deeper learning. It may reinforce organisational inertia and compound the organisational challenges in encouraging dialogue, sense-making, sharing of knowledge and the collective experiences of doing. The conversational life of an organisation which negates diverse expression was a factor in contributing to the revolving door syndrome. An outcome of the revolving door syndrome is that it hampers building institutional memory and intergenerational knowledge.

Traditional pyramid structures inhibit organisational learning. These structures imply unilateral control over others, central to the concept of superior sub-ordinate relationships and conventional management practice is governed by the rule of exception, in which standards and performance are pre-defined. These conditions do not allow individuals to deviate as superiors will not trust the sub-ordinate that errs. Further, they create conditions for inter-department warfare (Argyris 61:1994).

"From a CRP perspective, performance improvement has to do with authentic participation in processes of communicative interaction, power relating and the creation of knowledge and meaning. Meaning is not located in the individual mind but in the recognition and counter-recognition of people in interaction with each other" (Stacey: 2003: preface).

The CRP approach takes cognisance of what matters to individuals: ownership or buy-in on the part of individuals emerge if people are able to attach positive meaning to their input and extends beyond financial reward to a context which allows one to self-actualise.

Personal development and collective development is an interlinked process. Learning from this perspective is a social act, a dynamic and ongoing process.

An organisation which lends itself to learning in action and one which recognizes that learning amongst individuals occur at different rates and necessitates the space for trial and error - may generate greater potential for novelty and innovation. According to Gupta and Cassim, reflective structures are those which acknowledge that mistakes are part of the process of growth. Error, they say, must not result in censure, rather corrective action. They say without risk there is no growth or progress without error. (2000:53)

4.2.4 Findings: CRP and Transformation

The conversations relating to transformation revealed it was acceptable to talk of transformation in superficial terms but as the enquiry unfolded revealed this became a taboo topic over time.

The pattern of responses raised questions on the authenticity of the leadership. On paper, as reflected in Council minutes, the organisation's inability to be one which is representative of all races is noted to be of critical concern. However, conversations in the shadow themes on transformation supported the perception that there existed a lack of political will, a collective inertia and an unwillingness and/or urgency to initiate and drive the process. Comments in the shadow theme, as the enquiry unfolded, pointed to views that transformation was a public relations exercise. Comments such as: "Actions speak louder than words. Organisation X is all talk," were not uncommon during the course of the enquiry.

Comments from the shadow themes state transformation has been "ghettoised". This is a popular term in South Africa used to describe processes whereby transformation is considered a "soft issue" and relegated to the Human Resource Department.

While transformation is more than a numbers game, even at the numbers level, members said there was little visible evidence of an increase in racial representation. Two members asked: "Where's the evidence?" "Is this merely, lip-service?" The organisation's BEE credentials at the final stage of enquiry were as follows – of 11 staff members three were Black members and of the 16 Council members six were Black, consisting of the president, one chairperson and four non-operational executive members of which two members were leaving.

The participant enquirer's request for membership figures and a breakdown of the profile throughout the course of enquiry was met with resistance. In fact during an informal discussion, the National Administrator indicated that she was reprimanded for forwarding some information. However, the official reason for the inability to forward data related to IT problems. The request for data was also made by some Council members – none was forwarded. The absence of records on the membership profile impacted on the ability of management and the executive to gain an overview of the actual growth patterns of the

organisation numerically as well as geographically. The withholding of data also opened the leadership's authenticity to scrutiny, subjects it to negative perceptions and undermines the Organisation's credibility as representative of all entrepreneurs.

During the last quarter of 2004 an unfolding event validated the voices in the shadow theme which revealed secular interests at work. The South African government announced its intention to exclude the procurement of the services of White women from its BBEE strategy. The guiding principle was that companies were to be weighted favourably on the Balanced Scorecard System if they procured the services of Black women. Some Council members together with the rank and file members from its traditional support base ensured that the organisation spearheaded a coalition with other bodies and lobbied government from implementing this principle.

The speed with which Organisation X responded to Government's initiatives and the content of their concerns reflected that Organisation X was addressing the interests of its traditional base. This process raised the ire of Black members, including some Council members. Agents pointed to: the Organisation's non-compliance to BBEE, the suspension of projects designed to raise BBEE awareness amongst branches and Council's resistance to reducing the high membership-fees considered to be a barrier to entry for Black membership.

Interviews with the CEO, who has since resigned, and the National Administration (the current CEO) validated perceptions which emerged in the shadow themes as to the organisation's lack of energy and enthusiasm on transformation. The interviewees steered away from the subject and in fact, their responses echoed the standard rhetorical response met at Council, that is: "Transformation is a problem and an area which is of critical concern that needs to be addressed."

Having said this, it must be noted that the challenges of organising Black Business women are, to mention a few:

- Very few Black Business women representing medium to large business exist in proportion to the numbers of White women representing the same category. Hence, organisational growth in this regard is limited.

- Emerging Black Business women are a potential audience – but the question begs why should Black women become members of Organisation X when other organisations exist which better serve the interests of emerging entrepreneurs?

-Organisation X's branches are located in predominantly white-residential areas and the lack of resources, organisational logistical problems poses as a challenge and raises the issue of having diverse strategies for diverse constituencies.

Notwithstanding the challenges Organisation X faces, the consequence of inaction on transformation or censoring of discussion thereof, may add to the revolving door syndrome and magnify the existent racial skew. At the completion of the enquiry there was an absence of programmes, projects, or processes in place. The entry of Black members must be an authentic invitation. Black tokenism fails to make a difference in the boardroom and poses a direct challenge to the sustainability of the organisation.

The challenge Organisation X faces is balancing the transactional and transformational aspects of organising.

Organisation X is well poised to attract members from diverse sectors of society and this presents an opportunity to experience qualitatively richer conversation. Perhaps in here lies its greatest challenge – the need to make a paradigm shift towards facilitating conditions for free-flowing open dialogue. Organisations which are unwilling to embrace diversity and promote an enabling environment will find themselves adopting reactive postures as opposed to responsive in dealing with complex and changing landscapes. Organisation X may find the path it has chosen may be one which exacerbated its defined problems.

In order to support the principles of sustainable development the necessary material and objective conditions need to prevail at macro and micro level, that is, environments that are just, equitable, responsive and participatory (Reece: 1999: 53). Although it must be noted that participation does not have to fair or equitable for self-organisation to occur (Stacey: 2003).

4.3   Analysis and Discussion

While Organisation X did not formally use CRP concepts in understanding learning and change, the advantage of applying CRP theory was that it allowed one to explore human inter-relating at micro-level because it is premised on the notion that there was no attempt on the part of the researcher to control, design, and manage the process outside of the situation. The enquiry process was akin to the way Shaw approached consultancy work in firms, in which she retains the transformative potential of conversations by abstaining from controlling or formalising intentions and outcomes (Stacey: 2003:400).

Traditional habits and practices are not easy to unlearn - the desire to explore, understand and extrapolate behavioural patterns from which one is able to offer solutions and a course of action in the research enquiry was initially one of automatic reflex, only to find that in the process, the response of others impacted on the outcome. This process meant; the participant enquirer had to apply the insights of CRP in terms of what it means to participate and observe processes, and in the process develop reflective and reflexive skills.

Unlike conventional theories, CRP, assumes no pre-given reality to determine the way one views the world, therefore, there is no straight forward "natural" description. Interpretation is subjective in which the environment emerges via observation, in which the phenomenon continually emerges via a process of discovery, choice and action.

The methodology revealed that the future is constructed and reconstructed in a dynamic manner. The participant enquirer, leader, individuals or groups of individuals are actively participating in the process and are not in control of the responses evoked by the interaction with others.

Conventional and System Theory emphasise the primacy of the individual, the role of the objective observer in providing the solution to organisational challenges, assumes a largely macro-level analysis and ignores the paradox of control. Strategic management from this perspective ignores micro-level diversity. CRP places the focus on human-sense making and micro-level and in doing so emotions, conflict, power, etc, impact on what is happening.

CRP methodology allowed for flexibility and one observes that strategic choice elements can operate within this framework, in which tools of enquiry emerged and were revised or rejected from such processes. Thus learning was a continuous cycle where one discovers, chooses and acts in an iterated manner.

Thematic patterning, observed over a period of time, allowed one to view the significance of controlled and free-flowing conversations. The former led to a climate which restricted discussion, fostered distrust and led to the institutionalisation of organisational defenses. On the other hand, where free-flowing conversation existed it allowed richer insight into the potential for diversity and change. However, both forms of conversations, forced and free-flowing reflect power-relating.

The inductive and qualitative approach to the study allowed one to explore the organisational dynamics. Further, the longevity of the enquiry, its intensity and the use of multiple forms of tools served to counter the limitations of any one tool.

Strategic direction is not set in advance but understood in hindsight as it is emerging or after it has emerged. This is because if small changes can escalate to have enormous consequences, then the distinction between what is strategic and what is, say, tactical becomes very problematic. The distinctions can only be identified after the event" (Stacey 2003:423).

The use of ordinary daily conversations allowed one to explore the organisational life, allowed one to raise critical questions. It was via ordinary daily conversation in which the potential to change the quality of conversation exists.

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Stacey points to studies which show that groups fall into repetitive themes when there is too little information or if the stimulation is very high with others who are sufficiently too different to be stimulating. What Stacey is implying, and may hold true in this case study suggests that there was too little content, connection and diversity to produce a change.

5. CONCLUSION

5.1 **Interconnection**

Implicit in the literature review and a constant thread running through this dissertation are the inter-connectedness of the global environment and the ability of organisations to respond and adapt to global forces and local challenges are key to long-term sustainability. Further, the underlying premise in the literature review and research enquiry is that organisational learning and change is a dynamic process, in which the world-views or paradigms of agents are brought to bear on what an organisation is or what it becomes.

Globalisation and the effects of the new economy have challenged conventional hierarchical approaches to management, organisational architecture and leadership style. Deregulation and the liberalisation of economies allow for capital flows in an out of economies, flexibly and speedily. E-business is central to the new economy and with it come new forms of organisation in which the relations of production and organisation have been transformed. Advances in ICT technology have fostered the growth and consolidation of the networked economy. The relations between firms, their suppliers and distributors may be characterised as webbed. Castells refers to this trend as a networked economy with an electronic nervous system (2001:65).

Strategic management theorists, as reflected in the literature review, argue for adaptive flatter, interdependent entities. De-centralisation of large firms, according to several theorists, may offer a better solution to working in the new economic order. It is believed such leaner, meaner structures increase flexibility and adaptability allowing firms the ability to respond instantaneously and speedily (in real time) to consumer needs. (Castells: 2001); (Collis & Montgomery: 1999) (Stalk, Evans & Shulman: 1999: 171)

Management theories posit notions that individual economic actors should have a higher level of free-rein in which co-operation and competition may co-exist across business units. The ability to co-exist in a web in a bid to pool resources, it is believed, increases the individual business unit and related units competitive edge and push the frontiers of innovation.

Businesses that are ahead will remain ahead and those that lose will continue to lose in knowledge-based industries – and the cost of standing still is really moving backwards. Thus, pivotal to the functioning of the new economy is never ending progress driven by knowledge generation and innovation (Arthur: 1996: 100) (Castells: 2001: 66).

In the new economy knowledge is one's currency. The ability to self re-invent allows one to remain integrated in the economy. The effects of globalisation have also had a direct impact on productive relationships. Change, in many instances, comes with pain and discomfort.

The challenges faced by Organisation X in this study relate to ways in which the organisation can transform and minimise the associating pain and anxiety of living in the new world order as well as negate the counter-productive forces of Apartheid, still very much alive in South Africa's emerging democracy. Operating in the new environment requires embracing uncertainty and adopting dynamic views on practice.

April, Macdonald and Vriesendorp (2000:1) suggest a need to rethink total quality management (TQM) (a focus on productivity, action, output, etc). They suggest that the biggest killer of the 21st century is stress – brought about by the illusion of being in control, wanting things to be predictable, ordered and safe.

Organisation X's primary concern is with organisational re-engineering, re-structuring, rational planning procedures and processes, informed by positioning perspectives, and as such it presupposes such strategies may lead to organisational change and growth. Strategies which ignore the conversational life of the organisation as indicated by Complexity theorists may miss the "blind-spots" of the organisation (Stacey: 2004); (Ortergon-Monroy: 1999).

A constant theme running through the enquiry was the dynamic interplay of agents with their environment. The enquiry revealed a highly interconnected network existed in which agents, brought with them the values, aspirations, experiences of living in an environment which extended beyond the organisation. Agents were members of families, communities, societies, etc, and hence what one observes ranging degrees of cross-diversification taking place as each agent brings their unique experiences to bear within the organisation.

Innovations emerged in streams of conversations in which imperfect communication was at play, over a length of time, in which no single individual is in control of the conversational processes. Further, those who engaged in the conversations in which innovations emerged were not located within a single organisation.

For Stacey (2003), group/individual themes resonate with wider themes that organise the experience of being in a community and within a society at a particular point in its history. The themes which arise at a particular point also reflect power relation configurations within the wider grouping.

If one views the dynamics in the shadow group (Organisation X) the enquiry revealed it conformed to historically consolidated ideologies prevalent of contemporary South African business practice. Perhaps it needs to be mentioned, that Stacey does not address the power and organisational dynamics within shadow pressure groups or clusters themselves. Stacey, in this sense makes an automatic ass99999umption that these groups are reflective of a homogenous voice and that "change in institutional themes emerges because of the conflict and tension between institutional and shadow pressure groups. (2003:383)

Having said this, the significance of using CRP reflects in this case study that it was a tool which incorporated both a macro and micro-level analysis.

5.2   CRP in Context

CRP as an exploratory tool allowed one deep insight of the nuances of interrelating and responsive interaction within an organisation. Further, it allows one to pose critical questions and in so doing the responses evoked means the potential for raising the strategic conversation within the organisation exists.

Louis Gestemer's account of IBM illustrates one may gain insight of an organisation by exploring its conversational life. Further, he infers by raising the strategic conversation of a large global bureaucracy, an elephant (IBM) was "able to dance".

Using the CRP perspective deepened insight of the dynamic process of communication. Communication, in essence, is about connection and interconnection between people; inherent is the notion of the dynamic interplay of human emotions, power relations, which inform the nature of connection.

"Interaction is always communication and communication always takes place in the medium of symbols. Symbols are always social acts...Everyday conversation is a particularly important form of communicative interaction in the medium of language...The term complex responsive process of relating, therefore, always encompasses power relating and communicative interaction" (Stacey: 2003:389)

The contrast between Systems and CRP approach is that the latter focuses on micro-diversity, as such it offers contrasting insights of behavioural patterns and processes within an organisation.

The themes of individual autonomy, organisation-wide intention and control remain central in Systems Thinking. The orthodox view in strategic planning is prescriptive in the discovery process and informs what learning ought to take place. Systems Thinking and Process Thinking make completely different assumptions of human psychology. Systems Thinking is based on individualistic psychology while Process Thinking takes a relational social perspective in which emergence and self-organisation are central features (Stacey: 2003:313).

CRP is concerned with qualitative participation at local level which gives meaning to the way in which the organisation evolves. A key feature of CRP is the embrace of diversity. Diversity is not related to colour, gender or race - it extends beyond and incorporates the notion that people have different worldviews and perspectives which influence the direction of their action and interaction.

CRP proposes a framework in which response and interaction are not designed but emerges. Thus one cannot control the responses that are evoked. The thrust of this point is that no two individuals experience the organisation in the same way - any input evokes a multitude of different responses.

Thus organisations which kill ideas and creativity are ones who limit high-energy thinking by individuals. If the individual experience is one in which expressing an idea brings forth a negative response – the collective understanding or culture of the organisation will promote a censorship of ideas which has an impact on the generation of innovation and new knowledge. CRP theory reveals close cultures block creativity.

The discussions forwarded thus far allow a conceptual framework on an alternative way of viewing organisations and organising in complex environments. CRP underpins micro-level diversity as critical to enhance productive processes for sustainable growth. The strategic intent of CRP is that it forwards a framework which allows one an opportunity to lead and manage change (noting the paradox of control).

5.3   The Way Forward...

While this paper is not suggesting that CRP is the answer which will spell organisational success, the thrust of the enquiry was to research CRP as an alternative framework of seeing and doing and of organising. Note the use of the term "organising" implies a dynamic phenomenon, an ongoing process, as opposed to organisation, a noun, depicting a static and benign concept.

For firms to survive and adapt to rapidly changing global context, business paradigms should focus on the notion of "emergent strategy" instead of focussing exclusively on pre-planned and formal strategy. Firms may benefit from adopting an open-enquiry approach to organising in which leadership compliments such processes.

Insights gained from this enquiry reflect themes organise patterns of action and mobilisation of resources in which diversity plays a valuable role, while conformity merely produces repetitive behaviour and blocks innovation, novelty and creativity. Strategy, via conversation in this sense, is ongoing and in which resource allocation and mobilisation is shaped and re-shaped. Suffice to say CRP is a perspective, philosophy and model, which is a process and relational-orientated approach to organising.

Dealing with the rapidly changing environments requires a constant search for innovative practices. Perhaps future research may look at an integration of paradigms in viewing how organisations may best respond to complex environments; undertake a comparative study using CRP to explore organisational behaviour across diverse organisations and explore CRP Theory in respect of a sound methodological exploration of the implications of self-organisation for strategic management.

APPENDICES

The table below represents the organisational well-being in respect of the ability of the organisation to gather, disseminate and respond to information.

Table A -2. Markinor Questionnaire: Communicative Interactive Processes

Example. In this organisation, we meet with members at least once a year to find out what products or services they will need in the future.	On a scale from 1-7 (range from strongly agree to strongly disagree indicate your ANS: 4 1 —— 2 —— 3 —— 4 —— 5 —— 6 —— 7 I strongly disagree I agree strongly

1. In this organisation, we meet with members at least once a year to find out what products or services they will need in the future.	
2. In this organisation, we do a lot of in-house market research.	
3. We rapidly detect changes in our members' product/service preferences.	
4. We survey end users at least once a year to assess the quality of our products and services.	
5. We are quick to detect fundamental shifts in our industry (e.g., competition, technology, regulation, legislation).	
6. We periodically review the likely effects of changes in our business environment (e.g., regulation)	
7. We have interdepartmental meetings at lease once a quarter to discuss market local, national, international trends and developments.	
8. Personnel in our organisation spend time discussing customers' future needs with other functional departments.	
9. When something important happens to a member, employee or market, the whole company knows about it in a short period of time.	
10. Data on member/employee satisfaction are disseminated at all levels in the business	

unit on a regular basis.	
11. When one unit/branch/department finds out something that is important about competitors, it is quick to alert other units/branches/departments	
12. It only takes us a very short time to decide how to respond to our competitors' changes	
13. We hardly ever ignore changes in our member's product or service needs.	
14. We periodically review our product/service development efforts to ensure they're in line with what - - members - Potential members want.	
15. Several departments/units/branches get together periodically to plan a response to changes taking place in our environment.	
16. If a major competitor were to launch an intensive campaign targeted at our members, we would implement a response immediately.	
17. The activities of the different departments in this company are well coordinated.	
18. Member's complaints never fall on deaf ears in this company. - Workers complaints never fall on deaf ears in this company	
19. If we came up with a great organisational plan, we probably would be able to implement it.	
20. When we find that members would like us to modify a service, the departments involved make concerted efforts to do so.	

The Markinor survey allows one to plot an average rating per question as well as view individual response to specific questions. The survey was used to illicit aggregates on intelligence generation, dissemination and responsiveness within an organization. The average rating for each section was acquired as follows:

- The ability of the organisation to generate intelligence: The responses for questions 1-6 is plotted and divided by 6
- The ability of the organisation to disseminate information: The responses for questions 7-11 is plotted and the sum ratings for this section is obtained by dividing the total number by 5
- The Ability of the organisation to respond to information: The response for questions 12-20 is plotted and the sum rating for this section is obtained by dividing the total by 9

Using the Markinor formula calculation method, individual ratings were completed. To gain an average for each question: This was done by adding individual's scores per question and dividing the figure by the number of respondents in that division.

Calculations to extract an average score per section for respondents: This was done by adding the total averages of individual's per section and dividing the amount obtained by the number of questions in that section. For example, Section 1 – after a sum figure representing all respondents was obtained the amount was divided by 6 to get an average for the section. The same approach was used for other sections. (Section 2 – Q7- Q11 sum divided by 5, section 3 divided by 9. This was used to gain a view of staff and council perceptions.

To obtain calculations for the organisational average: This was done by adding the staff and council averages per Q as well as per section. A sum of the averaged calculations was than divided to obtain the organisational scoring in respect of each question and section.

Appendix B: Perceptions and Participation Questionnaire:

(The questionnaire below was submitted to each participant to gain individual opinion. Individual responses were plotted and aggregates were sought this allowed one to quantify group and organisational averages as well.)

Do you agree with the following definition of sustainable development?

"Development that meet the needs of present generations without compromising the ability of future generations to meet their own needs." – Brundtland Report/World Commission on Environment 1987)

YES... NO

Comment:

Which (specific) issue would get you to write a letter to a national newspaper?

....

Do you strongly agree, agree at times, and never agree with the following sentence:

I believe I make a difference to the organization; I believe I am heard; my contributions impact on decisions made;

As an organization our partnerships with other organizations is critical to our survival...

I would describe the process of decision-making within our organization as.............

....

My understanding of what action/s it takes to achieve sustainability include: (list maximum 3 items/steps).

....

....

....

I remember the drumming exercise at the strategic workshop this year, I'd rate the organisation on a scale from one to ten as: (one indicating we're not hearing each other, we operate in isolation and ten indicating in sync, in tune and energized.)...............................

Appendix C: A summary of the Research Proposal

Working Title

Using Complex Responsive Processes as a tool for Organisational learning and Change.

Statement of the Problem

Attempts to intervene in the conventional manner, might have caused the failure of previous strategies to adequately address the organisational concerns. The conventional approach employed, highlighted the centrality of the leadership to formulate a master plan. The executive informed the content and the organisational strategy was premised on this conventional management approach. Hence, the leadership devise a grand plan, formulated the goals, vision and mission and brand X, accordingly. Actions are predetermined and the expected outcome ought to match the grand plan. This did not happen in reality.

While conventional approach is concerned with improving a system, is goal orientated and future-bound, CRP challenges conventional thinking in that it is process-focussed and is concerned with qualitative participation at local level which gives meaning to the way the organisation evolves. CRP is an innovative way in which this organization can learn and change because it explores the way agents interact and increases the conversations, qualitatively, at local level. The subjective elements of emotion, spirit, perceptions, misunderstanding, etc, all form part of this learning process.

Organisational change, says Stacey (2003:387), is change in the themes organizing the experience of being together in an organization. Knowledge creation is not seen as linear or pre-planned by a manager.

Purpose of the Study

The purpose of the study will be to explore and gain insight on how an organization (NGO - representing women entrepreneurs) can learn and transform itself by employing CRP as a tool within a complex, dynamic environment.

Research Approach

The study is context-bound and calls for qualitative research because it is exploratory in nature and is an enquiry into a particular phenomenon. The research approach is to employ CRP as a tool for

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learning and change within an organisation. This is a qualitative study in which I will explore how an organisation evolved/evolves and talks. The study will explore the power relations that exist, the nature of interaction and conversations between individuals. Since research and action are key elements in addressing the problem, the notion of participant enquirer will be employed within this context as it is fundamental for a richer exploration of the topic.

I have discussed the conventional management approach used by X and believe there is a need to revisit the conventional approach – CRP offers a radically different approach in understanding how organizations learn and transform. The essence of CRP is that it allows one to see what is happening as opposed to prescribing what should happen. CRP's focus on dialogue and interaction fosters participation, conversation and change – this process benefits not only organization X but also other organizations operating in complex and turbulent times.

Stacey discusses organizations as CRP of relating between people and since relating immediately constrains it simultaneously establishes power relations between people. (Stacey: 2003: 359)This, Stacey says, takes the form of prepositional and narrative themes that organize the conversational life of an organization. If one wants to understand, learning processes within an organization exploring the legitimate and shadow themes are crucial. Areas of exploration include what one can talk about or not, what form conversational patterns may take – stable forms of repetition in which people are stuck or free flowing forms.

Change, occurs when there is sufficient diversity in organizing themes and is expressed in free-flowing conversations in which shadow themes test the legitimate. The themes of individual autonomy, organization-wide intention and control remain central, in conventional thinking. The orthodox view is prescriptive in the discovery process and informs what learning ought to take place. CRP offers a window of opportunity for exploring conditions for productive dialogue, interaction and for self-organisation.

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