Being efficient does not always mean being effective
a new perspective on cultural issues in organisations

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Culture is one of those words that have become increasingly problematic within organizations. In knowledge management the phrase “20% technology, 80% culture” is all too common; major re-engineering programs fail to achieve the desired level of employee co-operation and culture is blamed; integration issues in a new merger are the fault of cultural misalignment; a new scandal in share price manipulation is blamed on an institutionalized culture of deceit. The list is endless. Culture has become the new bucket class into which anything involving human factors is deposited. We also see a dichotomy between approaches to solving the issue. On one side, we have the engineer-scientist¹ who seeks to understand cause and effect relationships in human behavior on the assumption that these are empirically verifiable and predictable in the same way as stress loads in a steel beam or the decision rules of a search algorithm can be known. This approach will also encompass engineering design approaches to cultural alignment based on top down direction. On the other we have those who emphasis emotion and the unpredictability of human interaction and focus on coaching, motivational exercises and inspirational leadership. This latter approach ranges from cynical manipulation, which borders on abuse similar to that seen in cults, to new age idealism based on a belief that if only people would be more (here substitute open, trusting, story telling or whatever is current trend) then life would be wonderful. Interestingly both approaches tend to the utopian, in that they believe that this is a right answer, they just disagree on the means and practicality by which it can be achieved.

We cannot engineer culture

Part of the problem is that culture is just too big a concept and can encompass too many different themes. Another issue is the goal-based focus of much management practice, a desire to achieve short-term predictable results before committing to a journey. Both are problems shared with knowledge management that both encompasses culture and is encompassed by it. We see this in issues such as trust. Recognized as a key dependency for knowledge exchange and cultural change alike, organizations embark on trust programs. Groups of managers are take away to remote mountain locations, thrown into freezing cold lakes, dragged up mountains beyond their physical capacity to endure, and in the worst cases made to fall backwards from brick walls into the unseen arms of their colleagues (something the author will only do in front of named witnesses and under controlled conditions). At the end of this they sit in a circle and are asked if they now trust each other; to which the answer is “yes, anything to get the hell out of here”. How many readers have been asked in a workshop environment to confess to a mistake in order to create a culture of openness? Most will collaborate, but do you share you real mistakes, or one that actually shows how bright you really are? Deep issues such as trust, openness, collegiality and the like cannot be engineered or designed they emerge through multiple interactions between people, communities and the societies within which they operate. Culture is the patterning of our interactions with our environment and it is not susceptible to design principles appropriate to the creation of

¹ The Engineer Scientist is pneumonia of the revolution that information technology triggered in management science, in particular the growth and dominance of Business Process re-engineering over the last 30 years, which sought to treat the organisation and its environment as a machine whose performance could be engineered through a focus on efficiency.
bridges and software programs, although it is susceptible to the design principles of a gardener or an architect.

The mistake being made here is not the identification of, for example, trust as being a key factor in knowledge exchange, but in the belief that trust can manufactured. Trust is won over years and lost in seconds. The same applies to a “no blame culture”. Yes its is true that open sharing of mistakes would lead to created learning, but it does not follow that we can then design that type of culture into our organization. In many years of work in this field, the author has only seen one organization that came close, and that was a result of an accident and an evolving ritual practice involving the CEO that established itself over the twenty-year period. Many managers claim that they have a no blame culture, but a short period of work place anthropology or a story circle or two, soon reveals either hypocrisy (the open admission of mistakes is not intended to apply to the manager) or self-deceit.

These mistakes come from a misunderstanding about the nature of the systems we are dealing with. Engineering is appropriate to ordered systems in which cause and effect relationships can be discovered, verified and where those relationships repeat themselves in a predictable manner. In such systems efficiency rules – we want the most efficient system, on in which each component of the organization is optimized in order that the system as a whole can be optimized. The problem is that human systems, in respect of their culture but not necessary stable aspects of their interaction, are not ordered system and ironically the path to their optimization is to allow sub-optimal behavior in the parts. Human systems need to be effective, machines are efficient and the two are not necessary the same thing.

**Sub-optimal behaviour is necessary for system effectiveness in humans**

The assumption that efficiency necessarily leads to effectiveness is itself a consequence of ontological myopia in management science and consultancy practice. The myopia arises from two common assumptions about the nature of organisations:

*Firstly*, any organisation is a system in which cause and effect relationships exist and are knowable in such a way that we can create predictable and empirically verifiable models of the behaviour of the system. This is an ordered ontology.

*Secondly*, organisations are aggregations of distinct and autonomous individuals who assemble into collectives on the basis of a rational assessment of some anticipated return and whose motivations can be managed through incentives and penalties. This position can be characterised as being based on individual or atomist ontology in which “human agents are distinguishable and separable, hence really or ideally self-sufficient” (Weissman 2000)

While both the above assumptions can be valid, their truthfulness is always bounded by context and they are not universal in application. Knowledge management is one the disciplines that is driving a more sophisticated and ontologically diverse understanding of the systems that we attempt to both understand and to manage. As any philosopher will tell you, the nature of the ontology determines the epistemological possibilities; translated, the nature of the system determines the nature of the way in which things can be known.

In human interactions within organisations and their environment we can see three different types of system, with different ontologies, each of which requires a different approach to diagnosis, design and the cultural aspects of an organisation including knowledge management. The three are:

*Ordered ontologies* in which cause and effect relationships are known or knowable, which are empirically verifiable and which once discovered repeat in such a way that prescriptive models of behaviour are possible, this is the only legitimate domain of best practice which is otherwise entrained past practice. Most management theory and practice assumes a an ordered ontology, focusing on interviews, market research
etc. to create provable hypotheses that can then be used to create common practices and procedures held to be optimal.

Complex ontologies comprising many constantly interacting agents, where the nature of agent and the number of interactions are such that cause and effect relationships, although they exist, can only be understood when they have stabilised: the are subject to retrospective coherence. Managing in a complex space is more like managing children. The volatility of the relationships and interactions is such that all that can be done is to manage patterns: patterns that we want we stabilise, patterns that we don’t like we stabilise and when we get very clever we stimulate the interactions and agents in such a way that desirable patterns are more likely to form.

Chaotic ontologies in which there are no discernable relationships between cause and effect, all attempts at control using established procedures just make just increase the level of incoherence and when order forms it does so in surprising and unexpected ways. The seeds of order are always present, even in the most chaotic of systems, but the ability to perceive, or form them is generally a rare skill, normally present in charismatic leaders and dictators.

If we start to look at culture, as well as many other problems from these different perspectives then the word becomes less problematic. If the system is ordered, then many of the traditional engineering approaches will work. Humans have the ability to create order for long periods of time through stable patterns of interaction that do permit engineering approaches with their assumptions of cause and effect manipulation. However this tends to apply to systems based on explicit rules, where we use the human ability to store knowledge in the external “scaffolding” of our environment (Clarke 1997) to provide the stability and predictability required. Expense rules, compliance procedures, quality standards, the legal structures of states are all useful here.

In a complex system none of this works, here we are trying to manage a shift in the patterns of meaning that exist between people and communities. To work in this sort of area requires a radical new approach based on a different science, that of many connected systems or pattern management. If we see cultural interventions in an organisation as a pattern revealing and pattern influencing activity then we have a greater change of success. In doing this we can draw on two traditions, that of child care which most of us have experience of, and the disciplines of anthropology which are not used enough in this field.

In the field of chaos, we crave order. This is the domain of charisma and tyranny, in which a leader who can sense the seeds of order is followed and valued. We see this in organisations that step back from the brink of bankruptcy; everyone pulls together around common objectives and practices that they would have previously rejected. Once the crisis is over, things change and then we get the romanticism for the past: “how can we get back to the good old days”. Chaos is an interesting field, it is one into which we can be precipitated or one which we can visit on a ritual basis to habituate communities to managing uncertainty (Snowden 2000).

We wouldn’t try it with our children

Imagine the following situation. A team of consultants are given the job of managing the play periods of a kinder garden; they plan the execution of this task in great detail, interviewing the head teacher and educational authorities to determine their strategic objectives for the play. Psychometric tests are carried out to devise appropriate groupings, the children are measured, weighed and their physical types determined. Appropriate resources are then identified, teams assembled and then the day arrives. The children are lined up against the wall of the school and are then allocated to different types and areas of play according to pre determined schema of the consultants. The result would be chaos. The experienced teacher allows the children to play for period and then stabilises the patterns that are desirable, destablises the undesirable ones and when they get clever, they seed the space in order that patterns they want are
more likely to emerge. However, most organisational change programs are closer to the constancy parody above than they are to the practice of the experienced teacher.

That is not to say that the experienced teacher does not have rules and control, but the rules are those of boundaries, the metaphorical equivalent of drawing a line in the sand and saying “cross that and you die”. Over constrain the boundary and it is crossed all the time and your authority destroyed, too slack a boundary has the same effect. The secret, as in many things is one of balance.

There are new techniques that work on these principles, two of these are social network stimulation and the Grendle Game; both of which rely on self organisation within boundaries set by management. Another source of inspiration in this field is anthropology. To take one example to introduce this subject; whilst reading some material from an on the persistence of ritual in absence of belief in some tribes in Northern India we suddenly realized that this was the old mission and values problem. We cannot get everyone to believe the same things, although we too frequently try, but we can create rituals that will align people with those beliefs. That gave rise to a completely new approach to behavioural alignment.

Rituals and Values

Keesing & Strathem (1998) identify two perspectives that can be taken to understand approaches to cultural anthropology. These are:

1. “The socio-cultural system or the pattern of residence and resource exploitation that can be observed directly, documented and measured in a fairly straightforward manner.”

2. “Culture as an “...ideational system. Cultures in this sense comprise systems of shared ideas, systems of concepts and rules and meanings that underlie and are expressed in the ways that humans live. Culture, so defined, refers to what humans learn, not what they do and make”

In support of the second of these they quote Goodenough (1961) who saw ideation as the way in which humans provide “standards for deciding what is, ... for deciding what can be,... for deciding how one feels about it, ... for deciding what to do about it, and ... for deciding how to go about doing it.”

While there is not a direct translation between cultural anthropology and organisational dynamics, we can use the above distinction in respect of both diagnosis and intervention. The socio-cultural system is that of rules, procedures, training, induction programs, promotion boards and the like that form a part of the explicit and visible structure of an organisation. These can be managed albeit within boundaries; a rule system that is too constrictive may be abused to the point where it is no longer taken seriously. Equally the formal and informal aspects of the system may not be aligned, but at least lip service will be paid to the formal system and changes in those rules and processes will modify the behaviours of individuals and communities within the organisation. We are dealing here with the explicit aspects of an organisations culture.

Beneath this we have the underlying value and belief systems of an organisation. This is a far more problematic field in organisations that it is in society. The patterns of belief that form when we are children and which permeate family groupings in society build through our formative years and are reinforced in subtle and varied ways. Organisations acquire their members in adulthood, and with increasing rates of both voluntary and involuntary turnover has less time to influence or direct the ideation system, not that this stops them trying. It is also true that in an organisation the explicit rule systems and processes have a greater impact that in society, in so far as they generally involve a greater degree of micro-control and critically are not subject to any form of democratic checks and balances. However there are still strong implicit value and belief systems within organisations. We see this when two organisations are merged in some way when differences or unique aspects of culture become more visible.
Now rule and value systems cannot be rigidly separated, neither exists independently of the other, but this distinction does give us two valuable perspectives on cultural issues within organisations that allow us to make greater sense of proposed interventions. We also need to think of the purpose behind any study of, or interventions in the culture of an organisation. There is at least an argument that leaders who do the right thing and recruit the right people can allow the natural evolution of culture without the need for formal intervention or control. All organisations have various obligations to their employees their shareholders and to the wider society within which they operate.

They also have various goals; to make products, provide services, secure market share and so on. However underneath all of these are need to make effective decisions, and to ensure appropriate alignment of actions with those decisions. Now here we come to a key issue in approaches to culture. We do not have to believe the same things to align our actions. In choosing to join an organisation I accept a degree of constraint as to my future actions; I know both the value and the price of dissent. I understand that there are boundaries, but it does not follow that I will accept the control of all aspects of my day-to-day tasks. Its similar to the trust issue, a mistaken set of assumptions about the ability to manage cause and effect. Yes, if the belief systems of all of our employees were aligned then life would be better, in a “happy clappy” sort of way, but its neither possible nor is it necessary and attempts to institute common belief systems may actually trigger a counter reaction, no one likes to be preached to.

The real nature of Decision making

Goodenough’s emphasis on decision-making is important. It is through the decisions that we make, and do not make, that culture is formed. Most thinking about human decision-making assumes a rational model. We can see this in the use of targets and other reward/punishment systems designed to change or influence behaviour in organisations. In knowledge management a lot of thinking in the area of social capital assumes that individuals act socially in anticipation of material return, and that they make decisions on the basis of explicit or implicit criteria which if discovered could be used to predict and manage behaviour. A lot of classical economics is based on similar principles. While these models are useful, and are true to a degree they do not fully represent the totality, or reality of human decision-making. Work by Klein (1994) and others in the field of naturalistic decision theory has identified that pattern entrainment is a common aspect of human decision making, in that we tend to respond to a first fit pattern match with prior experience rather than make a rational evaluation between carefully considered alternatives. We even go beyond that and “imagine contradictory evidence away” (Klein 1994).

Other thinkers reinforce this view of decision making as a form of human patterning. Mary Douglas (1966) deserves an extended quote:

“For it seems that whatever we perceive is organised into patterns for which we the perceivers are largely responsible”…. “As perceivers we select from all the stimuli falling on our senses only those which interest us, and our interests are governed by a pattern-making tendency, sometimes called a schema. In a chaos of shifting impressions each of us constructs a stable world in which objects have recognisable shapes, are located in depth and have permanence”….“As time goes on and experience builds up, we make greater investment in out systems of labels. So a conservative bias is built in. It gives us confidence”

Most people when they join an organisation are anxious to confirm, to fit in. They observe the practices of their new colleagues; they listen to the stories of success and failure that are commonly told around the water coolers. They adopt many of these stories and imitate them, making them their own. The rule and other formal systems of the organisation reinforce this through practice.
Conclusions

The intention of this article has not been to provide a neat and tidy answer or recipe to success in cultural management in organisations. There are already too many recipes in this field and few really work. The intention has been to introduce some new ideas and ways of thinking into how we go about understanding interventions, and to place boundaries around some types of approach to prevent their inappropriate application. It represents the start of a new journey that will be a major focus for the Cynefin Centre. In a open program participating organisations will come together with anthropologists and moral theologians from the major religions traditions of the world to look at three aspects of culture: leadership, ethics and alignment. During a nine-month period we expect to reframe the subject and produce a range of pragmatic methods and tools to achieve change. This is also emergent research, it's not about consultants or academics studying what currently happens and formulating a hypothesis; its about problems and concepts coming together and through high levels of participation and experimentation allowing new meaning and new solutions to emerge. (For further information see www.cynefin.net)

References

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