

Hope and Confidence **By Design**¹

By Steve Nyland

A PROVOCATIVE PROPOSITION: Organizations and groups engaged in the Appreciative Inquiry (AI) process are building energy and hope for the future. They are excited and share high confidence that the provocative propositions they design will become reality. They have the skills to look at, understand, and work more effectively in today's organizational complexity as well as any they might design tomorrow. Thus the power of Design and Destiny is strengthened and raised to a higher level.

In retrospect, it was no coincidence that my first exposure to AI came at a workshop I attended as part of the annual Systems Thinking in Action conference in 1999. As you may know systems thinking is the foundation of learning organizations, as first described by Peter Senge in "The Fifth Discipline".

My passion as a leader and consultant has always been helping relationships and cross-functionality work in organizations so people collaborate and create good things together. I had heard and read about AI and resonated with the concepts. I saw AI and systems thinking as a natural compliment and hence was drawn to it at the conference.

DESIGN AND DESTINY: A next step for me was to learn more about AI from the masters. In 2002 I attended an AI workshop that was led by David Cooperrider and Frank Barrett. During that experience I realized that the Dream and Discovery phases are much more mature than Design and Destiny. This realization has led me on a mission to make explicit and useful, ways that I see systems thinking and AI working together to strengthen the Design and Destiny phases (where we're trying to implement those great ideas!). Talking with Frank, David, and others about the need to strengthen these parts of the process has further heightened my interest and energy. The good news is that systems thinking techniques and methods continue to compliment and enhance what I call the "flow" and "glow" of AI here as well!

SYSTEMS THINKING: Since I'm proposing combining systems thinking with AI, a few systems thinking principles will be of value:

- In systems thinking we put elements together...not take them apart (note: we have to do the same thing when envisioning the elements of a provocative proposition)
- We then try and understand the larger system
- Finally we delve deeper into the elements once we've understood their role or function in the greater system (think organization) of which they are a part

MENTAL MODELS: Here's a simple case description you may find challenging. "High Tech Company" is a fast-growing, knowledge-based firm. What follows is a passage that describes, in simple terms, the hiring and retention situation at High Tech.

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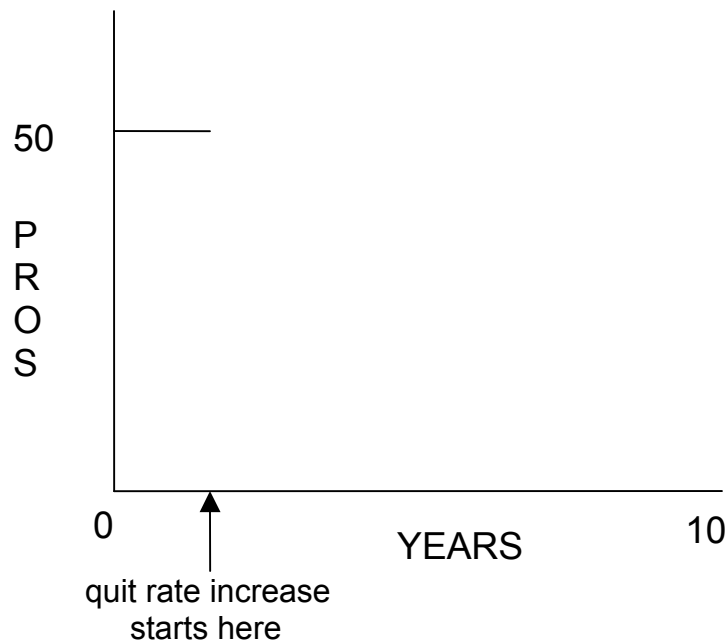
Use it to construct a mental model of how you think the process or “system” works. Then look into the future and *mentally simulate* how you think it will “play out” over the next ten years, given the one small “disturbance” High Tech runs into.

Knowledge workers are essential to maintaining competitive advantage at High Tech Company. These knowledge workers take two forms in this simple model. The new folks are called “Rookies”. They go through a period of training and development (this takes five years) before they become “Pros”.

We begin with a total of 50 Rookies, at varying levels of development. For this simulation there are 10 Rookies in each year of development (i.e. 10 “1-year Rookies”, 10 “2-year Rookies”, etc.). So next year the 10 that were hired 5 years ago will graduate to become Pros, and so on.

High Tech begins with a Pro workforce of 50. For this model a Pro is a Pro, whether they have 6 or 16 years of experience. Initially Pros leave, or quit, at a rate of 10 per year. High Tech immediately hires the same number of Rookies for Pros that leave. So everything is cool the first couple of years until, in the third year, Pros start quitting at a rate of 15 per year. In other words for the first 2 years 10 Pros leave each year, then 15 leave every year thereafter. This “disturbance” lasts for the remainder of the ten years we are observing in this simulation.

Remember High Tech’s policy (e.g. decision rule) is to immediately hire the same number of Rookies for Pros that leave. With these starting values, sketch the *pattern* you think will be traced for the Pro workforce level (i.e. headcount), over time, following the one-time step-increase in Pro quitting rate.



Adapted from “Introduction to Systems Thinking” by Dr. Barry Richmond

If you didn't quite get it right, not to worry, I didn't the first time either. In fact over 80% of folks don't. The message is we are not real good at forming and mentally simulating mental models about even simple dynamics like these. Yet we live with, and work in, these dynamics every day, in organizations and in our personal life. And it is in these contexts and settings that we try to design and deliver our provocative propositions and images of the future! By the way you will find the answer and explanation later in this article.

Dr. Frank Barrett observes “Those who write about learning organizations contend that modern organizations must create contexts in which members can continually learn and experiment, think systemically, question their assumptions and mental models, engage in meaningful dialogue, and create visions that energize action” (“Creating Appreciative Learning Cultures” *Organization Dynamics*, Vol. 24, no.1, pp. 34-49, Fall 1995). Barrett suggests that innovation requires *generative learning*, “which emphasizes continuous experimentation, systems rather than fragmented thinking...”. Barrett then asserts that generative learning involves an appreciative approach.

Dr. Barrett's observations are insightful. In my experience, as a systems thinker, leader, and learning organization practitioner, these methods create and sustain the characteristics required for generative learning, thinking systemically, and challenging mental models. In particular it shifts one's thinking from the need for certainty and control to discovery, clarity and creativity...essential elements to a good AI process.

DYNAMIC COMPLEXITY: You experienced a very simple case of dynamic complexity in the mental models exercise above. The way in which we align and connect our departments, processes, policies, and so on puts them in relationship with one another. These relationships are highly *interdependent* (i.e. purchasing would not have a role or function were there not a need to support production, etc.).

This “connectedness” interacts and behaves in dynamic ways where elements “feedback” on each other, becoming both cause and effect. We call these connections *structure* and in dynamic systems structure drives behavior. Understanding how structure will behave is essential to successful Design and Destiny. Not understanding leads to counterintuitive, unintended, and often unpleasant consequences. Think about visions or initiatives you launched that didn't quite turn out the way you planned!

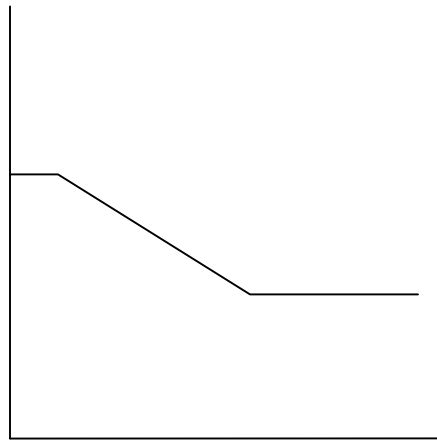
By definition Design means to plan mentally, to sketch as a pattern or model. The goal of AI design is to construct, like architecture, propositions about the ideal organization and the beginning point is selection of elements. Systems thinking methods significantly raise the potential of making the complex web of these elements work for us rather than hindering our progress. Seeing how we fit in complex systems leads to high value, high payoff initiatives for change, either in redesigning organizations or designing anew.

HIGH TECH CO. – REVISITED: Let's get back to the situation at High Tech Company. Unfortunately, over the centuries, our neurobiology has not kept up with the growing complexity we see around us. As Barry Richmond used to say, back in caveman

days cause and effect used to be much clearer, simpler, and more immediate. Then it was “see the bear, whack the bear, eat the bear, and maybe even share”. Weapons were readily available and results were immediate.

With today’s complexity cause and effect are not closely related in space and time. Nowadays we have to plan for the hunting trip, get a license, hope the bear hasn’t been affected by pollutants in the water, take the kids to soccer practice, pick up some milk on the way home, and so on! Thus we have to plan for and deal with many more elements than we use to.

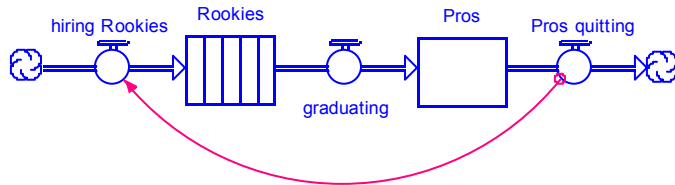
At any rate your graph should look something like this:



Notice that in the first two years Pros stay at a constant level. This is because 10 are leaving each year and 10 Rookies are becoming Pros each year. In the third and subsequent years 15 Pros leave, and our design (think policy) says we hire the same Rookies as Pros that leave. So we hire 15 each year as well. The rub is that those 15 coming in take 5 years to become Pros. Thus each year we lose 15 Pros, until 5 years later when 15 Rookies come over, we’re only getting 10 Rookies per year. The net effect is we lose 5 Pros per year until the system re-stabilizes. Remember, in dynamic systems (even simple ones) cause and effect are not closely related in space and time!

Now imagine how this HR process affects activities like production as the mix of Rookies and Pros fluctuates (and we kept attrition simple!). What if your company’s image of the future is to be noted for on-time delivery? If schedules slip from out-of-whack skill mix, productivity is affected, which affects deliveries, which later affects customer satisfaction. Dissatisfied customers leave, taking their repeat buys and referrals

with them. Meanwhile everyone, including marketing and sales is marching to the new vision, setting new sales goals, and so the story goes. It's only by understanding and thinking through the myriad delays and feedback and rhythms in organizations that we raise our confidence that we know how to make things happen the way we imagine them. Systems thinking is the way to get it done.



Here's how the structure looks in a computer model.

Five key principles in systems thinking are:

1. Structure Drives Behavior (example: I can't expect to win a bicycle road race if I'm riding a mountain bike!)
2. Think operationally (cause and effect relationships) not correlationally (assumed relationships)
3. Everything is cause and effect and they are not closely related in space and time
4. Break out of "Linear Thinking" (cause and effect are not independent but *interdependent* and circular)
5. Challenge the current "Mental Models" (everything is connected and moving all at once!)

SYSTEMS THINKING AND APPRECIATIVE INQUIRY: Systems thinking methods compliment and enhance all of the 5 AI Principles: the constructionist principle, the principle of simultaneity, the poetic principle, the anticipatory principle, and the positive principle. The 3 principles that create the clearest benefit, when coupled with systems thinking, are:

1. The constructionist principle, which states that we create what we can imagine. By challenging mental models and looking at our complexity in more useful ways (i.e. the Rookie-Pro exercise) many more possibilities can be envisioned. In fact computer simulations allow you to test and imagine endlessly!
2. The principle of simultaneity states that change begins the moment we ask the question. By asking creative questions from a systems view we can create greater clarity and understanding about how we can more effectively execute our commitments to each other and play our parts in implementing our visions
3. The anticipatory principle suggests that lasting change can come from images we hold for the future. Again by mentally and/or computer simulating the complexity we implement in we build confidence that we truly know where the leverage lies to create lasting change.

It would appear that an underlying assumption of AI is that people have the ability to understand these dynamics, especially in Design and Destiny. In the Design phase Barrett suggests that “to construct an organization we must decide whether or not to include such elements as leadership, strategy, structure, customer relations, culture...” In Destiny he indicates that “Relationally woven action commitments then serve as the basis for ongoing activities. Key to sustaining the momentum is to build an “appreciative eye” into all the organization’s systems, procedures, and ways of working. Very often, in order to realize provocative propositions, many of the organization’s processes and systems must be redesigned”. Agreed. We’re talking structure here! I would submit that systems thinkers have an appreciative eye for these elements and how they play together.

SUMMARY AND IMPLICATIONS FOR PRACTITIONERS: In summary, systems thinking skills enable you to design the new, or change the existing, organization system, and think through your mental models about how it will really work. When people understand their organizational relationships they see where their policies and practices affect other parts of the organization system, they avoid fragmented thinking, and begin to innovate.

The whole methodology is about discovering and creating hypotheses, building structural models, testing them and our assumptions or mental models about how they will play out, and revising our thinking and creating something more successful. The insights gained and tested, build in greater potential that the hopes raised in Discovery and Dream come to reality rather than being dashed on the rocks.

As leaders we must continually assess and match people’s skills and development with the task at hand. Successful matching ensures the relationally woven commitments will be honored. Studies suggest only about 30% of change efforts succeed in implementation. Involving people in discovering their connectedness through combining AI and systems thinking gives us the processes, language, passion, and energy to sustain our visions and increase this percentage.

Systems thinking, like AI, is a paradigm shift. Dynamic interdependencies have always existed and always will. It is the nature of relationships and the dynamic principles apply in any complex setting. It is the way the world is! Therefore, as we move forward with provocative propositions, our ability to see the system of which we are a part will be essential to greater success.

As we saw in the example, applying systems thinking to a challenge in Appreciative Inquiry culture leads to clarity of thinking, understanding interrelatedness, and learning and applying our past successes to today’s opportunities. When we applied the systems thinking concepts to High Tech Co., and showed the staff the diagram, a shared understanding of the implications of their policy became clear and useful to everyone immediately. This may be one of the important keys to strengthening the Design and Destiny phases.

Leaders at all levels must help with this shift. In the beginning of the AI process the principle of simultaneity started forming and shaping the future we might conceive. Applying the systems view, once a provocative proposition is shaped, builds on that principle in ways that ensure the desired outcome. Those questions need to be about the system we currently operate in or want to design. The underlying assumption is that our system can get us where we want to go. By discovering how our relationships really play out we will be able to ask and test that strategic assumption, and implement our AI images of the future with greater confidence and commitment.

Resources:

“Introduction to Systems Thinking” by Dr. Barry Richmond

“The Fifth Discipline Fieldbook” by Peter Senge et al.

“Creating Appreciative Learning Cultures” by Dr. Frank Barrett, Organization Dynamics, Vol. 24, no.1, pp. 34-49, Fall 1995).