Systems Thinking and Organisational Development (OD)

Rajneesh Chowdhury

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Reductionist Approach

Systems Approach

Two fundamentally different ways of problem solving

3 fundamental commitments

Critical Awareness

Pluralism

Improvement

Critical Systems Thinking
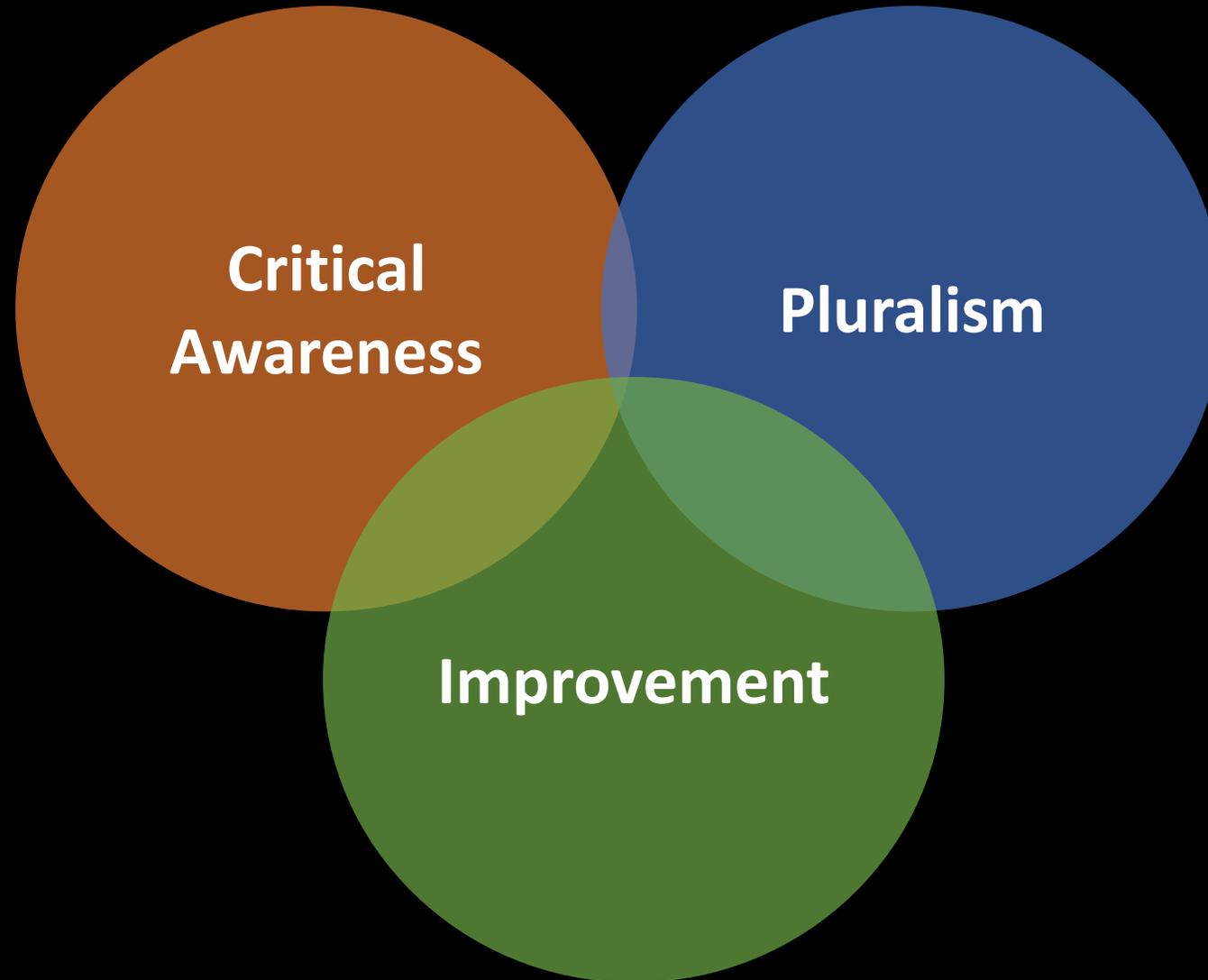
Flexibility is the ability to stay **nimble** and **adaptive** at the wake of changing situations or being able to **reinvent** oneself in thought and action within the same situation. It is the ability to be comfortable with change, to seamlessly think and apply with great **variety**, to be **agile**, and to appreciate and **absorb** unforeseen circumstances without creating shock for the system. **Openness** and **freedom** to choose are aspects that characterise flexibility.

Flexibility

Hard Skills

Soft Skills
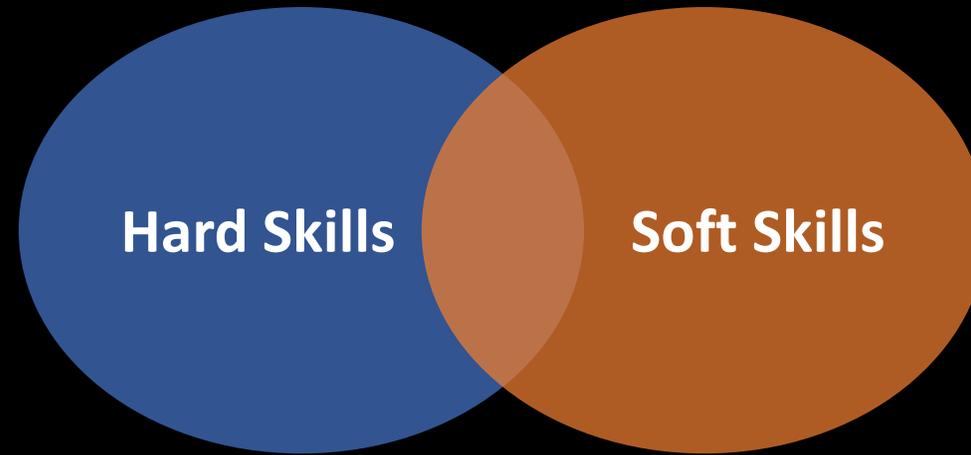
"Working in partnership with a wide range of stakeholders, across various cultural, disciplinary and sectoral boundaries requires specific competences and skills, including open-mindedness, empathy, listening, influencing, negotiation, brokering, alongside strategic and critical thinking."

Amato (2017)

SYSTEMS THINKING AND OD

OD is a systemic discipline that brings together diverse functions in an organisation, within the consideration set of external factors, to design, implement and sustain business-focused interventions with people at its centre.

- OD is a response to an internal and/or external trigger
- OD interventions have executive sponsorship and have specific focus
- OD addresses change both in the soft (values, culture, vision, etc.) and hard (systems, processes, procedures, etc.) dimensions
- OD is multidisciplinary
- OD is implementation/action-oriented
- OD is participative

Organisational Development (OD)

Enablers
- Leadership
- Strategy
- People
- Partnerships and Resources
- Products, Processes and Services

Results
- Customer Results
- People Results
- Society Results

Next Generation Business Excellence

(Gupta and Nagpal, 2015)

Kinds of flexibilities to keep in mind

- The defined and rather simplistic constraint of a project mandate

- Consultants can be caught up in turf wars between different leaders or functions in their client context

- Ethical boundaries

Constraints of an OD Consultant

Given the key tenets of OD being contextual, yet situational, holistic, multidisciplinary, participative, iterative and long-term value adding, systems thinking and practice offer the required perspective and approaches for effective OD interventions.

Systems Thinking and OD

Towards a Systemic OD Matrix

INTERSECTIONS	Alignment	Accountability	Development
Task	Task articulation and definition takes centre stage. *Danger of over-documentation.*	All tasks will be created to drive delivery and goal achievement. *Danger of being too mechanical.*	Tasks and processes will reflect learning and continual improvement. *Danger of delivery taking a second seat.*
Structure	Roles and reporting in sync with business objectives. *Danger of over-reliance on the structure.*	Structure will establish clear reporting and divisions of power. *Danger of centralisation and concentration of power.*	Enablement of intra- &- inter functional interactions, learning. *Danger of the system slipping into chaos.*
Technology	Focus on implementing technology to bring integration. *Danger of technology-dependence.*	Technology will ensure adequate support for realisation of goals driven by processes. *Danger of process taking over people.*	All learning & development centralised and technology-enabled. *Danger of technology overriding personal learning styles.*
People	Attracting and retaining like-minded people. *Danger of groupthink.*	People will be trusted and believed to be delivering. *Danger of too much pressure and burn-out.*	Authentic focus on developing and empowering people. *Danger of actual business taking a back-seat.*

ACHIEVING THE RIGHT BALANCE

Towards a Systemic OD Matrix

CASE NARRATIVE

Potential Steels

Sales & Marketing Department

ALIGNMENT
Product-focused Team

ALIGNMENT
Customer-focused team

LACK OF CLARITY
Overstaffed,
Replication/
Duplication

CLARITY
Rightsized,
Streamlined

Transformation

Accelerating the speed of business, becoming a quality focused and customer-responsive organisation, and building ownership, clarity and a culture of performance.

The problem statement

The consulting framework

CUSTOMERS

EMPLOYEES

PRODUCTION PLANNING & INVENTORY CONTROL (PPIC)

SAP IMPLEMENTATION

In the study of **structure** we measure and weigh things. **Patterns**, however, cannot be measured or weighed; they must be mapped. To understand a pattern we must map a **configuration of relationships**. In other words, structure involves quantities, while patterns involve qualities. (Capra, 1996)

Inclusive consultation process
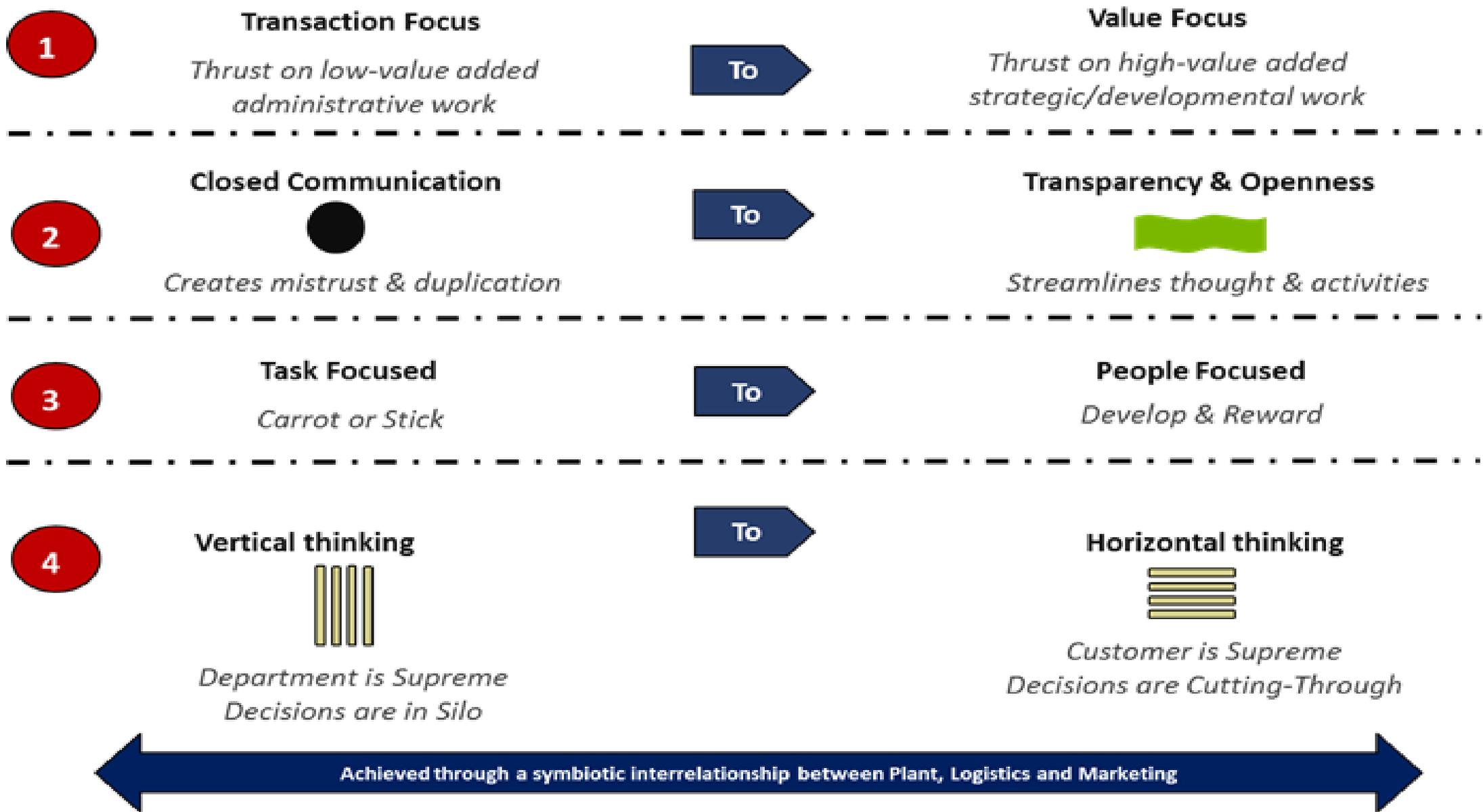
Shift in focus

People	Process	Technology
Number of employees	Clear documented processes	Prevalence of automation
Behavioural competencies	Alignment to business outcome	Effectiveness in design
Technical competencies	Defined Service Level Agreements (SLAs)	Implementation efficiency
Alignment with strategic direction	Performance metrics	Integration with other platforms
Readiness for future direction	Effectiveness and efficiency	User engagement

Parameters for information capture

Pillars Driving Success — **Sales & Marketing Value Chain**

Index:
- **Non existent/ Not mature** (red)
- **Partly existent/ Evolving** (orange)
- **Satisfactory/ Mature** (green)
- **Evolved/ Outstanding** (blue)

| Index	Lead Generation	Order Booking (Repeat)	Order Booking (New)	Field Visits/ Market Intelligence	Order Execution/ Internal Communication	Collection	Customer Communication, Deliveries, Scheduling	Complaint Handling Post Sales
People								
Number of employees	Green	Green	Green	Green	Green	Green	Green	Green
Behavioral Competency	Red	Orange	Orange	Red	Orange	Orange	Red	Orange
Technical Competency	Orange	Orange	Orange	Orange	Red	Orange	Orange	Orange
Employee alignment with company	Orange	Green	Orange	Red	Red	Green	Red	Green
Employee readiness for future	Orange	Orange	Orange	Red	Red	Green	Red	Green
Process								
Clear documented processes	Red	Green	Red	Red	Red	Green	Orange	Green
Alignment to business outcome	Orange	Green	Orange	Orange	Orange	Green	Orange	Green
Identified SLAs	Red	Red	Red	Red	Red	Orange	Red	Orange
Process performance metrics	Red	Red	Red	Red	Orange	Green	Orange	Orange
Process effectiveness & efficiency	Orange	Orange	Red	Red	Orange	Green	Orange	Orange
Technology								
Prevalence of automation	Red	Green	Orange	Red	Green	Orange	Orange	Orange
Effectiveness in design	Red	Green	Green	Red	Green	Orange	Orange	Orange
Efficiency in implementation	Red	Orange	Orange	Red	Red	Orange	Red	Orange
Integration with other platforms	Red	Red	Red	Red	Red	Red	Red	Red

Sales & Marketing Value-Chain

RO is a **systemic effort** to rethink organisational structure and leadership practices in terms of work complexity and human capability in order to enhance **business alignment and effectiveness**

Seven Dimensions of Work

Resources

Discretion

Problems

Value Contribution

Collaboration

Context

Time Horizon

Stratified Systems Theory – Requisite Organisation (Elliott Jaques)
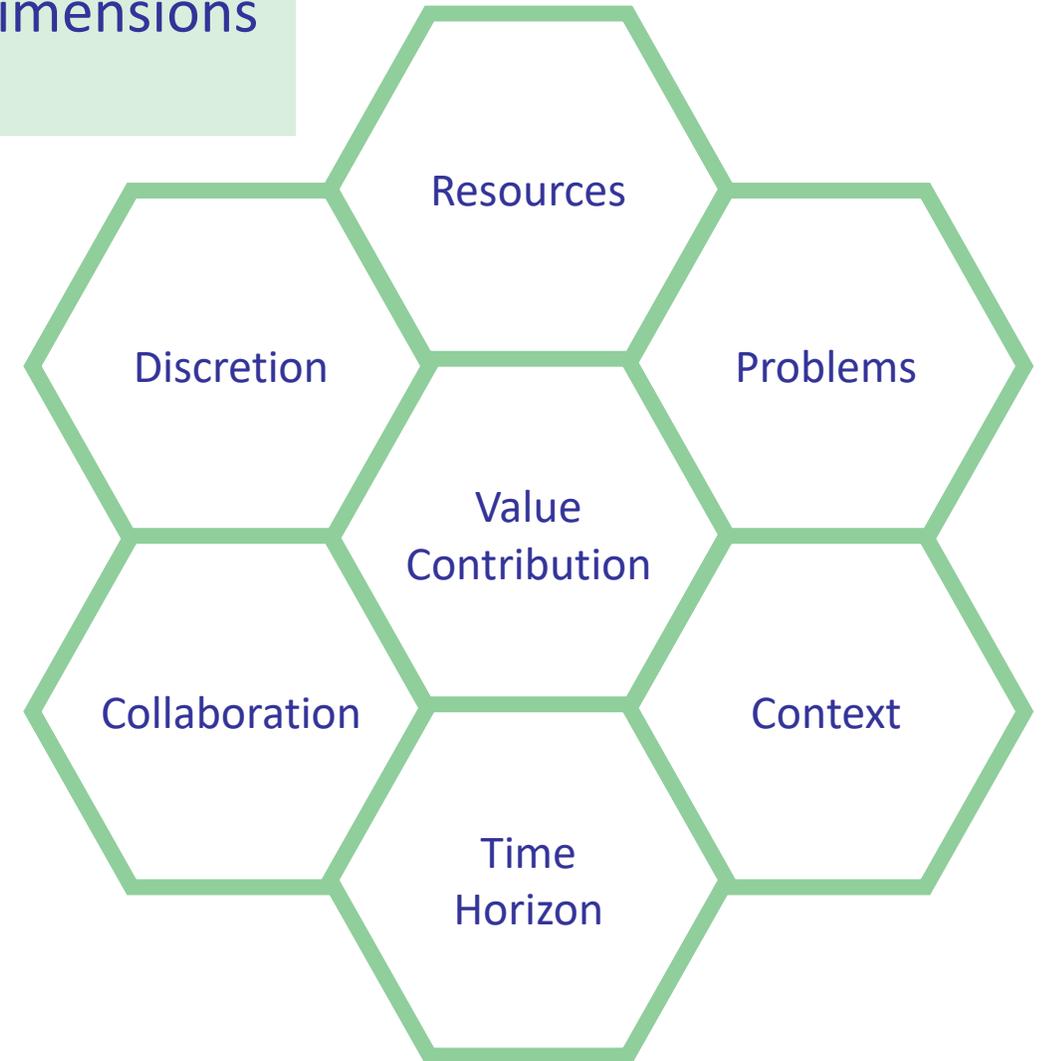
Levels of Work (LOW)
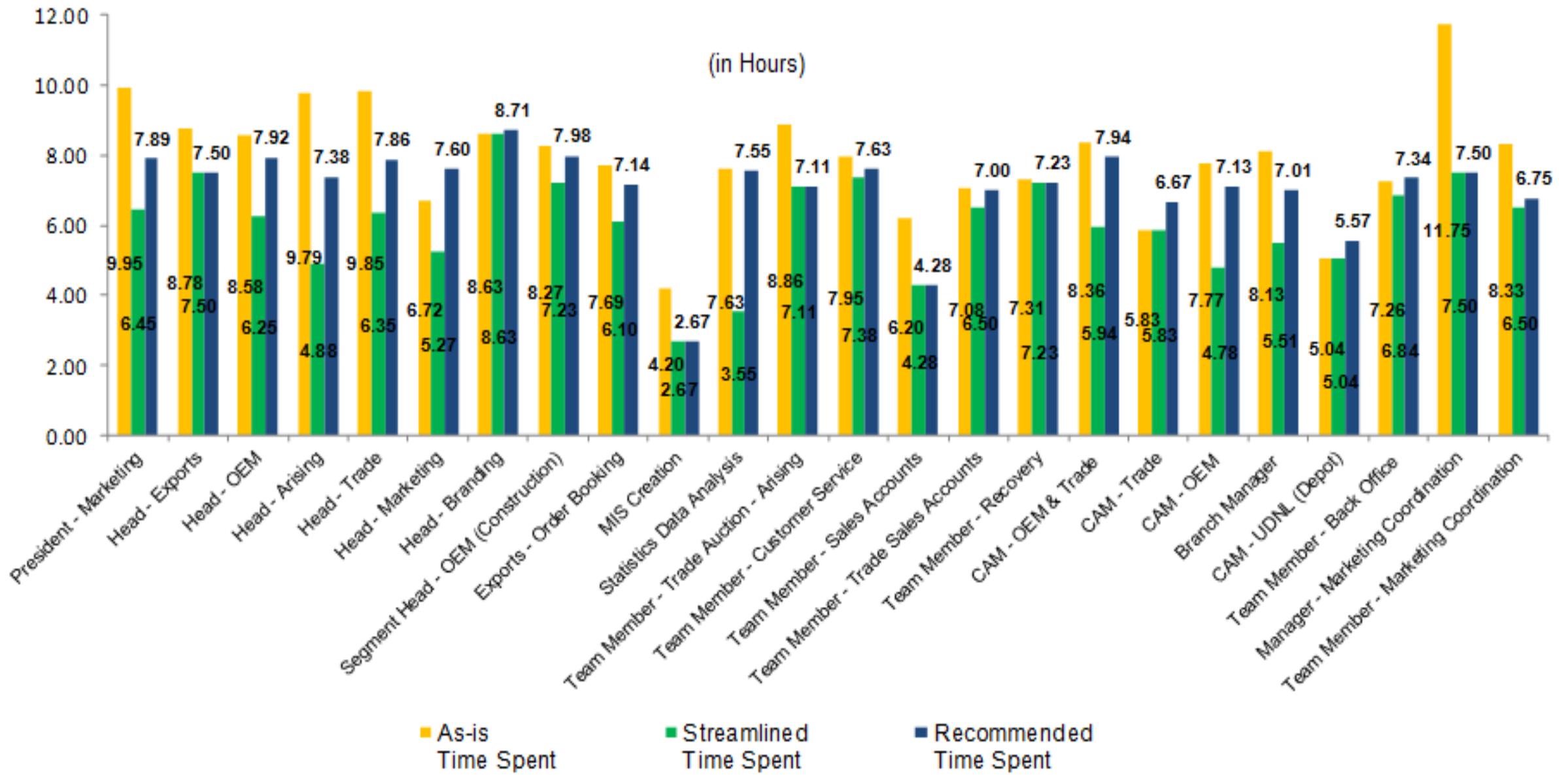
**Recommendations – Value-adding time spent**

- **Alignment**

- **Effectiveness**

- **Efficiency**

Areas of concern
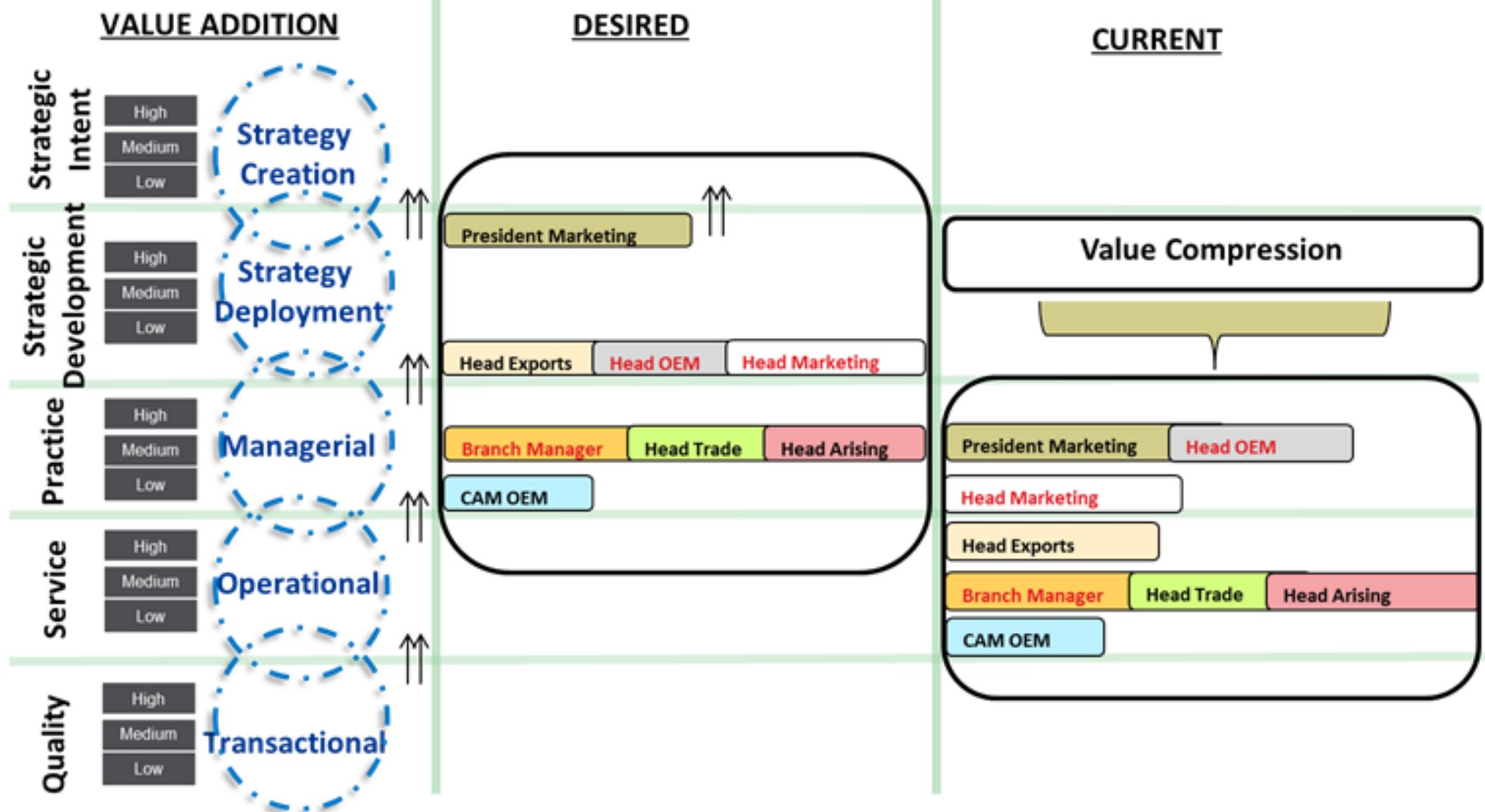
Top-team operating levels

Recommendations were made on how as-is levels unique roles could be made more value adding to deliver at the required level

Example…
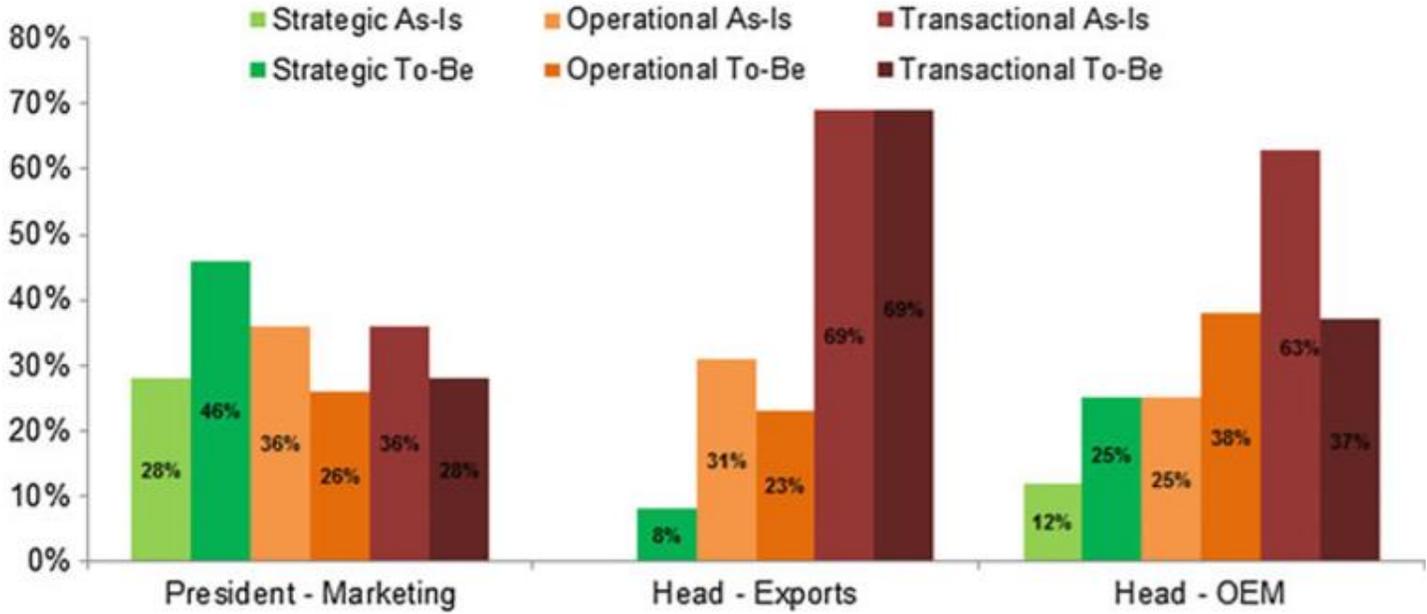
A snapshot of how shift in time allocation could be created as a result of the execution of our recommendations...
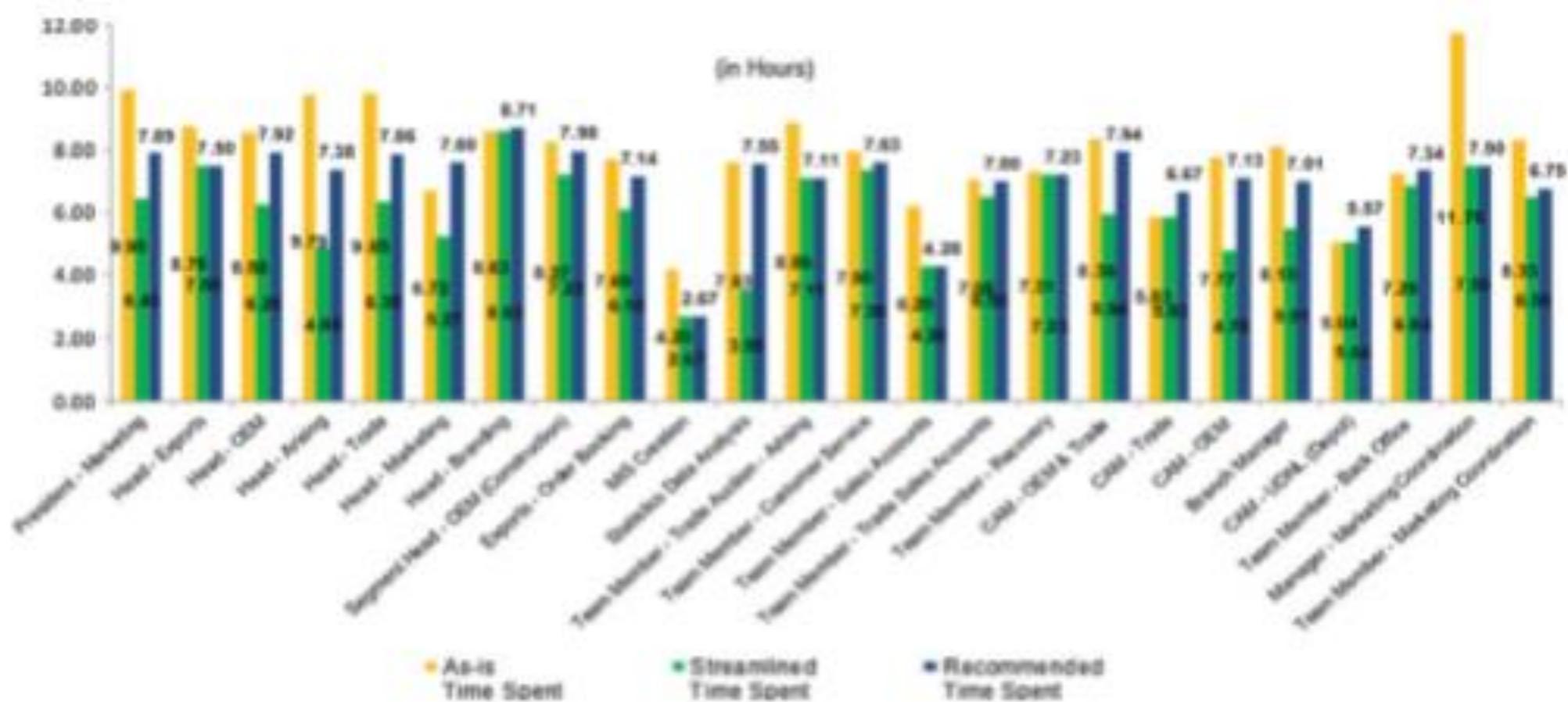
Recommendations (Efficiency)

Competencies are the **knowledge, skills** and **attitudes** that are required for professionals to deliver effectively on their job.

Thought

Action

Relation
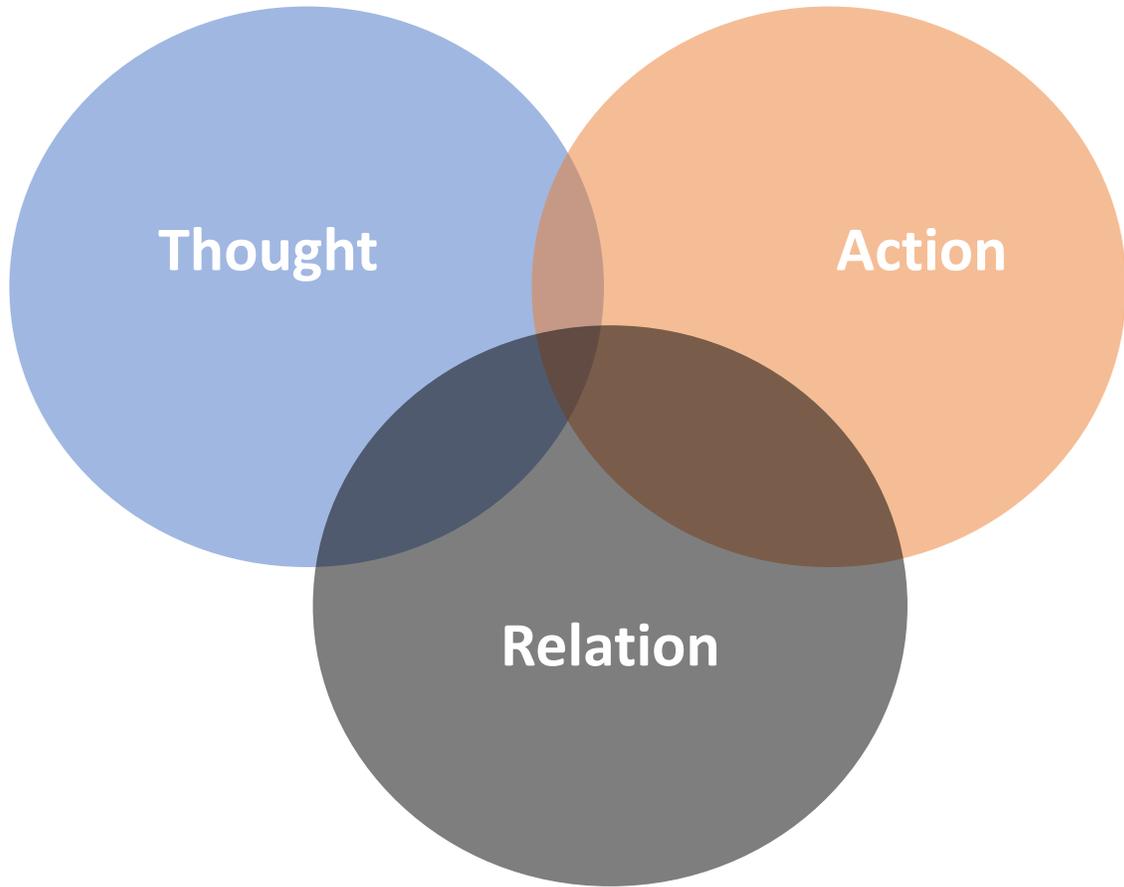
Continual learning and **capability development** were treated as central elements for the team to be equipped with to catapult Potential Steels into its future direction; for this learnability was introduced.

Recommendations – Competency Development

- Recommendations centred on **streamlining activities, incorporating best practices and capacity building**, rather than a departmental overhaul in terms of structure and workforce numbers

- **Action planning** workshop with the Sales and Marketing team with the details of bottlenecks, streamlining recommendations and industry best practices for each unique role across the value chain

Recommendations – Alignment

Organisation optimisation lies at the intersection of utilisation, efficiency and effectiveness (Khare, 2006)

- **Utilisation** is the proportion of time deployed of workforce
- **Efficiency** can be understood as parallel to productivity that is defined as the conversion of input resources to output results in economic terms
- **Effectiveness** is the act of achieving something that was actually intended to achieve

An organisation is a **synthesis** of its purpose and the mechanisms that exist to achieve the same (Miles, 1978)

What is Organisation Optimisation

RESTRUCTURING   **OPTIMISATION**

Tendency to impose   ❯   Intent of enabling

Management-driven   ❯   Inclusive and Accommodative

Focus on vertical alignment   ❯   Balance of vertical and horizontal alignment

Structure-based thinking   ❯   Pattern-based thinking

Rightsizing   ❯   Development

Change immediacy   ❯   Learning-orientation

**Reflection**
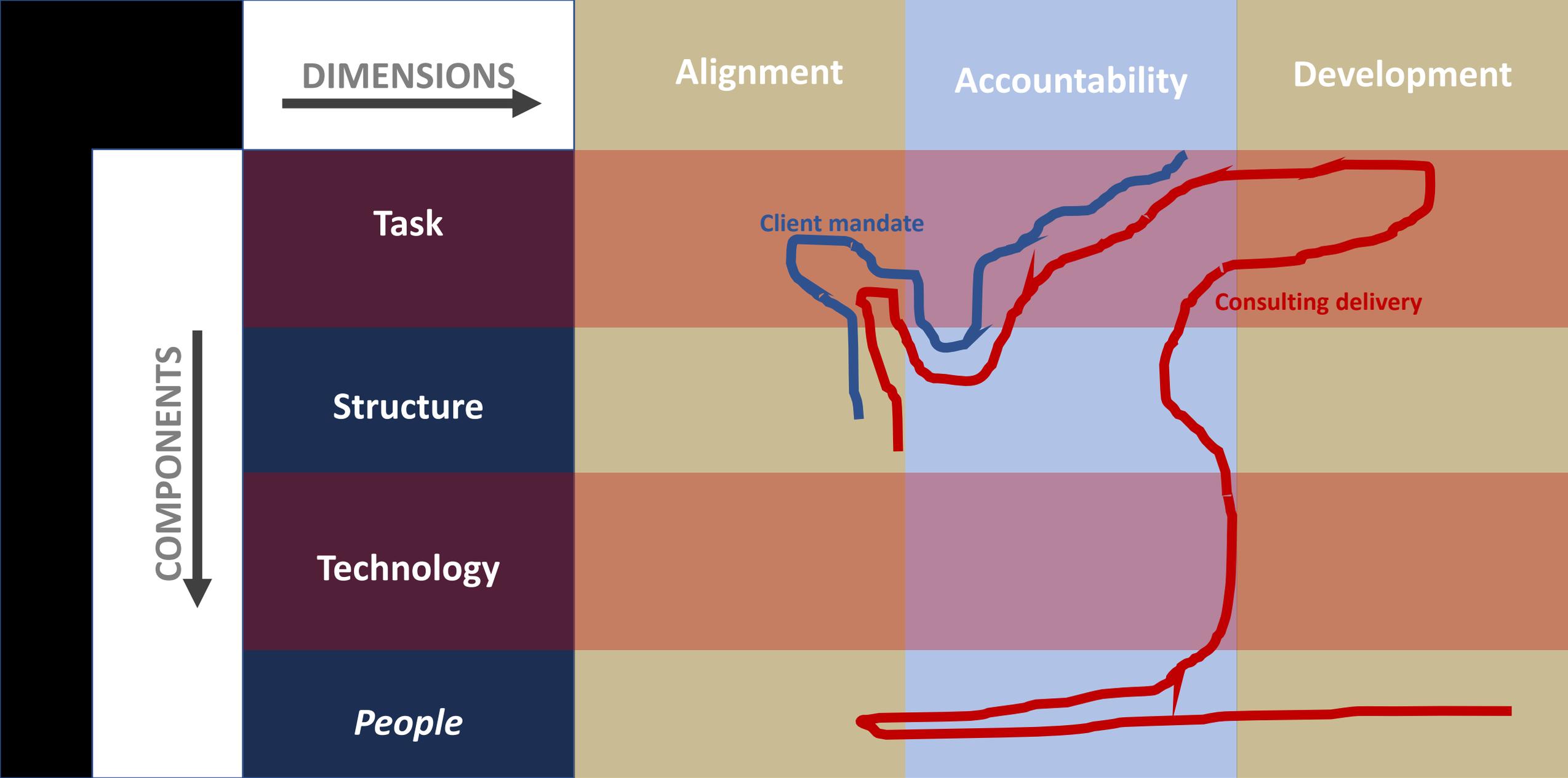
- Cognitive boundaries
- Methodological boundaries
- Ethical boundaries

(Ulrich)

- Avoidance of the "intellectual conman"

(Ackoff)
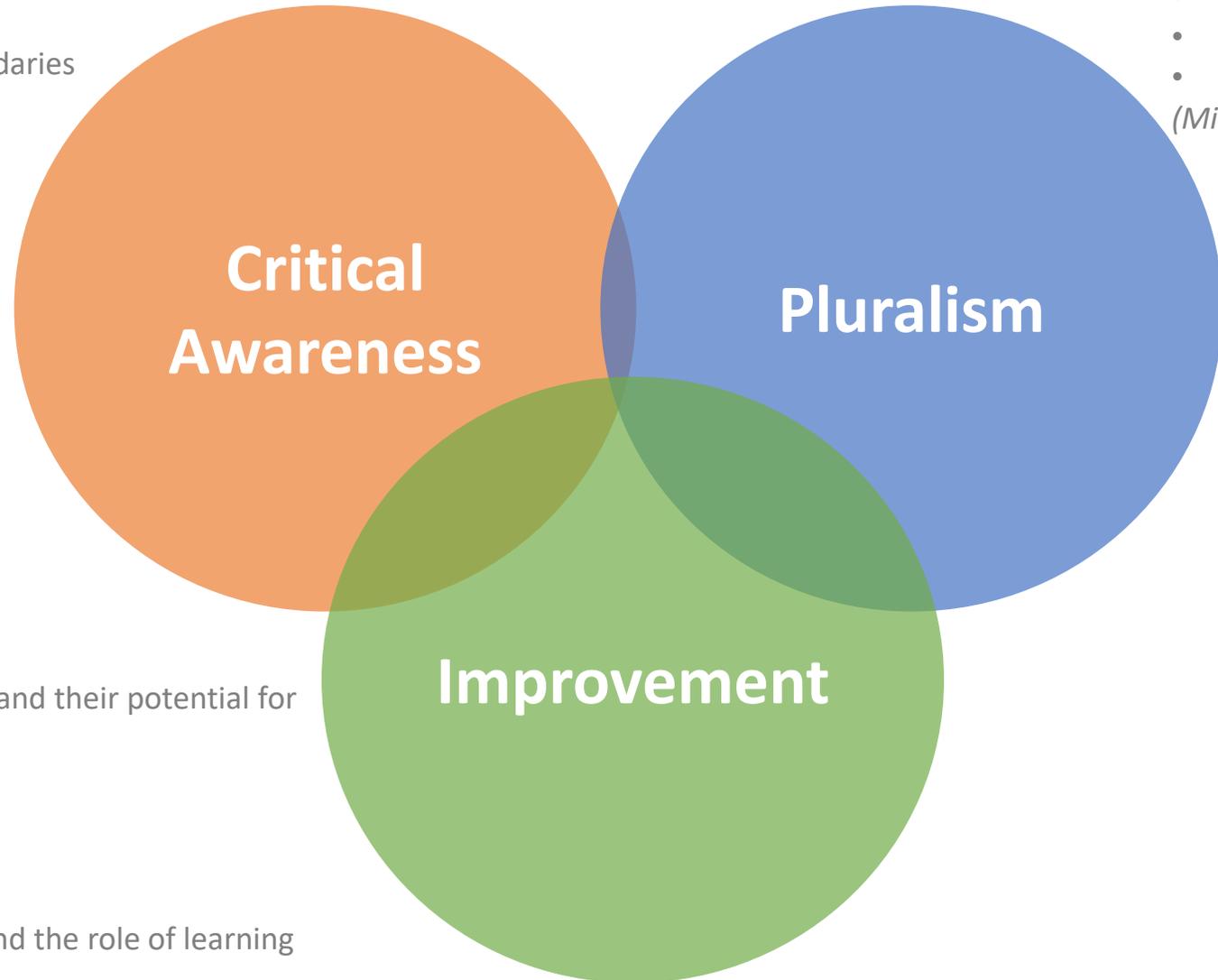
Mixing methods for…
- Social appreciation
- Personal appreciation
- Material appreciation

(Mingers and Brocklesby)

Critical Awareness

Pluralism

Improvement

- A commitment to human beings and their potential for full development

Schecter
- Added Value

Midgley
- Fixes that fail
- Right acquisition of knowledge and the role of learning

Ackoff

The intervention in the light of Critical System Thinking

CONSULTING CONSIDERATIONS

Personas "**fictional characters**, which you create based upon your research in order to represent the different user types that might use your service, product, site, or brand in a similar way" (Dam and Siang, 2018).

| LOCAL GUARDIAN | TRADITIONAL INDIAN PARENT | CROSS CULTURAL PARENT | MODERN PARENT |

Client *persona* and OD initiatives

Transformation Accountability

Executive Sponsorship

Employee Participation

Communication

Capacity Building

Change Management Considerations

Flexible Systems Management

Rajneesh Chowdhury

Systems Thinking for Management Consultants

Introducing Holistic Flexibility

⌂ Springer

A significant addition to the literature on 'systems thinking', particularly because the ideas it espouses are grounded on practical project work. They have emerged as a result of reflection upon fifteen years of personal experience undertaking management research and consulting in India and the UK. These engagements have embraced a wide variety of organisations in private industry, public health, professional services, and the charitable sector.

Michael C. Jackson OBE
Past President, International Federation for Systems Research, International Society for Systems Sciences, Professor Emeritus, University of Hull (UK)

The author convincingly argues for the case of 'responsible outcomes' for management interventions that is much needed for corporations, not-for-profits and governments operating in the current day. Insights presented in this book can have far-reaching impact in the areas presented, and beyond.
Zenia Tata
Chief Impact Officer, XPRIZE Foundation (USA)

A comprehensive journey of understanding the relevance of systems thinking for consultants and change makers. Rajneesh's argument on building 'responsible outcomes' for change interventions brings in an onus to systems consultants to work towards solutions that are meaningful and sustainable. This is especially so at a time when we are moving to agile methods of driving change. This book is a significant addition in the literature of management consulting, for students and practitioners of this science.
Gopal N Sarma
Senior Partner, Bain & Company (India)

Published by Springer in 2019

Thank You!

RAJNEESHCHOWDHURY@GMAIL.COM