



CENTRE FOR COACHING  
IN ORGANISATIONS

White Paper  
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# The Systemic Coach

## Part 3/4

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*Complexity theories are based on quite a different perspective of how systems work.*

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In the first two of these White Papers we looked at examples of first-order and second-order systems theories. In this paper we look at an example of a complexity theory. Complexity theories are based on quite a different perspective of how systems work. We consider how such perspectives might show up in the coach's approach.

### **Introduction**

In the first two White Papers of this series, we looked at a first-order systems theory called cybernetics and a second-order systems theory called Soft Systems Methodology (SSM). First-order systems theories depict organizations as simple systems operating to straightforward rules. Change is assumed to be the outcome of simple, linear, 'cause and effect'. Second-order systems theories recognize that the functioning of organizational systems is 'complex, problematical and mysterious'<sup>i</sup>. The practitioner is encouraged to solicit multiple perspectives as to the functioning of the system before settling on an intervention. Insights are gained through reflection on action. Both first- and second- order approaches may be useful, and both have their limitations. Attention has more recently shifted to complexity theories. In this White Paper we will outline some of the fundamental differences between earlier theories and complexity theories, and again highlight benefits and limitations. Bear in mind as you read, that complexity theories too have been critiqued. None of these theories are wholly adequate, we argue, and all may be useful.

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*We don't take as read everything we are told. We seek to make our own meaning of events and we do so through conversation with others.*

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## Part 3 – A complexity theory

### Complex Adaptive Systems (CAS)

CAS theories position change as dynamic, unpredictable, and constant. Stuff is always happening and people are forever making sense of change in conversation with each other. Meaning-making is social. So, for example, the CEO of a bank tells staff:

- Interest rates are going down 1%
- The bank isn't giving the whole 1% to consumers because lower rates hurt margins
- Staff should tell the general public that mortgage rates are currently super-cheap which is putting pressure on profitability

Staff at one branch of the bank are unsure what sense to make of the announcement until an angry customer walks into the branch and shouts at the staff for seeking to make profits at her expense. Had the banks passed on the whole 1% she may have been able to keep her house, but now she will have to sell up. Two of the staff know her quite well, and are touched by her story. By the end of the day there is a general feeling in the branch that the bank has done the wrong thing.

Staff at another branch of the same bank are persuaded by one of their number that passing on the whole 1% would have hit profitability, the share price would have gone down, and their end of year bonuses would have been threatened. She explains her theory with great confidence and gusto. Visitors to the branch don't even mention the change in interest rates. By the end of the day there is a feeling in the branch that management has made a good decision, and that the general public don't understand basic economics.

All over the bank different groups of people make meaning of the same pronouncement differently. Not all groups agree, and coalitions both form and fragment. The CEO meanwhile, is hearing different stories from different people and is wondering why his Internal Communications team have done such a poor job – again. He is doubly frustrated when his Head of Economics comes back from a private lunch with analysts and journalists suggesting that they should have passed on an extra ¼%.

A complexity perspective on change is based on several principles:

- We don't take as read everything we are told. We seek to make our own meaning of events and we do so through conversation with others.

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*To think of ourselves as external interventionists is to bestow upon ourselves a level of control and insight that we don't really enjoy.*

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- Different people in different parts of an organisation have different perspectives of the world, and people interpret the same events differently.
- To understand change requires an understanding of what's happening at the local level. What happens at the macro-level emerges from the interaction of multiple meanings with local origins.

What happens at the macro level may indeed therefore appear to be 'complex, problematical and mysterious', even chaotic and random. But the resulting pattern *isn't* chaotic and random, it's just not what we expected. If this is how change happens, then we can't hope to be able to map how A causes B causes C. There is too much going on. The pattern of events is volatile, unclear and constantly evolving. The idea that we can somehow stand outside such a system, alone or with others, come up with a diagnosis, plot an intervention, and return to the system, now seems quite absurd. We might *imagine* ourselves as standing outside the system, but we are not. The coach is as much a part of the system as the leader. We listen and we say stuff, the same as others. To think of ourselves as external interventionists is to bestow upon ourselves a level of control and insight that we don't really enjoy.

### **Example**

Linda coaches Mark. Mark decides he wants to be more influential and resolves to pay more attention to the needs of internal stakeholders. He discovers that people experience him and his team to be unfriendly, so he thinks hard about what to do. His team get things done, and he doesn't want to push them toward a different set of behaviours without thinking more deeply about the situation. He talks to a few internal stakeholders, who suggest that his team would be more effective were they to engage others earlier in the decision making processes. Mark shares the feedback with his team, who make a special effort to be collaborative. Feedback has improved somewhat, but still some people are unhappy, and the team's reputation hasn't markedly shifted.

Linda encourages Mark to talk to different stakeholders. She suggests that different groups of people will have different needs and will be making their own sense of how his team is behaving. If he wants to change the big narrative, he needs to explore little narratives first. Mark follows her advice. He discovers that:

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*Mark is initially annoyed and dismissive. He says a few rude things about the client team leaders and says he doesn't have time to waste on office politics. But as he calms down, he reflects on a few specific things he can do that may impact client satisfaction significantly.*

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- The leader of one client team has a strong preference for face-to-face communication. Over time she has built a team of people with the same preference for building strong relationships. This group find it frustrating working with the person on Mark's team assigned to their business. That person has young children and is a semi-professional athlete. He is very efficient in his work and doesn't accept invitations to socialise, at lunch or after work.
- The leader of a second client team has been happy with Mark's team until recently. She valued their capacity for getting things done, anticipating problems and resolving them without being asked. Now they are asking her for more of her time, checking in on every level of detail, which is frustrating.
- The HR director is friends with the IT director, who has heard via the leader of a third client team, that their relationship manager tends to be somewhat curt and abrasive. Mark is surprised, since he assigned this relationship manager to the client just recently, because he had such good feedback from his previous client manager. The HR Director explains that this client team value harmony and everyone-getting-along, and don't respond well to people speaking directly. She tells Mark that this client team leader was especially vociferous in a recent executive meeting, where the performance of Mark's team was discussed.

In recounting what he has discovered to Linda, Mark is initially annoyed and dismissive. He says a few rude things about the client team leaders and says he doesn't have time to waste on office politics. But as he calms down, he reflects on a few specific things he can do that may impact client satisfaction significantly.

### **Complex Adaptive Systems revisited**

Mark is looking at the system differently now. He recognises that making one-off interventions, based on superficial understandings of apparently simple issues, doesn't always lead to desired outcomes. He recognises that, no matter how wise they sound, whilst other people can certainly help him think through the big picture, other people's perspectives are often as limited and subjective as his own. Other people's perspectives are useful, they help him to challenge his assumptions, but to truly understand what is going on he has to get out into the organisation and find out what's going on in all the little nooks and crannies. With Linda's help he has recognised that:

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*Complexity theories are becoming popular, to the extent that some practitoners may see such frameworks as epitomising sophisticated systemic practice. However, these theories are also subject to critique.*

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1. To understand the whole system requires an exploration of local interactions.
2. General narratives emerge through complex patterns of social meaning-making.
3. Every person in the system plays a role in the emergence of outcomes, and you can't hope to control the behaviour of those people through simple, one-way, communication.

On the face of it these principles may appear common-sensical, but as Mark reflects on the session with Linda, he sees how infrequently he and others in the organisation behave according to those principles. Often they behave as if the world was a much simpler place, where all the leader needs to do is pull a lever for the organisation to shift direction.

### **A 'third-order' systemic coach**

Linda's practice is informed by the same principles Mark has discovered. Watching Linda at work we might expect to see her:

- Seeking to understand patterns of local interaction and how local interactions converge into wider patterns of behaviour.
- Collecting feedback to deepen understanding of system functioning at the micro-level.
- Considering plans and strategies through a lens that positions them as local responses to changes in the broader system.

### **Critique**

Complexity theories are becoming popular, to the extent that some practitoners may see such frameworks as epitomising sophisticated systemic practice. However, these theories are also subject to critique<sup>ii</sup>. There are at least three limitations of complexity theory such as depicted here. Namely, these theories:

- Still propagate the idea that an organisation is a 'real' system.
- Often encourage people to categorise organisational systems in terms of their level of complexity.
- Can encourage people to mix-and-match these theories with first-order systems thinking. Some people take the idea of CAS and then attempt to model big-picture outcomes by applying simple rules at the local interaction level.

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*Comparing organisations to systems - at all - has its problems.*

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We will explore these critiques in more detail in the next White Paper, in which we will look at a Meta-Systemic perspective. Suffice to say at this point that comparing organisations to systems - at all - has its problems.

## **Conclusions**

Complexity theories position coach and leader right in the middle of the chaos and complexity that so oftens characterises organizational life. Looking at the world through such a lens encourages us to watch out for patterns of conversation, and to recognise how meaning spreads quickly through social networks, resulting in sometimes quite 'strange' patterns of behaviour. Complexity theories have their own limitations however, limitations we will explore in the fourth and final white paper on systemic approaches to coaching.

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## *Notes & Acknowledgments*

- i. Checkland, P. (2000). Soft Systems Methodology: A Thirty Year Retrospective. *Systems Research and Behavioral Science*, 17, S11-S58.
- ii. Stacey, R.D. & Mowles, C. (2016). *Strategic Management and Organisational Dynamics*. 7<sup>th</sup> edition. UK: Pearson.