Bryan Clifton

Pepperdine University

November 3, 2014

Complexity Theory: An Analysis

A systems theory perspective states that organizations are understandable through a direct connection between cause and effect relationships. It is the role of management to try to continually stay one step ahead and find the optimal utilization of resources to address problems.

Complexity theory comes from a viewpoint that you cannot know the whole and all aspects of an organization are interconnected with other systems. Linear connections are not exclusively at play. Instead it suggests many dynamics are happening simultaneously that cannot be isolated or follow a clear pathway of cause and effect.

Complexity theory states you shouldn’t rely on past success since the world and environment is constantly changing. An agile mindset is needed to continually be open to new ways of operating, new organizational designs, and additional ways to engage stakeholders.

Clarity of values becomes more important than positional power in this context. With the potential for frequent adjustments based on environmental need, you hire and train people that embody your values and empower them to make decisions at different levels within the organization. Unless an organization is clear of where it wants to go and what it values, it will lack the tools needed to succeed in the future business environment. Assembling tools and additional resources for an organization to utilize is futile unless clarity exists within the organization. Without clarity of purpose and vision, efforts are wasted and momentum is absent. The organization spins in a proverbial circle without knowing where it is trying to go.

Keene summaries it well by saying, “Furthermore, we may begin to realize the importance of vision, values and guiding principles of the organization as the steering mechanism for the organization and not relegate these to the bottom of the drawer, but ensure these are known and shared by all and create the passion we need to create realities beyond the mundane. All decisions and actions will be influenced by these few rules, rules which will include the values and beliefs and vision of the organization which will permeate every fiber of the organization. Leadership should also be allowed to develop at different parts of the organization at different times to meet the needs of different situations. One person, or a small group of people, cannot at all times be available or even equipped to meet the leadership needs of all situations in different parts of the organization (Keene, 2000, pg. 16).” With an effective organization structure in place and clarity of purpose, the organization is able to thrive at the edge of chaos.

Chaos is not a bad thing; it is merely a state of affairs. It requires new ways of thinking and acting from all levels of the organization. The edge of chaos is where innovation occurs. It is this state where motivation and progress are vital for the survival of the organization. This is felt individually and across the organization.

This is the sweet spot for organizational progress. A little more comfort and the organization can feel stuck. A bit too far and complete chaos ensues which can lead to failure. Stuck patterns hurt organizations.

The way this is used as a propeller is aligning values of the organization with empowerment of team members and stakeholders. If leaders try to hold on to positional power and control, they are failing to harness the knowledge input sources of the team members. Furthermore, they eliminate the ability to translate this information into decisions that move the company towards its goals. Shaw says, “The ‘edge of chaos’ is thus not a guarantee of success for any agent or category of agents, but it is the dynamic within which the larger networks they are a part of evolve as new categories of agents emerge and old ones die.”

Living at the edge of chaos makes it hard to predict what will be realized in the future. The future is based on our understanding of the past. We value past accomplishments with the assumption that future challenges will need more of what we needed in the past. This is not the case. The future is not an extension of the past. New challenges and opportunities will exist (Daneke, 1997).

We must focus then on true knowledge. Shaw describes knowledge as “the current manifestation of what state the evolving system is in at that point and new "knowledge" emerges through the spontaneous self-organizing and competitive selection processes that drive the evolution of the whole network.”

For organizations to thrive in an environment at the edge of chaos, it must have a clear vision that supersedes current market conditions. The art of leadership is the ability to release the potential of those within the organization (Keene, 2000, pg. 17).

REFERENCES

Daneke, G. (1997). From Metaphor to Method: Nonlinear Science and Practical Management. The International Journal of Organizational Analysis, 5, 3, 249-266.

Griffin, D., Shaw, P., & Stacey, R. (1999). Knowing and Acting in Conditions of Uncertainty: A Complexity Perspective. Systemic Practice and Action Research, 12, 3, 295-309.

Keene, A. (2000). Complexity Theory: The Changing Role of Leadership. Industrial and Commercial Training, 32, 1, 15-19.