

Effective Social System Design: Using the Systems Approach for Organisational Development

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**A thesis presented in fulfilment of the requirements for the
degree of Master in Industrial Administration, School of
Engineering Management, University of Cape Town.**

April 1997

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SYNOPSIS

Introduction and Overview

OVERVIEW

This thesis presents a model that has been developed to provide a framework for inquiry in management research.

Incorporated into the model are;

- the scientific method specifically as described by C.S. Peirce,
- the concept of learning cycles specifically as described by C. Handy,
- and the SCQATRE method that draws from the work of Minto and Ryan. This method maps over a learning cycle and presents a way of describing the problem by firstly describing the Situation, then expressing the Concern that you have regarding this situation. The Question that is raised by the concern follows. Thereafter comes the Answer to the question, a theoretical Test with a description of the Reasoning behind the answer and finally a practical Evaluation.
- System Thinking and its methods.

I test the model by applying it to a complex problem of organisational or social system design, at Truworths (a large fashion retailer, and an operating company that is a part of the Wooltru Group). The problem revolves around the introduction of conflicting value systems.

The situation is one where the vision of the parent company is to find a new corporate culture and structure, that encourages the development of human potential, in the pursuit of a new emancipatory community. Within Truworths, a value system has been introduced, which is in conflict with the value system of the parent company. This conflict may result in the failure of Wooltru, the containing system, to achieve its purpose. Wooltru is considered the containing system for the purposes of this study. Wooltru is a listed company that owns 100% of Woolworths and 100% of Truworths, as well as owning other stores such as Massmart. Wooltru defines strategy and vision for the group. The problem being investigated revolves around these issues and so it is therefore appropriate to consider Wooltru as a system that contains Truworths, Massmart and Woolworths as sub-systems.

The problem is one of social system design where non-reductionist and non-quantitative methods are required for understanding. The model that is presented,

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and applied, provides a framework specifically designed for inquiry into this kind of social system problem.

I am a senior manager at Truworths who has been with the organisation for eight years. As such I have been exposed to the introduction of both value systems from an early stage. This position and my long standing relationships with other senior members of staff, has enabled me to question and investigate their understanding of the situation. This has included many hours spent with various individuals, from the CEO down. These people have given of their time freely. I mention this at the outset as it may appear at times I have taken a position on certain issues. I make apologies for this where the reasoning behind statements is not clear. I realise that because of my position, and my personal beliefs, it is difficult to investigate with full impartiality into this type of problem. I am, by the nature of the problem, often the victim of the designs. I have, with considerable effort, tried to remain impartial in a search for understanding, so as to find a solution that would be testable by any other researcher. I believe that largely I have achieved this, not falling into the a priori trap that is prevalent in management in general and in this problem in particular.

SYNOPSIS

The following diagram is used to conceptually describe the split in the issues covered. It represents a framework for considering management inquiry on three levels of abstraction. This diagram is helpful in describing the concept that it is necessary to understand the Methodology (the principles behind the Techniques) so as to be able to transfer a competency in a particular operational context. It is also necessary to understand the Philosophy that supports the methodology so as to make it relevant in situations with differing worldviews or epistemologies.

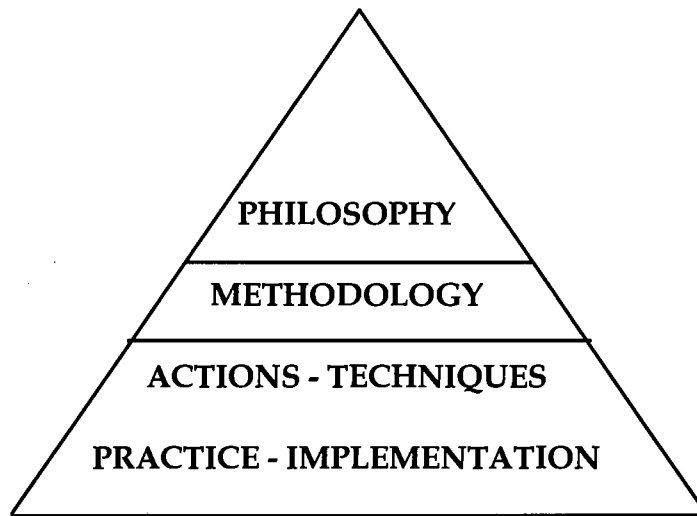


Figure 1 Diagrammatic Representation of the concepts covered

THE STRUCTURE OF THE THESIS IS AS FOLLOWS:

PART 1 THE DESCRIPTION OF THE PROBLEM

Chapter 1 Inquiry into an Organisational Problem the nature of which is Social System Design

An overview of the problem at Truworths is presented.

PART 2 THE DEVELOPMENT OF A FRAMEWORK FOR INQUIRY

Chapter 2 Introducing The Synthesised Model for Inquiry

The Model to be used for inquiry is presented here.

Chapter 3. Discussing Pragmatism and Peircean Scientific Method

In this chapter I discuss pragmatism and its relevance to management research. The choice of Peirce for a supporting philosophical base is discussed. Peirce's phenomenology and his philosophy regarding fixing belief and the scientific method are covered.

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Chapter 4 An Argument for the Inclusion of System Thinking and its Methods

I present the argument for the inclusion of System Thinking and its methods.

PART 3 USING THE FRAMEWORK

Chapter 5 Inquiring into the Problem

I use the framework to inquire into the situation at Truworths. The results from the limited use of Soft Systems Methodology are described. The Critical Systems Heuristics questions are applied to Truworths as a system from two perspectives.

Chapter 6 Evaluating Senge's Learning Organisation

The suggested intervention in this work is that the organisation should move towards a Learning Organisation as described by Senge. I describe the Learning Organisation and apply the Critical heuristic questions to test its validity.

In this chapter I also discuss methods for evaluating the state of learning within organisations. This method described to inquire into the level of Learning disability within the organisation is applied.

Chapter 7 The Suggested Intervention

Describes the suggested intervention of Senge's Five Disciplines and what they would address. I also discuss Corporate Governance.

Chapter 8 Evaluation of the Suggested Intervention

This is a critical evaluation of the suggested intervention. It is an intellectual test of the expected resulting social system and how it would be different from the current systems.

PART 4 REFLECTIONS

Chapter 9 Reflection

In conclusion, I reflect on the use of the model and the philosophies involved, as well as the results achieved.

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Part 1 The Description of the Problem

Chapter 1 Inquiry into an Organisational Problem the nature of which is Social System Design.

1.1 INTRODUCTION

In the case under review in this work, the nature of the problem dictates the methods of inquiry. The problem is introduced in Part 1. The main points that describe the problem are that;

- The problem is one of management,
- It is an issue of social system design with conflicting value systems,
- The solution has to be practical.

The secondary issues are that;

- There are practical and moral consequences of the efforts of the management practitioner. He needs therefore to be pragmatic. In Part 2 I discuss pragmatism and its choice as the guiding philosophy for management research,
- The framework described as 'The Learning Organisation' by Peter Senge is suggested as a solution for resolving the situation, where conflicting value systems are frustrating the whole system from achieving its purpose. The Philosophy guiding inquiry must therefore support the concepts of System Thinking and more specifically the choice of The Learning Organisation as an intervention,
- The System Thinker also has to be explicit about his epistemology, the nature of his knowledge or how he has arrived at his belief.

This epistemological development is therefore described in Part 2.

1.2 THE DESCRIPTION OF THE SITUATION AT TRUWORTHS.

Note: As it is the worldview held by Lappin or Covey that provide the basis for the Social System Design in this organisational problem, for readability, I use these names to *represent Truworths as a System* as viewed by, or designed by either, in places in the text.

PART 1 DEFINITION OF THE PROBLEM

Truworths is owned by Wooltru and is a large and largely self-controlled fashion retailer. The purpose is to satisfy our fashion conscious customer with merchandise of a good quality. The supply of fashion and credit are our primary concerns. Wooltru our parent company and therefore our containing system, has a vision of a 'new community' or organisation that will be built with commitment by the individuals that make up the system. The system must therefore be organised in such a way that the individuals who make up the system are afforded the opportunity to achieve personal mastery, within a framework that encourages participation in the vision of the new community. Problems exist within Truworths that appear to be hindering or prohibiting Wooltru from achieving its vision. This stems primarily from the conflicting input into the system by two processes. These processes have as their authors Stephen Covey and David Lappin.

Using a syllogism of Case, Rule and Result developed by C.S. Peirce that is discussed further on page 21 this could be described as:

Result or consequences:

Problems and conflict exist with the introduction of Lappin and Covey.

The long Term vision of Truworths does not reflect the long term vision of its containing system Wooltru. (This is dealt with in some detail later).

Rule or beliefs about the world:

If there is no systemic understanding of the inter-relationships between the effects of the two processes, conflict will arise where the parts attempt to optimise their own effectiveness at the expense of the effectiveness of the whole.

If there is no systemic understanding of the responsibility of the parts of a system to contributing towards the purpose of the containing system, the containing system will be at risk of failing to fulfil its purpose.

Case or observable facts:

Value systems have been introduced into the organisations that are in conflict with one another. The inter-relationship between these systems does not seem to be understood, leading to the systems being introduced in a way that creates conflict. There is no base plan to support the move to the 'new community' within Truworths. The new community is defined by Wooltru as a part of its purpose.

Further description of the situation and of the Covey and Lappin processes follow.

PART 1 DEFINITION OF THE PROBLEM

Organisation Design

Wooltru has recognised that the structure of the company needs to change from a bureaucratic one to a flatter and more flexible alternative. To this end we have investigated many options and have begun to introduce a system of inquiry and education. The challenge lies in the dramatic change that is required and its impact on the individuals who have only been exposed to corporate life in its historic form. The change process is in its infancy, and at this time the focus is on enabling the individuals who make up the organisation to develop. The introduction of Stephen Covey's "The Seven Habits Of Highly Effective People" and "Principled Centred Leadership" into the lives of the members of the organisation is a first and important step in the process. This attempts to address the issue of the values and principles of the individuals. The process of organisational change will have a huge impact on our continued success.

The commitment to this process is reflected in statements such as:

"We are beginning to explore the new sciences and consider their impact upon our organisation. The concepts of quantum physics, evolutionary biology and chaos theory stretch our understanding of the potential which we could realise if we strive for order as a mode of organisational life, rather more than control. And we stretch, too, to thinking about our responsibility for a healthy and vibrant system of which we form a part, rather than an organisation which we own or manage. We truly seek to make ours a leading organisation, stimulated rather than threatened by the rapid change we predict, and much safer from the threat of obsolescence or hubris than it has ever been."(Colin Hall, Wooltru Chairman 1995).

Truworths is however still organised in the traditional command and control hierarchical style. There is real conflict between the espoused values of the CEO of the parent company and the actual values apparent within Truworths.

Values and Conflict

"Principled leadership, based on the dignity and value of the individual, will bring even greater balance and mutual respect to the lives of our people. Old-style restrictive forms of structure are disappearing and more dynamic and interactive systems fostering excellence at all levels is the future".(Wooltru Annual Report, 1995) This change is being led by Colin Hall, Group Chief Executive, and his commitment to the principles he teaches will have a far-reaching impact on the quality of life and performance of our people if it is allowed to succeed. The following argument however will present a rather bleak picture of the reality within Truworths. The opposing views can be broadly

PART 1 DEFINITION OF THE PROBLEM

split between the influence of Colin Hall with his introduction of Covey principles to alter and influence the value systems within the organisation and Michael Mark the Truworths Managing Director and his introduction of David Lappin to influence organisational values. It is this conflict that is dealt with in this thesis. The results are to be understood in the light of the Five Discipline's as put forward by Senge where Shared Visions and Personal Mastery are two of the disciplines needed to build a Learning Organisation.

The following comment by Colin Hall emphasises the passion and commitment he personally has in influencing this process.

"I have personally spent more than half of my working time teaching, and in the year, more than eight hundred senior executives in the Group and from its stakeholders have been exposed to this new approach and they share my enthusiasm. We have a long way to go before we can claim to have reached the full potential which our people undoubtedly possess, and this is a particularly tough challenge against the background of decades in which this was so tragically legislated against, or overlooked. We are excited by the dream of an enterprise in which performance improves exponentially because we have enabled the remarkably diverse human talent and energy to flow and then led it towards really challenging goals. This initiative, which is being carried forward in all the divisions, each in its own way, will become our most valuable strategic advantage into the future." (Colin Hall, Wooltru CEO 1995).

About the Authors of these Intervention Strategies

Stephen Covey

The introduction of Covey has been done in such a way as to expose all individuals in the organisation to Covey's work. The drive was to have it done in the most open and honest manner possible. Covey's personal convictions are summed up in *The Seven Habits*: "I would like to share my own personal conviction concerning what I believe to be the source of correct principles. I believe that correct principles are natural laws, and that God the Creator and Father of us all, is the source of them, and also the source of our conscience. I believe that to the degree people live by this inspired conscience, they will grow to fulfil their natures; to the degree that they do not, they will not rise above the animal plane". (Covey, 1992:319).

This statement reflects Covey's religious bias. This is therefore an area of potential conflict. Senge mentions instances of legal action being taken against employers who have required that employees attend personal development training that is contrary to their own religious beliefs. (Senge, 1990:172).

PART 1 DEFINITION OF THE PROBLEM

Outside of the potential religious conflict, conflict can exist between individuals who hold other worldviews.

The feeling amongst Truworths Director level management is that the use of Steven Covey's The Seven Habits experience although powerful is not singularly enough to facilitate the change we require.

The Covey program states ... *"we believe that the best way to empower the organisation is to empower yourself. This is an 'inside out' approach - it all starts with you (the individual)." "All of the activities of the programme are designed with one goal in mind - to become empowered on the four levels of leadership: Personal, Interpersonal, Managerial and Organisational."* (From the introductory letter to the Covey Leadership Course 1993).

David Lappin

The feeling among the senior management of Truworths is that, it is necessary to align the ethics of the business with these principles. Conflict will then not be created when individuals return from the Covey experience to find that the state of readiness of the organisation is an impediment to change.

To this end it has been decided to investigate the use of the process as structured by Lappin. This process is described here in some detail as the results are internal to Truworths and not to be found published.

Rabbi Lappin runs workshops on business ethics. He has been contracted to investigate and use his process of facilitated workshops to identify and define a "Moral Theory" for Truworths. Lappin's term Moral Theory refers in essence to Purpose. He however sees the Moral Theory as something greater than just a statement of purpose. He explains his concept of a business philosophy as:

"There are two approaches to strategy: A vision-driven approach and an ideal-centred business philosophy approach.

The vision -driven approach is embodied in conventional strategic planning. It deals with the what, where and how in assisting organisations to strive for positional and competitive advantage. The vision-driven approach to strategy is no longer proving adequate.

A Business Philosophy is the moral theory that provides the strategic framework to contextualise all business decisions, policies and practices.

Being simultaneously a business and a moral philosophy it should achieve:

- *Definition of organisational contribution*
- *Mobilisation of cultural diversity*

PART 1 DEFINITION OF THE PROBLEM

- *Creation of a system of values*
- *Crafting of an integrated corporate ethic*

When the business philosophy is in place, strategy becomes a front-line function, constantly anticipating the changing environment”.

Lappin’s statement that the vision driven approach to strategic planning being no longer adequate is not substantiated. Also the concept of strategy needs to be defined with more clarity. Lappin makes assumptions that his definition is appropriate and acceptable. *“Few words are as abused in the lexicon of organisations, as ill defined in the management literature, and as open to multiple meanings as strategy”* (Collins & Devanna,1994:307). I asked several senior managers who were involved in the Lappin process for their explanation of the Moral Theory (included in the appendix) and none had the faintest idea what it meant. The main advantage for Lappin is the incomprehensibility of his explanation. This means that the company and its managers could become beholden to Lappin, to lead them out of the wilderness of strategic planning that Lappin himself has created. Lappin’s concepts do however have merit in incorporating cultural diversity, a system of values and a corporate ethic. This is however not a new concept and certainly not a development of Lappin’s. Bill O’Brien quoted in the Fifth Discipline calls it the *“Governing ideas of the enterprise - not only its vision per se, but its purpose, and core values as well”* (Senge,1990:214). In (Collins & Devanna,1994:352) *“the fun and excitement of strategic management lie in the creation of new ways to win in the marketplace and new ways to configure the organisation to facilitate doing so”*. Lappin does however fail to introduce an element of forward commitment in these statements and the statement *“Although strategic planning is billed as a way of becoming more future oriented, most managers when pressed, will admit that their strategic plans reveal more about today’s problems than tomorrow’s opportunities”* (Senge,1990:210) may sum up the results of the output of his process, namely the moral theory. The resulting moral theory as a strategic statement leaves a broad enough statement to allow escape from criticism as to its shortcomings. There is however an opportunity within Truworths to have a strategic plan that incorporates not only the short to medium term operational goals, but the vision of Wooltru for *“the new community”* (a term I will use to describe the hoped-for future as considered by the Wooltru vision).

The introduction of Rabbi Lappin’s philosophy during 1996 was confined to the 35 senior managers of Truworths. They have explicit instructions not to discuss the process in detail with their subordinates, but to definitely incorporate the thinking into their daily working lives. One of the basic premises of the Lappin philosophy

PART 1 DEFINITION OF THE PROBLEM

is that individuals who work for the organisation will choose which values they are prepared to sacrifice to achieve the purpose of the organisation. In conflict with Covey, he believes that if an organisation chooses to be ethics driven then the employees will become defocused from the importance of financial rewards expected by the shareholders.

In the search for the reasons behind the introduction of two separate influences on values, it has become apparent to me that there is more to the issue, than merely aligning the company's ethics to the ethics of the employees, so as to avoid the conflict between employees and the organisation. This is covered in Part 3.

1.3 CONCLUSION

I have covered a description of the situation at Truworths, with regard to the introduction of two conflicting value systems.

Some of the concerns are;

- How are these value systems affecting each other?,
- What is the real purpose of the value systems?,
- Why is there conflict and what are the areas of conflict?,
- Are there hidden purposes i.e.: is the actual purpose and the espoused purpose the same?,
- Is there a framework that will allow these systems to co-exist while still fulfilling their own purposes?,
- How do I inquire into a 'soft' problem that is one of social system design in a rigorous and comprehensive way, that will sweep in multiple perspectives?

Part 2 The Development of a Framework for Inquiry

"May God us keep from single vision and Newtons sleep" (William Blake in a letter to Thomas Butts)

INTRODUCTION TO PART 2

In this section I develop the framework that will be used to inquire into the situation at Truworths namely;

- In Chapter 2 the synthesised framework is introduced. The model is shown in circular form showing where the scientific method, the management method as described by Revans, and learning cycles are incorporated.
- Chapter 3 shows how the model was developed. I discuss Pragmatism and its choice as a guiding philosophy for management inquiry. I then discuss the scientific method, and the philosophy of C.S. Peirce regarding fixing belief and the scientific method. I briefly summarise Revans work on scientific method and management. The model is then presented in box diagram form to show how the work of Revans and the philosophy of C.S. Peirce are mapped onto the framework.
- Chapter 4 presents the argument for the inclusion of System Thinking and its methods. This includes a description of the system thinking methods that are to be used in this thesis. I conclude with the Model, presented as an expanded box diagram showing where some systems thinking methods can be incorporated into the framework.

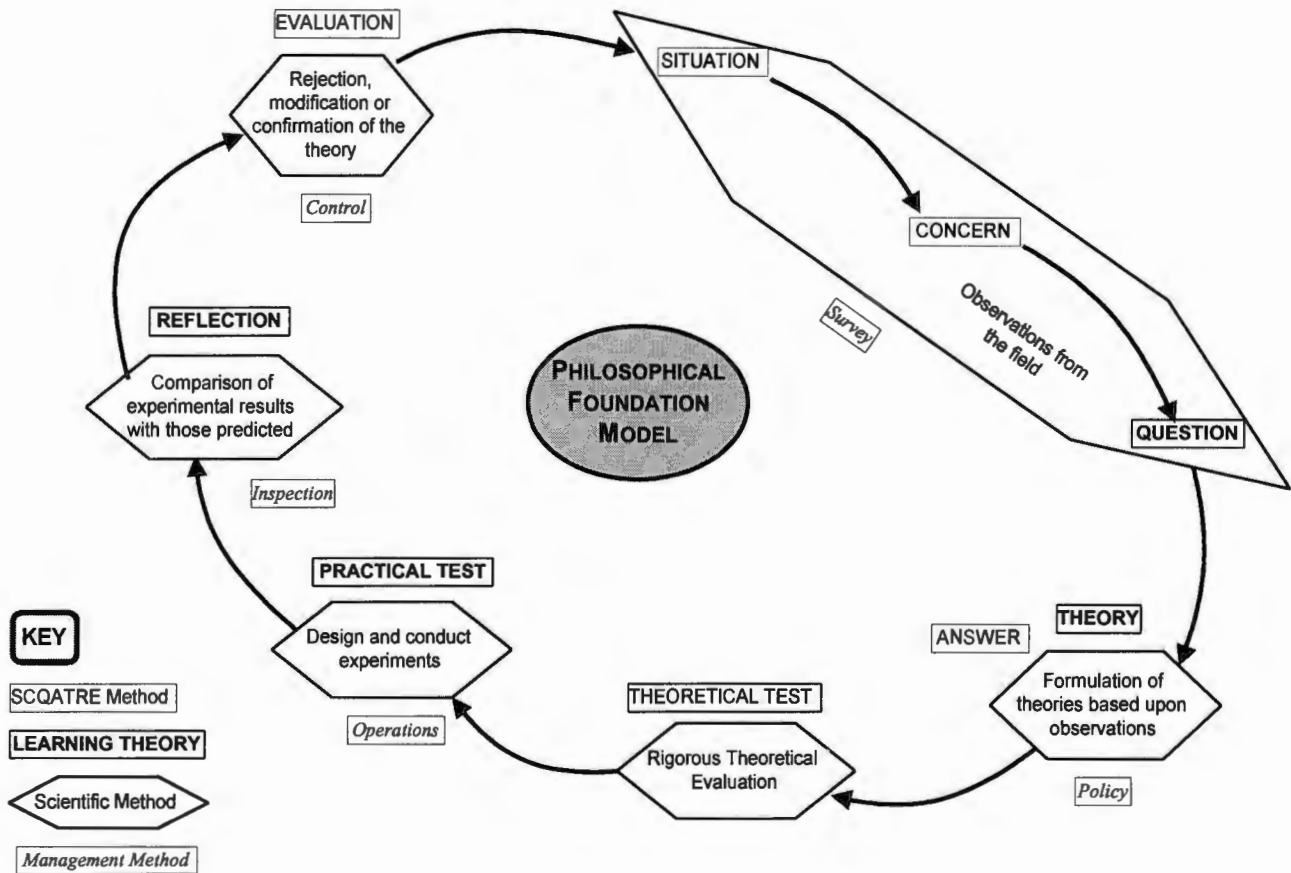
The Framework is repeated on the final page of this thesis in fold out form, so that it may be referred to while examining the logic of its application in Part 3, see page 126.

Chapter 2 Introducing the Synthesised Model for Inquiry

INTRODUCTION TO THE MODEL

The Synthesised Learning Wheel

The model in circular form



Diagrammatic Representation of the Model

Figure 2

Description of the model

The model is a synthesis of the work of Checkland, Peirce, Revans, Minto and Handy. The model includes the SCQATRE method as presented by Ryan.

Figure 2 and Figure 4 (Page 28) must be used in conjunction with each other when exploring the links between the work of Peircean scientific method and this model.

PART 2 DEVELOPING A FRAMEWORK FOR INQUIRY

The complexity of the model is evidence of my belief that simple learning wheels as described by Handy and Senge, amongst others, are inadequate in describing a viable scientific methodology for management research.

Learning cycles are discussed further in this chapter. The model is described as circular to show the nature of scientific inquiry to continually search for the truth. This must be compared with recipes that suggest a step by step approach to inquiry that has a clear beginning and a clear end. The circular description acknowledges that learning is continual and can be viewed as a spiral as the process is repeated, continually adding knowledge and getting closer and closer to the truth.

Note must be taken that the model is shown in expanded form on page 53. This expanded model shows how System Thinking methods fit into the model. It is the author's contention that these system methods are supported by the scientific method as described by Peirce. Therefore the philosophical base of the scientific method supports the inclusion of these system methods.

It could be argued that the method of science itself could be used to argue for the system methods inclusion, as it is clear that the reductionist methods described in this work have failed to solve complex problems. The Scientific Method must therefore be seen to be on the second level as shown in the triangular diagram described in the synopsis (Figure 1 page iii), with the methods of reductionism or systems as seen on the third level as techniques/methods to be used within the frame-work of the scientific method.

Chapter 3 Discussing Peircean Scientific Method

3.1 DISCUSSING PRAGMATISM AND ITS RELEVANCE FOR MANAGEMENT RESEARCH

Why pragmatism is appropriate for management research.

Pragmatism is a doctrine holding that the meaning of truth of thought is determined (somehow) by criteria of practical usefulness. In industry there is an emphasis on practical usefulness of our thinking and our ideas. The use of our ideas have consequences and this is their pragmatic significance. Peirce, as discussed later in fixing belief, stated that we move from doubt to belief as we confront a issue. Bain describes belief as that upon which a man is prepared to act. (O'Connor,1980:439)

We hold un-clear concepts which we continue to replace with clear ones until we believe in the concept and intellectually understand its practical consequences. This is its pragmatic meaning. We are then prepared to act using these believed concepts and we are able to predict results from our actions. There is however an implicit fallibilism in this pragmatism in that we expect our understanding to be incomplete, that results may not be as predicted and we would use these unpredicted results to enhance our understanding. Incorporated into the pragmatism is an understanding of the ethical or moral consequences of our actions, and so pragmatism provides us with ethical guiding principles for research.

The principle formulators of pragmatism were Peirce, James and Dewey. A brief description of their contribution follows.

Peirce

The concept of pragmatism was first formulated by Charles Sanders Peirce.

He described pragmatism as the theory of meaning or the meaning of signs. Peirce saw that we understood concepts as signs. The sign then is a form of communication. It may take the form of behaviour, or of words in a statement. A statement has consequences and it is the consequences that determine its meaning. Part of pragmatism then is determining the meaning of intellectual concepts.

James

James considered that the meaning of a concept lies in its practical use by an individual. His description of pragmatism includes the analysis of the *meaning* of concepts as described by Peirce, and also includes the value of the moral use of the

PART 2 DEVELOPING A FRAMEWORK FOR INQUIRY

concept. James started from the position of man being a mechanism in a mechanically closed universe and moved to his position with pragmatism providing a philosophy that would free us from "*fixed principles, closed systems and pretended absolutes*" (O'Connor,1980:439).

James stressed that the value of any idea or policy is based entirely on its usefulness and workability. We would know the true meaning of an idea only when we see what its effects are.

Dewey

Dewey considered that the separation of morals and science to be the most serious intellectual error of the present century. Pragmatism for him would provide a guiding principle for ethical analysis. Pragmatic inquiry would enhance our understanding of the consequences of employing our concepts in such a way as to make them more comprehensive to us and more fruitful in their use.

When faced with a problem, a person must logically examine the options open to him to find the best solution supported by the facts. This method of inquiry and testing should be applied to moral and social questions, as well as to technological and scientific ones.

Dewey's pragmatic theories insisted that the way to test ideas was to check them against their consequences rather than to claim their agreement with supposedly self-evident truth.

Pragmatism chosen as appropriate for management research.

From the above, the support for identifying pragmatism as an appropriate philosophy for management research can be seen. Although words such as 'useful, workable, valuable, and expedient' could be used to refer to pragmatic ideas, the inclusion of the moral consequences of our actions into our concepts or designs, has specific relevance to this work, where the topic is one of social system design. Pragmatism also offers the philosophical base for the inclusion of system thinking and its methods into our method of inquiry.

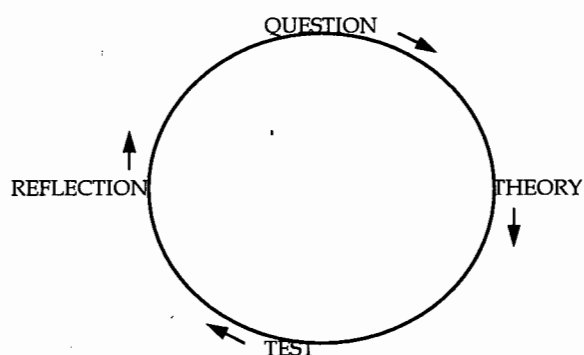
3.2 DESCRIPTION OF LEARNING CYCLES

Learning has been described as a cycle or a learning wheel. All of the proponents of learning cycles agree that learning is a cyclical process that moves the learner closer and closer to the truth. The model takes the same view. It is not dissimilar to the scientific method in one regard; that the solution to one problem results in a new

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situation and therefore new experience that leads to new problems etc. Below are various learning cycles showing their similarity.

Figure 3 The learning wheel:



- A question is raised in a particular situation.
- An answer is given. (theory)
- Test the theory by implementing it. (reality test)
- Reflect again by reviewing against the question.

Existing learning cycles

PEDLER: Experience - Understanding - Planning - Action (Pedler:1995)

REVANS: Experience - Reflection - Experiment - Reflection - Action (Revens:1996)

HANDY: Question - Answer - Test - Reflection (Handy:1990)

COVEY: Learn - Commit - Do (Covey:1992)

3.3 THE SCIENTIFIC METHOD

Like philosophy, science emphasises the use of logic. In fact, science can be viewed as a scrutinising system of logic. It seeks to answer questions by observing phenomena. The scientific method is the system of logic used by scientists. As scientists try to solve a problem, they may use a model based on a logical, plausible connection of events. Like a hypothesis, the model is then tested by making predictions based on the model. If the predictions are proven wrong, then the model is revised. If the model survives the tests, the model becomes the system of logic that describes the theory.

Unlike philosophy, science emphasises the repeatability of results. This means that a given set of circumstances should always produce the same result. Scientific theories are not accepted by the scientific community until the theory has been validated. One

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One way to validate a theory is to have scientists in other laboratories duplicate the experiment or the calculations. Using another set of materials and methods, these scientists may repeat the experiment and check the accuracy of the previous report. This long and careful process will confirm that the original result was not merely a fluke occurrence, a misinterpretation of events, or an error in procedure.

By having several scientists investigate a situation, the most accurate description of cause and effect can be determined. Many of the most basic questions in science can be phrased in the form: "How does. . . ?", "Why does. . . ?", and "What determines. . . ?". These are all attempts to establish cause and effect. A difficulty arises when many factors, or variables, affect the system at one time.

The following quote represents a conservative or narrow definition:

"Science is a way of acquiring publicly testable knowledge of the world; it is characterised by the application of rational thinking to experience, such as is derived from observation and from deliberately designed experiments, the aim being the concise expression of the laws which govern the regularities of the universe, these laws being expressed mathematically if possible." (Checkland & Schole, 1990:50)

Peirce presents scientific method as the process of producing knowledge. His approach is far more appropriate for research into social systems.

Scientific work has three main characteristics that describe the activity namely; reductionism, repeatability and refutation. These steps have value in any area of inquiry.

Reductionism

Much benefit has been gained from Descartes's reductionist view, so that large messy problems can be understood by studying the parts, component by component. This statement is only included here as a view, however the argument for system thinking attacks this premise directly. That pure reductionist policies are the best solution, or provide the most comprehensive understanding, will be argued against later.

Repeatable Experiment

"It is important to realise what it is that has to be accepted, it is the happenings in the experiment, and it is only that." (Checkland & Schole, 1990:53)

If the experiment can be repeated by disinterested people and the experimental happenings checked and found to concur then the experiment is 'scientific'. This

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gives science its solid core and excludes opinion, preference or speculation from this base.

Refutation

When a hypothesis is tested it should be tested to destruction, we should be more interested in refutation than corroboration. This stems from the fact that you can not prove anything by induction. Proving a hypothesis is then said to be the reserve of the deductive argument. The experimentalist should therefore set the most severe test he can think of.

Karl Popper believed that the method of science was

'a method of bold conjectures and ingenious and severe attempts to refute them'
(Checkland & Schole,1990:57).

C S Peirce on Science and the Scientific Man

A pragmatist, Peirce describes science as a living thing continually growing and developing.

He saw science as a pursuit of scientific men whom he considered as a peculiar class of man. He believed that for men of science, achievement was not the primary consideration. What he did consider primary was the spirit that guided the work.

He considered the definition of the scientific man to be someone who was working in the right way to learn something not already known. If someone was not using the correct and effective method he could not be considered a scientific man. It is of no importance in this definition how informed the individual is, rather that correct and effective methods are being used for inquiry. Behind these correct methods would reside the spirit that would not rest with existing opinions but would press on to the real truth of nature.

Peirce takes issue with the Cartesian view that one can doubt at will, believing rather that experience is necessary to give rise to doubt. His concern regarding idle doubt leading to farce is carried through in his attitude toward observation which he describes as not a vacant and passive act, rather a voluntary and attentive experience, often with great effort. The concept of the surprising event that leads to scientific inquiry is clarified by Peirce;

"mere irregularity, where no regularity is expected, creates no surprise nor excites any curiosity" and *"Certain experiences build up habits of expectation in the observer, and*

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when this habit is broken in upon by some unexpected event, the mind changes from belief to doubt, and should undertake a process of inquiry to explain the unexpected fact"
(Reilly,1990:30)

Peirce thus explains his thinking on how we move from belief to doubt. He describes how belief leads to habits of expectation that the world will present in the way we have come to believe it will. When some situation is in conflict with this habit we doubt something about the situation, either our perception or the results. We need to investigate to establish the nature of our doubt and move towards belief. The scientific method presents the best way of achieving this.

3.4 INVESTIGATING THE PHILOSOPHY OF C.S. PEIRCE WHICH SUPPORTS THE SCIENTIFIC METHOD

Peirce's Phenomenology

The phenomenological premise is that it is possible to experience the world without any preconceived notions about causes or underlying structures. By carefully exploring all the data available to conscious experience, it is possible to arrive at an explanation of essential structures of all phenomena. This belief is that the collective whole of the thing being presented to the inquiring mind contains universal characteristics, that are discoverable by anyone, and will be the same for everyone.

Phenomenology is then the basis for categorising elements of reality, with Peirce choosing triadic logic to develop three categories, Firstness, Secondness and Thirdness.

Triadic categories

Firstness

Firstness indicates potential, the qualitative nature of the total that is available to the inquiring mind. This is the bumping against reality; experience with no prior thought or belief about it. One interpretation is that Peirce, through this category, allows for a situation which is neither true or false. For this specific work this allows for knowledge of a subject that is neither black nor white; the grey areas in other words.

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Secondness

Secondness may be summarised as that which cannot be controlled by our thinking, the hard facts of the external world, i.e. the factors which act as constraints upon our will. Peirce further states that a fact can only consist of two objects interacting.

Without an understanding of facts, it is impossible to develop a basis for prediction. Secondness concerns itself only with the fact, the here and now, while thirdness provides for the past and future related to the fact.

Thirdness

Peirce describes thirdness as the process intervening between the causal act and the effect.

Thirdness is concerned with the development of understanding, and generalisation, or law, which can be used for predictions. It reduces the element of surprise present in our experiences.

Thirdness is the understanding of the situation, with knowledge of the interrelationship between the influences on the inquirer. My own interpretation of this would be that thirdness would represent the knowledge I would have with knowledge of my standpoint (worldview and my suggested intervention), knowledge of the situation being inquired into (the case, the situation at Truworths), and how this collection of knowledge presents an understanding of the perceived situation. This allows for some level of accuracy in predictions as to the actual outcomes expected.

The three categories may be explained as follows: firstness and secondness are determinate as reactions by the inquirer, with thirdness the indeterminate component, addressing the future and requiring a proactive stance.

Peirce on Fixing Belief

Peirce defines the process of moving from doubt to belief as the objective of the human mind. In order to define the most effective method for realising this process, he articulated three approaches for fixing belief as alternatives to the scientific method.

The three methods are Tenacity, Authority and A Priori. Peirce argues that these methods do not offer a long term sustainability of the fixed belief and this is discussed below.

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Tenacity

Also named the "Ostrich syndrome", this method implies holding onto beliefs purely because it is the most comfortable alternative. It can possibly be likened to a selective ignorance, which is practised to protect an existing belief.

Peirce reasons that one cannot ignore the environment for a sustained period unless leading a reclusive lifestyle. Man is a social creature and is influenced by other people's opinions. It can therefore only offer short term security to the person employing this method.

In Peirce's words :

"The man who adopts it will find that other men think differently from him; and it will be apt to occur to him, in some saner moment, that their opinions are quite as good as his own, and this will shake his confidence in his belief"
(Peirce,1877)

Authority

Directly relevant to this method is the concept of control. More specifically, control over the beliefs of individuals by groups of individuals using coercive means.

An example would be Western civilisation's efforts to fix belief by method of authority, "The manufacture of consent", a sophisticated manipulation of the media in order to maintain a specific level of ignorance in the individual. This suppresses the tendency to think of alternatives to the belief held by the controlling authority. A challenge of this belief by a daring individual may be discouraged by the prospect of uncomfortable consequences.

Although this approach is still popular when dealing with the governing of countries, the organisation or business may often include many individuals who are above external control, and who are prepared to challenge authority. Peirce argues that no state can regulate the opinion of every subject, which reduces the long-term viability of this method.

A Priori

According to Peirce, the a priori is a more respectable method of fixing belief than the method of authority. Both methods employ coercion, however, the a priori follows a more intellectual path.

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A group of intellectuals democratically decide which propositions are acceptable against a set of criteria. Coercion is practised by using esoteric language and intellect to attack those who oppose their propositions.

The basis for the selection of the beliefs is not observed facts, according to Peirce, but rather the degree to which these propositions support reason.

He states that this method is more acceptable than the other two, by virtue of its more beneficial nature. The lack of inclusion of observed facts in the determination of beliefs may be interpreted as a lack of a base that is more stable than the purely the perceived reason of intellectuals. This hampers the potential of this method to support sustainable beliefs.

Peirce on the Scientific Method

It is the scientific method that Peirce suggests is the only method for the discovery of the true nature of the external world and therefore of fixing belief. The chief stages of Peirce's method are: observation, abduction and verification. These are described below.

The Abductive Phase

"Abduction : the term coined by Peirce to denote the process of forming the hypotheses." (Scruton,1994:190)

The method comprises observation with experience then doubt. This leads to the formation of the explanatory hypothesis. This hypothesis is a conjecture that attempts to explain the phenomena. The process required for the formulation of the hypothesis is described by Peirce as "abduction" which he considers a vital function of science. Abduction is the mental process by which a hypothesis is formed. Peirce commits strongly to his belief that experience coupled with human intellectual invention and intuition, stimulated by doubt and observation, produces the explanatory hypothesis. Peirce's argument that experience is our only teacher is coupled with his belief that the human mind has the power for original thought.

'... There manifestly is not one drop of principle in the whole reservoir of established scientific theory that has sprung from any other source than the power of the human mind to originate ideas that are true.

The scientific method accordingly, must combine experience with original thought.'

(Reilly,1970:37)

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The hypothesis may start as a weak argument, which needs to be selected on the basis that it is verifiable experimentally, taking account of the practical and economic issues surrounding verification. We are searching for the theory which explains as much as possible with the fewest assumptions. Peirce believed in the power of human instinct to reach an appropriate and simple hypothesis. (Reilly,1970).

Scientific Verification.

Peirce suggests that science progresses by means of brilliant imaginative leaps of induction coupled with carefully controlled evaluation in the verification phase. He further suggests that *"Every hypothesis should be put to the test by forcing it to make verifiable predictions"* (Reilly,1970:40). The verification phase is divided into two steps the deductive and the inductive phases.

The Deductive Phase

After a hypothesis has been chosen, predictions as to the results of experimentation are deduced. This phase is not an examination of the phenomena rather it is an examination of the hypothesis. Its main function is to theoretically prove the hypothesis. The predicted results must be observable, the truth therefore is reached not by reasoning but by experience. The deductive step must produce observable predictions from the hypothesis.

The Inductive Phase

Induction is the process used by the scientist, to investigate where the predicted observable consequences of the hypothesis actually occur. Whether the results confirm or deny the hypothesis, science has been advanced. During this phase the inquirer must ensure that fair sampling is adhered to. The inductive phase is further broken down into three parts: classification, probation and the sential part.

Classification is the result of the prediction of the sort of thing to be expected if the hypothesis is true. Probation describes the quantitative and qualitative evaluation of results. The Sential or third part of the inductive phase is an appraisal of the probation's, and judgement of the whole result, so that the explanatory hypothesis may be regarded as proved, partially proved, unworthy of further investigation, in need of further modification, etc.

This process leads to the convergence of the truth, in that, persistent use of the inductive method will gradually reduce the incidence of error.

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Abduction, induction and deduction explained further

Peirce describes the reasoning process as dealing with three entities, rule, case and result (brackets included to map this thinking to the model presented in this work) (Minto:1982). This is described as:

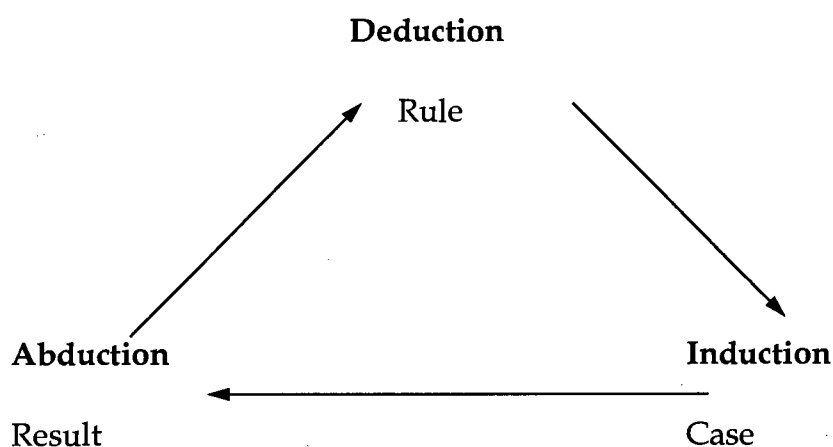
RULE (Answer): Belief about how the world is structured.

CASE (Situation): Observed fact that exists in the world.

RESULT (Concern): Expected or actual consequences, given the application of the rule in this case.

The basis of pragmatism of belief, facts and consequence is therefore imbedded in this syllogism.

Where you start in a process will determine the type of reasoning that you use. Where you start will be determined by what you know.



Deduction:

Make a statement about a situation that exists in the world.

Make another statement about a related situation that exists in the world at the same time.

State the implication of these two situations existing in the world at the same time

Rule: If delivery performance decreases, sales will drop.

Case: Delivery performance has decreased by 20 %.

Result: We predict that sales will drop.

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Induction:

Derive a rule from the results of a case.

Case: Delivery performance has decreased by 20 %.

Result: Sales have dropped.

Rule: If delivery performance decreases, sales will drop.

Abduction:

Make a statement about a concern that exists.

Make another statement about a rule related to the concern.

State the situation existing in the world that may have caused the known result.

Result: Sales are down.

Rule: If delivery performance decreases, sales will drop.

Case: Delivery performance should have decreased.

3.5 REVANS ON THE SCIENTIFIC METHOD AND MANAGEMENT RESEARCH

Revans explains that there exists a parallel process between the scientific method and good management practice.

The scientific method consists of five iterative steps:

- Observations from the external world,
- The formulation of a theory based on these observations,
- The design and conduct of experiments to test the theory,
- Comparison of the experimental results with those predicted by the theory,
- The rejection, modification or confirmation of the theory in accordance with the results of the comparison.

He argues that rigorous adherence to this method has allowed science to progress because it forms a self-correcting loop.

His five-stage process above can be stated for practical action as;

- Finding out what needs to be done,
- Deciding what to do,
- Doing it in what seems to be the best way,

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- Testing how well it was done,
- Reviewing the original field or modifying the decision about what to do.

He expands this five stage approach, suggesting that each phase described above can be broken down into further five point processes. This will result in ever more detailed investigation and clarity. This process is therefore recursive in that within each stage there are further stages.

He suggests that even specialist managers have to supplement knowledge with judgement and so management is the sum of art and science.

The practical application of the scientific method must be understood in the context of this work in that situations investigated by management are often of a 'social system design' nature. This means that as they are being investigated they are changing, and before a plan to influence the problem can be introduced, they are likely to have changed further. The situations are not static. The management practitioner will never have all the facts, but by applying the method in a practical way he can develop sufficient understanding for action. (Revans:1996)

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3.6 THE MODEL AND THE PHILOSOPHY OF PEIRCE.

Below is the model showing its steps, and comparing them to the work of Minto, Revans and Peirce.

<u>Model</u>	<u>Minto</u>	<u>Revans</u>	<u>Peirce</u>
			Observation
			Abductive Phase
Situation	Situation	Observe	Experience
Concern	Concern		Doubt
Question	Question		
Theory	Answer	Theory	Explanatory Hypothesis
			<i>Verification</i>
Theoretical or Deductive Test	Reasoning	Test	Deductive Phase
Practical Test		Compare	Inductive Phase
Reflect/Compare			Classification
Evaluation			Probation
Accept/Reject/Modify	Evaluation	Accept/Etc.	Sentail

Figure 4 The model in box diagram form

The model includes the observation component as described by Peirce in the scientific method. This function is not diminished in the model. The argument for the level of emphasis placed on this phase needs to be considered in the context of the management science for which this model is designed. The origination of the doubt that arises out of observation in the area of management science, in the still largely 'command and control' economies, inherent in corporate systems, could rely on central figures to start the process of inquiry. The question raised here may be central to the issues of flattening structures and the devolution of power where others become not passive observers, but participants in the complete process of management science, and the learning cycle as described by the model.

The use of the model needs to be balanced with the philosophy behind it to understand how decisions on *what* to study are made. The understanding of the philosophical arguments behind scientific method, provide the understanding of the detail of inquiry so that the steps or phases of the model may be used effectively.

Chapter 4. An Argument for the Inclusion of System Thinking and its Methods.

4.1 INTRODUCTION

The inclusion of system thinking will help us to build more comprehensive understanding of social or organisational systems. In this chapter I discuss the history that leads up to the development of system thinking. This is to provide the reader with an understanding of how we have moved from causal mechanical methods of inquiry to systems methods.

I then explain the definition of a 'System', and the types of systems as defined by Ackoff. There follows a brief description of system behaviour including Churchman's "Anatomy of Goal Seeking" (Churchman,1971:43).

A description of how these system definitions have been applied to social systems follows. The flaws of using inappropriate systems definitions in social system design is discussed. This should provide the reader with a framework to conceptualise social systems or organisations, as systems.

I then describe the systems methods to be used in this thesis. The first phase is to describe methods for use in sweeping in multiple perspectives and increasing our understanding of the situation under review, namely Soft System Methodology plus a description of Linstone's multiple perspectives.

I introduce the three levels of system practice in organisations to provide a framework for showing areas of concern, and their related actions, which are associated with organisational systems.

I then introduce Ulrich's 'Critical Systems Heuristics'. This framework will be used to critically examine the actual systems under investigation, and thereby enhance comprehension of 'what is'. It is also used to critically evaluate the social system which will result from the intervention as suggested. This will be an intellectual evaluation of the expected resulting organisational system, or 'what we hope will be'.

4.2 SYSTEM DEFINITION

Basic Concepts

The (most basic) core idea of Systems Thinking is that the complex whole may have properties which refer to the whole which are not apparent from the properties of the parts which make up the whole. These are its 'emergent properties'. This is expressed in everyday use by the phrase 'The whole is more than the sum of its parts'. The concept of emergent properties itself implies a view of reality as existing in layers in a hierarchy (in the technical use of the word). This means that each 'system' is part of a larger 'supra-system' and itself contains smaller elements of 'sub-systems'. If such a hierarchically organised whole has processes of communication and control which would enable it to adapt in response to changes in its environment, it should, in principle, be able to survive in that changing environment (Checkland:1990) and (Clemson:1984).

A system can be identified by the transformation that it performs and its general purpose. The transformation process should change the nature of the input. This can be a physical or abstract entity. The general way of approaching systems is then to define a system in focus for that transformation (Recursion 1). This system will be embedded in an environment or supra-system (Recursion 0) and have parts or sub-systems contained within it (Recursion 2). This defines the boundary of the system. The relationships or interactions between the subsystems can also be identified and studied, especially the feedback loops that are present or lacking.(Clemson,1984)

Types Of Systems

Ackoff presents System definitions in Mechanisms, Organisms and Social Systems or Organisations. (Ackoff:1990) Their definitions are;

Machine: A System that has no choice (a purposeless part). e.g.: an automobile is a purposeless part. It serves the purpose of its containing system YOU.

Organism: A system that has choice of purpose but for which the parts have no choice. e.g. you, you have choice of purpose, your liver does not.

Organisation: The whole system has choice of purpose and the parts have choice of purpose. e.g. the country which contains organisations.

System Behaviour

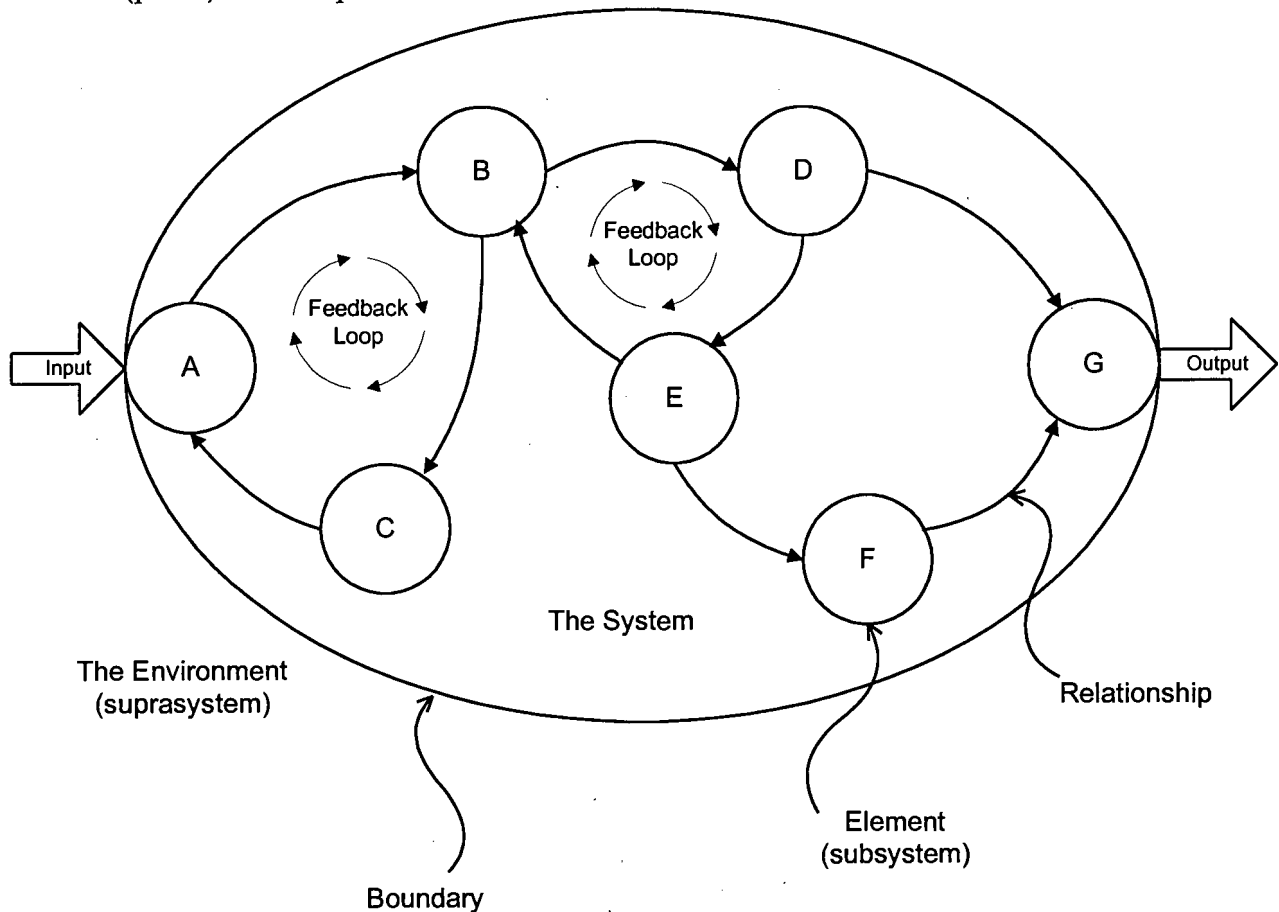
The responsibility of the system is to enable the larger system to attain its objective as well as to enable its Parts to achieve their objective.

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The system affects the parts and the parts affect the system.

Even if the parts are operating at full operating efficiency the whole will (may) not operate at complete efficiency. E.G.: take 142 makes of car; find the best parts and make a car. You don't even get a car.

The relationship or interaction is important. The product of the interaction of parts of an organisation must be managed by managing the interaction of the humans (parts) not the product.



The System in Diagrammatic Form (Flood & Jackson:1991)

Figure 5

Three types of system behaviour: reactions, responses and actions.

A *reaction* of a system is a system event that occurs to the system or its environment that is *sufficient*. Thus a reaction is an event that is (deterministically) caused by another event.

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A *response* of a system is a system event for which another event that occurs to the same system or its environment is *necessary but not sufficient*. Thus a response is an event of which the system itself is a *co-producer*. A person turning the light on when it gets dark is a response to the darkness, the light going on when the switch is turned is a reaction.

An *action* is a system event for the occurrence of which no change in the systems environment is either necessary or sufficient. Acts therefore are *self-determined* events or autonomous behaviour.

It should be noted that mechanically conceptualised systems are modelled as predominantly reactive; organismically conceptualised systems as predominantly responsive and socially conceptualised systems as predominantly pro-active.

4.3 THE HISTORY THAT LEADS TO SYSTEM THINKING

The World as a Machine

During the Machine or modern age the world view was that:

- The world could be completely understood and,
- The method of inquiry was reductionist analysis. There was one relationship between parts, cause and effect (where cause needs to be necessary and sufficient for the effect). To understand something you look for cause and effect. This view held that the object under investigation was environment free. Determinism suggests there must always be a cause. The question then is, is there an end to the chain of cause and effect? (Ackoff:1990)

The chief figure of the scientific revolution of the 17th century Sir Isaac Newton was a physicist and mathematician who laid the foundations of calculus, extended the understanding of colour and light, studied the mechanics of planetary motion, and discovered the law of gravitation. His work established the commonly held scientific view of the world until Albert Einstein undermined it in the early 20th century. The Newtonian dream was "The world IS a machine".

Descartes's analytic method of thinking focused attention on the problem of 'how we know', which has occupied philosophers ever since.

Dissatisfied with the haphazard methods of science then in use, he began to doubt all but mathematical knowledge. Descartes arrived at the conclusion that the

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universe has a mathematically logical structure and that a single method of reasoning could apply to all natural sciences, providing a unified body of knowledge. He believed he had discovered such a method by breaking a problem down into parts, accepting as true only clear, distinct ideas that could not be doubted, and systematically deducing one conclusion from another.

The System View

Newton and Descartes's work was so influential that it dominated scientific inquiry for nearly three hundred years. It is Newton's theories that allowed the description of the physical world in the form of the language of mathematics. He described and believed in, the concept, that the world could be seen as a machine, something to be conquered and described mathematically, by reducing it to its parts and describing the parts.

The success of these theories and methods have only been challenged in the 20th century.

A System is a whole that consists of two or more elements each of which can effect the whole. The way each element affects the whole depends on the influence of other elements they interact with. If you take the system apart you lose its essential properties. Parts can lose their properties when removed from the system. The system has essential properties as a whole that none of the parts have on their own.

With this understanding it is apparent that the analytic, or reductionist, view would not work in resolving, or in understanding complex problems.

The steps of the Analytic, Synthetic and System View Described

Analytic view.

1. Reduce the problem to its parts.
2. Understand the parts.
3. Aggregate the understanding of the parts to understand the whole.

This built knowledge but a lack of understanding.

The Synthetic view.

1. Aggregate.
2. Understand the Whole.
3. Understand the parts.

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This built understanding without the depth of knowledge.

The Systems view.

Draws on the strengths of the analytic view but understands that there are emergent properties that are a result of the relationship between the parts. It is therefore appropriate to attempt to understand the whole as something additional to the understanding of the parts. It is also a combination of the analytic and synthetic views. Checkland provides a good description:

“System thinking is an attempt, within the broad sweep of science, to retain much of that tradition but to supplement it by tackling the problem of irreducible complexity via a form of thinking based on wholes and their properties which complements reductionism” (Checkland, 1990:74).

The concept of a system is a useful way of viewing the real world or parts of it. Systems however are constructed in the observers mind. The system is therefore defined by the observer as something that has parts, or sub-systems, that co-produce the product of the whole system.

Systems Thinking and Science

There can be no doubt that the scientific method of the past three hundred years has resulted in gigantic and exponential development in the physical world. The limitations of scientific methods have become more apparent in the last fifty years as the disasters from unbridled scientific development based on the reductionist paradigm of Descartes became apparent.

Descartes's second rule states;

“divide up the problems being examined into separate parts” (Checkland, 1990:59)

This principle most central to scientific practice assumes that the division will not distort the phenomenon being studied.

Despite the reasonable assumptions that this method of study would result in repeatable experimentation and an understanding of the whole, it has become apparent that, in complex situations where there are dense connections between the parts, such as in the problems investigated by the social sciences, this method fails to yield satisfactory results.

Comte ordered the natural sciences into; mathematics, astronomy, physics, chemistry, the biological sciences and finally sociology, and he believed that the sequence represented that each science was more complex than the one before it and that each have their own irreducible laws. Comte argued that all science had passed through or was passing through one of three phases; a theological phase,

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dominated by fetishist and beliefs and totemic religions; a metaphysical phase in which supernatural causes are replaced by 'forces', 'qualities', 'properties', and finally a positive phase in which the concern is to discover the universal laws governing phenomena, leading to as near a certainty as man can hope to attain.

(Checkland,1990).

Peirce differentiated between realism and nominalism. The nominalist chooses the facts under the laws as more significant than the laws. The realist chooses the laws as more significant. By understanding the laws applicable to a particular system the realist can respond to changing situations, and changing facts, under the law. System thinking is about organising our thinking about reality. I accept the realist view in that there are laws which will help us to discover regularity in the world. Understanding of the laws that govern system behaviour allows the system thinker to build models of reality. Therefore systems thinkers are realists in that they are more interested in the presence of laws than the facts under them. Relevant to this work, it could be said that the nominalist would seek to understand the facts of the situation, in a mechanistic and reductionist way. The System Thinker or realist would search for the Laws that will apply in this situation. An example may be that 'without employee participation in the choice of purpose' there will be a lack of commitment and a failure to achieve the full potential of the organisation. His question will then be, 'What has to be addressed in this particular situation (with changing facts) that will bring about the desired result?'. Peirce's philosophy seems then to be compatible with the System Thinking view.

As this work is a description and explanation of a model for inquiry into management or operational issues and therefore an attempt at a model that incorporates scientific methods with system thinking, it is relevant to focus on some of the problems surrounding the study of social systems.

Comte places sociology at the apex of the pyramid of the sciences. It appears that the relative youngness of the science and its complexity have yielded little substantive development of explanations of social phenomena. Even though social science is complex with much connection between the parts, the problem of this science lies on a more fundamental level; that of methods, this is elaborated by Ernest Nagel

"...in no area of social inquiry has a body of general laws been established, comparable with outstanding theories in the natural sciences in the scope of explanatory power or in capacity to yield precise and reliable predictions...many social scientists are of the opinion, moreover, that the time is not yet ripe even for

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theories designed to explain systematically only quite limited ranges of social phenomena...social scientists continue to be divided on central issues on the logic of social inquiry...The important task, surely, is to achieve some clarity in the fundamental methodological issues and the structure of explanations in the social sciences".(Nagel in Checkland, 1990:67)

I contend that the results yielded from the reductionist view, has been partly responsible for the lack of progress. It is for this reason that systems thinking and the current tools of systems thinking, such as Critical Systems Heuristics and Soft Systems Methodology, when added to the Scientific Method of inquiry, can yield far richer results than those achieved by the Cartesian view.

Some form of method has to take into account the influence of a commonly held worldview on individual and group perceptions, and how this manifests in the description of events by these individuals. The method needs to provide for verification by observation of the actual phenomenon. Tools such as Soft Systems Methodology (Checkland & Schole:1990) provide a method of inductive reasoning to achieve this.

Systems thinking is a way that these different perceptions, social influences, and worldviews can be swept in to obtain a far richer picture of the situation. Even though this understanding may not be complete we must try to understand the different responses individuals have to situations as a result of their biases and how these biases operate. (Smith, Thorpe, Lowe,1991:35)

"One should therefore try to understand and explain why people have different experiences, rather than search for external causes and fundamental laws to explain their behaviour. Human action arises from the sense that people make of different situations, rather than as a direct response from external stimuli".(Smith Thorpe Lowe,1991:25)

With human activity systems, different actors or stakeholders will often have fundamentally different perspectives of the system and will define it differently. This complexity can be handled by asking the stakeholders to define the system according to their worldview as in the Soft Systems Methodology approach of Checkland (Checkland & Schole,1990) or by addressing their assumptions regarding the other stakeholders as in the Strategic Assumptions Surfacing and Testing approach of Mitroff and Linstone (Mitroff & Linstone,1993). These are both powerful approaches to handling the complexity of social systems.

These and other methodologies are based on the systems thinking paradigm and provide an organised way of tackling the complex situations that occur in the real world with their flux of interacting and conflicting events and ideas. The

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understanding of these situations allows for directed action that can be taken at points of high leverage to make significant improvements in the situation. (Senge,1990).

The critical reflection of the issues as described later in Critical Systems Heuristics add a further quality to understanding of the systems under review. (Ulrich:1994)

Types Of Systems and their use in Social System Design

Traditionally two types of models have been used to understand social systems, mechanistic and organismic. Something is fundamentally wrong with this way of thinking about social systems. To view social systems as machines or as organisms reduces the parts to having no choice of purpose of their own. These metaphors are in use in the organisation under review, and in fact within society generally. Hopefully this description will provide a compelling argument for the use of a social system model in design of social systems. (Ackoff:1990)

The Mechanistic Model

The world is conceptualised as a machine that works with a regularity dictated by its internal structure and the casual laws of nature. The world , like a hermetically sealed clock, is taken to be made up of purposeless and passive parts that operate predictably.

If the world is completely comprehensible then there has to be a first cause. This was taken to be God, a purely extrinsic motivation.

Because of the assumed comprehensibility of the world everything other than God has to be assumed to be the affect of some cause, therefore to be determined by that cause. Such determinism leaves no room for choice, hence purpose, in the natural world.

The effects of applying mechanistic models to social systems are manifest by adherents to the so called classical or traditional school of management. The way they organise work is a direct consequence of their analytical thinking. They begin by reducing work to elementary tasks, tasks so simple that the task can be performed by one person alone. Work is reduced to machine like behaviour and workers treated like machine parts.

Adherence of the parts to rules and regulations is made an end in itself, either by rewarding compliance, or punishing non-compliance.

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The Organismic Model

A social system conceptualised as an organism has a purpose of its own: survival, for which growth is taken to be essential. Contraction is believed to be synonymous with deterioration, and decay with eventual death.

There is also more two way communication between levels in an organismic social system. Conformity and obedience of the parts are not taken to be essential. They are managed by control of outputs rather than inputs.

To treat an organisation or other type of social system as an organism is to fail to recognise the ways in which these differ significantly. In contrast to an organism, which cannot change its structure more than a limited amount and survive, a social system has almost complete control over its structure. In addition the relationship that exists between an organism and its cells and organs is very different from that which exists between an organisation and its parts. In an organisation / social system, the system and the parts have choice of purpose. An organism has choice of purpose, but its parts have no choice of purpose.

The Social System Model

In a social system the parts also have choice of purpose. This makes a social system the most difficult to manage as the parts may have purposes which are in conflict with the larger system. This can explain the failure of the traditional scientific management of Taylor to deal with modern issues (or 'messes' in Ackoff's words), as it assumes that the parts have no purpose. Therefore an effective social system requires agreement among its parts and between its parts and the whole. It requires consensus; an organism does not.

A system is a whole that cannot be divided into independent parts for understanding. The behaviour of the parts and their effects on the whole depends on the behaviour of other parts. The essential properties of a system are lost when it is taken apart.

The performance of a system is not the sum of the independent performances of its parts. It is the product of their interactions. Therefore effective management of a system requires management of the interaction of its parts, not only their independent actions.

In the first step of analysis, the thing to be explained, is taken apart: in synthetic thinking it is taken as part of a larger system. In the second step of analysis the contained parts are explained; in synthetic thinking the containing system is explained. In the third step of analysis an effort is made to aggregate

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understanding of the parts into an understanding of the whole; in synthetic thinking understanding of the containing whole is disaggregated to explain the parts by revealing the parts and revealing their role or function in that whole. In the social systems model, synthetic thinking and analysis are taken to be complementary; neither can replace the other. Both are necessary to understand the system.

Churchman's Anatomy of Goal Seeking

To describe something as a system 'S' Churchman states that there are nine conditions that have to be present. (Churchman,1971) These are implicit in Ulrich's work as described below (Ulrich,1994). They do however provide a useful perspective for regarding and uncovering the nature and behaviour of the system being investigated. It is for this reason they are included here. They are:

1. S is teleological.
2. S has a measure of performance. (MOP)
3. There exists a client whose interests (values) are served by S in such a manner that the higher the measure of performance, the better the interests are served, and more generally, the client is the standard of the measure of performance.
4. S has teleological components which co-produce the measure of performance of S.
5. S has an environment (defined either teleologically or ateleologically), which also co-produces the measure of performance of S.
6. There exists a decision maker who - via his resources - can produce changes in the measure of performance of S's components and hence changes in the measure of performance of S.
7. There exists a designer, who conceptualises the nature of S in such a manner that the designer's concepts potentially produce actions in the decision maker, and hence changes in the measure of performance of S.
8. The designer's intention is to change S so as to maximise S's value to the client.
9. S is "stable" with respect to the designer, in the sense that there is a built-in guarantee that the designer's intention is ultimately realisable. (Churchman,1971:43).

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These conditions have relevance for management research. In this work I will be viewing Truworths as a social system. Churchman provides a framework for conceptual understanding in this case. I expand briefly on these conditions:

Regarding the first condition that S is teleological. Churchman suggests that cause and effect models must be able to be built to predict the results of changes in the system (Churchman,1971). Senge says we must see the interrelationships rather than just the linear cause and effect chains (Senge,1990). Within social systems however we must consider that the choice of purpose is spread amongst the parts, humans have a capacity for intrinsic motivation (Ulrich,1994). As discussed further in Critical Systems Heuristics, Ulrich distinguishes between the purposefulness of self-reflective humans (as parts) and purposiveness of tools. These distinctions and the mechanistic or systems view will lead to differing conclusions as to the nature of S.

Condition 2: The measure of performance of a system is designed in, normally to serve the purpose of condition 3 (client).

Condition 3: The client is a complex concept and the designer of a system has to question issues such as who's interests should be served? Short term and long term client goals have to be designed or defined. Issues of the ethical implications or consequences of these goals need to be understood.

Condition 4: The system has to be understood as a whole and how the parts co-produce the performance. The inquirer or designer has to understand the connectedness of the parts and how they interact, in other words the level of relationship between the parts.

Condition 5: Systems are not closed, the environment in which they operate co-produces the measure of performance. In organisational design understanding of the changing environmental issues and how they influence performance is of increasing importance.

Condition 6: The decision maker can influence the measure of performance of parts of the system with his control of resources. This will influence the performance of the whole. Recognition that the decision maker and the client may have differing values is relevant to this work.

Condition 7: The designer is, in essence, for the purpose of this work, the inquirer. The designer conceptualises the system and decides who is the client and who the decision maker is. He will decide whose value systems are considered as part of the system.

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Condition 8: The conceptual choice of client then becomes the issue. The designer's choice of client represents whose interests will be served.

Condition 9: The built-in guarantee of the system will relate to how the parts of the system produce the ultimate purpose of the system. This guarantee is dealt with further with Ulrich's Critical Systems Heuristics. Churchman categorises purpose into concepts that are time related (Churchman:1979). These are *Goals* or short term purposes, *Objectives* that are concerned with longer term purpose and *Ideals* that reflect the ultimate purpose of the system.

4.4 MULTIPLE PERSPECTIVES.

Using Soft System Methodology to sweep in perspectives

Soft Systems Methodology (SSM) is a learning system which focuses on complex problematical human situations, and leads to taking purposeful action in the situation aimed at improvements. (Checkland:1990)

SSM starts a process of inquiry which results in an action, which unless defined as a conclusion, changes the problem situation and the inquiry thus continues. In principle, unless clearly defined, the learning cycle is never -ending.

SSM is a process of managing, and must take a view of what managing is and what a manager does. SSM assumes that different individuals or teams see things in different perspectives, due to their autonomy which leads to different actions being taken. The various perceptions will overlap to some degree, but never sufficiently to solve the problem. The issues arising from this mismatch, provides much of the substance of managerial work.

Soft Systems Methodology articulates the systems idea. This idea was developed so that a set of activities linked together in a logical structure to constitute a purposeful whole, could be taken to be a sub-system of an even larger whole system. Any system will have a purposeful activity as perceived by the various actors within the system, influenced by the world view held by each actor.

SSM learns by comparing pure models of purposeful activities with perceptions of what is going on in a real-world problem situation. Humans intuitively carry out this activity, but SSM provides an explicit kind of comparison, based on systems models used in an organised process which is itself a learning system.

SSM is a participative process which proceeds via debate in addressing complex social problems. The assumptions about the world, as well as the logic of achieving purpose, that are expressed in the systems model, are tested.

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SSM treats what to do as well as how to do it, as part of the problem. It accepts that the real world problems are more complex than pure models and therefore uses the models to structure a debate where conflicting beliefs can be tested. The underlying philosophy of SSM is that there are no permanent solutions and systems thinking has to be envisaged as a process which is never-ending and more of a learning system than an optimising one.

The complete description of the Soft Systems Methodology stages is included in the Appendix.

Linstone's Multiple Perspectives

Linstone presents three perspectives from which complex situations may be viewed. Each of these perspectives provide insights that are not available from the others. Although it is impossible to place a weighting on a perspective to influence the overall view and the 'rightness' of listening more to one perspective than another, the use of all three enriches the overall view and therefore enhances understanding.

The perspectives are the Technical, the Organisational and the Personal. Each of these have different goals, ethical bases, planning horizons and other characteristics. The method of inquiry used by/in each perspective also varies. The table below provides a overview of these.

	<u>Technical</u>	<u>Organisational</u>	<u>Personal</u>
Goal	Problem Solving, Product	Action, Stability, Process	Power, Influence, Prestige
Mode Of Inquiry	Modelling, Data analysis	Consensual Adversarial	Intuition, Learning, Experience
Ethical Basis	Rationality	Justice, Fairness	Morality
Planning Horizon	Far	Intermediate	Short, with important exceptions
Other Characteristics	Cause and Effect. Replicability. Claim of objectivity. Quantification.	Agenda. Political sensitivity, Loyalties. Reasonableness. Incremental change.	Challenge and Response. Filter out inconsistent images. Need for beliefs. Fear of change.

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Mitroff and Linstone suggest that the investigator strives for balance between the perspectives and that the differing methods of inquiry between the Technical (using data and models) and the Personal and Organisational (using meetings and interviews).(Mitroff & Linstone,1993)

Three levels of systems practice in Organisations, SYNTHESISED from the work of Ulrich, Hoebeker and Checkland

This synthesised framework has relevance in identifying the area of concern or the level on which the intervention is taking place. It provides a richer understanding of the processes taking place within an organisation and their ultimate purpose. It will be used to evaluate and explain where the actual interventions are having the most effect.

	Title	Area of Focus	Concern	Action
a)	Operations systems management.	Instrumental action.	Efficacy.	Things you do to produce.
b)	Strategic systems management.	Problem identification complexity and uncertainty.	Efficiency.	Projects you perform to get better at a. Or making sure that you are doing the right things.
c)	Normative systems management.	Communicative action. Critical reflection on the normative content in systems designs. The free consent of concerned citizens.	Effectiveness	Things you do to get better at getting better / getting better at b. Creating the means to do things better.

4.5 CRITICAL SYSTEMS HEURISTICS

Introduction

The issue of inquiry into social system design contains elements of how to obtain valid empirical data and the fact that influences on these systems often contain largely a priori judgements. This is so in the case under review. Both Lippin and Covey appear to work from an a priori frame. Senge, who will be introduced later, also presents largely a priori judgements. Lippin and Covey influence the social system design as it is, and I will suggest Senge's framework to resolve the conflict that exists between them. Ulrich presents a framework for critical validation of this type of problem. He suggests that this type of problem "*cannot be justified either logically or empirically. Only a critical solution to the validation problem is*

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possible" (Ulrich, 1994:420). To evaluate the consequences of the social system designs that result from the Lappin and Covey interventions, as well as the suggested solution, I will use his framework.

Ulrich (1994) presents an argument that it is imperative that system thinkers continually and critically reflect on their designs, and the tools used in their production, so as to attempt to increase the comprehensiveness of their designs. The system thinker must therefore recognise the assumptions underlying his understanding, and specifically and critically, consider the implications of the limited nature of his designs. Ulrich's method tries to make the boundary judgements explicit as to what is included in and what is excluded from the design. To do this, Ulrich presents twelve concepts, in four groups, about which questions are to be asked, to guide critical reflection. Using these questions to compare what 'is', with what 'ought to be', anyone can reveal the hidden boundary judgements in a system design, thereby defeating the intimidating strategies of technical experts.

The objective of Ulrich's Critical Systems Heuristics is to develop a dialectical discourse, between those who are involved in system design, and those who are affected but not involved.

From this it can be seen that the use of Ulrich's work has specific relevance to the issues under review in this work. It is therefore necessary to describe the Ulrich process in some depth. It will then be used in Part 3 to firstly enhance understanding of what is, by reflecting on the Systems as designed by the Lappin group and by the Covey group. This produces meaningful insights as to hidden agendas of the involved. The method is then applied to reflect on the system that would result from the suggested intervention. This helps to illustrate the strengths of the suggested solution. I also use this framework to evaluate the validity of Senge's description of the learning organisation.

I now present Ulrich's framework for designing purposeful systems.

Critical, Systems, and Heuristics Explained

The terms 'Critical Systems Heuristics' are explained here as;

"Think systems, but don't ever assume to grasp the whole!... Think critically, but don't ever allow your standards of critique to become absolute!...we must reflect heuristically on the unavoidable incomprehensiveness and selectivity in every systemic definition. Reflection that is on the normative content of the a priori 'whole systems' judgements flowing into the systems designs." (Flood & Jackson,1991:199)

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Critical is about a process that allows the designer of a system for reflection so as to uncover the assumptions that are a part of his designs. he must remain self-reflective with respect to all positions and approaches.(Flood & Jackson,1991)

The **System** concept here is about the way boundary judgements are made by the designers of systems. The way the designers see 'whole' systems and how they need to understand and reflect on the inevitable limitations in their designs.

The incompleteness of our understanding can be demonstrated in the concept that we are building maps of the reality that we perceive, and that this perceived reality is not only incomplete, but should not be confused with the reality that it attempts to describe. Systems Thinkers can not expect to define/design a social system, and fully know everything about it and know that their knowledge is value free and valid. (Flood & Jackson,1991)

"the systems epistemological ideal - a critically motivated quest for comprehensiveness ...we never know and understand 'the whole system'".(Flood & Jackson,1991:199)

That all our maps are incomplete, and that our maps are the basis of our knowledge, reminds us that our maps are not the territory but merely an incomplete description of the territory. (Korzybski in Ulrich,1983:185)

Heuristics is about the learning and constant review of the processes that must be a part of the system thinker's inquiry philosophy.

The social planner or designer has to reflect not only on what he knows, but how he knows what he knows. This is the critical learning process that seeks to reveal the source of illusion and deceit. (Ulrich,1983)

The Three Critical Standards

Ulrich presents three critical standards that will help the designer to be aware of the limitations of his designs, these are:

The System Principle

In order to discover sources of deception the designer must look for comprehensiveness as if it were possible to define complete whole systems.

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The Moral Principle

Critical Systems Thinking has a commitment to human emancipation and a democratic principle, seeking to achieve for all individuals the maximum development of their potential.

The designer must design for the improvement of the human condition and examine and reflect on the reasons for the lack of moral perfection in his designs.

Although it may not be possible, in social system design, to involve each individual in the process of design, the affected are the only legitimate decision makers as to who will represent them. How the selection takes place as to who will represent the affected, and the victims, of the design must be open to question and critical evaluation. Here the hidden agendas of the political power can corrupt the process, and create, a team with bias. They will serve their masters, rather than seek a consultative and truly emancipatory system. The powerful will then attempt to defend their designs with the rational 'better' argument. Critical Systems Heuristics explicitly attempts to address these issues as stated by Ulrich in Flood & Jackson and is included here as relevant to this work as a core concern:

"A critical approach although it cannot force the powerful to take account of the less powerful, it can at least unveil this facade of rationality and objectivity which is so characteristic of the strategic action of powerful vested interests in present-day 'interest-group liberalism'. ... Critical Heuristics ... pays careful and explicit attention not to presume that those in control of 'decision power' are willing to take account of the views and interests of those affected, but only that they are interested in making their own views and interests appear to be defensible on rational grounds." (Flood & Jackson,1991:201).

The Guarantor Principle

Guarantee must be designed-in on several levels. Guarantee is not given. Even designed-in guarantee, or the guarantee of design must be unveiled, revealed and reflected upon. The notion underlying the 'modern' guarantor idea is search for a 'guarantor within' in contrast to Kant's guarantor 'without' (God).

There is also no guarantee that planning will result in improvement. There must be a sweeping in, of multiple perspectives of all involved and affected so as to strive to incorporate into his design effort as many sources of (imperfect) guarantee as possible, e.g., by involving a large spectrum of both experts and witnesses, by building a basis of consensus between the involved and the

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affected. The planner of the system must also reflect, as has been said, on his methods of inquiry as well on the potential sources of deception in them. He must reflect on the lack of guarantee, and how to increase the level of guarantee. (Ulrich,1983)

The reliance on expert driven intervention will not guarantee improvement if there is no critical investigation into the sources of guarantee provided by the expert. How well is the expert able to articulate his own a priori boundary judgements?, should be a question. Is there deception in his choices, tools and experience? Ulrich expresses concern:

"The crux in determining the necessary sources of expertise lies in the fact that there is no guarantee that "expertise" will secure improvement. How can the planner ever know that the experts' skills, experience, or tools are not a source of deception rather than a source of guarantee that improvement will result? The So What? question therefore should have the planner trace the implicit sources of guarantee on which the experts rely - be it the computer, scientific data, cybernetic modelling, consensus among specialists, intuition, ideological/political consciousness, moral conscience, religious faith or whatever. Only to the extent that he examines these built-in guarantors as possible sources of deception can he avoid deception later on, when it comes to decision making and implementation of a plan.(Ulrich,1983:256)

The expert-led interventions of this specific case makes this concern of relevance. How do we test the validity of their solutions? How do we question their judgement critically?

Definition of a Purposeful System

To be defined as purposeful, the system must be self-reflective about its own normative implications with respect to the view of the involved and the affected. The system must have at least partial autonomy in determining its purpose and client. The system must be able to choose its own goals. This partial autonomy will ensure that the system is not completely extrinsically motivated. The system is then unlikely to serve purposes other than those intended. It is therefore unlikely to serve 'pretended' purposes defined by a planner. (Ulrich,1983:334)

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Designing for Purposeful Systems

The systems concepts a designer employs, will determine how he conceives of the social systems for which and with which he plans, specifically:

- a. whether he considers himself a mere tool designer or social planner and,
- b. what role he gives to subjective self-reflection in his designs as well as in his own thinking.

Does he design for critical reflection on the part of those who have to work and live with his designs?. The fundamental design task of the social planner, is to design for the development of intrinsic motivation, and critical reflection, on the part of those who will have to work and live with his designs.

This applies to each of the three basic kinds of complementary problem solving processes that a purposeful system, and each of its purposeful sub-systems, must inevitably perform. This is discussed later.

The concept of design of social systems does not imply that social systems can be designed, as machines can, from a mechanistic or organismic perspective, it is rather a process of unfolding and developmental learning. (Ulrich,1983).

A Taxonomy of Problem Solving Dimensions and Assessment of a Purposeful System

Introduction

I have discussed the definition of Critical Systems Heuristics and the Critical standards that will help a designer, as well as a definition of a purposeful system and the considerations for designing one. We need to look at a description of the parts of a purposeful system, how these are motivated and then consider the critical heuristics questions.

Problem Solving Dimensions

The inquirer/s and designer/s being a part of the system, are the human parts of a human populated system, that need to consider **Inquiry, Action and Valuation**. This provides the system with its ability to form a coherent whole and sense of purpose. The choice of purpose will then be considered by the system, (the human actors and the other parts), to come up with an appropriate purpose.

As described by Ulrich, there are three basic types of complementary problem solving processes that a purposeful system must perform. These are;

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1. *Inquiry: A purposeful system must produce meaningful knowledge in respect to its purpose.*
2. *Action: The system must secure the purposeful use of this knowledge. The system must become a purposeful action system.*
3. *Valuation: The system must responsibly evaluate its production and use of knowledge from the standpoint of the client and those who do not benefit but might be negatively affected. The system ought to become a purposeful, morally responsible, valuation system. (Ulrich,1983)*

Guiding Questions

There are questions that need to be asked as to the degree of purposefulness of the system that is revealed in its design, and not by the system designer's claims or intentions.

In reflecting on these questions it is important to reflect on the system's sources of motivation, as opposed to the system's sources of control: is the system (S's) motivation mainly intrinsic or merely extrinsic?

1. *What kind of inquiring system is S? That is, what concept of knowledge, or information, is built into the design of S? Does it give security that S is a purposeful system?*
2. *What kind of action system is S? What concept of action (what use of knowledge or expertise) is built into the design of S? Does it give security that S is a purposeful action system?*
3. *What kind of Valuation system is S? What concept of values (what capacity for judging or modifying S's normative content) is built into the design of S? Does it make S a purposeful (morally responsible) valuation system? (Ulrich,1983)*

The Parts of Ulrichs conceptual model and their motivation

I now present Ulrich's definition of a purposeful system and discuss the motivation of the parts. This takes the form of a conceptual diagrammatic model of a purposeful system with a description of the parts. Ulrich describes these parts as being intrinsically and or extrinsically motivated. These motivational concepts are then described. This is done to present an understanding of Ulrich's purposeful system and its dimensions of Inquiry, Action and Valuation.

With this understanding we will consider the generic critical heuristic questions. It is these questions that will be applied to the social systems to provide for a rich understanding.

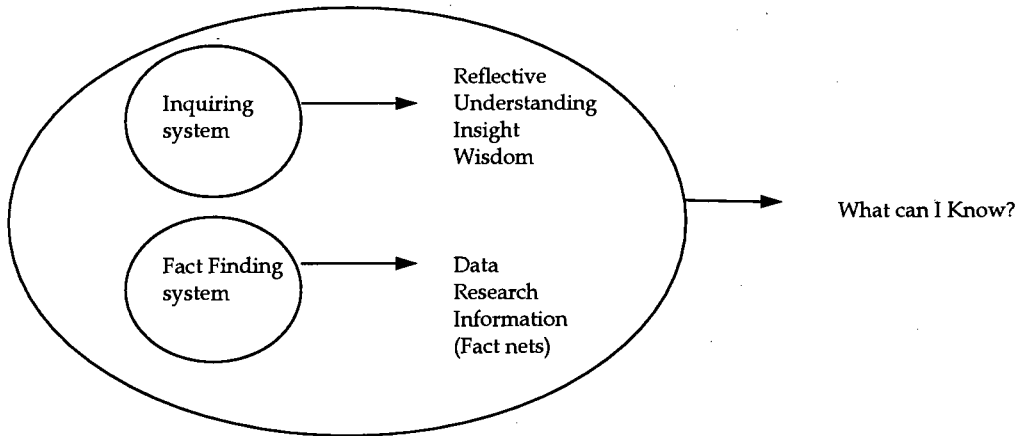
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Figure 6: Systems Diagrammatic Representation of a Purposeful System, a Synthesis of Ulrich and Kant

A System designed to be a purposeful system should contain problem solving dimensions of:

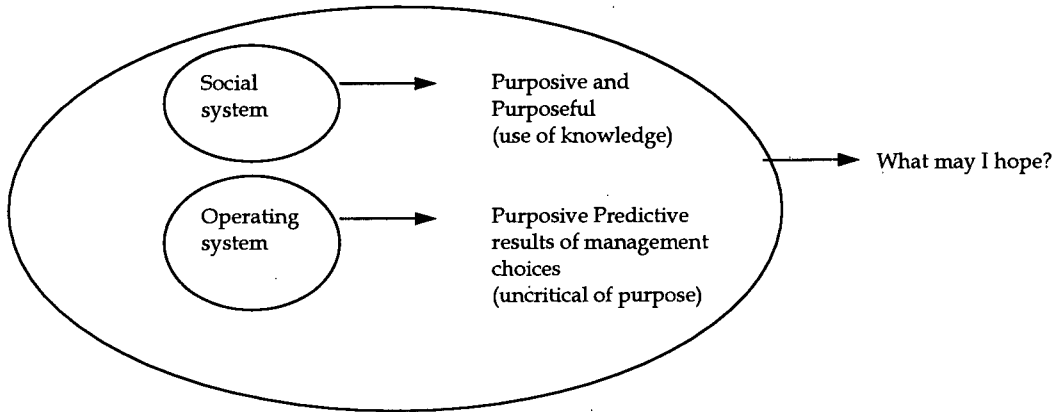
A Purposeful Inquiry System

Must produce meaningful knowledge in respect of its purpose



A Purposeful Action System

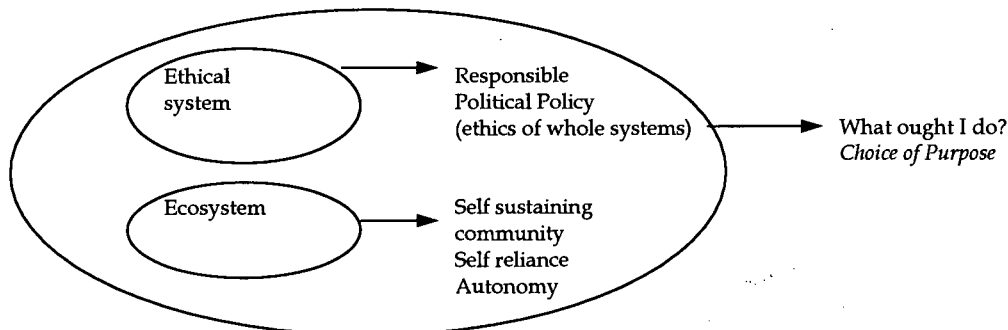
Must secure the purposeful use of the knowledge produced by the Inquiry system



A Purposeful Valuation System

Must evaluate its production and use of knowledge

Must become a purposeful morally responsible value system



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For each of the problem solving dimensions shown above it is possible to conceptualise an intrinsically motivated system as well as an extrinsically motivated system.

Problem Solving Dimension of Inquiry (Information Systems)

Inquiring Systems

A design ideal for the system is that it is Reflective and consists of a (Human inquirer or community of inquirers) who are Intrinsically and Extrinsically motivated.

Fact Finding Systems

Responsive (Computer or Information processing machine) that is Extrinsically motivated.

Problem Solving Dimension of Action

Social Systems - Organisation

Purposeful (Human controlled organisational system) that is intrinsically and extrinsically motivated.

Operating Systems

Purposive (Servo-Mechanism) that is extrinsically motivated.

Problem Solving Dimension of Valuation

Ethical Systems

Responsible (Political Community) that is intrinsically and extrinsically motivated.

Ecosystem

Self Sustaining (Ecological Community) that is extrinsically motivated.

Description of the sources of Motivation of these dimensions (summarised from Ulrich,1983:338)

An extrinsically motivated Inquiry (information) system is capable of constructing 'fact nets' i.e. of not only storing but also interrelating and combining, cataloguing and retrieving data. It "has no knowledge of what it knows and why it knows what it knows".

An Intrinsically motivated Inquiry (information) system must include at least one human inquirer, for purposefulness only exists where human reflection can recognise and question facts. A good design for inquiry will have to consider that it can only produce meaningful knowledge to the extent that it makes the

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user reflect on the sources of deception that prevent it from serving its purpose, and also on the sources of deception contained in the purpose itself.

An extrinsically motivated action system An operating system for the purposive use of knowledge, the purpose of which is externally controlled. This system is complementary to the design of a purposeful action system. The system remains uncritical to the purposes.

An intrinsically motivated action system acting purposively and purposefully. e.g. a partially autonomous group.

An extrinsically motivated valuation system represented by a naturally self-regulating ecological community. Ecosystems are in essence extrinsically motivated in that they do not develop new motivations on their own. It is however not possible to found an ethics of planning solely on ecological concepts. Man cannot delegate the responsibility for a good and just order of society to nature. This again provides for an extrinsically motivated system viewpoint that is complementary and necessary for the design and assessment of purposeful systems.

An intrinsically motivated valuation system, would be a social system with an internalised "ethics of whole systems". This refers to the fact that the ethical value of a design or action cannot ultimately be measured except in terms of the improvement to the whole system. Kant's categorical imperative requires the planner or agent to consider himself as universal legislator. He must place himself in the position of all of the affected rather than treating them as a means. The problem with designing for purposeful valuation systems is essentially the problem of internalising an ethics of whole systems. It cannot rely on the moral responsibility of the involved but must give the witnesses representing the affected a relevant role to play.

The Critical Heuristic Questions

Ulrich describes four sources of purpose to be found in social systems. Inquiry into the design of social systems must therefore be aimed at identifying the actual and the ideal sources of purposefulness. The sources are of motivation, control, expertise and legitimation. The Critical Heuristic Questions are therefore designed to facilitate inquiry into these areas.

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Three Generic Critical Heuristic Questions

These generic questions are used to reveal the true nature of the designs.

Who should contribute to the planning and design?

What is important to the group?

What is the crux of the group's concern and are there any assumptions that are not made explicit?

The Questions are then applied to reveal the nature of;

Motivation of the client.

The client here is defined as the group whose purposes (values and interests) are or ought to be served. These questions are especially relevant in the context of this thesis. As the changes that are introduced are said to be empowering, these questions force reflection on whose purpose is, and whose ought to be served.

What is/ought to be the purpose?

Who is/ought to be the client?

What is/ought to be the measure of success?

Expertise of the planner.

The planner is the group who (do or ought to) contribute skills or knowledge into the planned intervention.

Who is/ought to be involved as a planner?

Who is/ought to be involved as an expert?

What are/ought to be the sources of guarantee that the designs will work?

Control by the decision maker.

The decision maker is the person or group who has or ought to have decision making responsibility for resources. They effectively manage the process.

Who is/ought to be the decision maker?

What is/ought to be considered as the environment?

What are/ought to be the limits of control of the planner?

All of the above are described as the involved (the client, decision maker and the planner).

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Legitimation by the witnesses.

The witnesses are the group who represent the affected. They have to consider the un-involved victims.

Who among the involved does/ought to represent the affected?

Are/ought the affected allowed to emancipate themselves from the experts?

What world-view is/ought to underlie the design?

Individuals may, of course be represented in more than one group.

Actual versus Ideal Mapping

This comprises of comparing the actual (is) map with the ideal (ought) map, resulting from the asking of the above questions from the *is* or *ought to be* position.

Boundary Judgements

Boundary judgements relate to what we include in the system and what we consider to be the environment. These judgements are influenced by our position and our world-view. This has direct relevance to how the system is understood and what is considered its purpose. Within the context of this work, how Truworths is described, and whether it is seen as part of a larger system is the issue. What is considered the environment and how the system positions itself to respond to changes in the environment are further considerations. Critical reflection of the boundary decisions are therefore necessary in developing comprehensive understanding of the system under review.

In the evaluation of designer's assumptions and 'givens' the planner should question the validity of his position from the perspective of his world-view and how it influences his boundary judgements and therefore his designs.

The concern of the system thinker regarding the fact that it is impossible to understand the whole system, must generate a rigorous and critical evaluation of the boundary judgements, and the assumptions made when making these boundary judgements. It must be accepted that deception and incompleteness are a part of the systems design. This is not however, an argument for reductionist methods, with their corresponding acceptance of finding the one truth, rather it is an argument for reflection and declaration of the incompleteness of our systems designs. (Ulrich,1983:225) and (Flood & Jackson,1991:186)

PART 2 DEVELOPING A FRAMEWORK FOR INQUIRY

This does not mean that we must accept incompleteness as unacceptable, we must however apply rigorous evaluation of our designs and methods and constantly strive to improve the quality of our 'maps'.

The system designer has to be explicit in declaring his methods and assumptions. He should state the boundary judgements and the system's purpose. As Ulrich states:

"all our knowledge is perspective-bound selective, or (in Kant's terms) Phenomenal only...the critical idealist...will always be reminded that all knowledge and understanding of the 'real world' are in terms of phenomenal maps only and that a good map ought to lay open its perspective and scale, its selectivity and purposes, and should never allow itself to be taken for the territory." (Flood & Jackson,1991:200)

Boundary decisions are therefore an important key to understanding the truth behind designer's stated motives. How the involved and affected are chosen to be included will show the degree of involvement and the resulting guarantee of 'emancipatory' design. (Ulrich,1983:191).

Conclusion of Ulrich

The Critical Systems Heuristics questions provide the framework for a powerful formula for inquiry into Social Systems Designs. Ulrich also states the critical nature of the boundary judgements and their implication, that are made by the systems designer. The use of these methods highlight the hidden meaning in the designs allowing the inquirer to build better understanding of what *is* and what *ought to be*.

In the use of this framework I expect to be able to uncover hidden agendas and the true purposes of the system being inquired into. The system as defined by Lappin and the system as defined by Covey should be revealed to have differing boundaries, clients, victims, involved etc. This knowledge allows critical reflection on what ought to be and the ability to compare the espoused theories with the theories in use. This should show the areas of conflict and concern.

Applying the framework to the suggested solution should provide a comprehensive appraisal of whether the suggested intervention will influence the design of the social system in such a way as to resolve the conflict as understood.

PART 2 DEVELOPING A FRAMEWORK FOR INQUIRY

4.6 SUMMARY

To summarise, I have discussed in Part 2 the development of a model for inquiry. The subjects covered were;

- Pragmatism as a guiding philosophy and its relevance to management science,
- The Philosophy of C.S. Peirce, his phenomenology on fixing belief and the scientific method and mapped this onto the model,
- I have argued for the inclusion of System Thinking and its methods, so as to build more comprehensive maps or understanding of the situation in which we wish to inquire,
- Ackoff describes social systems or organisations as systems with purposes of their own that are made up of systems with purposes of their own. Drawing on his description of systems (Mechanisms, Organisms and Social Systems) it is possible to examine the differences in the ways of viewing organisations or social system,
- Churchman's Anatomy of Goal Seeking presents a conceptual framework for describing or understanding purposeful systems,
- Soft System Methodology will present us with a tool to inquire into the situation from differing perspectives,
- Critical Systems Heuristics presents a rich framework that expands on this, and ought to be used for critical review of the social systems designs. It will assist in unveiling sources of deception and the inevitable limitations of the designs.

PART 2 DEVELOPING A FRAMEWORK FOR INQUIRY

I now present the complete model that will be used for inquiry. This takes the model as shown on page 9 and expands it to include systems methods.

System Thinking Methods		
<u>Model</u>	<u>Soft Systems Methodology</u>	<u>Critical Systems Heuristics</u>
Situation Concern Question Theory	Stage 1-4 Stage 5	Unveil hidden meaning
Theoretical or Deductive Test	Stage 6	Critically evaluate expected results
Practical Test Reflect/Compare Evaluation Accept/Reject/Modify	Stage 7	Critically evaluate actual results

Figure 7 The model in box diagram form showing Systems Methods

Description of the model with system methods

The seven basic stages of Soft Systems Methodology are shown relative to the model.

The use of Ulrich's Critical Systems Heuristics is useful in describing the situation as well as in the theoretical evaluation and reflection stages.

I will now apply the model to inquire into the situation at Truworths. How the model is applied is shown on page 126.

Part 3 Using the Framework

INTRODUCTION TO PART 3

Following the model I inquire into the situation at Truworths. In chapter 5 I use a limited application of soft system methodology. The purpose of its use is only to understand the situation from the perspective of the powerful or the owners and implementers of the two value systems. I am inquiring into whether they conflict with each other and why. I start from a position of un-substantiated doubt that they can co-exist in their current form.

Although there are questions as to the validity of both Lippin and Covey I do not attempt a rigorous evaluation to validate either in this work. I start from a position that they have both been introduced in good faith for the purpose of improving the organisation.

I then use Ulrich's critical heuristic questions to evaluate the systems as they appear from a Lippin and a Covey perspective. This develops an understanding of the situation further, uncovering hidden meaning.

This lead me to doubt the possibility of the two value systems being able to co-exist in the current organisational structure. This is covered in the conclusion to chapter 5.

I begin chapter 6 with the belief that there is a way to allow Covey and Lippin to co-exist, and that in fact they fit well into the framework of the learning organisation as presented by Senge. I therefore introduce Senge and the concept of a learning organisation.

As the suggestion of the use of Senge's learning organisation as an intervention into this problem develops I need to test Senge's validity. This I do by presenting argument for the Learning Organisation and applying Ulrich's critical heuristic questions to the concept of a learning organisation.

I then discuss learning disabilities and methods to evaluate the state of learning in an organisation. The questions become; does the organisation have a learning disability?, and then further to this; what is its extent and what form does it take? My primary question will be; is there an identifiable learning disability according to Senge's definition?. For if there is not it would be inappropriate to consider this as an intervention. If there is, it should respond positively to the introduction of the framework for a learning organisation.

Chapter 7 Describes the suggested intervention and what it would address.

PART 3 USING THE FRAMEWORK TO INQUIRE INTO THE SITUATION AT TRUWORTHS

Chapter 8 presents the theoretical evaluation of the suggested intervention. This takes the form of discussing what would change and then applying the critical heuristic questions to the expected resulting system.

Chapter 5 Inquiring into the Problem

5.1 USING SOFT SYSTEMS METHODOLOGY TO VIEW THE SITUATION:

Defining the System

To create an organisational environment where the values of the humans who make up the system are in alignment, where basic human values are acknowledged and accepted, and where the humans that make up the system are encouraged to achieve their full potential.

Implicit in this statement is that individuals who achieve their full potential will encourage and enable the organisation of which they form part to achieve its full potential (its mission and vision).

Labels

The Wooltru perspective -- Colin Halls Vision influenced by Stephen Covey

Stephen Covey is a practising Christian. It is therefore necessary to explore the basic Christian premise regarding Christian characteristics and the expected obedience to these characteristics. It can be expected that these fundamental characteristics will support and influence all of Covey's beliefs.

Paul summed up the characteristics of the individual Christian by saying: "*Put on the garments that suit God's chosen people . . . compassion, kindness, humility, gentleness, patience. Be forbearing with one another, and forgiving*". **The nature of the individual Christian's obedience and quality of life is generally left to private judgement within these parameters.**

The Truworths Management perspective - Michael Mark's Vision influenced by Rabbi David Lappin

David Lappin is a Rabbi. It is therefore necessary to explore the basic Jewish premise regarding Jewish characteristics and the expected obedience to these characteristics. It can be expected that these fundamental characteristics will support and influence all of Rabbi Lappin's beliefs.

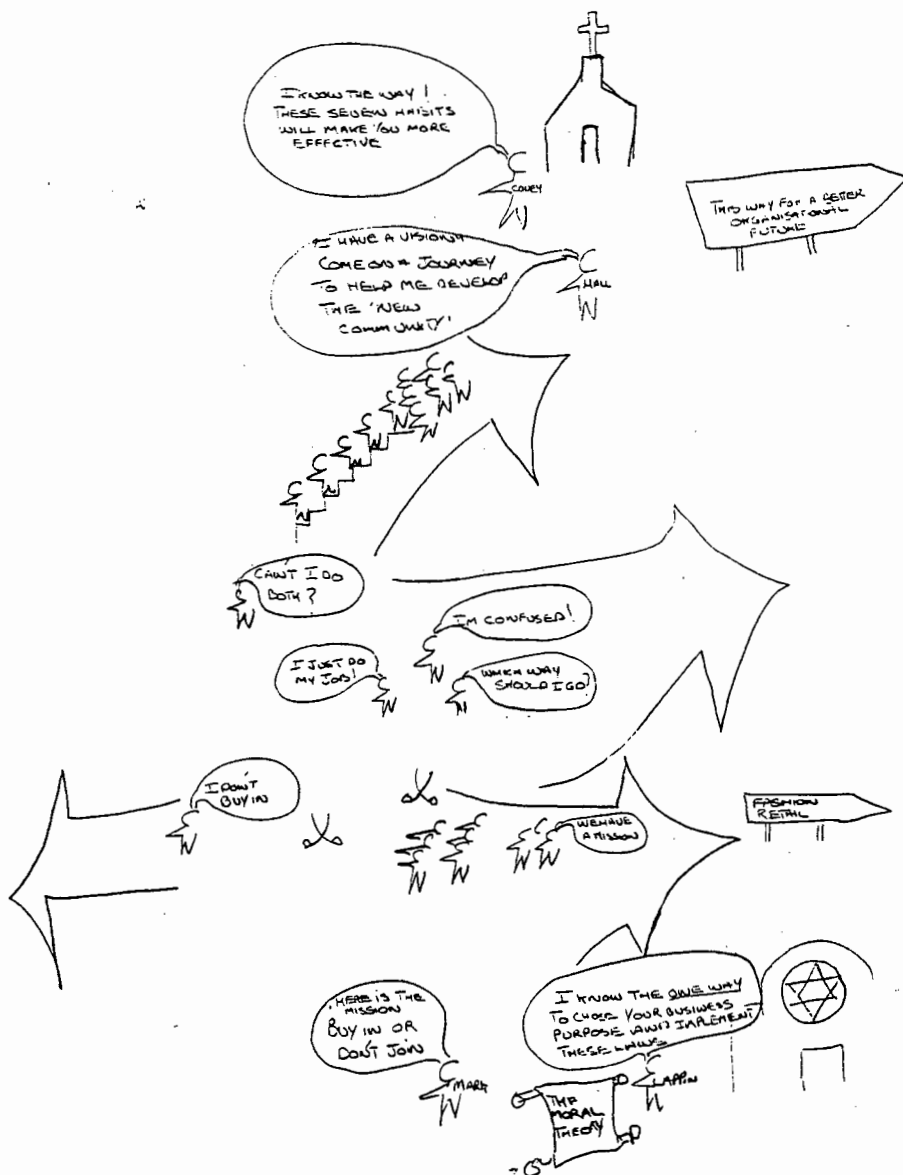
Mankind is, with no choice of its own, created by God and subject to His divine will. This will is expressed in the moral law of the Ten Commandments and the

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hundreds of statutes that are meant to regulate daily life for the individual and the community. It is necessary to note here that individual and community are always together. There is no life for the individual outside the community: God called a whole people for Himself, not isolated individuals. A just society requires just individuals, and just individuals function best in a just community. The whole law can be summed up as total devotion to God and love for one's neighbour. The statutes, as collected in the book of Leviticus, specify all the many ways these two injunctions are to be carried out, and the regulations are extremely detailed, governing the minutest aspects of daily living along with the larger arena of social interaction.

In rabbinic Judaism, the supreme virtue for individuals and the community is the study of the Torah, for it is by careful scrutiny of God's laws that true obedience can be learned. The Torah is not only a guide to right attitudes but also a compendium of specific directives to be observed in detail

Figure 8 A Rich Picture of the Situation



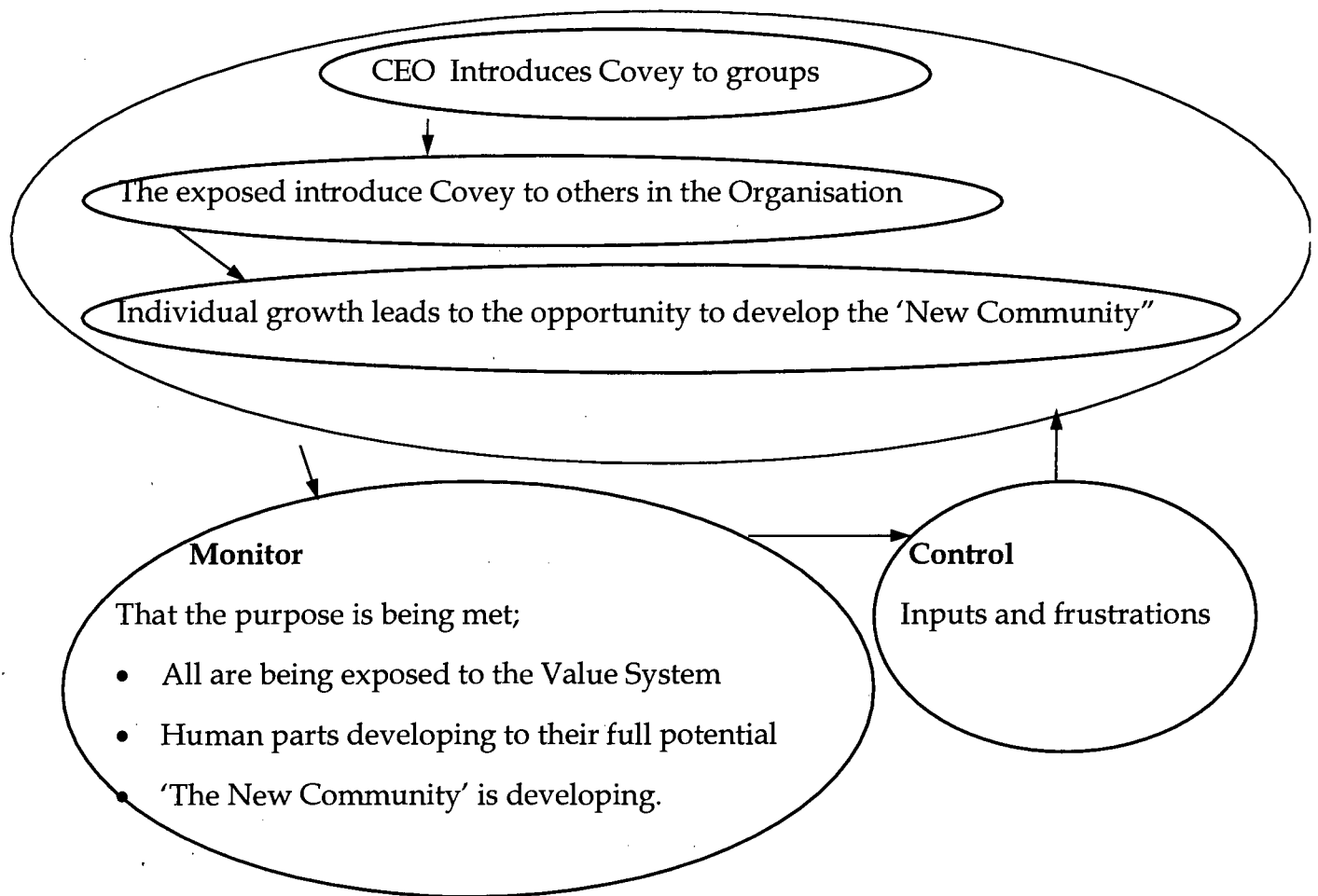
The CATWOE of Colin Halls View

Customers	All Wooltru Employees.
Actors	All Wooltru Employees.
Transformation	All employees will be exposed to Principled centred Leadership and The Seven Habits of Highly Effective People, this is to influence them to accept these values and for this in turn to lead to Personal Mastery and Shared Values.
World View	Steven Covey's Christian based philosophy introduces a broad enough set of human values to be accepted by all for personal growth. This will lead all involved in the organisation to grow and reach their full potential while creating a new organisational social system that is based on trust and other shared values as defined by Covey's work. The organisation is made up of the humans who make up the organisation and it will adopt and reflect the values of the mass of employees. As human values are in essence "good" and "honest" the participants will work hard and with honesty to collectively achieve their ultimate potential.
Owners	Colin Hall the Wooltru CEO, individuals who have been exposed own the process for themselves.
Environment	The independent environment of each operating company. The individuals within these companies who hold opposing beliefs and values.

Route Definition:

A system to communicate a set of human values firstly by the CEO, and then by all who have participated, to all stakeholders in the organisation, so that a new ordered organisation can develop that expresses the shared values of the stakeholders and allows the system and its human parts to achieve its full potential.

Figure 9 a Limited Conceptual Model of the Route Definition



PART 3 USING THE FRAMEWORK TO INQUIRE INTO THE SITUATION AT TRUWORTHS

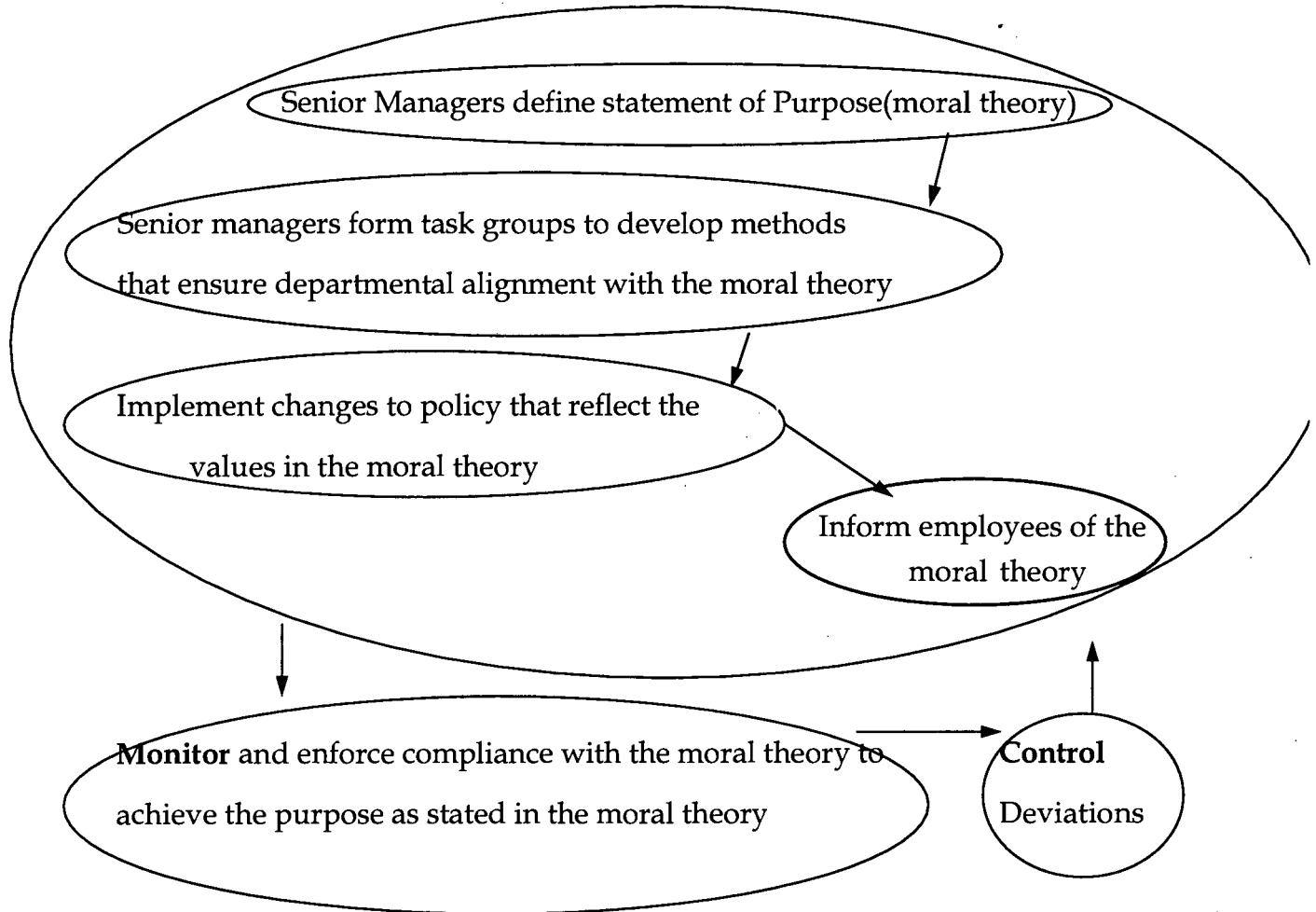
The CATWOE of Michael Mark's View

Customers	All Truworths Employees.
Actors	Truworths Senior Managers.
Transformation	From an organisation whose members have an unclear idea of purpose to an organisation where the members have a clear and explicit statement of purpose. Senior Managers will develop methods to change the areas of business for which they are responsible to achieve the stated purpose. The methods will introduce the philosophy into the business.
World View	The organisation has a value system of its own and this needs to be clear and defined in such a way that employees can understand the values and decide if their own value system is in conflict with it. Individuals will then decide whether they fit in or whether they are prepared to sacrifice certain values to fit in. This will lead to a shared value system of the employees striving for the stated purpose of the organisation.
Owners	Michael Mark the Managing Director of Truworths.
Environment	The influence of Covey and Colin Hall. The individuals within the company who hold opposing beliefs and values.

Route Definition:

A system to convey by management the stated values of the organisation so that employees can align their values, choose to sacrifice some of the values they hold, or leave the system, so as to create an organisation where there are shared values that reflect compliance with the moral theory (the stated purpose of Truworths).

Figure 10 Limited Conceptual Model of the Route Definition



Are the Changes systemically desirable and culturally feasible?

It is when considering these two questions in response to both of the above CATWOE's that an in-depth look at the current state within Truworthis becomes necessary. It will be argued here that the lack of systemic understanding of how each process effects the other, is responsible for conflict. It is important to note here that I do not believe that the current culture or the current level of systemic organisational thought is adequate to allow these processes to co-exist. Ulrich's methods help in this understanding and this is covered later.

Truworthis - Worldviews in Conflict

All of the respondents to the separately held Soft System Methodology inquiry processes replied in the same way. The resultant CATWOE represents a synthesis of these statements. Individuals were asked to answer as to their understanding of the introduction of the Covey or Lappin process.

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The Human Resource Manager believed that Covey was seen by Truworths management as having no impact on the organisation. The program was seen to be a personal development program that was “family” based. There was therefore no expectation for any organisational transformation to take place within Truworths. The Lappin process on the other hand was seen to provide a focus on what was “good for Truworths” sponsored by a genuine commitment to empowerment of the employees, by the directors of the organisation.

The Training Manager had a perspective of Covey introducing a set of tools to the individuals who could use these tools to achieve a level of personal effectiveness. She saw the process as being one of long term cultural change. Lappin was seen as described in the CATWOE. The term Strategic was used in the context of Truworths’s business goals and mission being defined by the Lappin process. She felt that Lappin dovetailed with Covey but could not articulate clearly what this meant. Clear systemic insights were not apparent from the responses.

Generally there was clarity about the Covey process. Lappin generated far more concern and discomfort in that the transformation and worldview was unclear. What was clear was that the Actors in the Lappin process were senior managers and the term “workers” was used on more than one occasion for the Customers. Reflecting a clear split between workers and managers as seen by management.

Lappin has positioned himself as “*we are beyond Senge*” as reflected in a statement by the Truworths Human Resources Director. Lappin therefore attempts to be the all encompassing panacea for organisational ills. Concern here was that the Human Resource Manager and the Training Manager had not even read Senge.

Lappin offers no evidence of the successful use of his process. He offers no explanation as to the process he uses and its scientific or philosophical base. To this end he is even more remarkable than Senge and Covey who sometimes offer very little supporting evidence of successful use of their methods, Lappin offers not even anecdotal evidence.

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Diagrammatically the understanding of Lappin's positioning could be represented as:

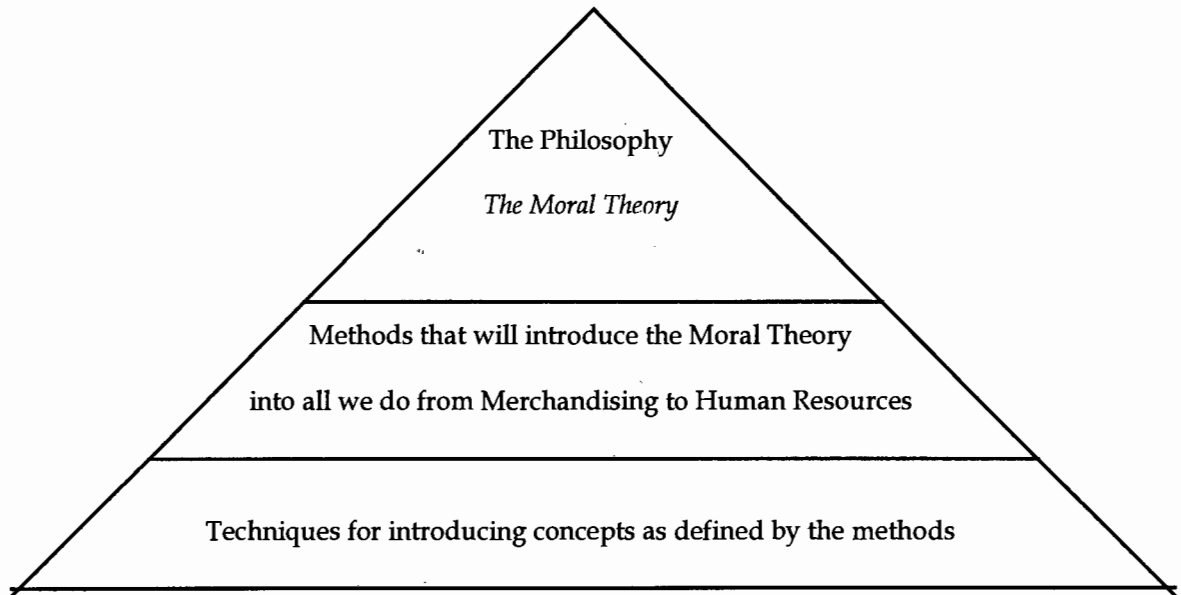


Figure 11 The Lappin Triangle

In this model it is shown how the moral theory will underpin all that we do at Truworths. For example a small team was assembled to review merchandising according to the moral theory. I was a member of this team. This review process resulted in the re-positioning of Truworths merchandise, always bearing in mind how this was to support the moral theory. This was termed the *Made in the World* project. It covered aspects such as quality of merchandise through to issues such as change room facilities and quality of the store fixtures and fittings. It also covered how we wanted to relate to our customers. This was defined (dress code, greetings etc.) and a project undertaken to instruct store staff on expected new behaviour.

Human resources are currently busy defining the type of person we wish to employ who will be passionate about the moral theory. This is to result in remuneration and recruitment policies.

Lappin sees no place for Covey or Senge and this is represented in his comments to discredit Covey and Senge. The resulting confusion and Lappin's dismissal of Covey has created an environment where Covey is misunderstood and therefore diminished. An example of Lappin's discrediting Covey during his seminars is: Lappin suggests that there can be no such thing as 'Win Win' solutions as explained in Covey's Seven Habits. He used the analogy that you can not have two winners of a squash game. A delegates suggestion that the player who did not win the game may have made improvements to his game that he considered to be a winning experience. The

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delegate also suggested that he had run the Comrades Marathon nine times, never coming first, but always winning. Lappin disagreed that this could be termed winning, there was therefore only one winner of the Comrades Marathon and that was by strict definition the person who finished first. All other runners were losers by this definition. This for Lappin was a clear case of one winner and many losers. Implicit in this statement is that the runners who knew that they would not come first without a miracle, were happy to be losers, but were losers none-the-less.

This type of semantic argument is all too apparent in Lappin's style. It is an arrogant and obtuse intellectual assault aimed at discrediting those whom he sees as opposing his ideas. This shows Lappin's a priori style of fixing belief, with all its attendant problems.

The following system diagram shows the cycle that is introduced by Lappin and then feeds on itself. One of the consequences of the introduction of Covey is Personal Mastery, and the consequences of this are the abilities to develop a corporate vision and get commitment to achieving it. Failure to achieve the vision will reflect on the success of Covey and therefore provides ammunition for his detractors to further discredit him.

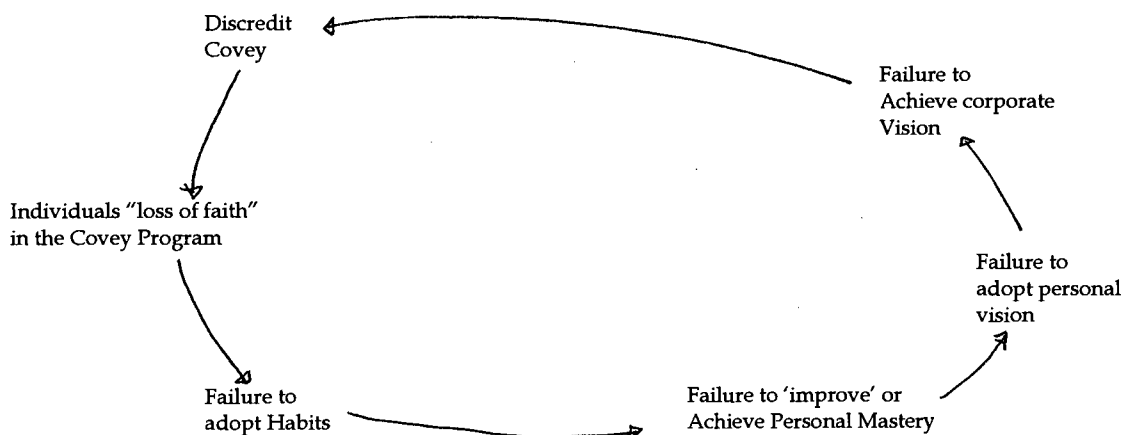


Figure 12 Systems Dynamic Model (Discredit Covey)

Further concerns about the results of the Lappin process are illustrated for example by the following:

From the statements regarding trends in employer - employee relationships from the Lappin process;

1. We value your contribution.

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2. We value you as a person for the contribution you make (or, during a temporary phase of affirmative action, the contribution you have the potential to make).
3. We value you because we believe that doing so will encourage you to make a meaningful contribution.

That the group involved believe that we are moving from 3 to 1 in Truworths must create some real concern as Covey has been introduced into the lives of all of the participants. Although the Covey influence leads to a convergence of values, there is no suggestion that the statement "*We value your contribution*" should sum up how we think Truworths feels about us. Covey describes a journey that can be undertaken to improve the personal lives of the participants. This journey is supposed to lead to an understanding that allows you to respond in many dimensions, rather than the singular focus of the Lappin statements above. An example: "*deposits should be made for their own sake, as an expression of love, not measured for their effect. The effect will come, but only if we have the patience to allow it to take its natural course.*" and "***Good leadership is often a matter of seeing value in people so clearly that they come to see it themselves. This principle has come to be known as the self fulfilling prophecy and has been verified by research.***" (Covey Leadership Centre 1992 Course Handbook). This is an example of how Covey statements should be influencing Truworths people to feel we are moving toward Lappin's third statement rather than the first. The concern is deepened by the fact that the participants were drawn from the top forty managers and the management committee.

My assumption is that there is a force against the Covey principles that is in place and is more successful than the influence of Covey. A force that is moving us from the third statement to the first.

The choice of the second statement and Lappin's insistence that this should be used to influence all decisions "*All policies need to be tested against the Lappin Moral Theory*" (Strategic Leadership Ethics, 1995:4). will lead to conflict with the Covey philosophy. This has to be resolved or both will fail.

On Learning and Thinking

Lappin's use of semantic argument clouds and confuses the issue, this needs to be managed. An example repeated here "*Learning is an intuitive process the capacity for which man shares with the animal and the plant world. Learning is not peculiar to the human race nor does it generate creativity. Learning is rooted in the past. In contrast, thinking is a unique human characteristic. Located in the present, it draws on the past and*

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projects into the future. Both structural and human changes need to be instituted in an organisation to expand it from learning to thinking. Only a thinking organisation can support innovation. A thinking organisation needs to be contextualised in a structured thinking process." (Lappin's Strategic Leadership Ethics, 1995:4). Without turning this into an exercise in itself I quote "Learning is not only for the intellectuals, who often shine at the thinking stage, but are incurious and un-adventurous and therefore add little to their experiences as they go through life." and " Learning is not finding out what other people know, but solving our own problems for our own purposes, by questioning, thinking and testing until the solution is a new part of our life." (Handy, 1990:50).

However a more critical evaluation of this argument with regard to 'Thinking' is presented by Capra. In his presentation on New Values (Capra,1996:9), he suggests that there is a connection between our thinking and our values. The value system will therefore influence they way we think and that in both areas the shift is from the self-assertive to the integrative. While neither position is good or bad, there must be a balance between them. Our western industrial culture has emphasised the self-assertive and neglected the integrative. It is this balance that Covey tries to address, and it is this imbalance that Lappin tries to emphasise. The table below shows the tendencies of each paradigm side by side. The power that is built into the position an individual holds within the hierarchy of an organisation, is based on the domination of others. It is therefore this power base that will see integrative influences as a threat. It is these individuals that will naturally find comfort in the Lappin designs.

The value system a designer uses is central to the paradigm out of which he works. Designers need to understand that they are not just responsible intellectually for their designs but are also morally responsible. When reflecting on this, in the table below it is clear that Lappin's paradigm is the self-assertive.

Thinking		Values	
<i>self-assertive</i>	<i>integrative</i>	<i>self-assertive</i>	<i>integrative</i>
rational	intuitive	expansion	conservation
analysis	synthesis	competition	co-operation
reductionist	holistic	quantity	quality
linear	non-linear	domination	partnership

The literature includes a plethora of definitions of organisational learning, none of which seem to us to be very satisfactory. Senge says "... the basic meaning of a 'learning

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organisation' -- an organisation that is continually expanding its capacity to create its future" (Senge,1990:14). Kim, one of Senge's associates, says " *...organisational learning is defined as increasing an organisation's capacity to take effective action"* . Senge's, and his associate's definitions of learning are reminiscent of Ackoff's concept of planning as a process whereby the organisation continually expands its ability to create its future. And Beer and Ackoff both say that one of the primary by-products of planning is to increase the rate of organisational learning. I take it as an article of faith, that for most organisations in the near future, more and faster learning is better.

Senge argues that in an increasingly dynamic, interdependent, and unpredictable world, it is simply no longer possible for anyone to figure it all out at the top. The old model, the top thinks and the local acts; must now give way to integrating thinking and acting at all levels. According to Fortune magazine, the most successful corporation will be something called a learning organisation, a consummately adaptive enterprise. Senge argues that increasing adaptiveness is only the first stage in moving toward learning organisations. The impulse to learn goes deeper than desires to respond and adapt more effectively to environmental change. The impulse to learn, is an impulse to be generative, to expand our capability. This is why leading corporations are focusing on generative learning, which is about creating, as well as adaptive learning, which is about coping.

5.2 USING ULRICH'S CRITICAL QUESTIONS TO EXAMINE THE SYSTEMS

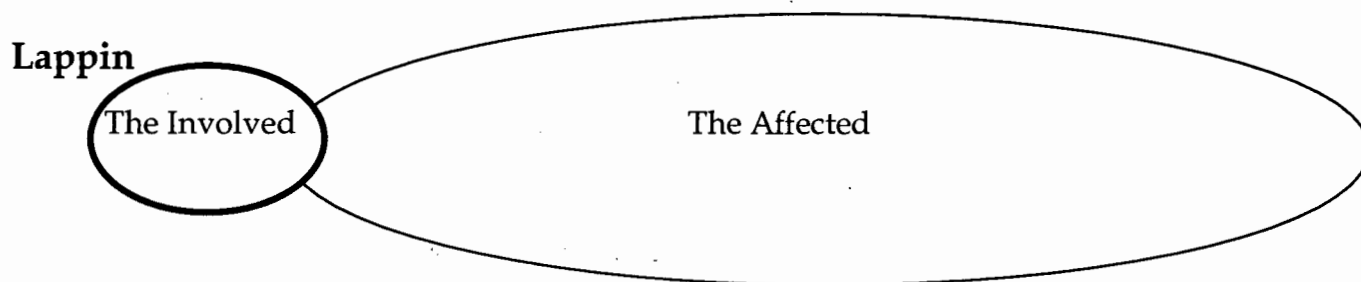
Truworths as a System as viewed by Lappin

As a Purposeful System

The system meets the definition as suggested by Churchman and can therefore be investigated as such.

The Critical Evaluation;

Figure 13 A Venn Diagram of the Involved and the Affected (Lappin)



of Motivation of the client.

What is the purpose?

The Moral Theory as defined in the Lappin process is a singular and stated declaration of purpose. Although the Moral Theory as stated is a valuable tool for actors or sub-systems to use to maintain focus on what we do, it has no explicit emancipatory consequences. It has no role in the development of the human actors. It is punitive in its restrictive nature. The stated "genuine desire to empower the employees by the management" is not reflected in the stated purpose, it is therefore not built in to the design. There is only therefore a guarantee that it will meet its stated purpose, that which is explicitly stated.

There appears in the language of the involved an assumption that 'empowerment' is given to the affected, rather than that a 'system' has to be designed that will allow the affected/victims to 'empower' themselves.

There is however an explicit condition of 'empowerment' in the terms of the stated purpose and this is that 'contribution' will result in 'just reward' and 'satisfaction'. Empowerment therefore is defined as having no impediment to making the maximum contribution possible towards achieving the stated purpose. There is no higher goal for the employee than to maximise his personal

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contribution to his master's purpose. There is no incorporation of the containing system's purpose.

Who is the client?

The client is firstly the group who are the proponents of the moral theory. It is their purposes that are being served. This is the senior management of Truworths. The other client is the customer who is being served by Truworths (the purchaser of our merchandise). The Moral Theory and especially its use to influence all departments within the company introduces a rigid framework that does not acknowledge any other client as valid. This implies an organismic view of the organisation by the designers. There is expressly no involvement or consideration of the internal clients or the containing systems i.e. Wooltru the holding company or society in general.

What is the measure of success?

Return On Investment (ROI) and profit with a corresponding increase in shareholder wealth is the measure of performance. The growth in sales and stock turn are also fundamental indicators. There is no measurement for "empowerment" or emancipation or the development of the individuals who make up the system. The process will in fact mitigate against human development in the broad sense. The only concern is the contribution that the individual makes towards achieving the stated purpose. This is explicit.

of Expertise of the planner.

Who is involved as a planner?

The process is driven by Rabbi Lappin with the selection of participants done by the Managing Director. It is an exclusive and secretive organisation. There is no guarantee that the victims of the designs will be considered or consulted. There has never been open debate as to the representation of the affected. They are seen as merely 'means' for achieving the purpose. The affected therefore have no explicit representation. The selected are faced with intellectual muggery on the part of the expert.

Who is involved as an expert?

Rabbi Lappin is the stated expert. The Managing Director and the Human Resources Director are involved in all aspects and have separate and exclusive influences on the whole process. They therefore are expert in that they have had prior knowledge of the format of any discussion that is going to take place. They also decide who will be invited to participate and the extent of their participation,

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who will be merely informed and how they will be informed, and who will be excluded altogether.

What are the sources of guarantee that the designs will work?

The only sources available as guarantee are punitive, coercive and dictatorial. The results of the influence of Lappin's design has been an increase in insensitive and punitive enforcement of policy that is directed at forcing compliance on the affected. There is no built-in guarantee. All motivation is extrinsic.

of Legitimation by the witnesses.

Who among the involved does represent the affected?

The affected are not represented. The affected are not consulted as to who should represent them. The chosen participants are involved to make a contribution to the process from a personal perspective. There is no critical reflective process to discuss how the affected could participate in the design. The affected will not be asked to be a part of the process other than that they are to implement 'given' plans. Discussions will revolve around how to exclude/ excise those who do not show compliance with the given model.

Are/ought the affected allowed to emancipate themselves from the experts?

Neither the affected nor the involved have the ability to enter into a meaningful discourse with the experts. The experts do not have to explain the process to the involved. Involved who question the process are excluded from further invitation. Difficult questions are dealt with by cursory dismissal or worse intellectual obfuscation and battery. The affected have a singular recourse and that is to leave the organisation.

What world-view ought to underlie the design?

The world view of Rabbi Lappin underlies the design and this is discussed on page 59.

of Control by the decision maker.

Who is the decision maker?

The decision maker is the Managing Director alone.

What is considered as the environment?

The boundary judgements are clear. Truworths is seen as a closed system operating environmentally free. No consideration for Wooltru as a containing system exists.

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What is the limit of control of the planner?

The planner is limited largely to control over the means to achieve the stated purpose.

Views from Multiple Perspectives

There are as many views as there are people. It is helpful to consider the views of broad groups from the Personal or Technical or Organisational, i.e. from the affected or the client or the decision maker. This expands the understanding of how these individuals perceive the system and possibly uncover 'hidden agendas'. For example, how does the decision maker view the system from these three perspectives. How biased is his view; is his framework mainly technical, organisational or personal or is there a balance.

Systems Views - Mechanistic, Organismic or Social Systemic/Organisational

The description of what is, suggests that an organismic frame of reference is used by the designer. This is explicit in terminology being used to describe projects currently being pursued. (i.e. Mind Body and Soul project). This organismic frame of reference and the genuine lack of systemic understanding is of real concern. It does however tie up with the Venn diagram of the involved and affected in suggesting that the concerns are control of the affected rather than a design that will allow or facilitate the involvement of the affected. Fascist dictatorships function like organisms. The fondness of organismic metaphors to describe social systems used by Totalitarian dictatorships has therefore some parallel here. (Capra,1996:205)

View from the Three levels of Systems Practice

Lappin clearly fits into the matrix on level **b** as shown on page 39. The concern on this level is about efficiency, the Lappin process does not include any questioning or involvement in the choice of purpose by the affected. The system therefore reflects on efficiency so that things are done that ensure that the stated purpose is met, rather than whether the stated purpose is appropriate or good.

Comparative Results and A Definition of the System

Truworths as a system designed by the Lappin Process, is a system to develop an Action system, Information system and Valuation system that are exclusively extrinsically motivated for the purpose as stated in the Moral Theory.

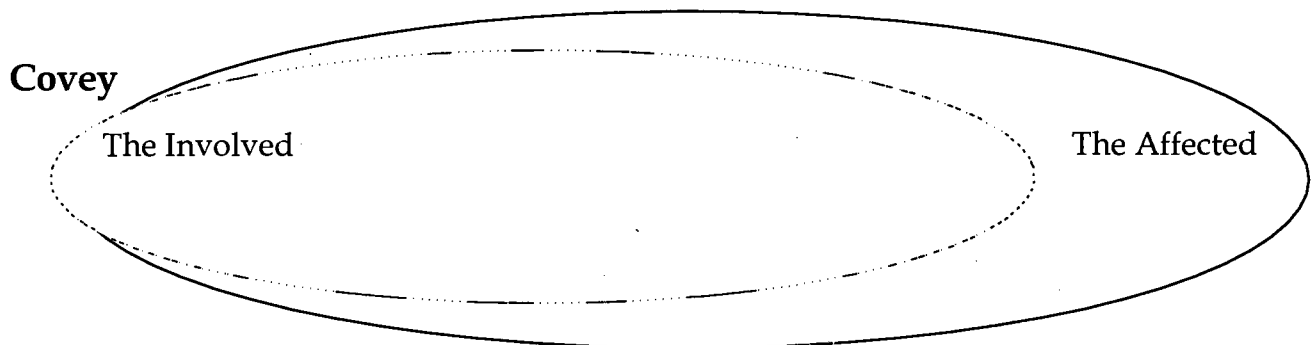
Truworths as a System as viewed by the Containing System Wooltru and Covey

As a Purposeful System

The system meets the definition as suggested by Churchman and can therefore be investigated as such.

The Critical Evaluation;

Figure 14 A Venn Diagram of the Involved and the Affected (Covey)



of Motivation of the client.

What is the purpose?

To enable the development of human potential so that they contribute to the formation of 'the new community'. This will allow the containing system to achieve its stated purpose. Truworths however do not see Covey playing a role in organisational design. Truworths see their purpose as defined by the Moral Theory. Covey is not seen to contribute or influence the systems purpose.

Who is the client?

All employees are seen as clients. This should not exclude the (retail customers) clients we serve by what we do.

What is the measure of success?

There is no stated measure of success within Truworths. It is up to individuals to take home that which they like out of the process. The system however should have some sort of measure of the success. This must include the development of individuals, emancipatory issues as well as the achievement or move towards 'the new community'. This does not exclude ROI and other 'what we do' specific measures.

of Expertise of the planner.

Who is involved as a planner?

Human resources within Truworths do the planning. The Covey teachers are involved. As Human Resources are the main proponents of the Lippin process there is potential conflict and this may require additional evaluation. (eg. they state it has no place in organisational issues and, they have deliberately chosen Jewish candidates to attend Covey workshops during Jewish festivals etc.). The planner needs to be a sponsor of the program who believes in the program's value to the organisation.

Who is involved as a expert?

Involved as experts are the trained trainers. The already trained are encouraged to become experts. Within Truworths the trainers have been selected by management. An expert on the true nature of the Covey influence is not included.

What are the sources of guarantee that the designs will work be?

There is intrinsic motivation. The influence that the process will have is personal. The desire to influence the organisation by Truworth's containing system will not be met as Truworths wish to explicitly exclude the influence of Covey from organisational design.

of Legitimation by the witnesses.

Who among the involved does represent the affected?

The involved represent themselves in that they can chose their own personal involvement. As parts of the Truworths system they are not represented other than that the senior managers represent themselves.

Are/ought the affected allowed to emancipate themselves from the experts?

Covey encourages the affected to emancipate themselves by developing themselves. They are encouraged to become experts themselves.

What world-view ought to underlie the design?

The worldview is stated on page 57.

of Control by the decision maker.

Who is the decision maker?

The Wooltru CEO who is the main proponent of Covey influences the system only in the fact that the Covey Leadership training takes place. The Truworths social system design is the exclusive domain of the Truworths Managing Director, the Human Resources Director and Rabbi Lappin.

What ought to be considered as the environment?

Truworths see the system in which Covey will have influence as a system in the individuals home or personal environment. No real consideration of Truworths as a system is defined. The environment that is excluded from all stated objectives are those of the containing system. Truworths is therefore seen as a closed system (environmentally free) that is extrinsically motivated.

What are/ought to be the limits of control of the planner?

The limits of the planner is that once the affected have the tools, they can chose how they wish to develop, their own understanding, and their own value systems.

System Views - Mechanistic, Organismic or Social Systemic/Organisational

The description suggests that an organisational frame of reference is used by the designer. This is explicit in the terminology of the annual reports etc. A good systemic understanding is seen in the statements and intent of the containing systems CEO. It is seen from this perspective that it will change the organisation from the bottom up.

View from the Three levels of Systems Practice

Covey clearly fits into the matrix on level c as shown on page 39. Creating the environment and self awareness necessary for getting better at getting better.

5.3 COMPARATIVE RESULTS AND A DEFINITION OF THE SYSTEM

From this investigation it can be seen that to define what ought to be in each system in isolation is not appropriate. It is clear that a view of Truworths as a system as defined by Lappin or by Covey yield very different systems with very different purposes. Lappin lacks systemic insight and Covey does not force systemic understanding or insight. Both systems are incomplete. Both systems will fail to meet their purpose. Covey because it has lost direction and has been marginalised and discredited as having little value as an organisational influence.

The containing system (Wooltru) stated purpose 'the new community' will not be met as Truworths will not only not contribute, but will work towards re-establishing the historic hierarchy with its corresponding position of power. Lappin has more likelihood of success in the short term as enforced compliance is possible. It is not difficult to find a change in attitude and a corresponding hardening of attitude towards those who are not 'contributing' to the purpose. The lack of any ability to clearly articulate the definition of contribution has not deterred those with their own political agendas from using Lappin as an excuse for 'rule' enforcement. Salary reviews, disciplinary actions and employment practises have all been affected. The resulting loss of genuine commitment and fear of contradicting or questioning the 'law' is pervasive. Organismic metaphors are being used to describe current design ideals, with a lack of understanding as to the long term consequences of these choices. The hardening of attitudes by those in positions of power dictated by their hierarchical position towards the 'means' (the workers) or employees is becoming increasingly apparent. There is more centralisation of power in the hands of the Managing Director and the Human Resources Director, less genuine empowerment of the affected and a corresponding reduction in the trust between the affected and the involved.

The lack of power and understanding leaves the victims confused, angry or simply un-caring. Increasingly, one dimensional measures of success have been introduced. Some related to the 'does the person fit the Lappin definition of the kind of person we wish to employ?', or 'what is the persons contribution?' are used by the powerful to suppress those who question or threaten their position.

Chapter 6 Evaluating Senge's Learning Organisation

6.1 INTRODUCTION

In this chapter I introduce the concept of the learning organisation and current support for it.

I then critically question its validity using Ulrich's critical heuristic questions.

I then describe how it would be possible to test for it and describe a learning situation within Truworths.

Finally I conclude with comments on areas where the learning organisation would have specific influence on the situation at Truworths.

6.2 DESCRIBING A LEARNING ORGANISATION

Knowledge and Learning

Knowledge (broadly conceived to include both what we know and what we can do) indicates a state, i.e., a person or organisation has a certain measure of knowledge which creates the potential for action and decision. Learning indicates some change in the state of knowledge which is often manifested by a change in explanation, decision, or action. Learning must involve an increase in knowledge or a change in something previously known (i.e., we correct an error or change from one theory to another). Negative learning (i.e., forgetting) is a decrease in knowledge and is often manifested by a decrease in explanation, decision, or action. Finally, learning also includes the case where something previously known becomes ambiguous or less certain.

Understanding Development.

"Learning appears to be more than survival: it is also about development, the growth of the individual" (Dixon,1994:31).

Growth and development are not the same thing and are not even necessarily associated. Either can take place without the other.

A social system, like an individual, can grow by increasing its size or, unlike an individual, in number without developing. It can also develop without growing. It is

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incorrect to draw the inference that retarded growth implies retarded development. Such an error is based on a misconception about the nature of development. Development has less to do with what a person has, than how much he can do with what he does have.

Development is the process in which individuals increase their abilities to satisfy their own needs and legitimate desires, and those of others. It is at least as much a matter of motivation, information, knowledge, understanding and wisdom as it is of wealth. An individual's level of development is his current ability to satisfy his own needs and legitimate desires, and those of others.

There is only one type of development and that is self-development. Development involves an increase in ability (i.e. learning) and as one person cannot learn for another, so one person cannot develop another.

Social systems cannot develop their members and other stakeholders, but they can and should facilitate such development.

Limited resources cease to be limiting if our need for them decreases, or if we learn how to use them more effectively; that is if we develop.

Descriptions of, and Support for, a Learning Organisation

An analysis of writings on management reveals overwhelming support for the Learning Organisation. The description of what this actually means differs to some extent. Here are some of the writer's arguments for the Learning Organisation.

It will be seen that, generally, this kind of organisation is seen as a community where learning is encouraged and the structure is in place to facilitate that learning. The view that the organisation has on learning and whether it is viewed as an individual or group effort has to be understood. The assumptions which exist within the organisation about whether it views human relationships as individualistic or orientated towards community will influence how learning is structured. Will emphasis be placed, as it is generally in organisations of today, on individual learning and development or will the community be involved, in a collective process of learning? (Dixon,1994:124). It is clear that non-learning organisations are failing to realise that the lack of involvement and disempowerment that results from a failure to mobilise people's intelligence and wisdom is wasteful in the extreme. (Pedler,1995:7).

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In support of Senge's five discipline approach to organisational learning, Pedler suggests that the Senge process should be seen as evolutionary, in that it is a journey towards a solution, rather than the solution itself. (Pedler,1995:11). This supports the view in this work, of a journey to what is termed the 'new community'. Most writers agree that the future will continue to consist of rapid change. Revans for example argued for a learning organisation as he believed that this culture was necessary for an organisation to survive in an increasingly unpredictable future. (Pedler, 1995:15).

Pedler provides a description of a learning organisation that illustrates their transformational or adaptive nature;

"an organisation which facilitates the learning of all its members and continuously transforms itself" (Pedler,1995:18).

Charles Handy provides a differing perspective as to why we should develop learning. He describes how, in the emerging economy, intelligence is the property that will bring wealth, and that everyone needs to be positioned to own some of the property. The only way to do that is to learn and develop. (Gibson,1997:31).

Michael Porter says that we have to set a goal of learning as a strategy to be successful in the next century and that companies have to move from doing what they know more efficiently to learning and thereby continuously learning the things they don't know. (Gibson,1997:59).

Warren Bennis speaks of how an environment that embraces change must be created so the company is able to run in a turbulent world. Learning is the ability, not just to learn new competencies, but to un-learn the things that are no longer appropriate. (Gibson,1997:152).

Dr Edward Demmings says that nothing happens without 'personal transformation' and the only safe place for this to happen is within a learning community. This has particular relevance to this thesis in that the learning community will provide the environment for personal growth and this in turn facilitates the development of the community itself. (Kofman,1993).

The learning organisation also provides a place where we are less likely to suffer from what Chris Argyris calls 'skilled incompetence'. This is the learned behaviour we possess and our fear to change the behaviour even after the circumstances have changed and the behaviour is no longer appropriate.

Kofmann and Senge also say in their article titled 'Communities of Commitment' that the label 'the learning organisation' must be seen to represent a reality of a new

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model for humans to live together. They also state that this organisation must be built on three foundations:

- a culture based on the human values of love, wonder, humility and compassion,
- a set of practices for generative conversation and co-ordinated action, and
- a capacity to see and work with the flow of life as a system.

The entire concept, as well as most other approaches to organisational change, is about gaining competitive advantage. But, the basic difference is that the learning organisation concept is based on the "resource-oriented" school of thought in strategy, i.e. that the question to be answered is: how can our organisation turn standard resources, i.e. resources that are available to us and all our competitors, into competencies, which are unique for us, and which cannot be copied by others?

A learning organisation combines the essential elements of strategy development and personal development. It creates a space for people to achieve tremendous business and personal results. It values the scientific method of hypothesis development, testing and validation, as well as the personal development pathway found in the concept of "personal mastery". Connecting humans to organisations in a vital, mutually beneficial way, this is why learning organisations are worth creating. (Senge:1990)

Senge's Description of a Learning Organisation

Peter Senge concludes in 'The Fifth Discipline; The Art & Practice of The Learning Organisation' that five new disciplines are essential to a fast learning, creative, and flexible organisation.

The disciplines start with Personal Mastery, which is a matter of individual development.

The other four disciplines are group oriented, requiring interactive management of teams and organisational development along with the development of the individual. The Disciplines are:

- Personal Mastery
- Managing Mental Models.
- Building a Shared Vision with Common Values and Direction.

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- **Creating Team Learning.**
- **Systems Thinking.**

Personal Mastery

The discipline of continual self-development that starts with making clear to ourselves what really matters to us and then living our lives in such a way that our aspirations are the main part of our plan. It is about deepening understanding, focusing energies and seeing reality objectively.

Managing Mental Models.

Mental Models are the shared assumptions that often limit an organisations growth. The first step is inward, understanding our own mental models, how we understand the world and how to critically reflect on what we know and why we know what we know.

Building a Shared Vision with Common Values and Direction.

This is a process of unearthing shared ideals for the future. Then building this vision for the future in which all the involved will commit to achieving.

Creating Team Learning.

Creating an environment and structures that foster true thinking and learning together. An environment of honest dialogue between members.

Systems Thinking.

Systems Thinking will enable us to understand with more clarity the whole, to find the most effective intervention points to improve the system. To build better maps of our perceived reality.

The introduction of Systems Thinking into management science also provides us with a framework for systemic interventions for problems created by the non-systemic thinking of traditional management.

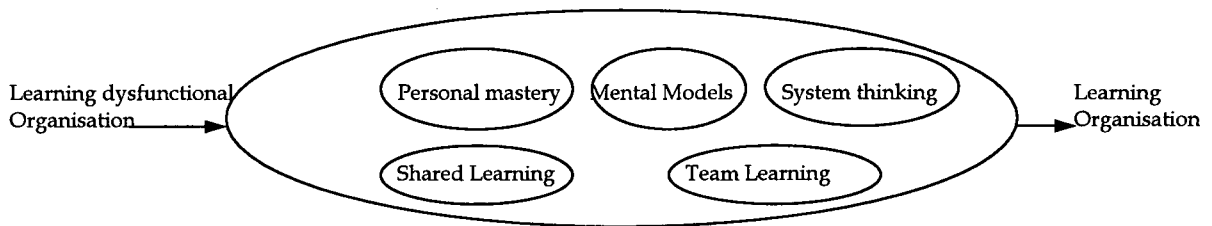
Concluding remarks about the description of a learning organisation.

Senge's description of a learning organisation is one of many and will be discussed further. At this point we will evaluate the learning organisation and in this process elaborate on Senge's assumptions and limitations.

6.3 CRITICAL EVALUATION OF SENGE'S LEARNING ORGANISATION

6.2.1 Ulrich's Critical Systems Questions applied to a Learning Organisation

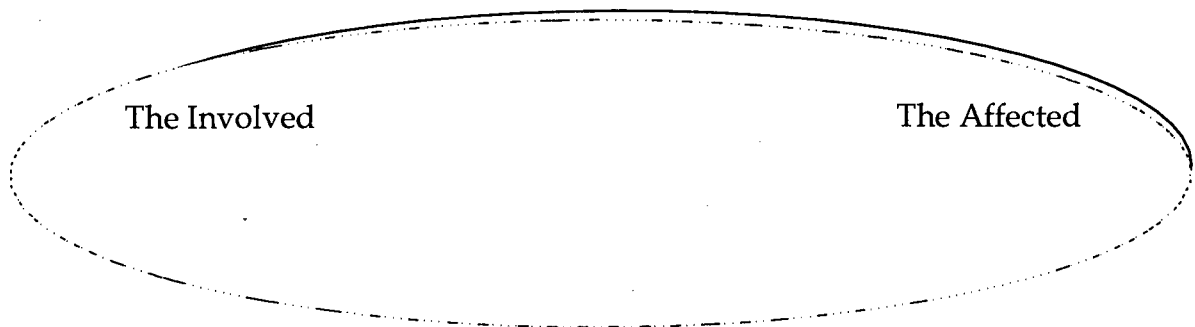
Figure 15 The Learning Organisation as a System as defined by Senge



This systems diagram reflects the five disciplines and how they co-produce the concept of learning in an organisation.

The Critical Evaluation

Figure 16 A Venn Diagram of the Involved and the Affected
Senge's Learning Organisation



Appraisal of the learning organisation as defined by Senge:

of Motivation of the client.

What is the purpose?

In Senge's words;

"Learning Organisations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn." (Senge,1990)

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From this can be seen his belief that learning organisations will create an organisation where individuals develop in a nurturing structure. The choice of purpose of this organisation is up to the individuals as they adapt to a changing environment. Implicit in this is the move towards emancipation as people learn to free themselves and towards democratic societies as people participate in the choice of purpose.

I do not wish just for the purpose of appearing rigorous to enter into cynical and I believe spurious debate on issues of purpose such as; that it is about creating a management fad so as to sell books for commercial gain. From all that I have read I believe that the purpose of the concept of the learning organisation is a genuine attempt at improving organisations in particular, and the human condition in general.

What ought to be the purpose?

From a critical systems perspective the enabling of the humans to develop adaptive, emancipatory, and democratic societies ought to be, and is, the core idea.

Who is the client?

The organisation or community firstly and then the individuals who make up the organisation.

Who ought to be the client?

The broader society within which these organisations work. This is not considered explicitly in the work. All individuals who make up the organisation. The question here could be: is meaning imposed rather than developed by all affected?.

Senge does not confront the issue regarding the degree of exercising of individual choice on entering an organisation to meet a sense of belonging. (Brown,1996) This revolves around the choice of individuals to participate in particular organisations in a market economy or not. Choosing to accept thereby the groups purpose. This debate has relevance to this work as the choice of purpose of the organisation is largely pre-defined. How do individuals then contribute to choice of purpose? and, how are individual rights protected from community rights?.

What is the measure of success?

It is the long term ability of the organisation to adapt to a changing environment. Connected to this is the belief in the idea of economic progress as being the ultimately legitimating rationality.

What ought to be the measure of success?

Key words should be; adaptability, longevity, sustainability, emancipatory, democratic. There needs to be specific measures that evaluate the success of the individuals at liberating themselves from economic bondage to organisations. Measures to ensure that with a devolution of power does not come increased surveillance and pressure for conformity. (Brown,1996)

of Expertise of the planner.

Who is involved as a planner?

The planner is seen as the leader who has the power to institute change. As a guarantee of his ethics, he will serve the community. The leadership role is seen as collective so the planner should be seen as a collective process.

Who ought to be involved as a planner?

The political power needed for implementation resides with someone and therefore this person or body of people will decide to start the process. This would obviously include the choice of planner. Who should be the planner must be validated by the person's ability to understand the moral consequences of his plan.

Who is involved as an expert?

Senge presents the new leader (*expert*) who is legitimised by his ability to foster organisational learning and their commitment to community. (Kofman & Senge,1993).

Who ought to be involved as an expert?

Experts can be employed, however the critical questions of how do the affected free themselves from dependence on the experts? need to be built into the plans. Continual critical evaluation of the relevance of the expertise should be considered as part of the design.

What are the sources of guarantee that the designs will work?

Since the Fifth Discipline was published in 1990 and the Fieldbook in 1994 much evidence has been accumulated of improvements that can result from introducing the concept of the learning organisation. Although there is debate as to the soundness of the philosophical foundation behind Senge's work, there is a fair understanding of his standpoint and the assumptions he makes. This will remain a concern, however I note with interest that after seven years the intensity of debate surrounding Senge's work has not abated. I do not believe that this is sufficient to guarantee that his designs will work,

however there now seems to be sufficient evidence that it has value. Brown sums this up:

“The evidence is that, at least for early adopters, there is ‘competitive advantage’ in this strategy.” (Brown,1996)

The work contains largely a priori judgements and this should be of concern.

The learning organisation by its adaptive nature has choice of purpose thereby ensuring intrinsic motivation.

What ought to be the sources of guarantee that the designs will work?

Further factual evidence of successful long term implementations and the corresponding results.

A development of sound philosophical foundation for the entire concept. The assumptions that Senge makes need to be dealt with. For development of this argument see (Brown,1996).

of Legitimation by the witnesses.

Who among the involved represents the affected?

There is a reliance on servant leaders with their commitment to community as representatives. The affected are to develop in this created environment to the point where they can represent themselves. The affected however are largely seen as *community* rather than as individuals.

Who among the involved ought to represent the affected?

All should be allowed to represent themselves and this is the goal of a learning organisation. There will then be fair representation through participation. There will however be a transition phase during which time care must be taken to explicitly involve the affected.

Are the affected allowed to emancipate themselves from the experts?

In theory, the learning organisation is designed to allow this. However it is not explicit in the designs.

Ought the affected be allowed to emancipate themselves from the experts?

To be truly a learning organisation the affected must all be able to learn and develop in such a way that frees them from reliance on experts.

What world-view underlies the design?

“Life comes to us as wholes” (Senge,1990), suggests that there is an external reality that is revealed to us when we come into contact with it. (Brown,1996)

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This suggests a basic agreement with the pragmatic realist debate and the philosophy of Peirce as presented and accepted in this work.

What world-view ought to underlie the design?

There should be an explicit philosophical underpinning of the concept. Senge does not provide this.

of Control by the decision maker.

Who is the decision maker?

The new leader as defined by Senge.

Who ought to be the decision maker?

As the learning community develops the decision maker should incorporate all views and developments, to this end there is an inordinate amount of developmental work being done on the concept of the learning organisation. This community becomes the decision maker as it develops an understanding of the reality of the system in which it operates.

What is considered as the environment?

The boundary that is set is around a group of individuals who operate as an organisation with a shared sense of purpose. Everything outside of this is seen as the environment.

What ought to be considered as the environment?

The concept allows for appropriate boundary judgements. Issues for individual concern could be how the organisation operates within its community. Boundary judgements have a condition in that they decide the systems purpose. The concept of boundaryless organisations and how choice of purpose needs to align with the whole community, which is the logical conclusion of this concept, should be considered.

What are the limits of control of the planner?

Choice of purpose by the community is the goal of the learning organisation. Control is therefore limited for any one group.

What ought the limits of control of the planner be?

The learning organisation provides for an environment that limits control. We have first to accept the concept that emancipatory democratic market societies are the best way to develop human societies, for us to accept this freedom from control.

System Views - Mechanistic, Organismic or Social Systemic/Organisational

The suggested solution should result in an Organisational system structure with strong understanding of roles and responsibilities amongst the parts. Concern may be that community is more important than the individual and the potential for coercive behaviour of such a system on the individual.

View from the Three levels of Systems Practice

The learning organisation provides for interventions on all levels of system practice. It also provides for an understanding of how the levels interact to enable the organisation to do what we do, to learn how to do what we do better, and to learn how to get better at getting better, so that we can adapt, survive and develop.

6.3.2 Conclusions regarding the Validity of Senge's Learning Organisation

A full appraisal of Senge's work is beyond the scope of this work. This limited investigation does however reveal areas of comfort and areas of concern.

After critically evaluating Senge's work we have to accept the untested and largely untestable assumptions he makes that support his argument (Brown,1996). Understanding these assumptions allows us to understand the limitation of Senge's framework.

The need to survive in a rapidly changing environment seems to be the primary reason for the argument for the learning organisation. The review of the literature reveals considerable support for his ideas.

Senge focuses on one aspect of system thinking methods namely system dynamics. Systems dynamics however helpful in situations with limited applicable laws such as mechanistic or biological systems, have little functional use in predicting 'what will happen in Russia next' (Jackson,1995). I do not suggest therefore that Senge's narrow use of systems methods would represent a comprehensive introduction of system thinking. System thinking and its methods should be introduced with all of its complexity and limitations.

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In this specific context introducing his framework will achieve benefits besides the overall concept of the learning organisation. These are;

- the introduction of system thinking,
- a framework for enabling both Covey and Lippin to play roles to improve organisational effectiveness in the areas of their concern, and without competition for the same conceptual space.

This is the real strength in its use. For the short term we could resolve the conflict and allow co-existence of the two value systems, both of which benefit the organisation, and in the long term we would introduce system thinking with the benefits that come with it.

Introduction of this framework could be revolutionary or evolutionary and the tack taken should be considered for the differences in concern that will present with each option.

The resulting social system design can be tested and validated using the critical system heuristic questions, rather than relying on Senge's framework to ensure the moral consequences. This removes the tendency to deliver Senge's framework as a Guru and provides the check that the framework will not be used for authoritarian purposes as it appeals to the powerful. Critical Systems thinkers realise that there can never be a single solution to any management problem. (Jackson,1995). With this in mind Senge's framework may just be the best thing around right now.

I accept that learning that enhances our capacity to create and that we can enhance our mastery of complexity even though we may never figure it all out.

As long as we critically reflect on the limitations of our methods and our designs, continually seeking to improve social systems, whilst being aware of the possible suffering that is a consequence of our designs we are progressing. (Jackson,1995)

6.4 TESTING FOR LEARNING DISABILITIES

6.4.1 Introduction

In this section I will describe how to test for learning disabilities. I present a framework from Senge that can be used in establishing general organisational learning disabilities. I then present the work of Pedlar that could be used to develop a more detailed understanding of the true nature of the learning problems.

I then describe a situation within Truworths and apply Senge's test to it.

The first question to be asked when suggesting that organisational learning will provide a solution to a particular situation is, Does the organisation under review have a learning disability? To provide a framework for answering this question Senge presents several questions. These are described here and will be used to show that the organisation under review has in fact a learning disability as described by Senge and should therefore respond to his framework for intervention.

The second question that may be asked is what kind of frustrations exist within the organisation that are barriers to a 'learning organisation' and what is the extent of the problem. Pedlar presents a framework for plotting the organisation on a simple two dimensional graph, by asking simple questions. This will help in defining where within the organisation, and to what extent, learning problems exist so that comprehensive measures can be introduced to address the issues. This could be used in future research and detailed planning.

As it is my contention that Senge's work would provide a valid framework for creating a learning organisation, it is necessary to inquire into the level of learning within Truworths. This demonstration of a learning disability was chosen for its simplicity. It shows however a comprehensive disability as defined by Senge. Although it is case specific it is used with the understanding that other similar examples exist and could be used. The resulting suggestion that a clear learning disability exists is taken to show a general situation within the company.

6.4.2 Senge on Learning Disabilities

In the Fifth Discipline, Peter Senge suggests that learning disabilities are pervasive. His position is that learning disabilities are apparent in all organisations. He proposes that there are seven learning disabilities that need to be identified before

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they can be cured, and if left un-cured lead to organisational mediocrity and possible failure. The learning disabilities according to Senge are identified as:

“I am My Position”

This relates to the fixation of people’s value of themselves as being consistent with the work they do “I am a Programmer” or “I am the Financial Manager”. This leads to individuals being focused on the limited part of the system or organisation for which they are responsible. Thus they never see the complete system and fail to consider the whole system when introducing changes or identifying solutions to existing problems.

“The Enemy is out There”

Senge puts forward that this is a by-product of “I am my position”. Everyone seeks to find blame that is external to oneself. Marketing blames manufacturing for poor sales as the quality is bad etc. When individuals believe “I am my position” they fail to see the results of their actions that are external to their own position. This problem is not limited to external blame of competitors, it is also apparent in the internal (to the organisation) blame. Some managers have developed this into an art form. External blame can then be found for all the problems facing the individual.

“The Illusion of Taking Charge”

This is a result of an overactive proactive stance taken by some. This pro-activity is a response to not being seen to be reactive, it is sometimes however reactivity in disguise. The pro-activity is simply a more aggressive stance to fighting “the enemy out there” rather than finding a more systemic understanding of the problem and treatment of true causes.

“The Fixation on Events”

The fixation on short term and immediate events cloud the picture and distract us from seeing the long term patterns of change. This in turn limits our ability to understand the causes of the events. The primary problems in social systems are long term such as environmental degradation etc. “if we focus on events, the best we can ever do is learn to predict an event before it happens so that we can react optimally. But we cannot learn to create.” (Senge: Fifth Discipline 22)

“The Parable of the Boiled Frog”

This parable relates to a frog’s inability to respond to gradual temperature change as it is programmed to respond to radical changes only. This means that a frog if placed

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in a pot of cold water that is slowly brought to the boil will not respond to the threat and will die. We have to learn to see and understand the slow processes, that are often more of a serious threat, than the sudden changes, to our long term survival.

“The Delusion of Learning from Experience”

We learn best from experience, however many of the changes we make have a long life cycle and we seldom see or understand the consequences of these changes because of the time it takes for these results to become apparent.

Another component is that organisations have structured themselves into functional hierarchies so that the breadth of impact of decisions is limited. This results in the areas “stovepipes” becoming isolated from one another and meaningful analysis of complex and cross-functional problems becomes impossible.

“The Myth of the Management Team”

Management team’s disabilities result from the political fight for turf amongst members. These members spend their time avoiding anything that will make them look bad and maintaining the image of cohesiveness. This results in the squelching of disagreement and the foisting of one individual’s opinion on the group or watered down compromises reflecting what everyone can live with.

Complex issues that may become embarrassing are therefore avoided. The raising of difficult questions is not rewarded, so inquiry into these problems is not undertaken with any meaning. Argyris has termed the condition of teams full of people who are skilled at keeping themselves from learning “skilled incompetence”.

6.4.3 Others on the Evaluation of a Learning Organisation

In *Learning Organizations in Practice* (Pedler,1995:35) a diagnostic process for establishing the state of learning in the organisation is presented. This is a two dimensional approach where individuals in the organisations are asked to rate the organisation on the basis of;

- The general environment and how this supports learning and,
- the extent to which the work-force as a whole is confident, motivated and competent to learn.

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On scoring, the organisation will then be represented on two dimensions where the quadrants are defined as;

- A stagnated organisation
- A frustrated organisation
- A frustrating organisation
- A learning organisation.

With this understanding it is then possible to design appropriate interventions to the organisations problems. It is also possible to use this method to establish departmental positions as these may not reflect the organisations overall rating. Differing intervention strategies can then be used that are designed for specific situations.

The graph then is represented as:

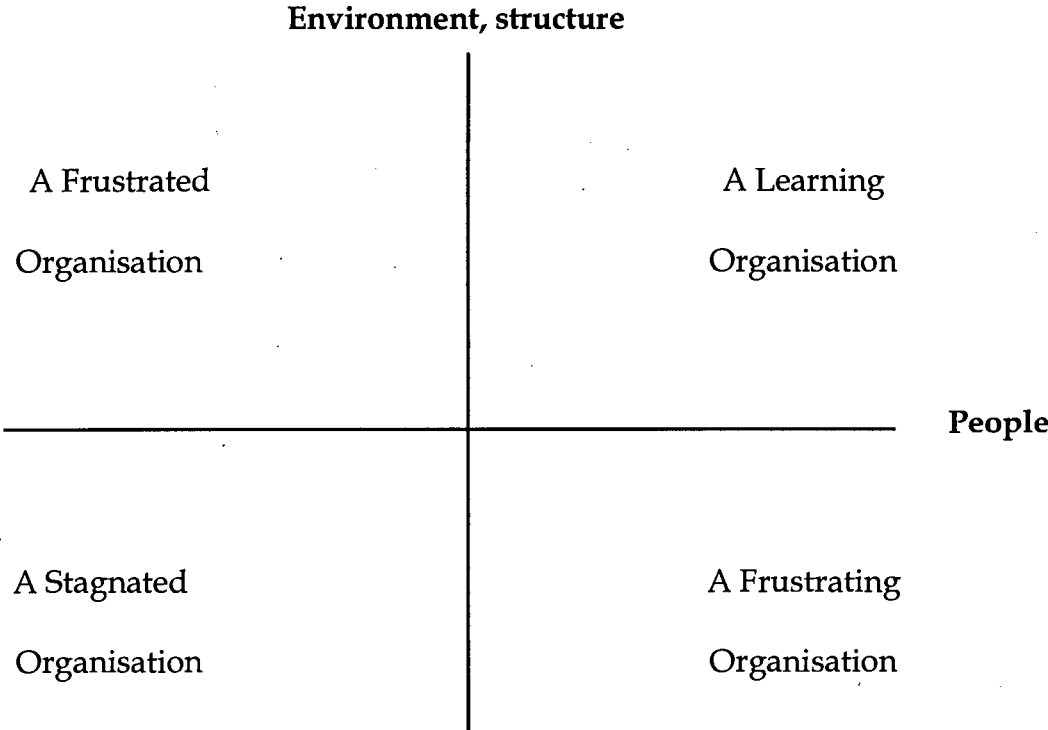


Figure 17 Learning Disability Graph

The objective would then be to move the scoring towards the top right hand quadrant. The success of interventions can then be measured.

The quadrants represent;

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A stagnated organisation which is one that relies on past experience to provide the solutions to problems. Management know best and issue instructions to a work-force that is not encouraged to learn. The structure inhibits learning.

A frustrated organisation which is one where the employees are fearful and lack the confidence to contribute. The organisation believes it is doing the right things but the designs have not catered for the affected in such a way as to encourage their participation.

A frustrating organisation is one where the employees are not recognised for their skill or ability to learn. The structure inhibits opportunity for self development. Little formal training takes place and there is a gulf between the managers and the managed.

A learning organisation is one which has in place a structure that encourages learning at all levels for individuals and groups. The organisation has a strong vision of its future and how it is adapting to meeting this future.

Analysis on this basis provides the insights as to the state of learning and also provides the direction the organisation needs to take so as to achieve the status of a learning organisation.

In the learning audit suggested by Pedlar, the organisation as a whole is rated, the individual departments are also rated, the individual respondents manager is rated and the HR/training function is rated. This rating can then be used to plot the status of the organisation on the graph. The rating then, in its own way, attempts to sweep in multiple perspectives to give a view of the situation.

6.4.4 Describing a Learning Problem: The Franchise Situation

Truworthis has been active in the arena of franchising for several years. The focus is on opening stores in other countries on a franchise basis. The franchisee would receive set-up help in the form of store design and fitting, training, merchandise planning and budgeting. The ongoing source of benefit would be the professional and world-class merchandising, planning, buying and distribution. These are Truworthis core competencies and that which makes us unique. With the re-absorption of South Africa into the global community it became possible for Truworthis to expand the effort to open new stores. This has resulted in us opening stores in sophisticated shopping markets such as Dubai and Bahrain.

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The manager directly responsible for franchise stores is a Director of Truworths with Information Systems and the Distribution centre as his other responsibilities. Franchise stores had therefore no dedicated management at Truworths. Stores were opened as a result of Woolworths franchisees seeking additional business opportunities rather than aggressive marketing on Truworths part.

With the opening of remote stores in sophisticated markets the flaws in the system became apparent. The lack of focused effort by Truworths on merchandise planning specific to franchises, led to a situation where the franchisees became frustrated with their own financial performance. This was due to bad merchandise mix for their particular circumstances.

The Woolworth's information system solution allows for the involvement of the store in merchandise planning. Fashion retailing however requires different strategies and core competencies. Fashion merchandising is more suited to centralised planning. The resulting situation was that the franchise holders after failing to overcome the lack of good merchandising on Truworths part started to become frustrated with the in-store information system that did not allow them to intervene. The focus shifted to finding a solution to the in-store computer system as it was seen to be frustrating appropriate merchandise planning.

At this time a Franchise Manager was appointed who would report to the Franchise Director. This individual was previously a Merchandise Manager within Truworths.

The Information System Department (ISD) was requested to investigate the situation surrounding the in-store system and its perceived inability to support the Franchise stores.

The *symptoms* of the problem were clear and the suggested solution for these was agreed by the Franchise manager and Director. Using system thinking methods namely Soft System methodology (Checkland,1990) it became apparent that the problem lay with the planning and merchandising and that these business issues should be addressed before any information system changes were made.

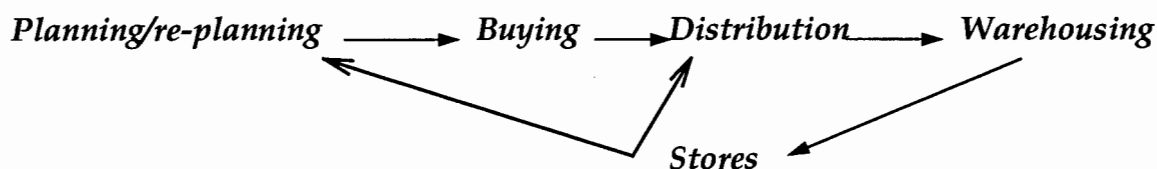
The franchise director and manager remained focused on the symptoms and to resolve this, ISD recommended a solution to introduce a PC Based solution. This would allow the franchise operators to involve themselves with the distribution and planning phases. This proposal was met with relief and enthusiasm by the franchise management.

The solutions covered several areas of intervention all with a common lack of systemic relief. This is the detail of one specific problem, how it developed, how it

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was perceived and the solution suggested as well as the true cause and an option for appropriate intervention.

Figure 18 The retail cycle



Data of stock and sales of the stores is fed into the distribution and planning information systems. A plan for a store is then drawn up that will cater for a correct mix of merchandise for the particular store. These plans are then aggregated and buyers use these plans to purchase for the group to obtain the benefit of bulk purchasing.

As soon as delivery has been effected to our single distribution centre they make final adjustments to the split per store. This adjustment is based on current sales performance and stock levels per store. The full delivery of garments is then delivered to all stores. This process takes place over a day as the distribution centre is not designed to hold stock. The specialists in distribution take into account the store's specific circumstances and trading conditions and can increase or decrease amounts sent to a particular store. This balances out between all stores so that all garments are distributed at the same time. The distribution list is then used by the warehouse to pack and seal the boxes to be delivered and these are then dispatched.

In the case of franchise stores and as a result of lack of focus by distribution and planning on franchise stores, the boxes for franchise stores are then placed in a holding area.

A fax is then sent to franchise stores that can consist of dozens of pages. The fax contains the number of garments to be sent and an incomplete description of the garment. The franchisee then marks the fax to indicate whether he wants the garments or not and sends this via fax to the warehouse. The warehouse then opens the boxes and removes garments that the franchisee has rejected. These garments are then put in boxes going to non-franchise stores at random by warehouse staff. This process was designed by the Franchise Director. This process can take up to a week as the faxes are sent several times as the received fax is not always clear. The distribution department is subsequently not aware that these garments have been

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despatched to these non-franchise stores. This degrades the quality of the information required for planning.

It is apparent from this that as the number of franchise stores increases, so the problems with the quantity of garments distributed this way may impact on the accuracy of distribution to all stores.

The Franchise Director wanted to speed up the process of faxing as the storage of the boxes is a problem. The suggested solution is for this to be done electronically via a PC. This would result in speeding up the process and increase our ability to monitor the process with information systems that would be built.

Even with this limited knowledge it can be seen that there are opportunities to improve the process. The electronic transmission of goods to be distributed could move to before distribution splitting as this is done to plan. The document could therefore be transmitted to the franchisee when delivery is expected and his response fed into the distribution system. Failure to respond could be deemed acceptance. This would remove all the packing and unpacking problems at the warehouse as well as the storage problems. This would also mean that un-accepted merchandise is appropriately distributed to other stores and that distribution has a record of this.

The above solution with a focus of local Truworths franchise management on the merchandise planning function will reduce the number of rejections in the future. Plans are however completed up to eighteen months before delivery so the inefficiencies would take time to work out of the planning and buying chain. Intervention by the franchisee in the intervening period would therefore be appropriate to improve his merchandise mix.

The Problem With The Proposed Solution

Truworths franchise stores should only exist if the Franchisee is getting benefit from Truworths's core competencies. These are our merchandising, our planning and our buying abilities. We set up a store in a way that it looks and feels like a Truworths store. We also provide some in-store procedures to manage the store. The ongoing benefit however comes from the franchisees access to the ability of our large merchandising teams who travel extensively and continually to keep abreast of the rapid changes that are part of the fashion industry. No small operator can compete with this expertise, nor would they be able to fund the process.

The problems arose because there was no focus on managing this process at Truworths. The situation arose that merchandise planning and distribution did

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not cater for these stores in a satisfactory way. The Franchisee became unhappy with the ability of Truworths to provide the right mix of merchandise for his particular circumstance. This resulted in the franchisee asking to participate in the process of selection of fashion merchandise to his store. No Truworths system could cater for this and so solutions would have to be designed and built. This resulted in the franchisee losing faith in the existing information systems as the system could not provide him with the ability to participate in the process.

The newly appointed franchise manager was asked to participate in an exercise to find the root causes of the problem using system thinking methods. At the beginning of the second full morning using Soft System Methodology the feedback was that the Information System Department was un-focused as the problems, 'symptoms', were well defined. Further investigation was not continued and the solutions for symptomatic relief were documented. This included for example the PC solution as described above, with electronic transmission of the fax from the distribution centre.

Systems built for Symptomatic Relief

This solution will build a human populated system that treats the ongoing symptoms rather than the causes. It is likely that these solutions will present other problems that will also require more and more symptomatic attention. (Senge,1990:61)

The Real Pathology

The proposed solution is the direct result of senior management's lack of systemic insight. In the existing organisational political climate individuals seek to be seen to be busy. Having many problems to deal with and having "successfully" resolved problems in the immediate past results in a sense of comfort in the participants.

The proliferation of human populated systems addressing the symptomatic relief of far removed causes will therefore continue. The system becomes self supporting as the system generates subsystems in its search for equilibrium.

The problem becomes a mess and becomes a future re-engineering issue if an appropriate solution is to be found that treats the true cause.

Systemically the system in this case will degenerate as the franchisee starts to play a role that Truworths merchandisers should be playing. The franchisee will not be able to complain about merchandise as he is party to the process, with no real power other than to accept, reject or change the numbers of stock items to be sent to his store. The Franchisee will not have the full benefit of our planning and

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distribution core competencies. These track current sales and conditions and respond with the knowledge of the whole chain's performance. He therefore is more likely to be less successful than he would have been, leading to less new franchises or a situation where only lower fees can be charged for new franchises.

6.4.5 Conclusions

Using the Senge framework to evaluate the franchise situation

The experience of the investigation into franchise problems results in an affirmative answer to the question "Does Truworths have a learning disorder?". This specific incidence is used as an argument, **however similar responses are seen in other investigations that are currently being held within Truworths that support these findings.**

The feedback that the investigating team was not being focused is explicit in the statement "Information Technicians should stick to building Information Systems". *You are your Position* - build a solution to the already identified problem. This problem has been identified by the franchisee who is a 'Franchise Store Manager'. Clearly no complete systemic insights will come out of this environment.

The search for internal blame is in this instance a problem, with the Franchise Manager blaming distribution, merchandising and information systems. No one would accept responsibility for any part of any problem. *The Enemy was definitely out there* for all of the participants.

The problem "symptoms" of the situation were quite clear and Franchise Management believed it was being proactive in solving them. The Franchise manager and the Franchise Director had *the Illusion of Taking Charge* and addressing the problem.

Every day there were events problems that needed to be dealt with, these were symptoms that needed a panacea. The Management became *fixated on these events* and failed to look beyond the event to find real causes and resolve them.

In the longer term the solution will lead to Franchisee's who do not have the benefit of our planning and distribution core competencies as stated. Leading to the franchisee being less successful than he could have been, leading to fewer new franchises or a situation where only lower fees can be charged for new franchises. This will be a slow and insidious process leading to ultimate decline and possible death. This is a classic example of *the boiled frog*.

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Truworths is structured as a functional hierarchy. This limits cross functional analysis. The directors enforcement of the concept 'you are your position' further compounds this problem. Learning from experience becomes impossible for fear of direct censure. The ultimate results of symptomatic relief systems being built will only become apparent after an elapse of enough time so that the participants *do not learn from experience (feeling good from symptomatic relief)*.

Finding and treating the cause requires co-operation and would have needed a high level of management effort. This course of action would have a higher risk of failure than treating the symptoms. The symptomatic treatment would however present an immediate short term reduction of the pain involved in the process. The short term reward is therefore apparent and guaranteed. The long term solution required risk taking and therefore possible embarrassment to the franchise manager and franchise director. This situation is one of *skilled incompetence* (Argyris,1990) (see page 62) as the choice is made between long and short term solutions for short term gratification rather than sustainable long term solutions. The managers learn to accept short term solutions and become skilled at avoiding searching for true causes. This is not a case of unconscious incompetence as that would suggest inconsistent performance.

These results cast doubt on the statement by our Human Resource Director "*we are beyond Senge*". The proactive introduction of Lappin into Truworths, without systemic understanding of the long term implications of the process on achieving the Wooltru vision, is indicative of the same learning problem. This will result in more serious group consequences. If Lappin succeeds in discrediting and replacing the Covey process within Truworths, the Wooltru System is unlikely to be able to achieve its chosen purpose.

6.5 CONCLUDING REMARKS

I do not believe that the Vision of the Wooltru CEO of the 'new community' can be achieved without creating a Learning Organisation. I therefore elaborate on why I have chosen the Learning Organisation as suggested by Senge.

The concepts of Personal Mastery and Shared Vision are directly affected by the Covey and Lappin processes and therefore it is necessary to show expected changes to them, and relate this to how it impacts on the system with regard to achieving the Wooltru Vision.

In these times of a rapidly changing environment it is imperative that we embrace and implement the vision of sustainable communities and organisations. To be able

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to do this you have to focus long term. To be able to focus long term you have to create the environment that encourages it. As Senge says in the Fifth Discipline *"People do not focus on the long term because they have to, but because they want to"* (Senge,1990:210). From an article by Fred Kofman and Peter Senge entitled 'Communities of commitment: the heart of learning organisations, they speak of gaining commitment to the larger vision an argument for the long term goal of the 'new community': *"the nature of the commitment required to build learning organisations goes beyond people's typical "commitment to their organisations." It encompasses commitment to changes needed in the larger world and to seeing our organisations as vehicles for bringing about such changes"* (Kofman & Senge,1993).

From the same article Kofman and Senge talk about the connection between the personal transformation that is required and how learning organisations seem to be the best place for this to take place: *"We are also discovering that moving forward is an exercise in personal commitment and community building. As Dr. W. Edwards Deming says, nothing happens without 'personal transformation.' And the only safe space to allow for this transformation is a learning community."* (Kofman & Senge,1993).

The core issues are, how do we change outmoded styles of problem solving and thinking, how do we break down the styles of inquiry? The suggestion is that a learning organisation provides the environment for these changes to take place and that for the all important system thinking to be introduced.

On Personal Mastery

The continued introduction and application of the Covey program is singularly the greatest influence on individuals in this area. Senge however suggests *"the most powerful actions that an organisation can take to foster personal mastery involve working to develop all five learning disciplines in concert"* (Senge,1990:173). This philosophy relates to the systemic interdependencies of the disciplines as suggested by Senge. The most fundamental change to the success of this program will be the removal of the confusion that currently surrounds Covey's place in the lives of individuals and corporate life. With the clarity that will be provided, new impetus can be derived from the Covey program. The Covey program will have to be modified so as to provide clarification to those who have been confused by the introduction of Lappin. The cynicism that has crept in to the Covey process needs to be eliminated. The re-enforcing of Covey's principles among individuals who have been exposed to both Lappin and Covey will need to be addressed.

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There are interdependencies among vision, values and purpose as well as between personal mastery and shared vision. It is not possible to inject a vision statement into an organisation and expect commitment. The connection between personal mastery and shared vision also supposes that without personal mastery shared vision can not develop. Senge supports Covey in this: *"this is why we say that personal mastery is the bedrock for developing shared vision - organisations that do not encourage personal mastery find it very difficult to foster sustained commitment to a lofty vision"* (Senge,1990:229).

On Shared Vision

The importance of having a bold and passionate vision in a learning organisation is clear in the statement: *"You cannot have a learning organisation without shared vision"* (Senge,1990:209). Bold visions are not an extenuation of the mission statement as Lippin would believe, they are the future dream that excites people. It is as a result of humans inherent desire to be connected, to be a part of a community, and to be striving for a better life and to feel connected to an important undertaking, that there are visions. (Senge,1990).

Vision as suggested by the Lippin group will not introduce any level of commitment. It is one group's vision that includes no hint of how this vision contributes towards the vision of Wooltru, the containing system. Senge has some thoughts on this as it is not an uncommon problem:

"When you look carefully you find that most 'visions' are one person's (or one group's) vision imposed on an organisation. Such visions at best command compliance - not commitment. A shared vision is a vision that many people are truly committed to, because it reflects their own personal values" (Senge,1990:206).

The proposed five discipline approach will hopefully lead to a shared sense of purpose with systemic understanding. The results should be a connection between the individuals and the organisation they form, it becomes their company. (Senge,1990).

The development of the individual and subsequent development of mature personal visions and values, will enhance the sense of community and the commitment of the individual to the community. Personal development also allows and encourages participation in the choice of purpose or the vision.

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The secretiveness of Lappin suggests that his process will work against encouraging shared vision. Open and honest display of personal vision are more likely to contribute towards shared vision.

The Lappin process requires compliance with a largely extrinsically defined purpose that contains no lofty vision. The organisation therefore must come to recognise that by using this process you can only get enforced compliance. The measure of individual's contribution is possible, and therefore this system will appear to be successful. (Senge,1990:220).

Even though as Senge suggests "*An organisation made up of genuinely compliant people would be light years ahead of most organisations*" (Senge,1990:221) he also describes the committed person as able to achieve the remarkable rather than just the expected (Senge,1990). This argument suggests that Lappin may in fact produce benefits for Truworths but that his process will produce a rigid compliance with the rules, reducing flexibility and responsiveness.

The lack of commitment, and the insistence in compliance that is a part of a Lappin defined system, creates a situation where the work is being done, but nothing new will come out of the system other than as directed. (Senge,1990). Humans however have a deep desire to be committed, to play a part. Compliance therefore is not a natural state and has to be enforced. The Lappin process has clear insiders and outsiders and this prohibits any real sense of shared vision ever developing.

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The system diagram below shows the cycle that is introduced with an increase in personal mastery and subsequent shared vision. The results of each sequential step and their influence on the next step may not be closely connected in time. The results of the Covey influence is not apparent in the short term. The results of the Lappin influence can be short term and so it is easier to see them. Without a systemic understanding you could come to the conclusion that the Lappin process is effective, while the lack of apparent Covey results suggest that the Covey process is not. The introduction of system thinking as suggested by Senge and this thesis, is key to this understanding.

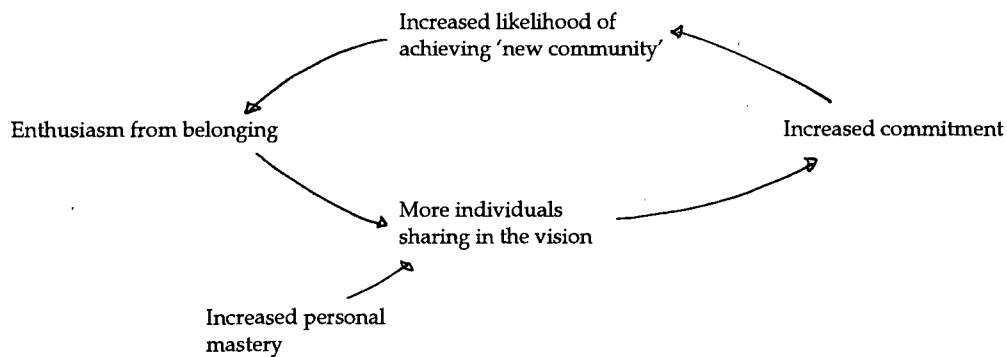


Figure 19 System Dynamic Model (Increasing commitment)

Chapter 7 The Suggested Intervention

7.1 OVERVIEW OF THE SITUATION

The current process has led to confusion and conflict. The confusion is apparent on all levels within the organisation. The destruction of the influence of Covey will continue unless change takes place. The lack of systemic insight will continue to influence decisions to be made, which result in short term relief, or symptomatic relief, but which does not resolve true causes. These slow processes and resulting loss of effectiveness, will eventually result in the organisation facing an increasing burden to respond to day to day problems, and corresponding decrease in its ability to implement long term solutions. The benefit from the effects of the implementation of the Covey process will be lost. The cynicism that is apparent from interviewed respondents, indicates that there is a tendency by senior managers to discredit the concepts propounded by Covey. This I believe is the result of a lack of a base plan that allows Covey and Lappin to co-exist. There is a general lack of understanding of the systemic implications of the introduction of the Lappin process.

I make no assumption that the social system design is like this as a result of ignorance on the part of the designers, nor that their statements as to the emancipatory nature of their designs are reflected in the actual design. It is clear from investigation that a considerable amount of coercion takes place and for this reason a measure of protection against this must be built in. Ulrich's critical methods will expose these and identify where explicitly emancipatory methodologies should be used. (Flood & Jackson, 1991)

The Covey program is now being implemented by trainers that privately admit that they believe it is a life skills program that has little place in the Truworths corporate environment. The Covey process has therefore lost most of its potency to influence corporate change.

7.2 THE SUGGESTED SOLUTION

I believe that the use of Senge's Five Discipline approach to Organisational Learning will resolve the issues of confusion and provide a framework for the implementation of the move to an organisation that can achieve the Wooltru Vision. The use of this model should result in the introduction of processes to manage Mental Models, Team Learning and System Thinking. These areas of concern are not addressed at present. The model depicted below shows where

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Lappin and Covey could play roles within the model as defined by Senge’s five discipline’s. Although the investigation has shown that there is no cohesion at present, I do believe this could be resolved if there is an understanding of the roles they could play within Senge’s framework. This division of roles would contribute not just to achieving the Moral Theory but also set us on the journey to the ‘New Community’ as defined by Wooltru.

Personal Mastery	Mental Models	Shared Vision	Team Learning	System Thinking
Stephen Covey		David Lappin		

A diagrammatic representation of this in response to the Vision of Wooltru, *The New Community*, could then be:

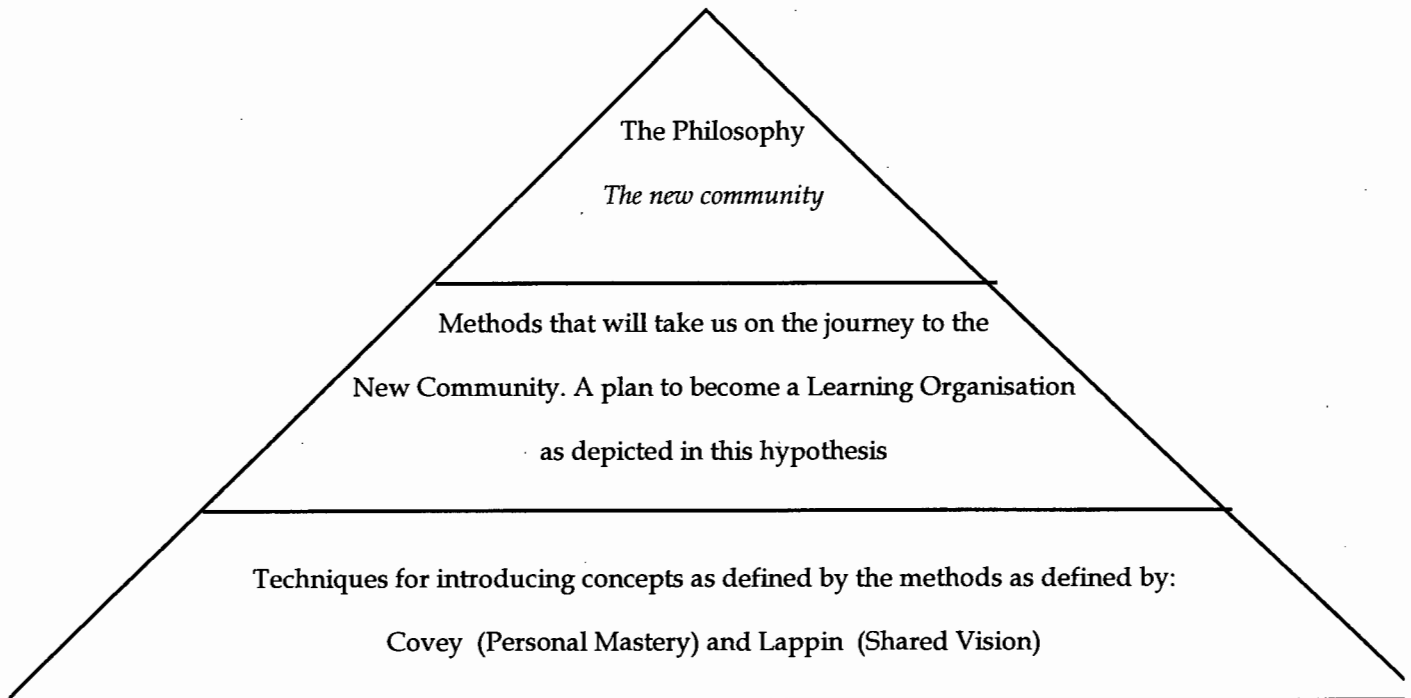


Figure 20 the New Community Triangle

It will be evident to system thinkers here that the concept of recursion is apparent in this plan. The diagram on page 62 showing the introduction of the Lappin Moral Theory, could be represented in this diagram, only one recursion down, i.e. The apex of the diagram on page 62 would overlap the base of this diagram. This

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understanding will help to explain the influence each component can have in helping defining roles and responsibilities. Once there is a level of systemic understanding, then the conflict will be resolved, as each part understands its role.

The debate, as facilitated by Lappin, has led to the establishment of a view of the purpose of Truworths. The system of Truworths can then be described. The sub-systems of Truworths can then establish their responsibilities and purpose. System thinking can help in this process. Workshops should therefore be held to explain the concept of systems. These workshops should introduce a level of understanding of systems that enables the participants to use the theory in their own plans.

It is imperative for the long term success in achieving the Wooltru Vision that the conflict and confusion created by Lappin is resolved.

7.3 THE CORPORATE GOVERNANCE

As a part of the intervention I present an argument for a Corporate Governance that contains elements of Vision, Values and Mission. The Corporate Governance is shown as it is perceived to exist at the present as well as a view of what it would look like if it was built with a systemic understanding.

What must not be ignored is that in the current situation there is only one purpose as defined by the moral theory, to the exclusion of any loftier vision. Charles Handy provides support for a 'Twin citizenship' or loyalty to the company and the federation. (Dixon,1994:132)

The systemic approach as described in the Fifth Discipline will lead to the definition of something broader than just a mission statement. This collection of interrelated components are collectively termed the corporate governance. It must therefore be understood that shared vision is only part of the process. The current corporate governance and the expected future governance is described below. Senge however also mentions an expectation of cynicism that would result from a process that does not engender shared vision, and this is proved by the cynicism that is now apparent with individuals within Truworths. *"Building shared vision is actually, only one piece of a larger activity: developing the 'governing ideas' for the enterprise, its vision, purpose or mission, and core values. A vision not consistent with values that people live by day by day will not only fail to inspire genuine enthusiasm, it will often foster outright cynicism"* (Senge,1990:223).

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The description of the terminology used in the corporate governance is:

“Vision is the ‘What’ the picture of the future we seek to create.

Purpose or ‘Mission’ is the ‘Why?’. The Answer to the question ‘Why do we exist’.

Core Values answer the question ‘How do we want to act, consistent with our mission, along the path to achieving our vision’” (Senge,1990:224).

System thinking will create the understanding of recursion. This in turn allows the understanding of how Truworths has a responsibility to its containing system Wooltru to achieving the Wooltru Vision and purpose. Although Colin Hall displays a systemic understanding by allowing the parts of the system to exercise their choice of purpose, the contained system has to show systemic insight into its responsibilities. This understanding is not apparent. There is no member of the management committee or member of training and human resources who has demonstrated an understanding of system thinking. This lack of ability allows Truworths to focus inward only for choice of purpose, with little concern for a loftier vision other than fashion retail.

THE CURRENT CORPORATE GOVERNANCE

Truworths

Wooltru

Values
(How do we want to act)

Obedience to the Moral Theory

Covey's Seven Habits

Vision
(What do we want our future to be)

To measure up to the statement of the Moral Theory

'The New Community'

"We explore to stretch our understanding of the potential which we could realise if we strive for order as a mode of organisational life, rather more than control. And we stretch, too, to thinking about our responsibility for a healthy and vibrant system of which we form a part, rather than an organisation which we own or manage. We truly seek to make ours a leading-organisation, stimulated rather than threatened by the rapid change we predict, and much safer from the threat of obsolescence or hubris than it has ever been. We are excited by the dream of an enterprise in which performance improves exponentially because we have enabled the remarkably diverse human talent and energy to flow and then led it towards really challenging goals. This initiative, which is being carried forward in all the divisions, each in its own way, will become our most valuable strategic advantage into the future."

Mission
(Why do we exist)

'The Moral Theory'

The youthful, fashionable South African wants to look attractive and successful and feel enthused with confidence. To this end, Truworths entices her into the most exciting and visually appealing store environment with an innovative and adventurous blend of colour, fabric, value and fashion styling of international standard.

"Wooltru aspires to be an African "commonwealth" of diverse, focused, interdependent trading enterprises, striving towards global effectiveness through leadership which:

1. shares and upholds a common set of admirable principles
2. reads the future environment accurately and well in advance
3. respects traditional shop keeping and trading excellence
4. embraces modern technology
5. is driven to produce substantial free cash flow
6. regards information as a key resource and uses it effectively
7. above all, seeks to create an environment in which high levels of positive energy and substantial wealth are generated and shared in unique, synergistic relationships with stakeholders most of whom will be women."

THE FUTURE CORPORATE GOVERNANCE

Truworths

Wooltru

Values (How do we want to act)	Covey's Seven Habits To display a systemic understanding of our responsibility to the Vision of our containing system. To engender a commitment to the Vision and purpose of Truworths by the parts of Truworths, and a commitment to the vision and purpose of Wooltru by the Parts of Wooltru.	Covey's Seven Habits
Vision (What do we want our future to be)	To be a part of the New Community while achieving our mission as described by the Moral Theory. To be a Learning organisation that contributes to the definition of the New Community.	'The New Community'
Mission (Why do we exist)	'The Moral Theory'	The Wooltru statement of Mission

It is possible to see the alignment of vision and values from these two tables that can be gained by the process suggested.

Chapter 8 Evaluation of the Suggested Intervention

8.1 THE ARGUMENT FOR CHANGE

People for Learning

The downfall of using the Moral Theory, as the only driving force behind business plans. Without a systemic understanding of the recursive implications of the plan, are, as an example:

If Human Resources put forward a plan based on this philosophy then only the moral theory will influence the choice of new staff. This means that an individual who shows obedience and compliance with the concepts of the Moral Theory will be selected.

The individual who shows commitment to the purpose of Truworths, and to the Vision and Values, will not be excluded, but their inclusion will be with luck, not intelligent selection. This process will actively work against the implementation of a plan to move toward the New Community, and therefore against the vision of Truworths's containing system.

The Lappin process can however be configured and confined to ensuring that Truworths has a shared sense of purpose, and that the vision for the future is dominated by a focus on what we do and what we want to do better. As a coercive environment now exists control over the Lappin process must be excised to ensure that he plays a defined role, without seeking to discredit the other parts of the system.

Lappin has influenced thinking within Truworths towards the strict employer and employee relationships. An example of this is the results of the Made in the World project (see page 62) and its influence on staff behaviour. The policies and behaviour expected were defined by central committee. The staff were informed of what was expected of them and also informed that they could expect censure if they failed to comply. They are seen as the means to get a job (that has been defined) done. Transactional arrangements are contrary to the Learning Organisations requirements and must be countered. Covey on the other hand has a far more appropriate stance to achieving the Learning Organisation in what he calls transformational rather than transactional relationships, in Covey's words: *"Independent achievement. ... Other people are essentially seen as resources through which you get more done faster - or as obstacles or interruptions. Relationships are essentially transactional. But the reality is that most of the greatest achievements and the greatest joys in life come from relationships that are transformational. In that the very nature of the interaction the people are altered. They are*

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transformed. Something new is created and neither person is controlling it. It isn't a function of efficiency. It's a function of the exchange of understanding insights, new learning's, and excitement around those new learning's. To access the transformational power of interdependent synergy is the ultimate 'moving the fulcrum' in terms of time and quality-of-life results" (Covey,1994:26).

Covey in his first description of the Characteristics of Principled Centred People suggests *"They are more flexible and spontaneous. They're not chained to plans and schedules. Schedules are important, but not all -important. Principled-centred people see life as an adventure. They're like explorers going on an expedition into uncharted territory - they're not really sure what's going to happen, but they are confident it will be exciting and growth producing, and that they will discover new territory and make new contributions. Their security is not in their comfort zone, but in their compass" (Covey,1994:291)* These are the kind of people we can expect to develop from the Covey process. The introduction of Lappin's policies will not produce this type of person, on the contrary they will inhibit the development of these traits in individuals.

Compliance and Commitment

The quest for the commitment of the individuals who make up the organisation to the vision and mission of the organisation contains a lack of systemic insight. Even though the efforts of both Covey and Lappin are designed to encourage commitment they are not having the desired affect, a situation described by Covey:

"the top executives are absolutely surprised , chagrined, embarrassed. They can not believe the different descriptions that are being given as to purpose and vision. This sometimes happens even when there is a mission statement hanging on the wall - a statement that came down through the organisation from the executive offices. There's no sense of shared vision. There's no passion, no deep burning "YES!" in the organisation. And at what cost?" (Covey,1994:216).

The directorate of Truworths will continue to be amazed at the lack of passion. They will continue to be amazed that the money they are spending on the Lappin and the Covey processes yield less and less commitment.

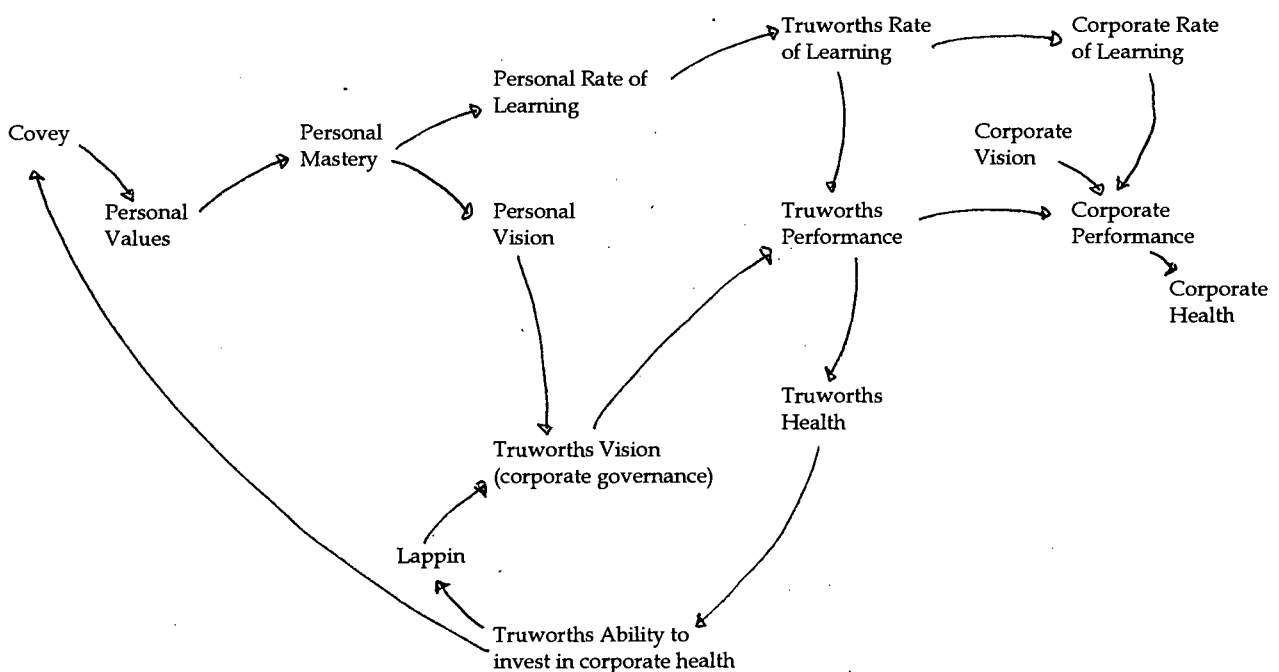
Systems Thinking

System thinking would assist the directorate in developing a plan for the development of a culture of commitment. To understand complex issues or multiple perspectives, investigators need system tools so that they are not overwhelmed by complexity. The attempt to simplify complex problems into singular solutions will continue until system thinkers populate the directorate and then all levels of the organisation. The complexity and interconnectedness of corporate systems needs to be recognised before plans can be established to manage them. Systems thinking provides the methods required for dealing with complexity without having to resort to bureaucratic methods.

8.2 SYSTEMS MODEL TO SHOW FUTURE DYNAMICS

The use of system models to show the influences that are not apparent using other methods can be helpful in predicting future implications of interventions. The model below shows the implication of using the influence of Covey and Lappin but within the framework of Senge’s five discipline approach. It is easy to argue for more, or less, complex models. However the use of these models, by system thinkers, to debate and question their suggested interventions with regard to the long term implications is their strength. The model shows how virtuous cycles are established, for example as between Personal values, personal mastery, personal vision, Truworths vision, Truworths performance, Truworths health and its ability to invest in the Covey program which feeds personal values in a re-enforcing loop.

Figure 21 System Dynamic Model (Corporate Health)



8.3 WHAT THE INTRODUCTION OF THE SUGGESTED MODEL WILL CHANGE

The long term resulting reward, should be a deep commitment by the people who make up the organisation to its aims and principles. I believe that it can help remove the conflict between Lappin and Covey and introduce a systemic approach to organisational effectiveness.

The introduction of the Senge formula allows for the clear identification of roles for the Covey, and the Lappin processes with a systemic insight as to the influence that the one will have on the other. It also provides a framework whereby Lappin can make a contribution, without feeling that he is competing with Covey or Senge. This will diminish the need for Lappin and his supporters to attempt to discredit Covey and Senge. The explanation of the contribution that Lappin can make, within this framework, to Lappin and his supporters, would be the first step in reducing the damage done to other parts of the system.

8.3.1 APPLYING ULRICH'S CRITICAL QUESTIONS TO THE EXPECTED RESULTING SOCIAL SYSTEM

Truworths as a System as defined by Senge

This reflects the system firstly as it 'Ought' to be with this design where areas of concern exist as to how it 'Is'. These areas of concern will need to be addressed in any implementation plan. What 'Is', is reflected in the application of these questions as they apply to the system as seen by Lappin or Covey and covered in Chapter 5.

The Critical Evaluation

Figure 22 A Venn Diagram of the Involved and the Affected (Solution/Senge)

Senge



Appraisal:

of Motivation of the client.

What ought to be the purpose?

Part of our immediate purpose is to 'do what we do' as defined by the Moral Theory of Lappin. The system ought to have a higher purpose as described by the purpose of Wooltru 'the development towards the New Community'. Both Covey and Lappin will therefore contribute to us achieving our purpose. The choice of purpose will not be purely extrinsic as the affected will be able to choose the end result of how the 'New Community' is developed and designed.

Who ought to be the client?

Many; the people we serve, in one instance by 'what we do' and in another, the people who make up the 'new community'.

What ought to be the measure of success?

Some form of inclusive measure that contains Return On Investment, increased shareholder wealth, individual development, contribution to emancipatory and democratic social systems designs etc.

of Expertise of the planner.

Who ought to be involved as a planner?

The planner must have checks to ensure that the powerful do not use the process for their own ends. There needs to be deliberate intervention to ensure that the process is open to question by all affected. The planner should be chosen in such a way that the process is accountable and transparent to all affected.

Who ought to be involved as an expert?

Expert knowledge must be used in such a way that systemic understanding is always paramount. Open debate as to the value and role of experts must be encouraged. Experts must understand that they are in the service of all the affected not just the guarantors of their paycheques. This does not preclude Lappin or anyone else from playing an expert role. Internal experts as well as external experts can be used. The affected must however not be intellectually mugged by the experts. The affected must be encouraged to learn, - to understand the issues and the processes, so that they may debate

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the areas of concern. This will then enable the affected to emancipate themselves from reliance on the experts.

What are/ought the sources of guarantee that the designs will work be?

The guarantee must include intrinsic motivation. This is achieved by the participation of the affected and the involved in purpose definition. This leads to the commitment of the affected to the purpose and goals. This open debate and the inclusion of all the affected, also leads to the participation in the system design, and therefore implies ownership and commitment by them.

of Legitimation by the witnesses.

Who among the involved does/ought to represent the affected?

As the current process is deliberately coercive and dictatorial with hidden, secretive agendas, explicit plans to involve the affected must be put in place. Only the affected can choose who will represent them. Clearly all may not be able to participate at every level. This does not mean that the affected cannot contribute by choosing trusted members to represent themselves.

Are/ought the affected allowed to emancipate themselves from the experts?

As stated above this will not be automatic. Plans to ensure that the learning takes place, or is facilitated, so that the affected can emancipate themselves must be instituted.

What world-view ought to underlie the design?

The worldview that agrees that largely democratic, learning organisations in which the members commit to a self-generated and lofty purpose will deliver better results than a dictatorship (with enforced albeit synergistic compliance to an externally motivated purpose).

of Control by the decision maker.

Who ought to be the decision maker?

The decision maker must reflect a genuine desire to improve the human condition. This could be a body of individuals. The process must however be open to debate by the affected. The process must ensure that decision makers are not able to usurp power that does not rightfully belong to them. The concept that a social or organisational system can 'belong' to a member of the system is fallacious. Decision makers must have the openness to show that they have the concerns of all the affected at heart.

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What ought to be considered as the environment?

Truworths must be seen to be a part of Wooltru and the international community. The environment must be seen as the increasingly democratic and emancipated social systems in which Wooltru operates. This is especially true in the light of international expansion where the environment will be seen as further down the road of emancipation and democratisation.

What are/ought to be the limits of control of the planner?

In a learning organisation the planner's control will be limited as a result of his responsibility and accountability to the affected, as well as by the nature of the organisation where honest and open debate is encouraged.

System Views - Mechanistic, Organismic or Social Systemic/Organisational

The suggested solution should result in an Organisational system structure with strong understanding of roles and responsibilities amongst the parts.

View from the Three levels of Systems Practice

The model provides for interventions on all levels of system practice. It also provides for an understanding of how the levels interact to enable the organisation to do what we do, to learn how to do what we do better, and to learn how to get better at getting better, so that we can adapt, survive and develop.

8.4 CONCLUSION

Is the Program Culturally Feasible?

No part of the investigation suggests that within Truworths there is any commitment to a vision of 'The New Community' and all that this implies. All indications are that the Lappin process is a well thought out design of the social system.

A clear idea of who the owner, or owners, of the system are, is needed. This will show who has the political power without which it will be impossible to introduce the sweeping changes that are required for this program. This will establish whether the promise of the Wooltru vision, and Covey program, have any place within Truworths. If the true owners of the system are the Lappin group, and more importantly if this group seek compliance and obedience to the moral theory as

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stated, and this policy has been developed deliberately, and with a systemic understanding, then this suggested plan is not culturally feasible or politically possible.

Looking at the last ten years data, it is interesting to note that for the first five years of this time frame that there was growth in stores and turnover with a small amount of surplus cash generated. In other words the business was using its generated cash to expand and grow. With the appointment of the new Managing Director (M. Mark) the situation changed. The cash generated by the business increased and the growth in the number of stores ceased, with a corresponding reduction in the percentage invested into capital expense items. This scenario, of a mature business, with lack of potential for store growth indicates an opportunity to introduce caretaker management with cash extraction. A view may be that the caretaker staff need not be innovative and committed, rather they should be compliant executors of instructions. Control then becomes the issue. Control of costs, control of experimentation and innovation so as to reduce risks, and control over unrealistic growth and personal career expectations.

If the proponents of the Lappin process have a genuine commitment to the Vision of Wooltru and the Covey program, then, with the introduction of a systemic understanding of the flaws in the current process as described in this paper, the program is culturally feasible.

Immediate Future Predictions

With the expansion of Truworths and the listing of Truworths International (Third quarter 1997) and the potential for individuals to entrench and further their own personal power, I would expect the two main Lappin proponents (the Human Resources Director and the Managing Director) to extend their existing power. This expectation, if met will present a clear indication of the real, and secret intentions of the powerful, rather than their espoused theories for organisational design and development.

Syntax, Semantics and Semiotics

During the investigation it became clear that care must be taken with the use of language. Only with the understanding from multiple perspectives of the semantic and semiotic meaning in communications can we hope to facilitate meaningful

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debate. The involved and affected need to develop common understanding of the language used in communication before any kind of debate can be entered into.

Truworths have 2500 permanent employees speaking eleven languages. As stated in Flood & Jackson below, the language used can exclude many of the affected, and that to enable appropriate critical reflection and transparency this issue must be addressed.

"We need to build in a facility whereby practical judgements can be constantly reflected upon in transparent non-expert terms, and their partiality revealed by everyday accounts of the nature of social experience in ordinary language. Only in this way can we conceive of a theory that might be translatable into practice so that those involved and those affected can share in the heuristic and critical approach to design and decision making." (Flood & Jackson,1991:201)

The academic argument and its language can be important to facilitate discussion and debate. What seems to be missing, for me personally from the statements of purpose, is a statement I can relate to. The questions of whether the statements have a semiotic meaning that is universally understood must be answered. Questions such as: Who in an organisation can honestly enter a debate to develop a "Moral Theory"? and, Why has there been a choice of language that excludes most people from meaningful participation? need to be answered.

Critical evaluation of the language used must be considered to eliminate the opportunities that exist for intellectual intimidation of the affected by the experts.

Part 4 Reflections

Chapter 9 Reflection

9.1 REFLECTIONS ON THE ARGUMENT FOR THE USE OF THE MODEL

I suggested a learning model based on the scientific method with system thinking methods incorporated. The base of the scientific method has proven to be of real value in the investigation of the case as documented. I did find that it was comfortable to follow the method. I do however concede that in general practice the steps of practical test and reflection are seldom carried out. Management generally responds to a problem by investigation, solution suggestion and evaluation and then implementation. The extensive and deliberate intellectual test of the suggested solution forced me to expand my understanding and ability to predict results.

The incorporation of systems methods forced a rigor that I have seldom encountered in management research.

The use of the model forced me to include multiple perspectives and critically question motives in such a way that hidden agendas were exposed. The process has allowed me to present a far more comprehensive argument for change than would be available from any other source. It is in fact hard to imagine how it would be possible to build similar understanding of the situation using other non-systemic means.

As a researcher I attempted to follow these statements of what should be done. The ideas were developed inductively, focusing on meanings and using system thinking to look at the totality of each situation. Multiple methods were used.

To test the use of the suggested framework on the questions of reliability, validity and generalisability from the phenomenological viewpoint the following questions can be posed.

Validity	Has the researcher gained full access to the knowledge and meanings of informants?
Reliability	Will similar observations be made by different researchers on different occasions?
Generalisability	How likely is it that the theories generated in one setting will also apply in other settings?

PART 4 REFLECTION

(Smith, Thorpe and Lowe,1991:41)

I believe that even though I, as the researcher, am a senior manager who has been with the organisation for eight years, thereby allowing me extensive exposure to the processes covered in the study, the framework provided methods that extracted meaning in a way that could have been achieved by anyone using the model. It is likely that similar observations or results would be achieved by different researchers as the methods force critical questioning, thereby exposing hidden meanings. The problem that was studied was not unique and the theories generated should be relevant in other situations.

Peircian Philosophy

As shown above in the analysis of the model, Pierce provides a philosophical framework that is appropriate for the evaluation of the intervention suggested in the context of this work. The philosophy supports investigation into systemic solutions. The fear would be that the philosophy guiding research enforced a mechanistic frame. This would clearly have been inappropriate. Peircean philosophy however does no such thing, thereby allowing for the evaluation of systemic problems and their required systemic interventions.

Peirce's views allowed for an understanding of how they involved fixed belief. The a priori method of Lappin was the most blatant.

I believe that striving for a 'thirdness' of understanding (page 17) is what we try for, and that this knowledge is of benefit to the management practitioner.

Understanding the limitations of our knowledge, and the methods we use to fix belief, helped with understanding the differing perspectives of the involved.

Systems Thinking

The use of systems thinking and its tools have stretched my understanding of the situation way beyond the level of understanding I could otherwise have achieved. The enhanced conceptual understanding enabled me to continue searching ever deeper into the problem from multiple perspectives. The understanding that our 'maps' of our reality are always incomplete and that all we can hope for is partial knowledge, provided the stimulation for me to continue to build comprehensiveness into my models, while understanding their limitations. At

PART 4 REFLECTION

times the revelations were striking in this process as the actual situations unfolded showing how they were in direct conflict with what was expected. The use of systems tools to investigate and explain situations enhanced the quality of communication by providing models such as Soft Systems Methodology to provide a common language.

Ulrich's Critical Systems Heuristics

I found that an understanding of Ulrich's argument remarkably enriched my capacity to inquire. The three critical standards forced me to question the moral obligation I have for my designs. This also provided me with the framework for furthering my understanding of boundary judgements and how important the knowledge of how I define the system is to my understanding.

The revelation, that I am often involved, not in problem solving, but in social system design, with all of the implications of this opened my mind to all sorts of new possibilities and responsibilities.

9.2 REFLECTIONS ON THE CONTEXT AGAINST WHICH THE MODEL WAS APPLIED

Why the cycle is incomplete

Intervention of this level can only be initiated by the senior management of the organisation. This learning will be used to initiate debate with the CEO of Wooltru. The suggestion will be to develop and implement a practical test. This would be in the form of introducing Senge's framework, with guidelines as to how Lippin and Covey fit into the model, to a small sample group. Testing the level of understanding, prior to, and then subsequent to, the test will allow the development of a plan for intervention.

On Contextual Importance

During the closing of this thesis Truworthis decided to list on the Johannesburg Stock Exchange. The purpose is to raise money for international expansion. The sudden shift from caretaker management with a mature business, to an international player

PART 4 REFLECTION

in a global and dynamic retail environment, may pose the biggest challenge to the organisation and its future success.

As the design of the social system at Wooltru will affect the lives of 26,000 employees directly, it is my hope that this work will lead to a starting point for debate amongst the powerful. I believe that there is a group who have a genuine commitment to improvement of the human condition, and that they will be stimulated by the argument presented, to search for and implement solutions.

The results

The process enabled me to uncover hidden meaning and develop a deeper understanding into a complex issue. Critical appraisal of the suggested solution shows that with all its warts the Senge framework would prove helpful in this particular context.

9.3 PERSONAL DEVELOPMENT AND GROWTH

This thesis has forced me to reflect on my methods and my perceptions. I believe that I now have a fundamental framework for inquiry.

I understand that my knowledge and my methods will always be incomplete. All I can hope is to understand more fully how I know what I know.

For me this is not the end, rather this is a new and more exciting place from which to begin.

APPENDIX

APPENDIX 1

THE MORAL THEORY EXPLAINED

This statement has been accepted by Truworths and will be used as the philosophy to drive many corrective processes in the organisation. There is a move to change the name from Moral Theory to Moral Purpose.

The *youthful, fashionable South African* wants to look *attractive* and *successful* and feel *enthused with confidence*. To this end, Truworths *entices* her into the *most exciting and visually appealing* store environment with an *innovative and adventurous blend of colour, fabric, value and fashion styling of international standard*.

The following implications were generated for each of the key terms in the Moral Theory.

YOUTHFUL

The following are the strategic implications of youthful:

- Youthful implies an attitude, a frame of mind not an age
- This will impact on
 - Training
 - Management style
 - The type of staff recruited
 - More focused product
- Credit systems need to encourage young people to open accounts
- Location of stores
- Music in stores needs to have youthful appeal
- In store and head office decor need to reflect a youthful attitude
- Association with external events
- Ensure profile of customer youthful
- Dress code should be aligned with the youthful attitude

SOUTH AFRICAN

The following are strategic implications of South African:

- Representative of South African target market
- Merchandise should fit the South African context and climate
- Develop own organisational ethic
- Market research: Need to understand the South African market
- All policies need to be tested against the Lappin Model
- Take cognisance of cultural diversity in promotion, advertising and merchandise mix.
- Locations need to be reviewed
- Language sensitivity
- Formulate a response to the RDP.

APPENDIX 2

SOFT SYSTEM METHODOLOGY

The stages of Soft Systems Methodology

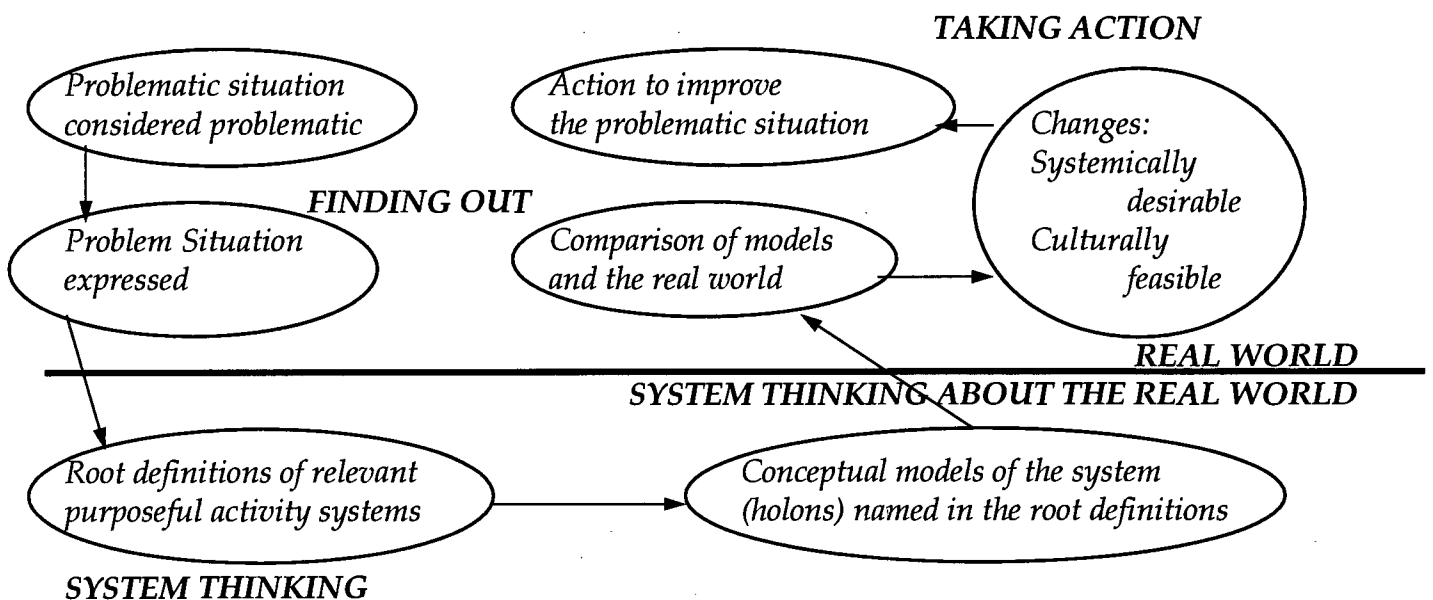
A full root definition would be “a system to do x by y in order to achieve z”.

SSM consists of seven stages, but it must be noted that in practical application it would not be essential to follow all the stages. It relies on individual experience to find out about a problem situation. Supplementing this, is the explicit use of systems thinking, starting by naming some system of purposeful activities which are relevant to exploration of the problem situation.

Activity models are built of a number of named relevant systems. The models are brought into the everyday world and compared with actions going on out there. This modelling process is to provide the structure for a debate about possible changes. Leading from this debate would be possible implementation changes which must be both systems desirable and culturally feasible.

The Soft Systems Methodology Cycle

The Seven Stages of Soft System Methodology



This diagram although helpful conveys the image that SSM is a seven stage process to be followed in sequence. SSM does not necessarily impose a sequence in which it should be applied. The analyst may start with any activity, progress in any direction and use significant iteration at any stage. The line between the real world and system

APPENDIX

thinking about the real world defines the boundary between the use of every day language and system language.

Stage 1 and 2 Finding Out

Finding out is carried out through three related analyses. Analysis one - takes the intervention in the situation as its subject matter and identifies the occupants of the roles. Analysis two - looks at the problem as a social system. It determines what roles are significant, what behaviour is expected and by what values performance in roles are deemed to be good or bad. Analysis three - examines the situation politically by asking questions about the disposition of power.

Stage two is essentially the process of labelling the various perspectives of relevant systems by gathering this information through interviews.

Stage 3 Formulating Root Definitions

This stage is concerned with writing down the names of some system responsible for carrying out the purposeful activity. This system must be relevant to finding a means of improving the current situation. A couple of scenarios are normally sketched out and the inquirer uses learning methods of determining the most effective possibilities. Root definitions should be constructed by consciously considering the CATWOE as detailed below. The main focus of a Root Definition is the transformation which the system is hoping to achieve by changing some defined input into some defined output.

Formulation of Root Definitions using the CATWOE

C - CUSTOMER	Who is the victim / beneficiary of the activity ?
A - ACTOR	Who would do the activities ?
T - TRANSFORMATION	What is the activity expressed as ?
W - WORLD VIEW	What world view makes the definition meaningful?
O - OWNERS	Who can stop this activity ?
E - ENVIRONMENT	What constraints does the system take as given ?

Using the CATWOE a coherent formulation of some Root Definition is constructed and used to build up models for testing the situation in the real world.

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Stage 4 Building Conceptual Models

This model-building process consists of describing the activities which are essential to the system named in the root definition and structuring them according to logical dependencies.

The final model is that of a system which could adapt and survive via a process of communication and control, in a changing environment. An operational monitoring and control sub-system would be essential to examine the operations, and take control action, to change or improve them. Having defined the transformation process, we need to ask what serves as the measure for effectiveness, efficacy and efficiency.

In developing the model, the researcher must be disciplined to work only from words in the root definition. Every phase in RD will lead to a particular activity in the model. The model does not have to be exact, it should rather be a coherent representation of the problem situation and be tested against the real world.

Stage 5 Comparing Models and Realities

Here the researcher compares the models to what is perceived as reality. There are four ways in which this can be done :

Simply record the differences which stand out between the models and the current perceptions.

The second method is a more formal listing of differences which are observed. Here each model is used to define a series of specific activities for which answers are then sought in the real situation.

Thirdly, you can operate the activity system on paper, describing how things might happen, given the RD in question.

The fourth method consists of trying to build a model of a part of reality, similar to a model, thought to be relevant to it.

In conclusion, this stage provides the structure and substance of an organised debate about improving a situation, thought of as problematic.

Stage 6 Defining Changes

The purpose here is to make the debate a coherent one, by making reality more or less like the models. The debate must generate potential improvements worth trying.

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The changes which are deemed necessary, must be systemically desirable and culturally feasible in the particular human situation. The world view detailed in the CATWOE, is a guideline to see that the changes are in accordance with the perceived situation.

Stage 7 Taking Action

The changes identified are required to be implemented to complete the soft systems methodology cycle. These changes will however, change the situation which, unless defined up-front, could result in the cycle being repeated, due to the open-endedness of this methodology.

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<u>Model</u>	<u>Minto</u>	<u>Revans</u>	<u>Peirce</u>
Situation Concern Question Theory	Situation Concern Question Answer	Observe Theory	Observation Abductive Phase Experience Doubt Intuition Explanatory Hypothesis
Theoretical or Deductive Test	Reasoning	Test	<i>Verification</i> Deductive Phase
Practical Test Reflect/Compare Evaluation Accept/Reject/Modify	Evaluation	Compare Accept/Etc.	Inductive Phase Classification Probation Sentail

The model and Peirce's philosophy

System Thinking Methods			
<u>Model</u>	<u>Soft Systems Methodology</u>	<u>Critical Systems Heuristics</u>	<u>Application</u>
Situation Concern Question Theory	Stage 1-4 Stage 5	Unveil hidden meaning	Chapter 5 Chapter 5 Chapter 6 Chapter 7
Theoretical or Deductive Test	Stage 6	Critically evaluate expected results	Chapter 8
Practical Test Reflect/Compare Evaluation Accept/Reject Modify	Stage 7	Critically evaluate actual results	

The model in box diagram form showing Systems Methods and its Application