

Optimism in the face of complexity



Tim Seabrook
CAPITA

tim.seabrook@capita.co.uk

Realising outcomes in today's complex environment is increasingly difficult, but there is a new way forward – understanding and adapting to complexity itself – that engages and motivates a community to achieve lasting change.

We're all familiar with the increasing challenges of today's business environment: unpredictability, projects running late and/or over budget, and collaborative relationships under strain, or worse.

Accelerated by technology, change is faster, with more frequent and difficult decisions needing to be made as to how to best use scarce resources and maximise effectiveness. In response, we often see or hear things like: "It's all about people, behaviours and trust", "We need to embrace new technology", and "Innovation is what we need!"

Each of these has an important element of truth – people and technology *are* key to the challenges and their solutions; something different *is* desperately needed – but what I've learned through experience is that these truisms (singly or combined) aren't enough. We need to go far beyond them to reach practical, impactful implementations, and understanding complexity makes this possible.

A new approach is needed

Whilst often used interchangeably to describe something difficult, "complex" and "complicated" are very different. Looking at Figure 1, collaborative relationships, the environment within which they operate, the challenges they face and the outcomes they need to

achieve are all dominated by the "complex".

Yet our default response continues to be dominated by familiar, "complicated" approaches in an attempt to control – contracts, training programmes, restructuring, IT investments, behavioural development and more.

Whilst these may often be necessary and can deliver value, they require clarity, stability, predictability, time and resources that are in ever shorter supply.

Relationships and projects are therefore falling ever further behind (see Figure 2).

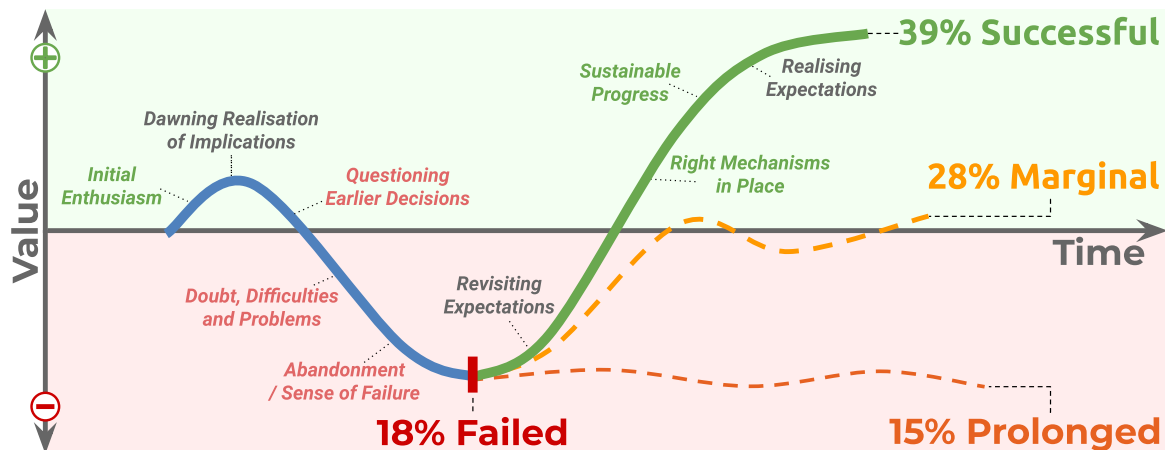
The need for a new approach has never been greater, and yet we persist with old ones that aren't delivering the outcomes we need. Why?

In part, it's because it's what we're used to – we like to feel

Figure 1: Differences between "complicated" and "complex"

	complicated	complex
features	stable context and clear boundaries	fluid context and fuzzy boundaries
	many similar, fixed elements	many diverse, changing elements
	linear connections	interdependent networks
	limited autonomy	high autonomy
attributes	knowable and objective	unknowns and subjective
	predictable and repeatable	unpredictable and often unique
	change is slow and bounded	change is rapid and exponential
	meaning is imposed from "above"	meaning is discovered "bottom up"
requires	planning and management	discernment and agility
	control and efficiency	engagement and resilience
	end-to-end implementations	testing hypotheses and iterative loops
	analysis and problem solving	changing the conditions
examples	business plans	delivering results
	processes and governance	behaviours and culture
	capability and training	competence and performance
	contracts	relationships

Figure 2: Typical relationship and project pathways



“in control” and these approaches are also deeply ingrained in organisational habit. It’s also because these approaches do still have a role to play – albeit a secondary one – and because relying exclusively on them sometimes appears to still work for a time (if enough money is thrown at them).

But perhaps most of all, we do this because there hasn’t yet been a viable alternative.

What I’ve learned while working with Capita as lead strategic business partner for a large military client on a highly “complex” £1.2bn outsourcing contract, is that there *is* now an alternative.

A new approach in action

From the outset, this contract covered a broad range of deliverables – commodities through to specialised services – and spread across all of the UK. It also involved many diverse stakeholders, an elaborate extended supply chain, and very different customer communities.

Within a year of going into service, “complexity” was even more apparent, with persistent struggles meeting KPIs, the client and their contractor holding opposing perceptions of the situation (and each other), and the relationship deteriorating rapidly.

“Complicated” contract-driven priorities and processes were out of step with the “complex” fluid front-line situation, and they encouraged and reinforced counterproductive behaviours. The workforce was increasingly jaded and also disillusioned with leadership.

Knowing that training and the like would only have a real impact when the conditions that drove behaviours changed, it was imperative to engage stakeholders in a “complex”-appropriate way (see Figure 1) that would:

- show that they were being listened to
- encourage them to share their insights
- establish what mattered most to them
- identify and evidence issues
- realign leadership and the front line around shared priorities – “golden threads”
- help transform performance and outcomes.

The challenge was how to do this in breadth, in depth and at speed: surveys can go out widely, but are too “shallow”; workshops are “deep” but aren’t quick or scalable.

The solution was to begin deploying the Value Coding approach and ARC Diagnostic toolset from New Information Paradigms (NIP).

Value Coding is the process by which high level “things that matter” are made measurable – factoring out the specific, discrete and objective areas that affect outcomes, and developing progressive scoring statements to articulate and agree on “what good looks like” for each. These Value Codes are then used to engage any number of participants via secure, online diagnostic assessments, and their scores and comments are gathered and used to instantly generate anonymised reports (see Figure 3 overleaf).

These reports provide insights by organisation and role, reveal areas of high and low performance, highlight perception gaps, and help with analysing comments and pinpointing improvement activity ahead of the next iteration.

The **first** iteration deliberately featured only six broad Value Codes, to prioritise **engagement** and encourage the surfacing of issues. Over 60 per cent of people responded (220) – far more than with typical surveys – and their scores and approximately 1,000 comments enabled front-line issues and priorities to be established and evidenced, and other improvement activities to gain more focus. This also helped secure further senior management buy-in to the new approach.

Figure 3: Sample performance diagnostic report dashboard



The **second** iteration consciously demonstrated to respondents that they were being listened to. The diagnostic was expanded to 20 specific Value Codes, driven by the issues that had been previously surfaced, and a far wider net was

further establishing “golden threads” across the enterprise. Moreover, the contractor took the lead on analysing the feedback, capturing best practice and driving **change**.

Impact and lessons learned

Each iteration represented a huge stride forward in progress and sophistication, and, from a precarious position, the relationship was placed on a much surer footing. Using this new, holistic “bottom-up” approach – beginning with engagement, then fostering motivation and starting to drive change – enabled behavioural challenges to start being addressed at their roots, building trust within and between the parties.

This trust was reinforced and demonstrated by increasingly handing over “control” to motivated individuals to shape the diagnostics and analyse their output – not something that comes naturally to traditional leaders, who are more used to dictating outcomes than guiding them.

On this note, we learned how the new approach relies heavily on a leadership team with vision and a commitment to relentlessly pursuing it – particularly where temptation

was to fall back into relying only on more familiar, non-scalable forms of engagement (workshops, etc), or to use the diagnostics just to gather management data or occasionally “take the temperature”. Any of these would have dissipated hard-won momentum and trust.

Another lesson is that the focus must remain on *human* intelligence: whilst this new approach is made *possible* by technology (benefiting from the scalability, engagement and rapid iterations it allows), technology should never be an end in and of itself – a particular “trap” with inflated claims made about the promise of artificial intelligence and big data.

So, yes, in some ways, it *is* all about people, technology *is* crucial and this approach *is* innovative... but not always in the ways you might have thought. Understanding complexity enables you to appropriately and effectively bring all these elements together to identify what matters, discern what to do about it and take ownership and responsibility.

Desired behaviours and trust then naturally emerge and develop, and that truly *is* a cause for optimism in the face of complexity. ■

“Using this new, holistic ‘bottom-up’ approach enabled behavioural challenges to start being addressed at their roots”

cast. A majority of the more than 650 responses and approximately 3,300 comments from participants were now focused on how to improve – demonstrating increased **motivation** – and the reports also clearly evidenced improved performance.

The **third** iteration was perhaps the most significant yet – the contractor took the lead on customising the Value Codes, and each of these was linked to leadership’s strategic priorities,